

Basics of International Relations

(I.R. handout-1 by Mr. Iqbal Singh Sandhu)

International relations/politics emerged as a subject to **study relations among states** in order to find ways to establish **inter state peace** and protect the world from catastrophic wars and conflicts.

Furthermore, International politics and domestic politics are two very different fields of study with distinct distinguishing features.

International Politics	Domestic Politics
Most important feature of international politics is Anarchy, with an absence of any overarching authority regulating the behavior of nation states towards each other.	Domestic politics operates in a hierarchical structure.
Nation states, unlike individuals in domestic society, exist in a self-help environment where the quest for survival requires them to seek security through the growth of military power. Therefore, International politics is often described as struggle for power.	Individuals in domestic society accept authority of the State. State ensures order, stability, security and welfare of the individuals and society.

Two key concepts of IR: Balance of Power and Collective Security

Balance of Power

Balance of power is a concept that refers to a condition in which no one state predominates over others, tending to create general equilibrium and curb the hegemonic ambitions of all states. **BOP is suggested as a strategy for protection of national interest, sovereignty, territorial integrity as well as regional peace.** BOP has been one of the most widely used concepts in international politics.

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Balance of Power can be achieved by using **internal or external balancing**. Balance of Power promotes arms race and formation of alliances. Formation of alliances and counter alliances can lead to conflicts and then finally wars like World War one and World War two.

Arms Race: An arms race is a concerted build up that occurs as two or more states acquire weapons or increase their military capability in response to each other.

Collective Security

The idea or practice of common defence, in which a number of states pledge themselves to defend each other, based on the principle of "**all for one and one for all**". To ensure successful collective security, there must be an international body that has the moral authority and political capacity to take effective action e.g. **League of Nations and United Nations**.

Evolution of International politics:

Nature and focus of international politics has changed significantly over time. Evolution of International politics can be divided into distinct phases, however, most important phases from the perspective of contemporary IR is Cold War period and Post-Cold War era. Both phases are described below:

Phase of Cold War: 1945 - 1991

After the end of Second World War, two Super Powers emerged in world politics: **capitalist USA and communist USSR**. Super powers meant extraordinary powers. Other states combined also cannot challenge a super power. Other states were reduced to satellites (compromising their sovereignty) of superpower blocs. It led to a **bipolar world order**.

Cold War describes a situation where there is no war, yet no peace. The term was used to describe the tension and conflict in the bilateral relationship of the US and the USSR in post-world war II period. It denoted high state of rivalry and it is believed that if certain conditions had been absent, it would have resulted into another World War. Cold war had an impact all over the world. The worst affected regions have been third world countries. They became ground for proxy wars between two super powers.

Cold war rivalry had two dimensions: military and ideological. Militarily both superpowers formed rival military alliances known as **NATO and Warsaw pact**. Ideologically, Cold War has been described as a war between two ways of life (**Communism VS Capitalism**).

Thus, end of cold war and collapse of Soviet Union marked triumph of capitalism over communism and is described as the victory of the liberal way of life over the communist way of life.

Nuclear deterrence is given the credit for the peace during the cold war. Presence of nuclear weapons (nuclear deterrence) ensured that cold war does not turn into a hot war.

Nuclear Deterrence: Deterrence aims to prevent an enemy from attacking. It has been the principal strategy during the nuclear age. The term deterrence comes from latin word „Deterre“ which means „to frighten“ the potential adversary from attacking.

Deterrence is a psychological concept. Its goal is to convince the adversary that the costs of attacking will exceed the benefits. It is an old concept, traditionally used for conventional weapons. However, now it is more associated with nuclear weapons (MAD doctrine). Its significance grew during the Cold War when nuclear weapons threatened the survival of the principal adversaries (USA and USSR).

Post – Cold War era: 1991 onwards

Disintegration of Soviet Union in December, 1991 marked the end of Cold War. Bipolar world got converted into a **unipolar world**. USA emerged as the only superpower of the world. This phase is dominated by application of **liberal and capitalist principles**. This phase denotes growth of **free trade, liberalization and globalization**. There has been a tremendous increase in the number of **non-state actors**, which are increasingly affecting world politics (MNCs, NGOs and transnational terrorist networks)

However, since the global financial crisis of 2008, world is witnessing a decline of liberal world order. Today the idea of globalization and free trade is threatened by increasing protectionism. Moreover, the **hegemony of western countries like USA is being challenged by emerging economies like China**. In fact, BRICS economies is said to reflect “**decline of the west and rise of the rest**”. Thus, **world is transforming from unipolarity towards multipolarity**.

China has emerged as a second largest economy and a direct challenger to American hegemony. USA describes China as a revisionist state. Moreover, geopolitical tussle in Europe between Russia and NATO has led to destabilizing Ukrainian crisis. Furthermore,

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Russia and China have been developing unprecedented closeness since Russia's attack of Ukraine.

In the light of contemporary worsening rivalry between USA and China/Russia, experts have started arguing about the emergence of a **New Cold War**.

Military Alliance

An alliance is a written formal agreement based upon certain common values (religious, economic or political) where one country proposes security protection to the other and gets privileged access to the markets e.g. NATO, AUKUS and Warsaw pact. Military alliances are based on the concept of collective defence.

Concept of collective defense is different from the concept of collective security. Collective security is universal and neutral whereas **collective defense is meant only for its members and the enemy is predetermined**. E.g. NATO was formed against communist bloc of countries and Warsaw pact which was formed against NATO.

India has always supported collective security and has always opposed joining defense pacts like NATO and Warsaw (chose to stay nonaligned).

Strategic Partnership Agreement (SPA)

These are written formal agreements based upon common values where the two countries may cooperate with each other in **multidimensional diplomacy except military security dimension**. However, commercial defense sales are part of SPA. SPA is reflective of a bilateral relationship more important than others, but stops short of an actual alliance. A strategic partnership is a long-term interaction between two countries based on political, economic, social and historical factors. Such a partnership manifests itself in a variety of relationships.

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Evolution of India's foreign policy

How has Indian foreign policy evolved since Independence?

According to **Dr. Subrahmanyam Jaishankar**, evolution of Indian Foreign Policy can be divided into six broad phases, each a response to a different strategic environment:

- The first phase from 1946-62 could be characterized as **an era of optimistic non-alignment**. Its setting was very much of a bipolar world, with camps led by the United States and the USSR. India's objectives were to resist the constraining of its choices and dilution of its sovereignty as it rebuilt its economy and consolidated its integrity. The 1962 conflict with China not only brought this period to an end, but in a manner that significantly damaged India's standing.
- The second phase from 1962-71 is a **decade of realism and recovery**. India made pragmatic choices on security and political challenges despite paucity of resources. It looked beyond non-alignment in the interest of national security.
- The third phase, from 1971 to 1991, was **one of greater Indian regional assertion**. It started with the decisive dismantlement of India-Pakistan equivalence through creation of Bangladesh, but ended with the IPKF misadventure in Sri Lanka. The larger environment by now was dramatically different, The Indo-Soviet Treaty and the adoption of more pro-Soviet positions on international issues were India's response to this challenge.
- The dissolution of the USSR and the emergence of a "unipolar" world characterized the fourth phase. It encouraged a radical rethink in India on a broad range of issues. And it shifted focus to **safeguarding strategic autonomy**. If India opened up economically more to the world, its reflection was also evident in new diplomatic priorities and approaches. The **Look East policy** summarized the changed Indian approach to world affairs, which also saw adjustments in its position on Israel. This is a period where **India reached out to engage the US more intensively**.

This quest for strategic autonomy was particularly focused on securing its **nuclear weapon option**, but also visible in trade negotiations. By the turn of the century, enough had happened for India to now shift gear again and move to a higher level. After 1998, it was now a declared **nuclear weapon power**, had fended off Pakistan's

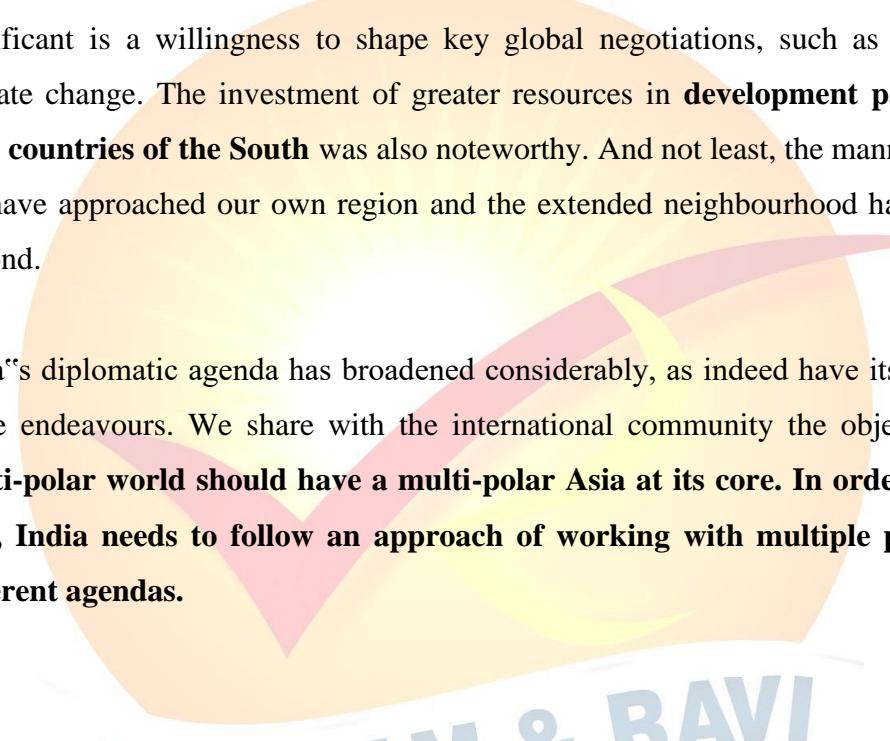
military adventurism again in **Kargil in 1999**, generated enough economic growth to be of global interest, and managed well a United States that was focusing more on developments in Asia and the consequences of Islamic fundamentalism.

⊕ The fifth phase is one where **India gradually acquired the attributes of a balancing power.** It is reflected in the **India-US nuclear deal** as well as a better understanding with the West at large. At the same time, India could also make common cause with **China** on climate change and trade, and consolidate further ties with **Russia** while helping to fashion **BRICS** into a major forum.

⊕ Sixth phase (2014 onwards): **India chose to turn to more energetic diplomacy.**

India has showcased its ability to **shoulder greater responsibilities**. Equally significant is a willingness to shape key global negotiations, such as in Paris on climate change. The investment of greater resources in **development partnerships with countries of the South** was also noteworthy. And not least, the manner in which we have approached our own region and the extended neighbourhood has resonated beyond.

India's diplomatic agenda has broadened considerably, as indeed have its partners in those endeavours. We share with the international community the objective that a **multi-polar world should have a multi-polar Asia at its core. In order to ensure that, India needs to follow an approach of working with multiple partners on different agendas.**



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Concept of Soft Power

American scholar Joseph S. Nye has given the concept of soft power. Nye describes soft power as attractive power.

- Soft power is the ability to achieve desired outcome through persuasion or attraction rather than coercion. Soft power co-opts people rather than coerce them.
- Soft Power builds attraction and encompasses nearly everything other than economic and military power.

The soft power of a country rests primarily on three resources:

- Its culture (in place where it is attractive to others),
- Its political values (when it lives up to them at home and abroad)
- Its foreign policies (when they are seen as legitimate and having moral authority).

Soft power resources are the assets that produce attraction. Therefore, Soft Power helps building an overall image of a state; the degree of the attractiveness of the image reflects its Soft Power potential. As evident from the resources mentioned above Soft Power help, build a „brand“ of a country in the following ways:

- Its culture is respected and hailed by the external world.
- Its political values are considered as ideal types and others tries to uphold them in their respective systems.
- Its foreign policy commands legitimacy and support of the external world. This facilitates the successful exercise of foreign policies.

Public diplomacy is an instrument that governments use to mobilize these resources to communicate with and attract the publics of other countries, rather than merely their governments. It is widely believed that Public Diplomacy is the development, maintenance and promotion of a country's soft power

Differences between hard and soft power

<u>Hard power</u>	<u>Soft power</u>
It is tangible and materialistic i.e. threats of coercion (“sticks”), inducements and payments (“carrots”).	It is ideational (attractive power)
It is compelling	It is voluntary in nature
It requires less time to develop and its results are immediate.	It takes more time to build and it does not lead to immediate results.
It is possessed by the state.	Soft power is dispersed and not concentrated in one institution. It is difficult for the state to use it directly as per their requirement.

Critics criticise soft power for its limitations. They argue that soft power is not dependable and cannot help achieve national interests. Therefore, they suggest that hard power should never be ignored by countries.

India's Soft Power policy

India’s soft power is underpinned by its **civilizational heritage and cultural prowess**. India’s diverse yet coherent cultural fabric spreads across the length and breadth of the country. Furthermore, the rise of India’s global stature in recent decades at various multilateral forums, the increasing popularity of Yoga and Ayurveda, and the world community embracing Namaste as a greeting during the ongoing pandemic are some of the most evident examples of Indian soft power.

India is blessed with following soft power resources:

- India's religious diversity is its biggest strength: India is fortunate to have all the major religions of the world. Four are homegrown: Hinduism, Buddhism, Jainism and Sikhism. Four came from outside: Zoroastrianism, Judaism, Christianity and Islam. Buddhism is at the heart of its diplomacy here.
- India’s relations with South East Asia and SCO countries are being built up by emphasizing India’s historical links with Buddhism.
- Yoga and Ayurveda

- Gandhian ideals
- Cricket and its popularity in the subcontinent acts as an important binding force. → Vibrant and liberal Democracy
- Indian Diaspora namely NRIs and PIOs play a vital role in projecting its Soft Power. They are spread across all continents and have become prosperous, famous and influential over the last two decades. They not only help in disseminating our culture but also have, on occasions, contributed to promoting our Foreign Policy goals. The Indian Diaspora is becoming a real asset as more and more of them achieve success in their respective fields in different countries.
- Attraction of Bollywood: The Indian cinema has long drawn huge audiences in significant parts of Asia, Africa, and beyond.
- Indian cuisine (Indian style of cooking and spices): Indian Cuisine is a major attraction for foreigners.
- India's foreign assistance to other developing countries and India's role in humanitarian and disaster relief operations.
- The attraction of India as a higher education hub for developing countries in Asia and Africa.

Over the years India has taken several initiatives to project its Soft Power, prominent initiatives are listed below:

- Setting up a public diplomacy division within the Ministry of External Affairs in 2006
- Ministry of Tourism launched "Incredible India" campaign to showcase its social, political, and cultural assets abroad.
- Supporting larger foreign policy initiatives such as the Look East Policy (now Act East), the Connect Central Asia policy, and developing strategic aid and trade partnerships in Africa.
- Ministry of External Affairs (MEA) also decided to develop a "soft power matrix" to measure the effectiveness of India's soft power outreach.
- MEA has also recommended increased budgetary allocations to the Indian Council for Cultural Relations (ICCR), the nodal government agency responsible for India's soft power projection.
- Nalanda University project is a major soft power initiative of the Indian government that envisages the revival of a renowned center of Buddhist learning.

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- Shri M. Venkaiah Naidu, Vice President of India in 2020, launched the first ever SCO **Online Exhibition on Shared Buddhist Heritage**, during the 19th Meeting of the SCO Council of Heads of Government (SCO CHG), held in New Delhi, in videoconference format. SCO Online Exhibition on Shared Buddhist Heritage has been developed and curated by National Museum, New Delhi, in active collaboration with SCO member countries.
- In 2015, newly elected Indian Prime Minister Narendra Modi pulled off a major feat: He successfully persuaded the United Nations to declare June 21 as **International Yoga Day**. To mark the occasion in 2016, U.N. Secretary-General Ban Ki-moon highlighted the physical and other benefits of practicing yoga. His endorsement was widely seen as a new high for Indian soft power.
- **Project Mausam:** It is a Ministry of Culture project to be implemented by Indira Gandhi National Centre for the Arts (IGNCA), New Delhi as the nodal coordinating agency with support of Archeological Survey of India and National Museum as associate bodies. The endeavor of Project „Mausam“ is to re-connect and re-establish communications between countries of the Indian Ocean world, which would lead to an enhanced understanding of cultural values and concerns.
- **Vaccine Maitri** has acted as a shot in the arm for India's soft power.
- **Inauguration of the Kushinagar Airport:** It will facilitate the pilgrims from across different parts of the world by providing seamless connectivity to various Buddhist sites in the region. It will help in developing Kushinagar as one of the principal places of Buddhist Pilgrimage. The inaugural flight at the airport from Colombo, Sri Lanka carried 125 dignitaries & Buddhist Monks.

Over reliance on Soft Power can be counterproductive: Hard Power is equally important

Many experts have argued that India should not over depend on Soft Power. Developing Soft Power at the cost of ignoring Hard Power resources is not advisable. Soft Power suffers from many limitations like it is not tangible, its impact cannot be assessed, and it is voluntary in nature and is not under the strict possession of state. Thus, Joseph Nye suggests states to acquire **smart power**.

India – U.S.A

India-US relationship oscillated unevenly due to the politics of the Cold War. During the Cold war, India – US were considered as **estranged democracies**. US considered India as **team B of USSR and criticized India's Non alignment policy**. During this era US also strengthened relations with India's hostile neighbour Pakistan.

However, in post-Cold War times, both countries have taken gradual, positive steps towards each other. It is noteworthy that today India and US have become **strategic and defense partners**. US has surpassed China to become **India's largest trading partner**. Significantly, President Trump in his **National Security Strategy**, described India as a "leading global power" and stressed on deepening US' strategic partnership with New Delhi and support its leadership role in maintaining security in the Indo-Pacific region.

Donald Trump had also supported India on the issue of Pakistan sponsoring terror. Trump, described Pakistan as a "safe heaven for agents of chaos", America has been helping India's cause by pressurizing Pakistan to take effective steps against terrorism. All American aid to Pakistan has been already suspended. Thus, it is argued that America has **De-hyphenated U.S. policies towards India and Pakistan**.

Therefore, it is important to understand how and why these qualitative changes unfolded in the Indo-US bilateral relations. Following is a chronological list of how India-US relations evolved in post-Cold War times:

Evolution of ties:

1991: The government of Prime Minister P.V. Narasimha Rao launches sweeping economic reforms that help expand economic ties with the United States. Economic reforms open doors for foreign capital investment. This created a lot of synergy between Indian and US economy. In fact, it is often argued that **big breakthrough in India-US relations were achieved by private sector**.

1998: **Pokhran**, India tested nuclear weapons and US imposed sanctions.

1999: **Kargil** war was fought between India and Pakistan. US refused to support Pakistan and blamed Pakistan for hostilities. In fact President Bill Clinton played a major role in pressurizing Pakistan to withdraw forces.

2000: President Bill Clinton makes the first U.S. presidential trip to India since 1978. The visit ends the estrangement of the post-1998 Indian nuclear weapons tests.

2001: 9/11 terror attacks in US. India extended full support to US in their fight against terror. On 22nd September, 2001 President George W. Bush's administration lifts all remaining U.S. sanctions that were imposed on India after its 1998 nuclear test.

December 2001: Indian parliament attacked by terrorist. USA supported India and pressurized Pakistan to take effective steps against terrorism. USA also stood strongly with India during 26/11 terror attacks in Mumbai. **Thus India and USA started cooperating on the common plank of fighting terrorism.**

2005: India and the United States ink the **Civil Nuclear Cooperation Initiative**, a framework that lifts a three-decade U.S. moratorium on nuclear energy trade with India. Under the agreement, **India agrees to separate its civil and military nuclear facilities and place all its civil resources under International Atomic Energy Agency (IAEA) safeguards.** In exchange, the United States agrees to work toward full civil nuclear cooperation with India. Congress gives final approval in October 2008. This landmark agreement saw an **implicit recognition – for the first time – of India as a nuclear weapons power.** Even though India did not officially join the **Non-Proliferation Treaty (NPT)**, through this agreement it was afforded the same benefits and advantages as other leading nuclear powers, like the United States.

2008: **The Nuclear Suppliers Group (NSG)**, an intergovernmental body that sets guidelines for nuclear exports, allows an exemption to its rules that permits India to engage in nuclear trade for the first time in three decades. The waiver is approved following intense diplomatic efforts by the Bush administration, dating back to 2005 when Washington and New Delhi signed the Civil Nuclear Cooperation Initiative.

2010: The United States and India formally convene the first **U.S.-India Strategic Dialogue**. **President Obama** visits India, where he addresses Parliament and backs the country's long-held bid for a **permanent seat on the United Nations Security Council.**

2015: both countries signed document to renew 10 year India – US defense framework agreement. This laid down the **blue print for collaboration between defense establishments.**

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2016: During Prime Minister Modi and President Obama's final meeting in the White House, the United States elevates India to a **major defense partner**, a status no other country holds. U.S.A commits to facilitate technology sharing with India to a level commensurate with that of its closest allies and partners, and industry collaboration for **defence co-production and co-development**.

2017: during PM Modi's fourth visit to US, it was announced that India – US bilateral relations have developed into a “**global strategic partnership**” based on shared democratic values and increasing convergence of interests on bilateral, regional and global issues. **Thus estranged democracies emerged out of the hesitations of the past.**

2018: America made changes in its export control laws that will benefit India by facilitating **smoother transfer of technologies and arms**. It is noteworthy that United States, the world's largest arms exporter, elevated India, the world's largest arms importer, to **Strategic Trade Authorization-1 (STA-1) status**, putting it in the same tier as the United States' NATO allies. This will allow country to buy highly advanced and cutting-edge sensitive technologies from America. STA -1 status will also strengthen DTTI.

DTTI

In 2012, the United States and India launched the Defence Technology and Trade Initiative (DTTI) for **co-production and co-development of military equipment** — in order to move away from the traditional “buyer-seller” dynamic

2018: During a **“two-plus-two” dialogue** in New Delhi, U.S. Secretary of State Mike Pompeo and Secretary of Defense Jim Mattis signed **COMCASA** with Indian Minister of External Affairs Sushma Swaraj and Defense Minister Nirmala Sitharaman.

2019: The Trump administration **terminates India's preferential trade status**, part of a program dating back to the 1970s that allows products from developing countries to enter the U.S. market duty free (**generalized system of preferences**). Trump says India has not provided **“equitable and reasonable access”** to its own market. Weeks later, India slaps tariffs on **twenty-eight U.S. products** in response to U.S. duties on steel and aluminum imposed in 2018.

2020: President Donald Trump visited India. Following were the outcomes of the visit

- **Joint rally with Prime Minister Narendra Modi:** public address at Ahmedabad's Sardar Patel Stadium reflected an unprecedented relationship between the leaders of India and the United States, with each expressing admiration of the work they had done in their own countries. Mr. Trump referred to Mr. Modi as a “**true friend**”, and a “**tremendously successful leader**”, who he credited with India’s progress.
- Relations were upgraded to ‘**Comprehensive Global Strategic Partnership**’, anchored in mutual trust, shared interests, goodwill and robust engagement of their citizens.
- An agreement signed for defence purchases worth \$3-billion, including American helicopters (**Apache helicopters**), this led to both sides signalling more cooperation in defence, military exercises and technology sharing.
- **Strategic Convergence in the Indo-Pacific:** The United States appreciated India’s role as a **net provider of security**, as well as developmental and humanitarian assistance in the Indian Ocean Region.
- **Partnership for Global Leadership:** President Trump reaffirmed the support of the United States for India’s permanent membership on a reformed **U.N. Security Council**. He also reaffirmed U.S. support for India’s entry to the **Nuclear Suppliers Group** without any delay. Both leaders expressed interest in the concept of the **Blue Dot Network**.
- Moreover, Americans strongly came in support of India on the issue of **Galwan faceoff** with China.
- BECA signed during 2 +2 dialogue

Foundational agreements between India and US

The four agreements — General Security Of Military Information Agreement (GSOMIA), Logistics Support Agreement (LSA), Communications Interoperability and Security Memorandum of Agreement (CISMOA) and Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation (BECA) are referred to as the foundational agreements which the U.S. signs with countries with which it has **close military ties**. Foundational agreements are meant to build basic groundwork and promote interoperability between militaries by creating common standards and systems. They also guide sale and transfer of high-end technologies.

- **General Security of Military Information Agreement (GSOMIA):** It was signed in 2002 between India and USA. GSOMIA paved the way for greater technology cooperation in the military sector. It allows the **sharing of classified information** from the U.S. government and American companies with the Government of India and Defense Public Sector Undertakings (DPSU) but not with Indian private companies.
- In 2016 both countries sign **Logistics Exchange Memorandum of Agreement (LEMOA)**. It is a facilitating agreement that establishes basic terms, conditions and procedures for reciprocal provision of **logistic support, supplies and services** between the armed forces of USA and India.
- In 2018, COMCASA was signed; it is an Indian version of CISMOA. The **Communications Compatibility and Security Agreement (COMCASA)** gives India access to advanced communication technology used in U.S. defense equipment and allows real-time information sharing between the two countries' militaries. The agreement had been under negotiation for nearly a decade.
- **Basic Exchange and Cooperation Agreement (BECA):** BECA is last of the four foundational agreements, which was signed during 2 + 2 dialogue in 2020. It would facilitate **exchange of geospatial information and satellite data with each other**. It would set a framework through which the US could share sensitive data to aid targeting and navigation with India. It will allow India to use the US's advanced geospatial intelligence and **enhance the accuracy of automated systems and weapons like missiles and armed drones**.

Foundational agreements would further deepen defence cooperation and definitely placed India in a strategically advantageous position. However, India's policy maker must ensure that these agreements would not affect **India's strategic autonomy**. These agreements would benefit India and are significant because of following reasons:

- Facilitate Better Defense Ties
- Strengthen India's conventional offensive and defensive capacity.
- To counter China: Close defence and military cooperation between India and US as well as with other likeminded nations in the future helps to counter Chinese aggression in the region.

- Strategic Convergence in the Indo-Pacific: A close partnership between the United States and India is central to a **free, open, inclusive, peaceful, and prosperous Indo-Pacific region.**

In order to further strengthen defence cooperation, both nations have also been conducting various joint exercises - **Tiger Triumph** (tri – services exercise), **Malabar** (quad countries), **Yudh Abhyas** (Army), **Vajra Prahar** (Special Forces), **RIMPAC**, **Red Flag**.

India – USA bilateral developments in 2021: PM Modi's visit to US

Recently, Prime Minister Narendra Modi visited United States of America, on 24 September 2021. This was the first in-person meeting of the two Leaders after President Biden assumed office in January 2021. The visit was seen as an opportunity to review the India-US Comprehensive Global Strategic Partnership and potential for strengthening bilateral cooperation further. Following are the outcomes of the visit:

- **COVID – 19:** Both leaders discussed the COVID-19 situation and ongoing India-US collaboration to contain the pandemic. In this context President Biden appreciated India's ongoing vaccination efforts, and India's global outreach to provide Covid assistance.
- **Enhancing bilateral trade:** Trade Policy Forum would be convened to identify measures which would boost commercial linkages.
- **Climate Change:** Under the **India-US Climate and Clean Energy Agenda 2030** Partnership, they agreed to accelerate clean energy development and deployment of critical technologies.
- **Diaspora:** Acknowledging the large Indian Diaspora in USA, Prime Minister Modi highlighted the importance of **people-to-people ties** between the two nations and the mutual benefits of facilitating mobility and expanding higher education linkages. India raised several **issues involving the Indian community in the US**, including access for Indian professionals there and **H-1B visas**.
- **Afghanistan and issue of terrorism:** Both reiterated their shared commitment to work together to counter global terrorism; and condemned cross-border terrorism. **They called on the Taliban to adhere to their commitments (as per UNSC resolution 2593)**, respect the human rights of all Afghans, and allow unhindered humanitarian assistance to Afghanistan. Given their long-term commitment to the

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Afghan people, both leaders agreed that India and USA would continue to closely coordinate with each other and their partners towards an inclusive and peaceful future for all Afghans.

- **Indo- pacific:** reaffirmed their shared vision for a **free, open and inclusive Indo-Pacific region.**

Prime Minister Modi said that India and USA were entering a decade of transformation. He highlighted **5 T's – Technology, Talent, Trade, Trusteeship, and Tradition** that would guide the transformation of India-US relations:

Tradition: Modi stated that the seeds of Indo-US collaboration had been sowed. Modi predicted that the importance of both countries' traditions, as well as the **democratic values** to which they are dedicated, will only grow.

Talent: Modi praised 4 million-strong Indian-American talent and its contribution to the US economy, predicting that such people-to-people exchanges will continue to rise.

Technology: In today's world, technology will be the driving force — technology for the benefit of humanity. Trade would play a significant role in this scenario. According to Modi, commerce between the United States and India is complementary, with one country possessing items that the other requires.

Trade: In the ongoing decade, India and the US can also strengthen their trade relationship. Trade will remain a key area of cooperation between both countries.

Trusteeship: Gandhi Jayanti was mentioned by President Joe Biden. Gandhi gave the concept of Trusteeship, a concept that will be critical for our world in the future.

Recently, US hosted “Summit for Democracy” to renew democracy at home and confront autocracies abroad. PM Modi participated in the summit as the leader of the largest democracy of the world. Following are key outcomes:

- The Summit was centered on three principal themes: defending against authoritarianism, addressing and fighting corruption, and advancing respect for human rights.
- Biden announced the establishment of the **Presidential Initiative for Democratic Renewal**, under which the administration plans to provide \$424.4 million for

supporting free and independent media, fighting corruption, strengthening democratic reforms, advancing technology for democracy, and defending free and fair elections.

- PM Modi in his speech raised the issue that democracies should jointly deal with **social media and crypto currencies**, so that they are used to empower democracy, not to undermine it.
- India also highlighted that there is a need to constantly improve the democratic practices and systems and to continuously **enhance inclusion, transparency, human dignity, responsive grievance redressal and decentralisation of power**.

Fourth '2+2' dialogue:

Recently, 2+2 talks between India and the United States took place in Washington DC, US. India's External Affairs and Defence Ministers meet with their American counterparts. Following are the major highlights:

- **Space Situational Awareness Arrangement:** India and the US have signed a bilateral space situational awareness arrangement. This lays the groundwork for more advanced cooperation in space.
- **Inaugural Defense Artificial Intelligence Dialogue:** They also agreed to launch an inaugural Defense Artificial Intelligence Dialogue, while expanding joint cyber training and exercises.
- **Military Supply Chain Cooperation:** The US asserted that it supports India as a defence industry leader in the Indo-Pacific and a net provider of security in the region. In this context, new supply chain cooperation measures were launched that will let both countries more swiftly support each other's priority defence requirements.

Challenges

Trade tensions: Donald Trump had described India as the tariff king of the world.

How best can we describe the Indo-US trade ties today?

Trade between the United States and India has grown steadily ever since India's economy began to take off in the mid-1990s and its information technology sector shot to prominence in the early 2000s.

US has surpassed China to become **India's top trading partner** in 2021-22, reflecting strengthening economic ties between the two countries. Bilateral trade between India and US has reached 119.42 billion dollars. India's exports to the US in 2021-22 were valued at \$76.11 billion and imports at \$43.31 billion, resulting in a **trade deficit of about \$32.8 billion for the US.**

But as trade between Washington and New Delhi has increased, so too have tensions. U.S. and Indian officials have disagreed for years on tariffs and foreign investment limitations, but also on other complicated issues, particularly within agricultural trade. Both countries disagree on various issues involved in WTO negotiations.

Trade tensions during Trump administrations:

Trump administration was very critical of the issue of trade deficit with India. Trump regime put in place many trade restrictive measures. It unilaterally imposed penal **import duties on steel and aluminium from India** and some other nations under the garb of protecting national security interests.

Trump also withdrew GSP benefits (exports at zero duties) from Indian exporters, of certain items, and kept putting pressure on the country to import more from the US to bridge the trade deficit. The former US President also tried to get into a Free Trade Agreement with India, but was inflexible on his key demands in areas such as market access for medical equipment and dairy and farm products.

What is the Biden government's view on the issues flowing from the Trump administration?

On the face of it, the Biden government seems to be more tolerant than the previous regime towards the trade surplus that India has with the US. However, it has not yet taken any step to undo the harsh measures implemented by Trump, be it the imposition of import duties on steel or withdrawal of GSP benefits. **On the positive side, Biden is lowering some of the work visa restrictions imposed by Trump, which will definitely benefit Indians.**

What is the potential of this relationship?

There exists a considerable potential for growth in trade and investment ties, especially following the **trade war between China and the US** that began during Trump's tenure. The Covid pandemic has also driven home the importance of **diversifying supply chains (beyond China).**

In the area of investments, India has lowered FDI barriers in almost all sectors, most recently in defence, and there is scope for collaboration.

What needs to be done by both sides to tap this potential?

India and the US should focus on lowering of non-tariff barriers (NTBs) that businesses in both countries face. **The US government could consider re-instating GSP benefits for Indian exporters** as the withdrawal has only helped other GSP beneficiaries and a restoration could actually benefit the American industry using the items as cheap inputs.

For increasing flow of investments and collaborations, the two sides could try to understand, through discussions at the **Trade Policy Forum**, how investment rules could be made more attractive.

How realistic is India-US FTA?

The Biden government realized that India is not in a position to give major market access in areas such as agriculture and dairy. Nor can it easily commit to TRIPS plus provisions, open up data transfer or liberalise e-commerce rules further. So, at least for the time being, the **US is not showing much inclination for an FTA with India**.

India's reservations with CAATSA

India has explicitly denounced country-specific U.S. sanctions and rejected U.S. demands that it should not buy the **Russian S-400 long-range missile system**. It must be noted that some of the differences between India and the US are not direct consequences of India-US relationship but due to US' hostility towards third countries like Iran and Russia – the traditional allies of India. US' sanctions on Russia through CAATSA – Countering America's Adversaries through Sanctions Act – are threatening India's strategic interests. **India is not willing to compromise strategic autonomy of India's foreign policy making.**

US' call for India to distance itself from Russia may have a far-reaching consequence to South Asia's status quo. This is because, **if India distances itself from Russia, it may lead to closer ties between Pakistan and Russia. Similarly, US sanctions on Iran and Venezuela are putting India's energy security at stake.**

US imposed sanctions on Turkey, a longstanding NATO ally, in December 2020 over its purchase of the S 400 missile system. However, in case of India, America is mulling over giving **India a presidential waiver**. Matter is still unresolved, only time will tell what action,

if any, the US is willing to take, especially as it has made the Indo-Pacific its main area of focus to counter China's rise.

Issues with four foundational Agreements

Russia Factor: US want India to move away from Russian equipment and platforms, as it feels this may expose its technology and information to Moscow.

More favorable to US: Critics express that agreements are intended to boost U.S. arms sales to India to the benefit of the U.S. economy and American workers. The agreements, particularly the LEMOA, primarily benefit the United States since Indian ships are less likely to refuel and resupply at U.S. ports.

India's policy of Strategic Autonomy: Critics express that the agreements imperil India's long-held foreign policy of strategic autonomy by paving the way for U.S. bases or ports in Indian territories, or unduly binding India to U.S. systems and procedures.

Sharing of critical data: Implementation of the COMCASA would involve data-sharing that could reveal the location of Indian military assets to Pakistan or other third parties.

Afghanistan

India is also concerned over the US' policy in Afghanistan as it is jeopardizing India's security and interest in the region. **Withdrawal of US forces from Afghanistan and return of Taliban rule have been very detrimental for India's interests in Afghanistan.** India never favored strengthening of Taliban in Afghanistan as Pakistan has considerable influence over Taliban. India had supported Afghan led and owned peace process; however, US signed a direct deal with Taliban bypassing democratic government.

However, now **India expects USA to help implement UNSC resolution 2593 to safeguard India's interests in Taliban ruled Afghanistan and check Pakistan's proxies.**

While the other members of the Quad have been united in standing up against Russia's invasion of Ukraine, especially with sanctions, **India has increased its purchases of Russian energy supplies after the invasion.**

India has refrained from criticizing Russia and has been demanding a solution based on peace and dialogue. India has abstained on a US sponsored UNSC resolution that deplores in the strongest terms Russia's aggression against Ukraine. Subsequently, India has also abstained from voting in all anti – Russia resolutions in UNGA, UNHRC, IAEA. According to Dr. S. Jaishankar "**If India has chosen a side — it is the side of peace and it is for an immediate end to violence".**

Therefore, India and USA have adopted differing positions on Ukraine crisis, which may impact India's interests in following ways:

- **Geopolitical conundrum:** India has to brace itself for some immediate challenges flowing from the Russian actions. It will have to balance the pressure from one strategic partner (USA) to condemn the violation of international law, with that from another (Russia) to understand its legitimate concerns. India managed these pressures during the 2014 crisis of Crimea annexation; it shall again manage it effectively.
- The Russia-Ukraine crisis comes precisely as India's purchase of the **Russian S-400 missile system** is underway and New Delhi has been hoping for a waiver of U.S. sanctions on this. Russia-Ukraine Conflict may complicate both the delivery of the system and the possibility of a presidential waiver.

Way forward

Even though, India and USA have differences on variety of issues, however, the relationship is very valuable for both nations because of their common interests. Following are long time convergences for both democracies:

- US see India's potential to be an important contributor to Asian security and prosperity.
- India's China challenge, regional and global aspirations, and a growing acceptance of reliance on U.S. cooperation in these spheres ensure the two countries will continue to find convergence in the long term.

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Therefore both countries should try to turn challenges into opportunities and manage differences by understanding each other's concerns. Recently both sides have shown willingness to understand each other's positions on Ukraine. Despite differences, they have conducted **successful 2+2 talks and 2nd QUAD summit in Tokyo.**

There is also a need for deeper appreciation of Indian values that emanate from India's own unique history and politics. US should realize that India is not willing to be a **“bandwagoning state”** and will not compromise on the principle of **“Strategic Autonomy”**.



Japan is one of the most industrialized countries in the world, thus a very significant partner for India. India and Japan are strategic partners. However, it is only in the post-Cold War era that the two countries started reaching out to each other.

Evolution of ties:

- 2000: Japan – India "**Global Partnership in the 21st Century**" was launched.
- 2006: relationship was upgraded to a **global and strategic partnership** with the provision of annual prime ministerial summits.
- 2011: a **comprehensive economic partnership agreement** between India and Japan.
- 2013: the emperor and empress of Japan visited India.
- 2014: PM Shinzo Abe was the chief guest at republic day parade in New Delhi. During the visit relations were upgraded to a **special strategic and global partnership**.

Thus, India – Japan relations have strengthened considerably. Japan is India's natural ally. The regional environment in the Indo-Pacific has contributed to the growing ties between the two countries. The rise of China has been an important factor drawing Japan and India closer while India's growing closeness with the US has also played a role in bringing India and Japan closer, as US and Japan already have a close alliance. Following are certain key developments:

- India and Japan has jointly launched **Asia Africa growth corridor**.
- Japanese emperor and empress visited India, which is a rare event.
- India has also joined **Shinzo Abe's initiative Quad**.
- Japan is the only country permitted by India to develop infrastructure in the sensitive north east region.
- **2014 Investment Promotion Partnership**: target of 3.5 trillion Japanese Yen (JPY) has been met.
- India will be supplying rare earth materials, which is crucial for Japanese electronics industry. Until recently, China was the major supplier.
- India and Japan defence forces organize a series of bilateral exercises namely, **JIMEX (naval exercise)**, **SHINYUU Maitri (air force exercise)**, and **Dharma**

Guardian (military exercise). Both countries also participate in Malabar exercise of QUAD nations.

- Both countries have called for a **free, open, transparent, rule based, prosperous and inclusive indo pacific region where sovereignty and international law are respected.** All countries enjoy freedom of navigation and over flight. Thus, it is evident that India and Japan has developed a **common approach on Indo – Pacific.**
- India and Japan have signed **acquisition and cross services agreement (ACSA).** **ACSA is a version of LEMOA.** ACSA would permit Indian navy access to a Japanese base in Djibouti, while the Japanese maritime self defence force would be permitted to use India's military installations on the Andaman and Nicobar islands.
- India and Japan has also started having a **2 + 2 dialogue.** In recent 2 +2 talks, India and Japan underlined the need for all countries to ensure that their territory is not used for terrorist attacks. They also expressed concern regarding threat posed to regional peace and security by terrorist networks operating out of Pakistan and asked Islamabad to take resolute and irreversible action against them.
- Japan has supported India on the recent issue of Galwan faceoff with China. Japan Has condemned Chinese attempts to change status quo on the LAC.
- In 2014, India and Japan signed a Partner City/Sister City Affiliation Agreement between the cities of **Varanasi and Kyoto** for cooperation in areas of culture, art, academics, heritage conservation, city modernization etc. Recently in 2021, The **Rudraksh International Cooperation and Convention Centre (Varanasi) was inaugurated.** It is one of the projects under it, designed to give a fillip to the cultural activities in the city and funded by Japanese International Cooperation Agency. During the inauguration **PM Modi acknowledged Japan as India's most trusted friend with shared fundamental values.**
- Recently in 2021, Indian PM virtually inaugurated a Japanese '**Zen Garden - Kaizen Academy**' at the Ahmedabad Management Association (AMA) in Gujarat.
- India, Japan and Australia are also jointly working on **supply chains resilience initiative (SCRI).**
- India is a big market for Japanese companies. Japanese bullet train is being introduced in the busy **Mumbai-Ahmedabad section in India.** Japan has been trying to export its **bullet train technology to other countries**, but without much success. Besides, with its huge population and a growing middle class, India is a market which no Japanese company can ignore in the long term.

14th India-Japan Annual Summit

The summit between the Indian and Japanese PMs took place after three and half years — the last summit was held in Japan in 2018. The annual summit-level meeting between the countries could not occur over the last two years due to the pandemic and in 2019, the summit with then Prime Minister Shinzo Abe — to be held in Guwahati — was cancelled due to protests regarding amendments to India's citizenship law. **Kishida Fumio's** visit comes at a time when the two countries are celebrating the **70th anniversary of the establishment of diplomatic relations and India** is celebrating its **75th anniversary of Independence**.

Following are the key highlights of the summit:

- Japan announced a plan to invest **5 trillion yen (\$42 billion) in India over five years**. The investment will cover a wide range of activities, and effectively boost Japanese investments, skill Indian labour and build supply chains.
- The two sides signed pacts on **digital partnership (cyber security)** and announced a **clean energy partnership**.
- They also signed pacts on loans to the tune of **Rs 20,400 crore** for projects in connectivity, water supply and sewerage, horticulture, healthcare, and biodiversity conservation in different states.
- A MoU has been signed to introduce **Johkasou technology** in India by Japanese companies for decentralised wastewater treatment. It is used in areas where sewage infrastructure has not yet been developed.
- **Sustainable Development Initiative for the North Eastern Region of India:** It has been launched with an eye on India's infrastructure development in the Northeast, and includes both ongoing projects and possible future cooperation in connectivity, healthcare, new and renewable energy, as well as an initiative for **strengthening bamboo value chain**.
- They agreed to convene a **two-plus-two meeting** between their Foreign and Defence ministers at the earliest.
- On the strategic front, too, the joint statement and briefings by officials from both sides indicates forward movement: The statement **condemned Pakistan-sponsored terror attacks** on Indian soil and both countries reaffirmed their commitment to

collaborate to ensure “peace and stability” in Afghanistan with the implementation of **UNSC resolution**.

- **North Korea:** both PMs condemned North Korea’s destabilising ballistic missile launches in violation of United Nations Security Council resolutions (UNSCRs).
- **Myanmar:** They called on Myanmar to urgently implement **ASEAN’s Five-Point Consensus**.
- **ASEAN five-point consensus** states that there shall be an immediate cessation of violence in Myanmar and all parties shall exercise utmost restraint; constructive dialogue among all parties concerned shall commence to seek a peaceful solution in the interests of the people.
- **Indo – Pacific:** both reiterated their partnership for a **Free and Open Indo-Pacific underpinned by Inclusiveness and Rules-based order**.
- With their commitment to **promoting peace, security, and prosperity in the Indo-Pacific region**, the Prime Ministers affirmed the importance of bilateral and plurilateral partnerships among like-minded countries of the region, including the **quadrilateral cooperation among Australia, India, Japan, and the United States (the Quad)**.
- The Japanese Prime Minister invited PM Modi for the **QUAD Summit Meeting in Tokyo**.
- Prime Minister Kishida welcomed the **Indo-Pacific Oceans’ Initiative (IPOI)** announced by Prime Minister Modi in 2019.
- They reiterated their strong support for **ASEAN’s unity and centrality** and their full support for the "**ASEAN Outlook on the Indo-Pacific (AOIP)**" which upholds the principles such as the rule of law, openness, freedom, transparency and inclusiveness.
- Both sides discussed China’s aggressive stance in the Indo-Pacific as well as its encroachment on India’s land borders, and added that it could not be “business as usual” with Beijing until the stand-off in Ladakh is resolved peacefully.
- It is significant that despite the recent developments in **Ukraine**, Tokyo and New Delhi have managed to present a united front vis-a-vis China. **While Kishida condemned the Russian attack, the Indian side called for peace and dialogue.** This is in line with the two countries’ positions, and individual strategic needs — and that common interests outweigh the differences.

- Both Prime Ministers reiterated that India and Japan would continue to contribute to global efforts to combat COVID-19 and to protecting the lives and livelihoods of people.

Challenges

There are still few issues that have kept the two nations distant from each other, which are listed below:

- Trade ties which have remained underdeveloped when compared to India's trade ties with China.
- **Main driving force of relations has been strategic, rather than economic. There is a need to strengthen the economic pillar.**
- Japan has concerns about poor infrastructure in India, poor skills and red tapism.
- Japan has been hoping that India might reconsider joining the **Regional Comprehensive Economic Partnership (RCEP)** that it quit in 2019. Japan has indicated that **India-Japan collaborations in other countries may be impacted if India continues to stay out.** Japan has also expressed desire to review the India-Japan FTA signed in 2011. However, India has not given any indications that it could review the 2019 decision to leave RCEP.
- There are also differences over how close India would like to get to the US. Although New Delhi has grown closer to the US in recent times, it is a member of groupings like the BRICS, which brings together Brazil, Russia, India, China, and South Africa. In addition, though New Delhi has not joined the China-led Belt and Road Initiative (BRI), it is a member of the AIIB (Asian Infrastructure Investment Bank).
- **Ukraine:** Japan and India differ on this issue. Japan has condemned the Russian attack, whereas India has refrained from criticizing Russia and has been demanding a solution based on peace and dialogue.

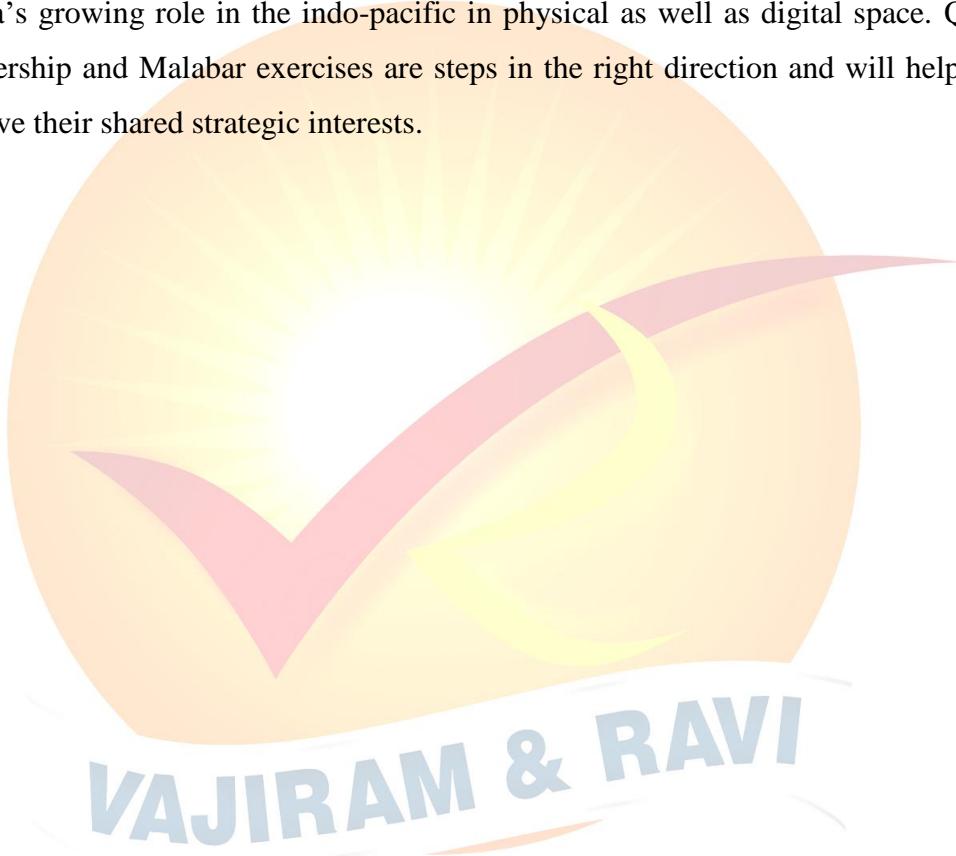
Way Forward:

India and Japan has developed special strategic and global partnership and are considered as natural partners. Both nations also have **shared democratic values and high degree of trust with each other.** However, they must work in following areas to further strengthen relations:

- There is a need to strengthen the **economic pillar** and remove anomalies of trade and should try and review the implementation of CEPA.

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- Investment: improved logistics, a more open, stable and consistent trade policy regime, and the establishment of a ‘centralized single window clearance system’ will increase India’s attractiveness for Japanese investors.
- They can further harness the potential of the relationship by building stronger partnerships in areas such as “**green energy partnership**” and creating new “**innovative partnerships in manufacturing and MSME**”.
- There is huge potential with respect to Make in India. Joint ventures could be created by merging Japanese technology with Indian raw materials and labour.
- **China factor:** close cooperation between India and Japan can help them counter China’s growing role in the indo-pacific in physical as well as digital space. QUAD partnership and Malabar exercises are steps in the right direction and will help them achieve their shared strategic interests.





Act East Policy

India Act East Policy was unveiled by Prime Minister of India, Narendra Modi, at the **12th ASEAN-India Summit in 2014 held in Myanmar**. Act East Policy is the successor of Look East Policy.

Look East Policy: In order to recover from the loss of the strategic partner -USSR (end of the Cold war 1991), India sought to build up a relationship with the USA and allies of the USA in Southeast Asia. In this pursuit, former Prime minister of India **P V Narasimha Rao** launched Look East policy in 1992, to give a strategic push to India's engagement with South-East Asia region.

How Act East is different from Look East policy?

Look East policy focused on the Association of Southeast Asian Nations (**ASEAN**) countries + **Economic Integration**. However, Act East Policy is a revamped version of Look East. Act East focuses on **ASEAN countries + Economic Integration + East Asian countries + Security cooperation**.

PM Modi has highlighted 4C's of Act East Policy:

- Culture
- Commerce
- Connectivity
- Capacity building

Security is an important dimension of India's Act East Policy. In the context of growing Chinese assertiveness in the South China Sea and the Indian Ocean, securing freedom of navigation and India's own role in the Indian Ocean is a key feature of Act East Policy. **In pursuance of its goal, India has been engaged under the narrative of Indo pacific and informal grouping called Quad.**

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India's Indo-pacific policy

What is Indo-Pacific?

According to USA, Indo- pacific stretches from the west coast of India to the west coast of USA. As per India's Indo-pacific vision, it stretches from west coast of USA to eastern shore of Africa. Thus, geographically the term Indo-pacific stretches from Africa to the western shore of USA.

It is an integrated theatre that combines the Indian Ocean and the Pacific Ocean, and the land masses that surround them. Moreover, Indo-Pacific is a **geopolitical construct** that has emerged as a substitute to the long-prevalent "**Asia-Pacific**". The use of the term indo-pacific **acknowledges India's central role in regional security and commercial dynamics.**

The United States first identified the Indo-Pacific as the new theater in its **national security strategy in 2017** and then renamed the U.S. Pacific Command as the **Indo-Pacific Command** in 2018. In the same year 2018, Prime Minister Narendra Modi unveiled **India's vision for the Indo-Pacific region and vibrancy of India's Act east policy.**

What are India's interests in the Indo-Pacific region?

- **Peace and security in the Indian Ocean:** Nearly 50% of India's trade is centered in the Indo-Pacific Region and the Indian Ocean carries 90% of India's trade and its energy sources. Thus, India wants to **assure freedom of navigation, secure choke points, resolve conflicts peacefully and address non-traditional security threats in the region.**
- **Geo-political aspirations:** To expand its own presence in the region, especially in Africa, the Middle East and Southeast Asia and maintain its role as a **net security provider** in the Indian Ocean region.
- **Countering China's BRI and string of pearls policy:** Ensuring that China does not gain a significant strategic foothold in the region.
- **Enhancing Trade and Investment Cooperation:** by encouraging greater flow of goods, services, investment and technology between India and other countries in the region.

- **Promoting sustainable development:** In the coming times, climate change is set to adversely affect India. Thus, India favors sustainable development of the region through development of **blue economy**.
- Moreover, other interests include combating marine pollution, Regulating illegal, unregulated, and unreported (IUU) fishing, deep sea mineral exploration and effective disaster risk management

India's vision for the Indo – Pacific region - PM Modi gave 6 basic elements of India's policy for the region:

1. Stand for a **free open and inclusive Indo-Pacific region**.
2. South East Asia remains at the center of Indo-Pacific region. (**ASEAN centrality**)
3. The necessity to evolve through dialogue, **a common rule-based order for the region** .
4. All nations should have equal access as a right under **international law** to use of common places on the sea and in the air.
5. Solutions cannot be found within **Walls of protectionism** but in embracing change.
6. If **connectivity initiatives** have to be successful they must be built on **bridges of trust** highlighting need to respect the sovereignty and territorial integrity.

Policy put to action: important steps taken by India:

- In 2019, MEA setup a dedicated **indo-pacific division** for the matters related to the indo-pacific. Previously there were separate divisions for ASEAN and Indian Ocean. This unified division will bring all issues related to indo-pacific under one umbrella for **greater cohesion and focus**. **This will also give much needed impetus and extension to India's Act East policy**.
- India's robust participation **QUAD security dialogue**.
- **India's increased engagement with major regional groupings:** BIMSTEC, Indian Ocean Rim Association (IORA), Mekong Ganga Cooperation and Forum for India-Pacific Islands cooperation (FIPIC)
- **ASEAN:** India has emphasized upon ASEAN unity and centrality in its Indo-Pacific framework. ASEAN centrality is an implicit rejection of China's claims to centrality.
- **India utilizing its Soft Power:** This has been achieved with the help of Indian Diaspora and cultural exchanges. A noteworthy example in this direction is Ministry

of Culture's **Project Mausam**. It aims to understand how the knowledge and manipulation of the monsoon winds has shaped interactions across the Indian Ocean and led to the spread of shared knowledge systems, traditions, technologies and ideas along maritime routes.

- **Following policies like Act East Policy and vision of SAGAR:** Vision 'SAGAR' (Security and Growth for All in the Region) is a holistic policy that aims to pursue and promote India's geo-political, strategic and economic interests on the seas, particularly in the Indian Ocean.
- **Asia Africa Growth Corridor (AAGC):** It was launched by India and Japan in 2017 and has four key components – development and cooperation projects; quality infrastructure and institutional capacity; capacity and skill development; and people-to-people partnerships.
- **Environmental initiatives:** India has played a significant role in spearheading global efforts towards climate change mitigation and adaptation, clean energy, disaster management etc. in the region through initiatives like **International Solar Alliance (ISA)** and **Coalition for Disaster Resilient Infrastructure (CDRI)**.

Indo-Pacific Oceans Initiative:

In 2019 Prime Minister Narendra Modi launched the Indo-Pacific Oceans Initiative (IPOI) at the **East Asia Summit**. IPOI seeks to ensure **security and stability of the regional maritime**. It is an **open, non-treaty based initiative** for countries to work together for cooperative and collaborative solutions to common challenges in the region. IPOI draws on existing regional architecture and mechanisms to focus on seven pillars:

- Maritime Security
- Maritime Ecology
- Maritime Resources
- Capacity Building and Resource Sharing
- Disaster Risk Reduction and Management
- Science, Technology and Academic Cooperation
- Trade Connectivity and Maritime Transport

"ASEAN Outlook" on the Indo-Pacific: This document outlines ASEAN's strategy of the Indo-Pacific. It highlights **centrality of the ASEAN, rules-based order anchored upon**

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international law, openness, transparency, inclusivity and commitment to advancing economic engagement in the region. Furthermore, document states that Indo-Pacific region should be looking at achieving “dialogue and cooperation instead of rivalry”.

Given that India also champions the need for a free, open, inclusive, rules-based Indo-Pacific, it has warmly welcomed the ASEAN Outlook on the Indo-Pacific. There are several areas where India can work with ASEAN for enhancing cooperation in the Indo-Pacific.

ASEAN

The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the **ASEAN Declaration (Bangkok Declaration)** by the Founding Fathers of ASEAN, namely **Indonesia, Malaysia, Philippines, Singapore and Thailand**. Subsequently, **Brunei, Viet Nam, Laos, Myanmar and Cambodia** also joined.

Today ASEAN has 10 members and its secretariat is located in **Jakarta**. The motto of ASEAN is “**One Vision, One Identity, One Community**”.

ASEAN has been formed with the aim of regional cooperation and integration in order to ensure peace, stability, social progress and economic growth in the region (South East Asia). Moreover, ASEAN has emerged as one of the most successful examples of regional integration in the third world.



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India and ASEAN

Significance of ASEAN for India:

ASEAN is often called as **nucleus for Asia Pacific**. It can act as **India's gateway to Asia Pacific**. It is noteworthy that the center of gravity of India's foreign policy has been shifting towards the indo pacific region. Recently, India has set up an **Indo-Pacific division in the Ministry of External Affairs**. Therefore for India ASEAN is of vital importance both for strategic and economic considerations.

Moreover, New Delhi has been trying to **redefine its neighborhood**. Setbacks in south Asia and opportunities in south East Asia have led to **blurring of the traditional distinctions between immediate neighborhood and extended neighborhood**. Thus, there is an apparent east ward tilt in India's foreign policy.

ASEAN also holds a special place in **India's Act East policy and Security and Growth for All in the Region (SAGAR) policy**.

Evolution of India - ASEAN ties:

- 1967 - India was offered the membership. However, India ignored the offer because at that time ASEAN was considered as a pro US bloc. After the end of cold war, India started looking towards south East Asia as extended neighborhood with the objective of strengthening security partnership.
- 1992 - India became a Sectoral Dialogue Partner of ASEAN.
- 1996 - India became a full dialogue partner of ASEAN.
- 2002 - India was elevated to summit level partner and India was also invited to bodies like ASEAN regional forum, East Asia summit, negotiations on RCEP.
- **2012 - India and ASEAN became strategic partners.**
- 2014 - India and ASEAN signed the trade pact on services and investment in. India and ASEAN had previously signed the goods FTA in 2009, which was implemented in 2010.
- 2017 - Marked 25 years of India – ASEAN partnership, 15 years of summit level interaction and 5 years of strategic partnership.
- **2018 - India hosted all 10 members of ASEAN for republic day celebrations to boost India's ties with south East Asia.**
- **2019: India warmly welcomed ASEAN outlook on Indo-Pacific.**

Mekong Ganga cooperation:

India and ASEAN are also involved in sub regional initiatives like **Mekong Ganga cooperation**. Mekong Ganga was established in 2000 by **India and Thailand** in order to work together for the progress of least developed countries in ASEAN (**Cambodia, Laos, Myanmar and Vietnam**). It had 4 pillars of cooperation: **Education, Tourism, Culture, Transport and communication.**

Mekong Ganga initiative is considered India's strategic initiative to weaken the influence of China in ASEAN. China also has similar initiative called **greater Mekong region**. However, Mekong Ganga cooperation has not made much progress, which has disappointed partners like Thailand. Therefore, Modi government in 2016 adopted a plan of action to expand cooperation in Mekong Ganga initiative by including areas like infrastructure, IT, pharmaceuticals and intermediate goods. **India has also given line of credit worth 2 billion US dollars to CMLV countries.**

Connectivity projects:

India has been developing several connectivity projects in South East Asia, which are listed below:

- **IMT Trilateral Highway** - The 1360 kms long India-Myanmar-Thailand Trilateral Highway is an initiative pertaining to India, Myanmar and Thailand. It will connect Moreh in Manipur to Mae Sot in Thailand via Myanmar. The plan is to extend this highway to Cambodia, Laos and Vietnam in an attempt to project India's role in the emerging transportation architecture.
- **Kaladan Multi Modal Transit Transport Project** - The Kaladan Multi Modal Transit Transport Project was jointly identified by the India and Myanmar to create a multi-modal mode of transport for shipment of cargo from the eastern ports of India to Myanmar as well as to the North-Eastern part of India through Myanmar. This project, which will connect Sittwe Port in Myanmar to the India-Myanmar border, is expected to contribute to the economic development of the North-Eastern States of India, by opening up the sea route for the products. It also provides a strategic link to the North-East, thereby reducing pressure on the Siliguri Corridor.

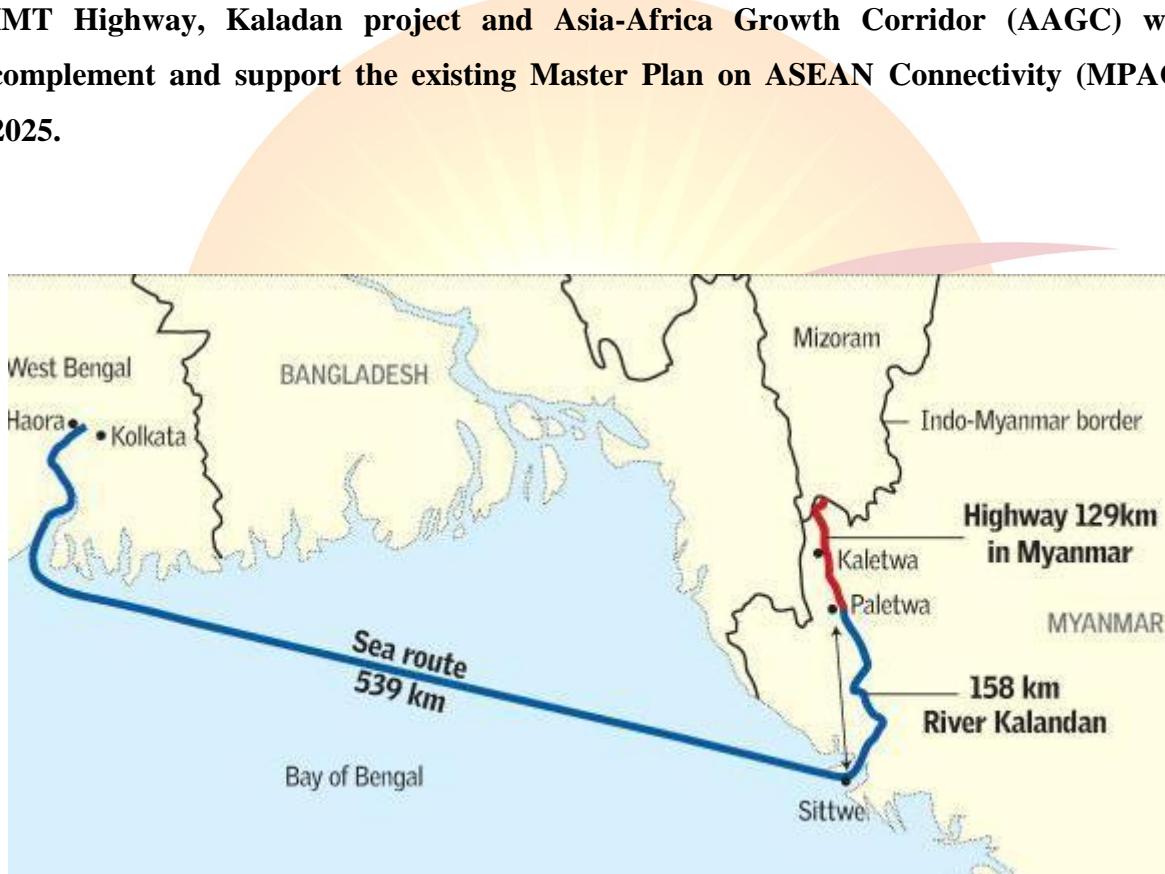
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Development of this project not only serves the economic, commercial and strategic interests of India, but also contributes to the development of Myanmar, and its economic integration with India. Since the project is of political and strategic significance, it was decided to execute it through **India's grant assistance to Myanmar.**

- **Asia Africa Growth Corridor (AAGC)**

In 2016, ASEAN leaders adopted The **Master Plan on ASEAN Connectivity (MPAC) 2025**. Aim is to achieve a **seamlessly and comprehensively connected and integrated ASEAN** that will promote competitiveness, inclusiveness, and a greater sense of Community.

IMT Highway, Kaladan project and Asia-Africa Growth Corridor (AAGC) will complement and support the existing Master Plan on ASEAN Connectivity (MPAC) 2025.



Defence Agreements:

Geopolitical competition for strategic influence in the Indo-Pacific region between India and China has progressively been intensifying. Therefore, security is an important dimension of India's Act East Policy. India has signed following naval cooperation and defense agreements to safeguard its security interests in the region:

Changi Naval Base, Singapore: In 2018, Prime Minister Modi signed an agreement with Singapore. The agreement has provided direct access to this base to the Indian Navy. While sailing through the South China Sea, the Indian Navy can refuel and rearm its ships through this base.

Sabang Port, Indonesia: In 2018, India got the military access to Sabang Port which is located right at the entrance of Malacca Strait. This strait is one of the world's famous choke point. A large chunk of trade and crude oil passes on to China through this region. The Strait is China's strategic Achilles' heel – better known as its Malacca Dilemma – through which pass over 80% of Beijing's oil and hydrocarbon imports from West Asia.

Vietnam: India is maintaining good relations with Vietnam. India and Vietnam had upgraded their ties to the level of **Comprehensive Strategic Partnership (CSP)** in 2016 and India's \$100 million defence Line of Credit to Vietnam has been utilised for naval equipment. India has been training Vietnamese military personnel and also helping them with maintenance of some defence products. **Vietnam is also interested in purchasing the Brahmos missile jointly produced by India and Russia.**

Philippines: In 2017, during the visit of Prime Minister Narendra Modi to the Philippines, the two countries had signed a Memorandum of Understanding on defence industry and logistics cooperation which provides a “**framework for enhancing and strengthening cooperation in logistics support and services and in the development, production and procurement of defence materials.**”

In 2022, Philippines signed a \$374.96 million deal with BrahMos Aerospace Pvt. Ltd. for the supply of shore based anti-ship variant of the **BrahMos supersonic cruise missiles.**

BrahMos is a joint venture between DRDO and Russia's NPO Mashinostroyeniya and the missile derives its name from Brahmaputra and Moskva rivers. The missile is capable of being launched from land, sea, sub-sea and air against surface and sea-based targets and has been long inducted by the Indian armed forces.

17th ASEAN-India Summit in 2020: key developments:

- India contributed USD 1 million for ASEAN's Covid-19 Response Fund.
- Both India and ASEAN welcomed the adoption of the new **ASEAN-India Plan of Action for 2021-2025.**

- India reiterated its offer of **US\$ 1 billion Line of Credit** to support ASEAN connectivity for greater physical and digital connectivity between ASEAN and India.
- India highlighted the importance of resilience of supply chains for economic recovery.

18th ASEAN-India Summit in 2021: key developments:

- Theme of this year's summit was "**We Care, We Prepare, We Prosper**"
- Highlighting the milestone of 30th anniversary of India-ASEAN Partnership, the leaders announced the year 2022 as **India-ASEAN Friendship Year**.
- PM Modi emphasized upon the idea of "**Centrality of ASEAN**" as part of India's Act East Policy and in India's Vision for the Indo-Pacific.
- India and ASEAN agreed to strengthen their strategic partnership by utilizing the potential convergences between the **ASEAN Outlook on Indo-Pacific (AOIP)** and **India's Indo-Pacific Oceans' Initiative (IPOI)**.
- India and ASEAN agreed to narrow the development gap and strengthen economic relations. An important part of this is **social infrastructure development** (including vaccine and pharmaceutical research) and people-to-people connectivity.

Therefore, India and ASEAN has developed a robust partnership over the years. Both India and ASEAN enjoy cordial relations. However, there are still challenges in the relationship which are listed below:

- ASEAN trade with China is far more than India's. **China's FDI to ASEAN is 9 times higher than India's**. ASEAN is China's largest trading partner. Therefore, it is not going to be easy for India to match up to China's raw cash power and growing military presence in ASEAN.
- India has refused to sign RCEP. **The Regional Comprehensive Economic Partnership (RCEP)** is a trade deal that was being negotiated between 16 countries. They include 10 ASEAN and the six countries with which the bloc has free trade agreements (FTAs) — India, Australia, China, Korea, Japan, and New Zealand.

Why India has said no to regional trade pact RCEP?

- India believes that the RCEP trade deal doesn't provide adequate protection against possible **surges of imported goods**. In particular, India is concerned about cheap Chinese goods flooding the domestic market. This is a major concern for India, as its

industry has voiced fears that cheaper products from China would “flood” the market.

India had been seeking an auto-trigger mechanism that would allow it to raise tariffs on products in instances where imports cross a certain threshold.

- India has also not received any credible assurances on its demand for more market access, and its concerns over non-tariff barriers. **RCEP participants like China are known to have used non-tariff barriers in the past to prevent India from growing its exports to the country.**
- Its concerns on a “**possible circumvention**” of rules of origin — the criteria used to determine the national source of a product — were also not addressed. Current provisions in the deal reportedly do not prevent countries from routing, through other countries, products on which India would maintain higher tariffs. This is anticipated to allow countries like China to pump in more products.
- **The dairy industry** was expected to face stiff competition from Australia and New Zealand. Similarly, steel and textiles sectors had also demanded protection.
- India is also not comfortable with liberalizing its **agricultural sector** as suggested by RCEP.
- India also had problems with areas like **investment and e – commerce in RCEP.**
- There is an additional fear that if India joins RCEP than it will be forced to take China’s side against USA. This can jeopardize the ongoing trade talks between India and USA.

However, economic isolation is not an option for India. India needs a strategy that brings together the economic and political aspects of its strategic thinking.

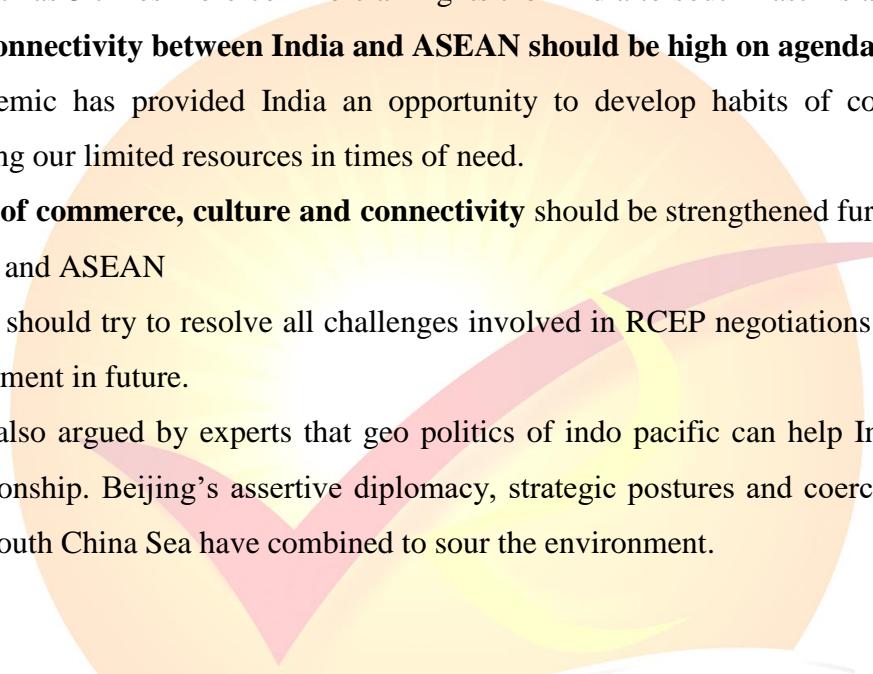
Way Forward:

While India and the ASEAN have been very ambitious in articulating the potential of their partnership, they have been much less effective in operationalising their ideas. The need now is to focus on functional cooperation and make the idea of an India-ASEAN partnership more exciting. Following steps can be taken to strengthen India ASEAN partnership:

- India enjoys **global soft power** through its art, literature, music, dance and cinema. Therefore, India must use its soft power resources to strengthen relationship with south East Asia. This can help because ASEAN has cultural similarity with India. Both of them share religious similarity and have ancient ties and **sizeable Indian diaspora in Singapore and Malaysia.** Thus, India must develop a strategy to

leverage its soft power and optimize its military power to effectively counter China's cash and hard power

- **Cultural connect between the two needs strengthening.** While India offers scholarships to students from ASEAN states to study at Nalanda University, this initiative should be extended to the IITs and the IIMs.
- Tourism too can be further encouraged between India and the ASEAN with some creative branding by the two sides.
- India needs to focus on more effective delivery of projects it is already committed to. India needs to speed up its connectivity projects.
- China has 3 times more commercial flights than India to South East Asia. **Improving air connectivity between India and ASEAN should be high on agenda**
- Pandemic has provided India an opportunity to develop habits of cooperation in sharing our limited resources in times of need.
- **3 Cs of commerce, culture and connectivity** should be strengthened further between India and ASEAN
- India should try to resolve all challenges involved in RCEP negotiations and sign the agreement in future.
- It is also argued by experts that geo politics of Indo-Pacific can help India-ASEAN relationship. Beijing's assertive diplomacy, strategic postures and coercive action in the South China Sea have combined to sour the environment.



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QUAD

The quadrilateral security dialogue is an informal dialogue process, however, increasingly being formalized as a strategic dialogue between four democracies - **USA, Japan, India and Australia**. Quad is not an organization and it also lacks institutional structure. Primary objective of quad is to **promote free and open Indo- pacific**. Moreover Quad countries also want to secure a **rules-based global order, freedom of navigation and a liberal trading system**.

It is considered as an alliance of maritime democracies and the forum is maintained by meetings, semi-regular summits, information exchanges and military drills of all the member countries. **Unlike NATO, the Quad does not include provisions for collective defence; instead they have chosen to conduct joint military exercises (Malabar) as a show of unity and diplomatic cohesion.**

Initially Quad was proposed by **Japanese Prime Minister Shinzo Abe** and a quad meeting was held in 2007 along with a quadrilateral military exercise. However, after China's protest in 2008, Australia withdrew from Quad. **Quad was seen as a containment strategy by China.**

Idea of Quad was again revived in 2017. A quad meeting was held in 2017. India officially agreed for an objective of **free, open, prosperous and inclusive Indo- pacific region**. From an Indian perspective, quad is a **natural evolution of Act east policy**. Earlier quad meetings were held between joint secretary level officers of four countries, but recently it has been elevated to the level of foreign ministers and now to the level of state leaders. **First such Quad summit has been held in 2021 in Washington and second in Tokyo in 2022.**

The Quad has a big task of **preventing the emergence of unipolar Asia dominated by China**. But compared to BRICS which has annual summits and now an international financial institution (NDB), Quad has a long way to go.

India's membership of quad also brings new challenges of **how to balance India's alignment with multiple partners like Russia, China and BRICS, RIC**. India has maintained various circles of engagement such as Quad, ASEAN, BRICS, BIMSTEC, SCO and a number of other trilateral forums like RIC, India-Japan-US Trilateral. This

gives Indian foreign policy a degree of flexibility and much needed room for maneuver with major powers. It also enhances **India's strategic autonomy**.

2021 Washington summit:

In 2021 President Biden hosted Quad leaders at the White House for the first-ever in-person Leaders' Summit of the Quad. Following are the **Key highlights of the summit**:

- Discussed **Afghanistan** and agreed to deepen their cooperation in South Asia.
- **Quad Vaccine Initiative:** Under this, the Quad countries have pledged to donate more than 1.2 billion Covid-19 vaccine doses globally, in addition to the doses financed through Covax.
- **Building Back Better Health Security:** Supported the call for “global pandemic radar” to improve viral genomic surveillance and expand the WHO **Global Influenza Surveillance and Response System (GISRS)**.
- **Quad Infrastructure Coordination Group:** A senior Quad infrastructure coordination group will meet regularly to share assessments of regional infrastructure needs and coordinate respective approaches to deliver transparent, high-standards infrastructure.
- **Climate:** To address the climate crisis with the urgency it demands, Quad countries will focus their efforts on the themes of climate ambition, including working on 2030 targets for national emissions and renewable energy, clean-energy innovation and deployment.
- **Clean-Hydrogen Partnership:** The Quad will announce a clean-hydrogen partnership to strengthen and reduce costs across all elements of the clean-hydrogen value chain, leveraging existing bilateral and multilateral hydrogen initiatives in other fora.
- **Enhance Climate Adaptation, Resilience, and Preparedness:** The Quad countries will convene a Climate & Information Services Task Force and build a new technical facility through the Coalition for Disaster Resilient Infrastructure that will provide technical assistance in small island developing states.
- **Quad Fellowship:** The Quad will launch the Quad Fellowship which will sponsor 100 students per year—25 from each Quad country—to pursue masters and doctoral degrees at leading STEM graduate universities in the United States

- **Semiconductor Supply Chain Initiative:** It will be a joint initiative to map capacity, identify vulnerabilities, and bolster supply-chain security for semiconductors and their vital components.
- **Publish a Quad Statement of Principles:** After months of collaboration, the Quad will launch a statement of principles on technology design, development, governance, and use that we hope will guide not only the region but the world towards responsible, open, high-standards innovation.
- **Establish Technical Standards Contact Groups:** The Quad will establish contact groups on Advanced Communications and Artificial Intelligence focusing on standards-development activities as well as foundational pre-standardization research.

QUAD's Stand on Myanmar Crisis

- Quad countries expressed grave concerns about the crisis in Myanmar and called for an end to violence, the release of all those arbitrarily detained, including foreigners, and unhindered humanitarian access.
- It reaffirmed its support for the Association of Southeast Asian Nations (ASEAN) efforts to seek a solution in Myanmar and called on the military regime to urgently implement ASEAN's Five-Point Consensus and swiftly return Myanmar to the path of democracy.
- It encouraged the international community to work together to support an end to the violence.

What is the Five-Point Consensus?

During a meeting in April, 2021 ASEAN leaders reached a consensus about the situation in Myanmar. The five points are:

- First, there shall be immediate cessation of violence in Myanmar and all parties shall exercise utmost restraint.
- Second, constructive dialogue among all parties concerned shall commence to seek a peaceful solution in the interests of the people.
- Third, a special envoy of the ASEAN chair shall facilitate mediation of the dialogue process, with the assistance of the secretary-general of ASEAN.
- Fourth, ASEAN shall provide humanitarian assistance through the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre).
- Fifth, the special envoy and delegation shall visit Myanmar to meet with all parties concerned.

2022 Tokyo Summit:

Recently, leaders of the U.S., Japan, Australia and India gathered in Tokyo for second summit of the “Quad”. Prime Minister Modi described Quadrilateral alliance as a "**Force for Good**". Following are the major highlights:

- The leaders of the Quad countries announced the formation of the **Indo-Pacific Partnership for Maritime Domain Awareness** (IPMDA). It is a satellite-based maritime security system which will build a “faster, wider, and more accurate maritime picture of near-real-time activities in partners’ waters.” It will allow **tracking of “dark shipping”** and improve partners’ ability to respond to climate and humanitarian events and to protect their fisheries, which are vital to many Indo-Pacific economies.”

What is dark shipping?

"Dark ships" are vessels with their Automatic Identification System (AIS) - a transponder system - switched off so as not to be detectable. IPMDA will enable these countries to monitor illegal fishing even when the boats have turned off the transponders which are typically used to track vessels. Several countries in the Indo-Pacific region have complained about China's vast fishing fleet, saying its vessels often violate their exclusive economic zones and cause environmental damage and economic losses. Chinese trawler fleets are seen as responsible for most of Illegal, unreported, and unregulated fishing (IUUF) in the Indo-Pacific region.

- The members also launched the **Quad Climate Change Adaptation and Mitigation Package (Q-CHAMP)** with “mitigation” and “adaptation” as its two pillars. The initiative will help **green shipping** and foster the idea of a “shared green corridor”.

What is green shipping?

A green ship would leave the least amount of carbon emissions. "**Green ship**" is a name given to any seagoing vessel that contributes towards improving the present environmental condition in some way. Green ship technology adopts procedures to decrease emissions, consume less energy, and be more efficient.

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- As part of the plan to increase humanitarian footprint in the region, the leaders announced the establishment of the **Quad Partnership on Humanitarian Assistance and Disaster Relief (HADR)** in the Indo Pacific region.
- Launch of the **Quad Fellowship** that will intensify people to people contact and foster academic exchanges.
- Quad leaders promised to extend more than **50 billion USD of infrastructure assistance and investment in the Indo-Pacific**, over the next five years. They also decided to promote debt sustainability and transparency through various means such as **Quad Debt Management Resource Portal**.
- The leaders decided to coordinate capacity building programs in the Indo-Pacific region under the **Quad Cybersecurity Partnership**. They also decided to initiate the first-ever **Quad Cybersecurity Day** to help individual internet users to better protect themselves from cyber threats.
- The participating leaders welcomed the progress on the expansion of J&J vaccine production at the Biological E facility in India under the **Quad Vaccine Partnership**.
- Quad countries decided to share space-based civil Earth observation data, along with providing a "**Quad Satellite Data Portal**" that aggregates links to their respective national satellite data resources.
- The summit condemned “unequivocally terrorism and violent extremism in all its forms and manifestations” and condemned the 26/11 Mumbai and 2016 Pathankot attacks.
- Leaders also took note of the post-coup crackdown in Myanmar called for the release of “all political detainees, including foreigners” and called for “swift restoration of democracy”. In this regard, they welcomed the role of the Special Envoy of the ASEAN Chair.
- Indian PM carried with him gifts for leaders of the US, Australia and Japan showcasing India’s rich cultural heritage and art forms (Soft Power). following are the details:
 1. **Sanjhi Art Panel for US President:** The intricate sanjhi panel is based on the theme of Thakurani Ghat, which is one of the most famous ghats on the banks of the holy river of Yamuna in Gokul. The traditional art form **originated out of the cult of Krishna**.
 2. **Gond art painting for Australian PM:** a form of painting practised by one of the largest tribal groups in India, the Gond community in Madhya Pradesh.

PM Modi's gift depicts a popular motif in Gond art — the Tree of Life, with intricate patterns and lines that are a trademark of Gond art.

3. **Wooden hand-carved box with a Rogan painting for Japanese PM:** Rogan is a form of cloth painting that is considered to be more than four centuries old and is primarily practiced in Kutch district of Gujarat.

Advantages of Quad Group:

- **Free, Open, Resilient and Inclusive Indo-Pacific:** Quad countries are striving to ensure that the Indo-Pacific is accessible and dynamic, governed by international law. It wants to create an environment in which all countries are able to make their own political choices, free from coercion.
- **Greater Cooperation among Democratic Nations in Changed Scenario:** Since the tsunami, climate change has grown more perilous, new technologies have revolutionized our daily lives, geopolitics has become ever more complex, and a pandemic has devastated the world.

Challenges:

- **Assertiveness of China:** Chinese officials have been criticizing Quad as an “**Asian NATO**”, which is aimed at targeting third parties. Beijing sees Quad as part of a strategy to encircle China and has pressured countries like Bangladesh to avoid cooperating with the group.
- **China as a Trading partner:** Beijing has emerged as the most important trading partner of the Indian Ocean region.
- **Approach of Member Countries:** While USA is quite vocal in naming the aggressive China, other members show restraint and avoid naming China directly.
- **Different Areas of Prioritisation:** The way that the four different Quad members view their interests in the Indo-Pacific leads them to prioritise different areas.
 1. For the US, South China Sea and East China Sea are vital. Same goes for Japan and for Australia, it also includes the Western Pacific.
 2. However, for India, the Quad is about the Indian Ocean and South China Sea is a secondary theatre.
- **ASEAN:** as of now there are no signs that the ASEAN is willing to take a united stand on many issues so far raised by Quad. It would be difficult for the Quad to execute any effective policy minus the cooperation from the ASEAN countries.

- **RCEP:** Japan and Australia joined the Regional Comprehensive Economic Partnership (RCEP). This is an indication of their desire to do business with China even as they seek to deter its growing clout in the region.

Way Forward for Quad:

Need for Clear Vision: The Quad nations need to better explain the Indo-Pacific Vision in an overarching framework with the objective of advancing everyone's economic and security interests. This will reassure the littoral States that the Quad will be a factor for regional benefit, and a far cry from Chinese allegations that it is some sort of a military alliance (Asian NATO).

Expanding Quad: South Korea has expressed interest in joining the Quad, though U.S. officials have said they are not contemplating adjusting the group's membership. The group has held "Quad-plus" meetings that have included South Korea, New Zealand and Vietnam, which could form the basis for future expansion or partnership in the region. India has many other partners in the Indo-Pacific; therefore India should pitch for countries like Indonesia, Singapore to be invited to join in the future.

AUKUS

AUKUS is a trilateral security partnership between Australia, the United Kingdom, and the United States (AUKUS), announced on 15 September 2021. As part of this initiative, Australia will acquire **nuclear-powered submarines** with help from the UK and the US. This step is significant because the US has only shared nuclear submarine technology once before, with Great Britain in 1958. AUKUS will also involve the **sharing of cyber capabilities, applied AI, quantum technologies and undersea technologies**. This alliance is being considered as the most significant security arrangement between these three nations.

The strength of AUKUS:

- It will enhance capabilities of members and strengthen containment strategy against China.
- It would enhance Surveillance capabilities of members in the Indo pacific.
- It can potentially act as a viable deterrent to China.

Challenges:

- **It may trigger a possible Arms Race in the region.** China has denounced AUKUS, saying such partnerships should not target third countries. China claims that AUKUS would gravely undermine regional peace and stability, aggravate arms race and hurt the international non-proliferation efforts.
- Counter Alliances may emerge and destabilize the region. (Russia – China)

What are the differences and similarities between QUAD & AUKUS?

- The major difference between both the alliances is that the AUKUS is a military alliance, whereas QUAD is not, it is a diplomatic alliance. The QUAD discusses diplomatic and global issues along with a security dialogue.
- Another difference would be that the AUKUS specifically will deal with the security and military situation in the Indo-Pacific region, however, QUAD focuses on multilateral issues ranging from economic discussions, security affairs & global affairs e.g. COVID, Vaccines, Afghanistan situation, supply chain resilience etc.
- One similarity between both the alliances is that both the groups have a common interest in protecting the Indo-Pacific region from China's dominance over other nations.

Impact on India and Quad:

There are speculations that the outlook of the QUAD for Indo-Pacific will be upstaged by the newly formed trilateral military alliance AUKUS. However, India's then Foreign Secretary Harsh Vardhan Shringla had emphasized that AUKUS had no links with the Quad and won't impact the functioning of the grouping. He clarified that Quad is "**not a military alliance**" and is "**not directed**" at any country in particular.

Indian experts are divided over the impact of AUKUS on the Quad. Some argue that it reduces the Quad's salience, while others maintain that the Quad is strengthened by the new trilateral. However, a sober evaluation suggests that AUKUS may cause both challenges and opportunities, which are discussed below:

Challenges:

- **New Challenge in Indo-pacific:** There is an apprehension that the deal could eventually lead to a crowding of nuclear attack submarines in the Eastern Indian Ocean, eroding India's regional pre-eminence.
- **America's unreliability:** France's unhappiness with AUKUS has complicated the situation a bit from India's perspective. In the light of these issues, some experts suggest that US cannot be completely relied on, as it has excluded its long-time ally France from the grouping despite being a NATO partner.
- Skeptics suggest if Australia and U.S. could deceive a North Atlantic Treaty Organization (NATO) partner, they ask, what is to prevent them from doing the same with lesser allies?
- **AUKUS vs. Quad:** AUKUS has taken the focus away from the Quad. The agreement suggests preferential treatment on the part of US for a close Anglo-alliance partner. **It reflects emergence of new regional security architecture (Exclusionary).**
- **Impact on other multilateral engagements:** Five eyes alliance group.
- AUKUS is being seen as an exclusionary alliance and is not in line with **India's vision of ASEAN centrality in the Indo – Pacific region.**
- **Technology Pursuit:** Following the deepening of Quad ties, some in India were hopeful that U.S. would consider providing the Indian Navy with nuclear submarine propulsion technology. However, US has already Clarified that the deal with Australia is a “one-off”, belies India's hopes.

Opportunities:

- It will strengthen the Quad's agenda to keep the Indo-Pacific region free, open and inclusive. AUKUS could also extend itself to bolster Quad's efforts on maritime exercises, security and efforts in countering COVID-19, climate change, cooperating on critical technologies, and building resilient supply chains.
- Another potential benefit could be the leverage the AUKUS rollout gives India in both the diplomatic and defense trade realms, particularly with **France**. As part of the pact, Australia will abandon its US \$43 billion plan to build French conventional submarines, and instead build vessels based on US-UK technology.

- It reflects continued and intensifying U.S. and Australian concerns about China. Moreover, it is designed to increase their capabilities in the region (which will also, consequently, increase the cumulative capabilities of the Quad).
- For India, AUKUS means that the Quad can maintain its broad agenda—its recent summit highlighted cooperation on COVID-19 vaccine distribution, climate change, technology, and science expertise—and is absolved of any immediate responsibility to step up and commit to an explicitly anti-China security framework.
- This meshes well with India’s outlook: India would like China contained but does not want to be the one containing China—as well as its defense policy; it relies on diverse sources of defense equipment, including Russia.

Five Eyes Alliance

- The three countries alongside Canada and New Zealand already share extensive intelligence through Five Eyes alliance.
- The alliance was created during the Cold War (1946-1991)
- The alliance was needed to share sensitive information regarding their adversaries on all possible fronts available.

American and European initiatives to counter China’s ambitious BRI

Blue Dot Network (BDN): Led by the US’s International Development Finance Corporation (DFC), the Blue Dot network was jointly launched by the US, Japan (Japanese Bank for International Cooperation) and Australia (Department of Foreign Affairs and Trade) in 2019 on the sidelines of the 35th ASEAN Summit in Thailand. It is meant to be a multi-stakeholder initiative that aims to bring governments, the private sector and civil society together to promote “**high quality, trusted standards for global infrastructure development**”. **It will work as a certification body that will evaluate infrastructure construction projects in the Indo Pacific region.**

The proposal for the Blue Dot network is part of the US’s Indo-Pacific strategy, which is aimed at **countering China’s ambitious BRI**. However, unlike the BRI, the **BDN would not**

offer public funds or loans for the project. BDN will serve as a globally recognized seal of approval for major infrastructure projects, letting people know that projects are sustainable and not exploitative.

Instead of trying to match China's scale of spending, the US through Blue Dot Network is arguing that the quality of investments in infrastructure is just as important as the quantity. BDN, therefore, is best seen as part of the U.S.A.'s strategy of trying to persuade developing countries in Asia-Pacific to not rely on Chinese funds for infrastructure.

India has also “expressed interest” in the BDN initiative. BDN could offer a unique opportunity to India in the post-Galwan Valley scenario. New Delhi, which had largely positioned itself as an anti-BRI nation, could find the US-led initiative attractive and in sync with the QUAD concept.

Build Back Better World (B3W) Partnership: B3W is an international infrastructure investment initiative announced by the **Group of Seven (G-7)** in June 2021. It would help narrow the infrastructure need in the developing world, which has been exacerbated by the COVID-19 pandemic.

The B3W initiative is being seen as the **US' initiative to counter China's BRI.** Through B3W, the G7 and other like-minded partners will coordinate in mobilizing private-sector capital in four areas of focus:

- Climate,
- Health and health security,
- Digital technology,
- Gender equity and equality.

B3W will infuse investment by complying with the standards promoted by the **Blue Dot Network**, relating to the environment and climate, labor and social safeguards, transparency, financing, construction, anti-corruption, and other areas.

Partnership for Global infrastructure (PGII):

Joe Biden and other G7 leaders formally launched Partnership for Global Infrastructure (PGII) during the **48th G7 summit held in Germany in June 2022.**

- At the 2021 G7 Summit, G7 leaders had announced their intent to develop a values-driven, high-impact, and transparent infrastructure partnership (B3W).
- It was to meet the enormous infrastructure needs of **low and middle income countries** and support the US' and its allies' economic and national security interests.
- At the 2022 G7 summit, the participating leaders formally launched the **Partnership for Global Infrastructure (PGII)**.
- Under this, G7 leaders pledged to **raise \$600 billion in private and public funds over five years** to finance needed infrastructure in the developing countries. The target for the U.S. is to bring \$200 billion to the table, with the rest of the G7 another \$400 billion by 2027.
- The funding for this initiative would depend largely on private companies being willing to commit to massive investments.

Aims:

- To deliver quality, sustainable infrastructure that makes a difference in people's lives around the world;
- To build infrastructure that strengthens and diversifies supply chains, creates new opportunities, and advances national security of member countries.

PGII and China:

- The PGII is seen as an attempt to **check China's influence** in the developing world by delivering game-changing projects to close the infrastructure gap in these countries.
- **It is aimed at countering China's multitrillion-dollar Belt and Road project.**

Four priority pillars:

- **Climate and energy security:** tackling the climate crisis and bolstering global energy security through investments in climate resilient infrastructure, transformational energy technologies.
- **Digital connectivity:** Developing, expanding, and deploying secure ICT networks and infrastructure to power economic growth and facilitate open digital societies.
- **Gender equality and equity:** advancing gender equality and equity by investing in
 1. Care infrastructure that increases opportunities for economic participation by women,
 2. Improved water and sanitation infrastructure that addresses gender gaps in unpaid work and time use.
- **Health and health security:** Developing and upgrading the infrastructure of health systems and contributing to global health security.

India and PGII:

- The US announced several flagship projects under the PGII. One of these projects will back Indian infrastructural initiatives.
- Under this, the US International Development Finance Corporation (DFC) will be investing up to \$30 million in Omnivore Agritech and Climate Sustainability Fund.
- This is an impact venture capital fund that invests in entrepreneurs building the future of agriculture, food systems, climate and the rural economy in India.
- The Fund seeks to invest in companies that increase food security and promote both climate resilience and climate adaptation in India.
- It also seeks to improve the profitability and agricultural productivity of smallholder farms.

European Union's Global Gateway:

It is a road map for major investment in infrastructure development around the world. It aims at mobilising **public and private investment by 2027**. EU commission has announced plans to mobilise investments of up to **300 billion euros** (\$340 billion) between 2021 and 2027 in public and private infrastructure investment around the world. **It is being described as EU's response and counter to China's BRI.**

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

Indo-Pacific Economic Framework

IPEF is a US-led initiative comprising 14 countries. It aims to **strengthen economic partnership among participating countries** to enhance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness in the Indo-Pacific region. IPEF will help to counter the growing economic and strategic influence of China in the Indo-Pacific. Moreover, IPEF is not going to be an initiative of Quad, it was launched by Joe Biden on the sidelines of Quad summit.

IPEF is not a free trade agreement (FTA). It is more about standard setting and facilitating trade and will not involve more market access for its members. Nor will it negotiate lower tariffs. It would include different modules covering:

- Fair and Resilient Trade
- Supply chain resilience
- Infrastructure and Decarbonization
- Tax and Anticorruption

Member states: US, Australia, Brunei, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, Fiji, and Vietnam. Together, these countries account for 40% of the global GDP.

The economic framework broadly rests on following four pillars:

- **Connected economy:** higher standards and rules for digital trade, such as cross-border data flow.
- **Resilient Economy:** resilient supply chains that will withstand unexpected disruptions like the pandemic.
- **Clean Economy:** targeting green energy commitments and projects.
- **Fair Economy:** implementing fair trade, including rules targeting corruption and effective taxation.

Why US is keen on launching the IPEF?

- The US is trying to regain credibility in the region after former President Donald Trump pulled out of the Trans Pacific Partnership (TPP).
- Since then, 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 an influential member of the TPP, & has sought membership of its successor agreement Comprehensive & Progressive Agreement on Trans Pacific Partnership (CPTPP). It is also in the 15-member Regional Comprehensive Economic Partnership (RCEP), of which the US is not a member (India withdrew from RCEP).
- The Biden Administration is projecting IPEF as the new US vehicle for re-engagement with East Asia and South East Asia.

Significance of IPEF for India:

- Participation in regional trade: For India, which walked out of Regional Comprehensive Economic Partnership (RCEP), the IPEF membership keeps it in the room on Asian trading arrangements and is a way of blunting criticism that it is overtly protectionist.
- Aligned to domestic requirements: IPEF's non-specific and flexible nature also suits India, providing enough scope of negotiations on a range of issues like environmental restrictions on fossil fuels, data localization etc.
- Better economic opportunities: IPEF is providing India another opportunity to be part of a mega economic arrangement, but outside the influence of China.
- Participation in resilient supply chains: building resilient supply chains is one of the motives of the IPEF. India can consider members as alternative sources for its raw materials requirements.

Concerns for India:

- Stated objectives of IPEF include pursuing rules in digital economy, such as standards on cross-border data flows and data localisation. This is something India has been avoiding in all its free trade deals as it does not want to lose sovereignty over its data.
- The IPEF also wants to frame rules on labour standards, environment norms and decarbonization, which India has never been keen on, including in its free trade pacts.

Challenges for IPEF:

- **Lack of clarity:** Concerns are on the feasibility of a grouping which U.S. officials have made clear would neither constitute a ‘free trade agreement,’ nor a forum to discuss tariff reductions or increasing market access.
- **Short in countering China:** In its current format, the IPEF might not be able to counter China’s economic dominance in the region owing to the lack of direct incentives offered in IPEF.
- **Fear of U.S. domination:** U.S. might try to dominate the rules and standards of digital technologies like artificial intelligence and 5G. However, these might not suit local jurisdictions of the member countries.
- **Overlap with BDN and B3W:** The conceptual baggage of IPEF (setting “rules,” “standards,” and “principles”) has already appeared and been tested in both the Blue Dot Network (BDN) launched in 2019 and the Build Back Better World (B3W) initiative launched in 2021. Both B3W and BDN were defined in terms of countering China and its Belt and Road Initiative (BRI). Neither has so far produced much tangible substance and momentum.
- Possible violation of WTO rules: IPEF is not proposed as an FTA. In the absence of an FTA, WTO rules will not permit granting of preferential treatment amongst IPEF members.
- Absence of dispute settlement mechanism: Another critical question is: what kind of dispute settlement mechanism would be incorporated in the IPEF to avoid unilateral actions by signatory countries?

Way Forward:

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

‘Partners in the Blue Pacific’ initiative

The US and its allies — Australia, New Zealand, Japan and the United Kingdom — have launched a new initiative called ‘**Partners in the Blue Pacific**’. This has been launched for effective and efficient cooperation with the Pacific Island Nations. Following are the major highlights:

- The PBP is a five-nation “**informal mechanism**” to support Pacific islands and to boost diplomatic, economic ties in the region.
- The initiative speaks of enhancing “**prosperity, resilience, and security**” in the Pacific through closer cooperation.
- It simply means that through the PBP, these countries — together and individually — will direct more resources here to **counter China’s aggressive outreach**.
- The members of this initiative have also declared that they will elevate Pacific regionalism, and forge stronger ties with the Pacific Islands Forum.

Areas of cooperation

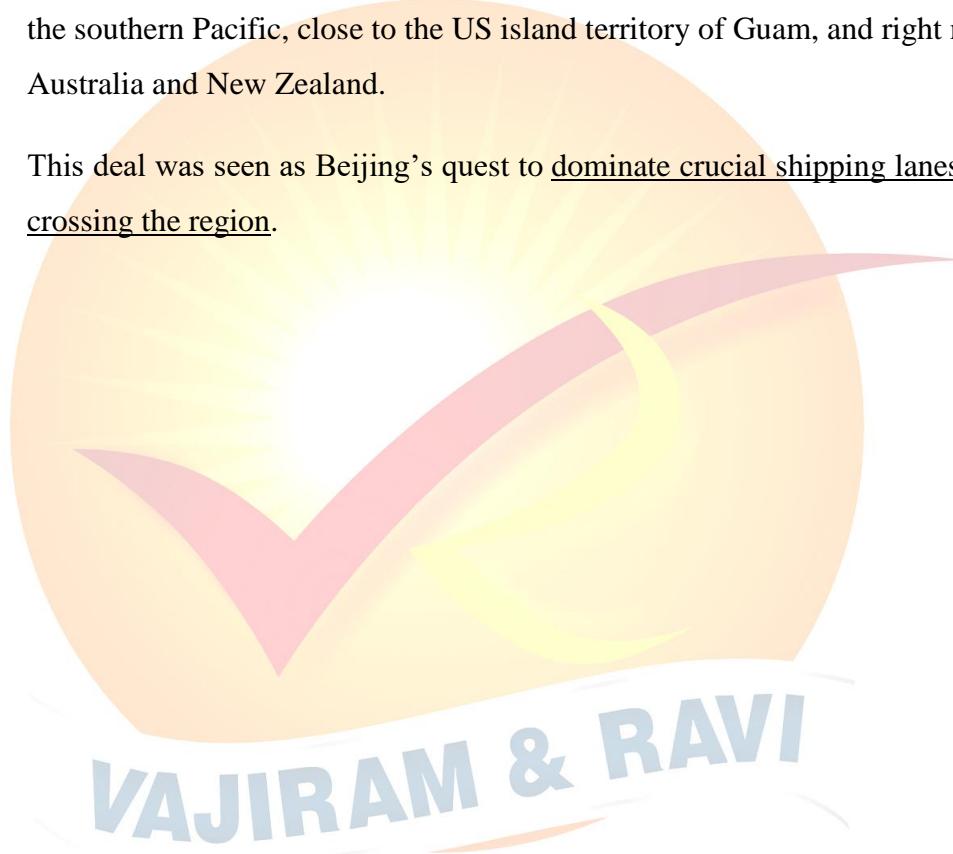
- The areas where PBP aims to enhance cooperation include –
 - climate crisis;
 - connectivity and transportation;
 - maritime security and protection;
 - health, prosperity; and
 - Education.

Rationale behind this initiative: intensified geostrategic competition in the region

- China is aggressively pushing to increase its Pacific sphere of influence.
- Recently, China made the projected scope of its growing footprint clear by pushing for a sweeping, common cooperation agreement with 10 Pacific nations covering everything from security to fisheries.

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- Western countries are fearful that China could be laying the groundwork for an eventual military presence in the region.
- **China, Solomon Islands sign landmark security agreement:** in April 2022, China and Solomon Islands signed an inter-governmental framework agreement on security cooperation.
 - It was a first-of-its-kind arrangement that could pave the way for further Chinese security deals overseas.
 - The deal flagged serious concerns about the Chinese military getting a base in the southern Pacific, close to the US island territory of Guam, and right next to Australia and New Zealand.
 - This deal was seen as Beijing's quest to dominate crucial shipping lanes criss-crossing the region.



Relevance of neighbourhood in India's foreign policy

Without enduring primacy in one's own neighbourhood, no nation can become a credible power on global stage. Therefore, a country's neighbourhood must enjoy unquestioned primacy in foreign policy making.

India's neighbourhood relations are very important for India's foreign policy; it has far reaching consequences for India in terms of its losing or gaining stranglehold in South Asia.

According to former Prime Minister **Atal Bihari Vajpayee**, '**You can change your friends but not neighbours**'.

According to **Prime Minister Narendra Modi**, "A nation's destiny is linked to its neighbourhood. That is why my government has placed the highest priority on advancing friendship and cooperation with her neighbours."

Thus, India's neighbourhood policy can have long lasting impacts on India's stature and its aspirations of becoming a credible power on the global stage. The cornerstones of India's foreign policy has been **to build a strategically secure, politically stable, harmonious and economically cooperative neighbourhood**.

India's position in earlier decades was that neighbours should reciprocate the benefits of relations with India by being sensitive to India's security concerns. This strand of policy has been retired and is very evident in various foreign policy initiatives like:

- Gujral doctrine
- Look East Policy
- Act East Policy
- Neighbourhood First policy.

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Neighbourhood First policy

The objective of neighbourhood first policy is to have special focus and attention on neighbouring countries and to develop closer ties in the neighbourhood. India wants to develop a web of interdependence in its neighbourhood. PM Modi launched this policy with his Oath taking ceremony in 2014:

- All SAARC leaders were invited for PM Modi's oath taking ceremony in 2014.
- PM Modi's first international visit was to Bhutan and subsequently Nepal.
- All BIMSTEC leaders were invited for oath taking ceremony in 2019. Head of state of Mauritius and Kyrgyzstan were also invited; indicating that India's extended neighbourhood i.e. Central Asia and the Indian Ocean region would also be a policy priority. The implication seems to be that India is looking to chart new vistas of cooperation **leaving aside troublesome neighbour Pakistan.**
- Prime Minister Modi's first official visit abroad in his second term to the Maldives and Sri Lanka again reiterated that the "neighbourhood first" policy remains the credo of the new government.
- India has taken the lead to form SAARC emergency fund for COVID.
- Operation Sanjeevani.
- Operation SAGAR.
- Generous grants and LOC's being given to small neighbours.
- Vaccine Maitri

According to **Dr. Jaishankar**, India's neighbourhood first policy means that as the biggest country of the region, we must take the lead, must go the extra mile, must be non-reciprocal, must be generous, must invest in our neighbourhood. So that irrespective of issues that the neighbours might have vis-a-vis India, we should be able to create an environment so that the neighbourhood remains bound to us and sensitive to our core security concerns and we in turn go the extra mile in terms of their development aspirations,"

In a recent event, speaking on the relevance of Gujral doctrine in 21st century, **Mr. Jaishankar indicated that unlike Gujral's policy which was aimed at the entire region, the "Neighbourhood First" of the Modi government would keep Pakistan 'aside'.**

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India – Afghanistan

Apart from a shared history and strong bonds of culture, **India has a strong security interest in ensuring that Afghanistan remains sovereign, stable, united and free from outside influence.** Since time immemorial, the peoples of Afghanistan and India have interacted with each other through trade and commerce, peacefully coexisting on the basis of their shared cultural values and commonalities.

However, Afghanistan is a notoriously difficult country to govern. Empire after empire, nation after nation have failed to pacify what is today the modern territory of Afghanistan, giving the region the nickname “**Graveyard of Empires**”.

India's concerns

India has been apprehensive of Afghanistan becoming a centre of radical ideology and violence again (Taliban rule). Revival of Taliban rule has raised questions about security and safety of India's investments in Afghanistan.

India and the Taliban have had a bitter past. New Delhi nurses bitter memories from the **IC-814 hijack in 1999**, when it had to release terrorists — including **Maulana Masood Azhar** who founded **Jaish-e-Mohammed** that went on to carry out terror attacks on Parliament (2001), in Pathankot (2016) and in Pulwama (2019). The Taliban perceived India as a hostile country, as India had supported the anti-Taliban force **Northern Alliance in the 1990s**. **India never gave diplomatic and official recognition to the Taliban when it was in power during 1996-2001.**

Moreover, comeback of Taliban will strengthen Pakistan's position versus India. As far as New Delhi is concerned, the Taliban was not the central problem. Pakistani influence on the Taliban and the latter's inability to liberate itself from such influence is the main issue. Pakistan understands this clearly: One of the demands that Pakistan consistently made from Kabul in return for cooperation was reduction in Indian diplomatic, intelligence and developmental presence in Afghanistan.

India - Afghanistan Relationship Significance

For India, Afghanistan has immense strategic potential. More important; a **friendly, stable regime in Kabul is a geopolitical insurance against Pakistan's deep state.**

- Afghanistan is gateway to energy rich central Asia. Afghanistan is situated at crossroads between South Asia and Central Asia and South Asia and the Middle East.
- The massive reconstruction plans for the country offer a lot of opportunities for Indian companies.
- Afghanistan also has significant oil and gas reserves. Afghanistan has rich sources of rare earth materials.
- Stable and democratic government in Kabul will not give safe heaven for terrorist activity, which might reduce insurgency in Kashmir.
- Yet, the most important goal for New Delhi remains the prevention of Pakistan from regaining its central role in Afghan affairs.

Post 2001 evolution of Afghanistan – India bilateral ties

- In 2005, India proposed Afghanistan's membership in the South Asian Association for Regional Cooperation (SAARC). Both nations also developed strategic and military cooperation against Islamic militants.
- Afghanistan's first Strategic Partnership Agreement was signed with India in 2011.
- Prime Minister Narendra Modi was conferred with Afghanistan's highest civilian honour, the **Amir Amanullah Khan Award**
- **India had supported an Afghan led and Afghan owned national reconciliation process within the framework of the Afghan constitution.** India was of the view that it would support "*any process*" which can help Afghanistan emerge as a *united, peaceful, secure, stable, inclusive and economically vibrant nation, with guaranteed gender and human rights.* India had always supported strengthening of the democratically elected Ashraf Ghani government. India had never favored directly engaging with Taliban.
- India's MEA **Subrahmanyam Jaishankar** had said, "The world, region and the Afghan people all want the same end state: *An independent, neutral, unified, peaceful, democratic and prosperous nation... The future of Afghanistan cannot be its past. A whole new generation has different expectations. We should not let them down.*"

- In 2020 US – Taliban deal was signed, which triggered US withdrawal from Afghanistan. This was contrary to India's position as USA bypassed democratic government while signing direct deal with Taliban.
- This deal ended America's longest war and was based on following understanding:
 1. A timeline for the **conditional and phased withdrawal** of US troops from Afghanistan.
 2. Intra-Afghan negotiations.
 3. Taliban's commitment to not fuel terrorism in the region.
- On 15 August, 2021 Taliban captured Kabul while US forces left Afghanistan. Democratic government disappeared and Afghan National Security forces surrendered.
- In September a **Taliban Government** in Afghanistan was formed. India has not given diplomatic recognition to Taliban government.

The Strategic Partnership Agreement

India was the first country Afghanistan chose to sign a strategic partnership agreement with, despite the U.S. and Pakistan keen on doing so. India had promised, in a strategic partnership agreement signed in 2011 to assist in “**the training, equipping and capacity-building programmes for the Afghan National Security Forces**” and help rebuild Afghanistan’s infrastructure and institutions.

India donated three Mi-25 attack helicopters (with an option to send one more in future) to Afghanistan as part of the bilateral strategic partnership to counter the Taliban. It had also signed the TAPI pipeline project that aims to bring natural gas from Turkmenistan through Afghanistan and Pakistan to India.

India's contribution in institution and infrastructure building

India has been one of the largest donors to Afghanistan in diverse development projects in infrastructure, education and agriculture. India has been playing an important role in the reconstruction and rehabilitation of Afghanistan.

India built vital roads, dams, electricity transmission lines and substations, schools and hospitals, etc. **India's development assistance is now estimated to be worth well over \$3 billion.** And unlike in other countries where India's infrastructure projects have barely got off

the ground or are mired in the host nation's politics, it has delivered in Afghanistan. No part of Afghanistan today is untouched by the 400-plus projects that India has undertaken in all 34 of Afghanistan's provinces. **Following are some of the major projects:**

SALMA DAM: 42MW Salma Dam in Herat province. The hydropower and irrigation project, completed against many odds and inaugurated in 2016, is known as the **Afghan-India Friendship Dam.**



ZARANJ-DELARAM HIGHWAY: The other high-profile project was the 218-km Zaraj-Delaram highway built by the **Border Roads Organisation**. Zaraj is located close to Afghanistan's border with Iran.

With Pakistan denying India overland access for trade with Afghanistan, the highway is of strategic importance to New Delhi, as it provides an alternative route into landlocked Afghanistan through Iran's Chabahar port. 11 Indians and 129 Afghans lost their lives during the construction. India has already transported 75,000 tonnes of wheat through Chabahar to Afghanistan during the pandemic.

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PARLIAMENT: The Afghan Parliament in Kabul was built by India at \$90 million. It was opened in 2015; Prime Minister Narendra Modi inaugurated the building. Modi described the building as **India's tribute to democracy in Afghanistan**. A block in the building is named after former PM AB Vajpayee.

STOR PALACE: In 2016, Afghan President Ashraf Ghani and Prime Minister Modi inaugurated the restored Stor Palace in Kabul, originally built in the late 19th century, and which was the setting for the 1919 Rawalpindi Agreement by which Afghanistan became an independent country.

POWER INFRA: Other Indian projects in Afghanistan include the rebuilding of power infrastructure such as the 220kV DC transmission line from Pul-e-Khumri, capital of Baghlan province to the north of Kabul, to beef up electricity supply to the capital. Indian contractors and workers also restored telecommunications infrastructure in many provinces.

HEALTH INFRA: India has reconstructed a children's hospital it had helped build in Kabul in 1972 —named Indira Gandhi Institute for Child Health in 1985 — that was in a shambles after the war. '**Indian Medical Missions**' have held free consultation camps in several areas. Thousands who lost their limbs after stepping on mines left over from the war have been fitted with the **Jaipur Foot**. India has also built clinics in the border provinces of Badakhshan, Balkh, Kandahar, Khost, Kunar, Nangarhar, Nimruz, Nooristan, Paktia and Paktika.

TRANSPORTATION: According to the MEA, India gifted 400 buses and 200 mini-buses for urban transportation, 105 utility vehicles for municipalities, 285 military vehicles for the Afghan National Army, and 10 ambulances for public hospitals in five cities. It also gave **three Air India aircraft** to Ariana, the Afghan national carrier, when it was restarting operations.

OTHER PROJECTS: India has contributed desks and benches for schools, and built solar panels in remote villages, and Sulabh toilet blocks in Kabul. New Delhi has also played a role in building capacity, with vocational training institutes, scholarships to Afghan students, mentoring programmes in the civil service, and training for doctors and others.

ONGOING PROJECTS (before Taliban seized power): recently it was announced that India had concluded with Afghanistan an agreement for the construction of the **Shatoot Dam**

in Kabul district, which would provide safe drinking water to 2 million residents. India had also announced the start of some 100 community development projects worth \$80 million.

India also pledged \$1 million for the restoration of the **Bala Hissar Fort** south of Kabul, whose origins go back to the 6th century. Bala Hissar went on to become a significant Mughal fort, parts of it were rebuilt by Jahangir, and it was used as a residence by Shah Jahan.

Trade relationship before Taliban takeover

India's bilateral trade with Afghanistan crossed \$1.3 billion in 2019-20. The balance of trade was heavily tilted — exports from India were worth approximately \$900 million, while Afghanistan's exports to India were about \$500 million.

Afghan exports are mainly fresh and dried fruit. Some of this comes overland through the Wagah border; Pakistan has permitted Afghan trade with India through its territory. Indian exports to Afghanistan take place mainly through government-to-government contracts with Indian companies. Exports include pharmaceuticals, medical equipment, computers and related materials, cement, and sugar.

Major stumbling block in trade is Pakistan's refusal to provide land route. Afghanistan and Pakistan signed Afghanistan Pakistan Transit and Trade Agreement (APTTA) in 2011 which gives each country equal access up to the national boundaries of both. The agreement does not cover road transport vehicles from any third country, be it from India or any Central Asia country.

The APTTA agreement allows Afghan trucks to transport exports to India via Pakistan up to the Wagah crossing point, but does not offer Afghanistan the right to import Indian goods across Pakistani territory. India had expressed its willingness to join Afghanistan Pakistan Transit and Trade Agreement (APTTA); however, Pakistan is not very keen to welcome India as a member of APTTA. **In such a scenario, India needs to accelerate the expansion of the Chabahar port on the Iranian coast which provides an alternative route to Afghanistan and Central Asia.**

Initiatives to develop connectivity:

India has been cooperating with Afghanistan and Iran for development of the Chabahar Port which provides an alternative route to Afghanistan and Central Asia. In this context, a **trilateral transport and transit agreement** based on sea access through Chabahar was

signed in the presence of the leaders of the three countries in Tehran in May 2016. This trilateral connectivity pact will potentially open up an alternative route to world markets for Afghanistan. For India and Iran, it offers a strategic advantage as Pakistan has restricted Afghanistan's trade.

Recently, India has taken over operations of a part of Shahid Beheshti Port, Chabahar. This is the first time India will be operating a port outside its territory. This would open a new strategic route connecting Iran, India, and Afghanistan bypassing Pakistan.

Significance of Chabahar port project:

- The Chabahar port in the Sistan-Balochistan province in the energy-rich nation's southern coast is easily accessible from India's western coast and is increasingly seen as a counter to **Pakistan's Gwadar port** located at distance of around 72 km from Chabahar.
- The Chabahar port is being considered as a gateway to golden opportunities for trade by India, Iran, and Afghanistan with central Asian countries, besides ramping up trade among the three countries in the wake of Pakistan denying transit access to New Delhi.
- Integrated development of connectivity infrastructure including ports, road, and rail networks would open up greater opportunities for regional market access and contribute towards the economic integration and benefit of the three countries and the region.
- The Chabahar port is also seen as a feeder port to the **International North-South Transport Corridor (INSTC)** that has sea, rail and road routes between India, Russia, Iran, Europe, and Central Asia.

Recognising its strategic importance for Afghanistan, the **US has not sanctioned the port and has given India an exemption**. However, even though U.S. has issued India a waiver to develop Chabahar port, the US Administration's crippling economic sanctions on Iran have ensured that companies remain wary of engaging Iranian ports, resulting in slowing down of trade via Chabahar.

Moreover, **worryingly in July 2020, Iran decided to proceed with the rail line construction on its own, citing delays from the Indian side in beginning and funding the project.**

PROJECT ROADMAP



US withdrawal from Afghanistan and Taliban takeover

President Joe Biden had declared that US military operations in Afghanistan would cease by 31 August. Other NATO countries, including the UK, also withdrew all military forces ahead of Mr. Biden's deadline. It was accompanied by Taliban militants seizing territory throughout Afghanistan.

The speedy withdrawal of US troops from Afghanistan was matched by the swift advance of the Taliban across the nation. While Washington was still withdrawing, **Taliban captured Kabul on August 15, resulting in panic reaction among the local population as President Ashraf Ghani fled the country.**

Post US withdrawal, Taliban has again seized power in Afghanistan. They have firmly established their rule. A Taliban government has been formed. **The second Taliban regime**

is in many ways a reflection of the first. Many of the same groups are still in power. It is non-inclusive and Pashtun-dominated. The stamp of the ISI is unmistakable.

In terms of structure, the new government in Kabul is similar in some ways to the one in Tehran. The top religious leader of the Taliban, Mullah Haibatullah Akhundzada, is Afghanistan's supreme authority, even though he is not part of the government. Akhundzada has instructed the new government to uphold Islamic rules and Sharia law in Afghanistan.

Mullah Mohammad Hassan Akhund is the new prime minister. **As expected, no woman has found a place in the cabinet, and there are very few non-Pashtuns — only three out of 33.** This has belied expectations in some quarters of the international community that the “new” Taliban would be “inclusive” and “representative”. **There were women negotiators in the Intra-Afghan talks in Doha, but none of them have found a place in the cabinet.**

Taliban 2.0 : Impact on India

Taliban’s takeover in Afghanistan is likely to cause a significant shift in the geopolitics of South Asia, and it could be particularly testing for India as Pakistan and China’s role in Afghanistan may increase. India’s infrastructure investments in Afghanistan are at risk. **Besides, New Delhi has lost a friendly government in Kabul. Worse, Islamabad’s close partners have come back to power in Kabul.**

For India, the era of prolonged peace in Afghanistan secured by the US military presence has come to an end. Now there are new constraints on Delhi’s ability to operate inside Afghanistan. **There is also the danger that Afghanistan under the Taliban could also begin to nurture anti-India terror groups (sponsored by Pakistan).**

- For India, the house-of-cards collapse of the 20-year-old Afghan democracy represents a strategic setback and a stinging humiliation.
- Since 2001, India has spent a non-trivial \$3bn or so to bolster the American-installed regime. It built roads, dams, power lines, clinics and schools across the country. It trained Afghan officers, including women, in its military academies. It gave scholarships to thousands. India even presented a fancy new parliament. Now, India’s infrastructure investments in Afghanistan are at the risk of being seized by an unfriendly Taliban government.
- Should the Taliban adopt a radical approach to establish power, militancy may rise on Indian borders, which may be further fuelled by Pakistan.

- It is noteworthy that Pakistan has considerable influence over Taliban and has actively assisted their return to power in Kabul. Thus, there is also the danger that Afghanistan under the Taliban could also begin to nurture anti-India terror groups. India faces threat from terrorist factions such as the **Haqqani group**, which is among the United Nations' designated entities as a terror group and is a key member of the Taliban. It is known for engineering and carrying out attacks against Indian assets, including the Indian embassy in Kabul.
- **The new Afghan government has Pakistani's stamp all over it (big concern for India).** ISI chief played an important role in handpicking leaders for the new government in Afghanistan. The imprint of Rawalpindi is visible as the new cabinet is dominated by leaders of the **Haqqani Network terrorist outfit** and the Kandahar-based Taliban group. The Taliban group based in Doha, which had been negotiating with the international community and had **established contacts with New Delhi**, have been sidelined.
- India's access to Central Asian markets may be curtailed and India's infrastructure in Afghanistan may also be compromised. Indian assets in Afghanistan's neighbouring countries such as the Chabahar port may become redundant.
- Human rights violation: The rule of Taliban may be accompanied by erosion in women's and minority rights and the overturning of a democratic system which stands a concern for India.
- Problem of Illegal drug trade is bound to intensify under the Taliban rule: **Golden crescent of opium.**

India's response to Taliban takeover in Afghanistan

After Taliban takeover, India conducted **Operation Devi Shakti** to evacuate more than 800 people including its citizens and Afghan partners from Afghanistan. Ministry of External Affairs also held meeting with Taliban in Doha, focused on safety, security and early return of Indian nationals stranded in Afghanistan, and the travel of Afghan nationals, especially minorities, to India. However, **India has refused to give diplomatic recognition to Taliban government of Afghanistan.**

India has officially stated that **world community's approach to Afghanistan should be in line with UN Security Council resolution 2593**, which demands Afghan soil shouldn't be

used in any way for terrorism and seeks an inclusive and negotiated settlement to the crisis in the war-torn country.

UNSC resolution 2593, adopted during India's presidency of the Security Council in August, unequivocally demands that **Afghan territory not be used for sheltering, training, planning or financing terrorist acts, and specifically refers to terrorist individuals proscribed by the UN Security Council, including Lashkar-e-Taiba and Jaish-e-Mohammad.**

Moreover, India is engaging with regional partners to chalk out a stable, prosperous and peaceful future for Afghanistan and to secure India's strategic interests in the region:

Delhi Regional Security Dialogue on Afghanistan

National Security Council Secretariat of India hosted '**Delhi Regional Security Dialogue on Afghanistan**'. The National Security Advisers from seven other countries attended the meeting, chaired by India's NSA Ajit Doval. Seven participants were Iran, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

A joint statement titled the '**Delhi Declaration**' issued after the meeting called for:

- Collective cooperation against terrorism and drug trafficking in the region
- Expressed concern over the deteriorating socio-economic and humanitarian situation in Afghanistan and underlined the need to provide urgent humanitarian assistance to the people of Afghanistan.
- Humanitarian assistance should be provided in an unimpeded, direct and assured manner and help should be distributed across the country in a non-discriminatory manner across all sections of the Afghan society.

3rd meeting of India-Central Asia dialogue

Six nations expressed their common concerns and objectives on Afghanistan and developed a broad '**regional consensus**' on the issues related to Afghanistan, which includes following:

- Formation of a truly representative and inclusive government
- Combating terrorism and drug trafficking: they agreed to uphold UNSC Resolution 2593 (2021), which unequivocally demands that Afghan territory not be used for sheltering, training, planning or financing terrorist acts.

- Central role of the UN
- Providing immediate humanitarian assistance for the Afghan people and preserving the rights of women, children and other national ethnic groups.

Way forward for India

India's response to the new situation in Afghanistan must be multi-pronged, carefully calibrated, and multilateral. Only then, can it overcome the many challenges which lie on the road ahead. India must ensure implementation of UNSC resolution.

If India remains active, but patient, many opportunities could open up in the new Afghan phase. For now, India must actively contribute to regional deliberations on Afghanistan like SCO and engagement with Central Asian nations. As the world deals with new facts on the ground created by the Taliban, **Delhi must make all possible efforts to get the international community to hold the Taliban to its word.**

Moreover, it has been widely suggested that New Delhi must fundamentally reset its Afghanistan policy. India must consider directly engaging with Taliban 2.0. Time for hesitant backchannel talks is over; therefore, **India should begin open talks as it is a strategic necessity.** There is no need to be secretive or embarrassed about it.

The lessons for India are clear; it will have to fight its own battles. So it must make enemies wisely, choose friends carefully, rekindle flickering friendships, and make peace while it can.

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BY SUSHANT VERMA

INDIA AND CENTRAL ASIA

INTRODUCTION

- India has enjoyed historical and civilizational linkages with Central Asia through the Silk Route from 3rd century BC to 15th century AD, when the sea route from Europe to India was discovered. The Silk route connected the two regions not only for transportation of goods like silk, textiles, spices etc. but also served as an effective channel for exchange of thoughts, ideas, religion, and philosophy.
- Buddhism spread through this route from India to Central Asia and from there to West China in the contemporary Xinjiang region. Buddhism found inroads in several of Central Asian cities such as Merv, Khalachayan, Tirmiz and Bokhara etc in form of Stupas and Monasteries.



- In medieval times, Babar came from Fergana Valley after losing his kingdom to try his fortune in India and laid the foundations of the great Mughal Empire.
- Post independent India's linkages with the Soviet period through culture, music, dance, movies and literature sustained close relations with the Soviet Republics.
- In the 1990s, when the five central Asian republics gained independence, India faced the twin challenges of adjusting to the emerging post-cold war order and domestic economic reform. Bilateral relations however suffered considerable neglect in the 25 years after emergence of these countries as independent States in 1991.
- One notable initiative was Tajikistan functioned as India's focus in the region during this period. **India provided material and logistics assistance to the anti-Taliban Northern Alliance in Afghanistan**, routed through Tajikistan. Subsequently, Tajikistan also became the recipient of long-term Indian military training as well as the location of what could have been India's first overseas military base. In 2002, India and Tajikistan signed a bilateral defence agreement, as part of which India refurbished Ayni, a disused Soviet airbase. Widely considered to have been motivated by an Indian desire for access to the airfield, this did not come to pass. India's military cooperation with other nations in the region has been significant, but far more limited.
- The only significant achievement in the energy sector has been civil nuclear cooperation. In 2008, Kazakhstan supported India in obtaining India-specific exemption to allow civil nuclear cooperation with the Nuclear Suppliers Group (NSG) countries. **The following year, India and Kazakhstan signed an agreement for the supply of uranium to India.**
- In time, India's foreign policy evolved to include a greater emphasis on engagement with **India's extended neighborhood**, which included Central Asia. Over the years, the INSTC's membership has expanded to include the Central Asian states of Kazakhstan, Kyrgyzstan and Tajikistan. Further, in 2012, Uzbekistan and Turkmenistan agreed to extend support to member countries to complete the missing links along the corridor.

IMPORTANCE OF CENTRAL ASIA

Geostrategic importance

- This region is a **bridge** between different regions of Asia and between Europe and Asia
- Traditionally, Central Asia has been an arena of "great game". The modern version is being played out even today between Russia, China, US, Turkey, Iran, Europe, EU, Japan, Pakistan, India, and Afghanistan, all of whom have substantial security and economic stakes in the region.

- Also, the region lies at the crossroads of Russia, the Middle East, South Asia and the Far East. Any geopolitical changes in the region inevitably extend their impact on several states in the neighbourhood.

GREAT GAME

- "The Great Game" was a political and diplomatic confrontation that existed for most of the 19th century between the British Empire and the Russian Empire over Afghanistan and neighboring territories in Central and South Asia.
- Russia was fearful of British commercial and military inroads into Central Asia, and Britain was fearful of Russia adding "the jewel in the crown", India, to the vast empire that Russia was building in Asia. This resulted in an atmosphere of distrust and the constant threat of war between the two empires.
- In the historical sense the term dated from the mid-19th century. "The Great Game" is attributed to Captain Arthur Conolly (1807–42) a British intelligence officer. It was introduced into mainstream by the British novelist Rudyard Kipling in his novel *Kim* (1901)

Economic importance

- All these states are rich in minerals and well-endowed with hydroelectric resources.
 - ✓ Kazakhstan has the world's second largest reserves of uranium and is the world's largest producer;
 - ✓ Uzbekistan has large reserves of gas, uranium and gold;
 - ✓ Turkmenistan has fourth largest reserves of natural gas;
 - ✓ Tajikistan has huge hydroelectric potential;
 - ✓ Kyrgyzstan is rich in gold and hydroelectric power.
- Thus, the region can help in India's quest for energy security
- From **trade and investment point of view**, Central Asia is a huge consumer market for a range of goods and services, which India can provide. For India, economic cooperation is possible through joint ventures in banking, insurance, agriculture, information technology, and the pharmaceutical industry. Indian companies can participate in road and railway construction, electric power transmission and distribution, telecommunications, power generation, etc

Security importance

- Religious extremism, fundamentalism and drug trafficking pose challenges to these societies and to regional stability. Issues relating to water, security, environment, migration have become acute. The

region faces newer threats of narco-terrorism- illegal drug trade emanating from ‘Golden Crescent’ of opium production (Iran-Pak-Afghan) is threat to regional security.

- Hence peace and stability in the region is crucial factor for India's security. This region potentially acts as
 - ✓ a buffer to contain the fallout of fundamentalism. Any advance by Islamic extremist groups in the region could invigorate similar elements active in Kashmir.
 - ✓ to prevent encirclement by any regional or outside power, and
 - ✓ finally, to insulate India from narco-terrorism.
 - ✓ India's presence may well serve to neutralise the region's anti-West bias and reassure US and EU.
- The region's importance has been **accentuated with the Taliban takeover of Afghanistan**, and the threats of narco-terrorism spilling over to Central Asia and on to Russia and China. India and Central Asian Republics have deep rooted ties with Afghanistan – three of these countries, Turkmenistan, Uzbekistan and Tajikistan-share borders with Afghanistan – all agreed on the need for an inclusive government, unhindered humanitarian aid and preservation of rights of women, children and minorities in Afghanistan.

RECENT INITIATIVES

- India deals with Central Asia at multiple levels.
 - 1) at the bilateral level
 - 2) regional engagement between India and Central Asia such as the India Central Asia Dialogue at the foreign minister's level.
 - 3) at the multilateral level through platforms such as the SCO, the Conference on Interaction and Confidence-Building Measures in Asia (CICA) and the United Nations.
- India's **Connect Central Asia (CAA) policy of 2012** is a broad-based framework involving political, economic, security and cultural connections. Following the announcement of the Connect Asia policy in 2012, the Indian PM visited all the five countries in July 2015. **It was the first time an Indian Prime Minister has visited all five countries in a single visit since their independence in the early 1990s.** This was a watershed moment in reviving the two sides' socio-political and economic ties.
- India's permanent membership to the Shanghai Cooperation Organization (SCO) in 2017 have paved the way for elevated strategic cooperation between India and Central Asian Republics.
- In addition to this, the **India-Central Asia dialogue mechanism** has honed India's outreach to this region. The Dialogue also sought to establish cooperation between specialised national institutions including in the fields of finance, renewable energy, information, digital and other advanced technologies and green energy.

- The India and Central Asia strategic cooperation has benefited from this dialogue framework.
 - ✓ Many of the initiatives presented at the **First Dialogue**, which took place in Samarkand (Uzbekistan) on January 13, 2019, have come to fruition, including forming an India-Central Asia Business Council (ICABC). Many additional development projects are in progress.
 - ✓ In 2020, **The Second Dialogue** was convened virtually due to the COVID-19 pandemic. India has **extended a \$1 billion Line of Credit (LOC)** for priority development projects in energy, healthcare, connectivity, IT, agriculture, education, etc. In this line, the third dialogue has set the stage for intensifying bilateral relations.
- To improve connectivity, India has registered considerable progress in
 - ✓ concluding a trilateral agreement for renovation of Chabahar port,
 - ✓ development of the International North South Transport Corridor (INSTC) and
 - ✓ becoming a member of the Ashgabat Agreement.
 - ✓ India's membership of Shanghai Cooperation Organization (SCO) as also the Eurasian Economic Union (EEU) promises to bridge this gap.
- India uses its considerable soft power through dance, music, bollywood films, yoga, literature etc. India's international Technical and Economic Cooperation (ITEC) programme attracts young professionals for capacity building. Cognizant of the rapidly changing scenario, the National Security Advisors of all these five countries attended the regional meeting on the situation in Afghanistan that India hosted in November 2021.

THIRD DIALOGUE MECHANISM

- An India-Central Asia dialogue mechanism at the Foreign Ministers level met in New Delhi for the Third Dialogue on 18-19th December 2021.
- The Third Dialogue emphasized the accountability and transparency of projects in a veiled reference to the debt trap that China's BRI is.
- The Third Dialogue brought in the additional element of connectivity between Indian states and Central Asia..The India-Central Asia Business Council (ICABC) established in 2020 was urged to encourage these activities.
- **Afghanistan was the main agenda of the Third India-Central Asia dialogue.** The Ministers underlined their strong support for a peaceful, safe, and stable Afghanistan, underlining the need to respect its sovereignty, unity, and territorial integrity. In a veiled reference to Pakistan, the Third Dialogue emphasized **non-interference in internal affairs of Afghanistan.**
- They also agreed to continue providing emergency humanitarian aid to Afghans. The foreign ministers also emphasised the significance of **UN Security Council Resolution 2593 (2021)**, which states

explicitly that Afghan land must not be used for terrorist sanctuary, training, planning, or funding, and calls for coordinated action against all terrorist organizations. They decided to maintain close cooperation on the Afghan situation. They also emphasized the importance of counter terrorism, and early adoption of the UN Comprehensive Convention on International Terrorism (CCIT).

- **Significantly, the foreign ministers of the five republics skipped the OIC meeting in Islamabad to attend the Dialogue in New Delhi.** The fact that the foreign ministers of the five Central Asian nations travelled to New Delhi in December 2021 to attend the third India-Central Asia Dialogue despite the threat of the Omicron variant and while deviating from the overlapping meeting of the Organization of Islamic Cooperation's foreign ministers demonstrates the importance they place on relations with India.
- The meeting also discussed new avenues of cooperation based on shared interests and the importance of deepening **the strategic engagement in 4 Cs**—
 - ✓ commerce,
 - ✓ capacity building,
 - ✓ connectivity, and
 - ✓ contact—which encompass the dimensions of security and terrorism, trade and economy, development partnership, energy security, healthcare, and climate change.
- With regards to COVID-19, while Central Asian countries appreciated India's assistance in supplying vaccines and essential medicines during the pandemic's early stages, New Delhi reciprocated by expressing gratitude for medical supplies received from Kazakhstan and Uzbekistan and the offer of assistance made by Turkmenistan during the second wave of COVID-19 in India in April-May 2021.
- CARs reiterated support of their countries for permanent membership of India in an expanded and reformed UN Security Council (UNSC). They further welcomed the ongoing non-permanent tenure of India in the UNSC and its priorities.

FIRST CENTRAL ASIA SUMMIT

- India hosted the first India-Central Asia Summit in virtual format on 27 January 2022. It was attended by Presidents of all five central Asian republics; Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. **This first India-Central Asia virtual summit coincided with the 30th anniversary of establishment of diplomatic relations between India and Central Asian countries.**
- The summit came two days after a similar China-Central Asia Conference was held where China offered USD 500 million in assistance and pledged to ramp up trade to USD 70 billion from the present levels of about USD 40 billion a year.
- Objectives of the 1st India - Central Asia Summit

- 1) To emphasise the centrality of the region to India's integrated and stable extended neighbourhood
- 2) To establish a framework of regular interaction among various stakeholders
- 3) Shared commitment to a “peaceful, secure and stable Afghanistan.

Key outcomes

- During the Summit, Prime Minister Modi and the Central Asian Leaders discussed the next steps in taking India-Central Asia relations to new heights. On the completion of the summit, the ‘Delhi Declaration’ was adopted.
 - ✓ In a historic decision, the Leaders agreed to **institutionalize the Summit mechanism** by deciding to hold it every 2 years.
 - ✓ They also agreed on regular meetings of Foreign Ministers, Trade Ministers, Culture Ministers and Secretaries of the Security Council to prepare the groundwork for the Summit meetings.
 - ✓ **An India-Central Asia Secretariat** in New Delhi would be set up to support the new mechanism.
 - ✓ They decided to create an **India-Central Asia Parliamentary Forum** to enhance the cooperation between the parliaments of India and Central Asian countries.
- The Leaders discussed far-reaching proposals to further cooperation in areas of trade and connectivity, development cooperation, defence and security and, in particular, on cultural and people to people contacts. These included
 - ✓ a Round-Table on Energy and Connectivity;
 - ✓ **Joint Working Groups at senior official level on Afghanistan and use of Chabahar Port;**
 - ✓ showcasing of Buddhist exhibitions in Central Asian countries and
 - ✓ commissioning of an India-Central Asia dictionary of common words,
 - ✓ joint counter-terrorism exercises,
 - ✓ visit of 100-member youth delegation annually from Central Asian countries to India and
 - ✓ special courses for Central Asian diplomats
- Prime Minister Modi also **discussed the evolving situation in Afghanistan** with the Central Asian leaders. The leaders reiterated their strong support for a peaceful, secure and stable Afghanistan with a truly representative and inclusive government. Prime Minister conveyed India's continued commitment to provide humanitarian assistance to the Afghan people.
- Taking note of the success of the ‘Delhi Security Dialogue on Afghanistan’ held in New Delhi in November 2021, India and Central Asian leaders agreed **to continue the regular meetings of the secretaries/NSAs of the Security Council** to discuss the development in the region. The

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establishment of a **Joint Working Group (JWG)** on **Afghanistan** will give an institutional framework to the joint efforts of India and CARs to stabilize Afghanistan.

- Turkmenistan also offered to include the Turkmenbashi port within the framework of INSTC, which will give impetus to the connectivity initiatives. The Indian side welcomed the interest of Central Asian countries to utilise the services of Shahid Beheshti Terminal at Chabahar port for facilitating their trade with India and other external markets.
- It was also decided at the meeting to resume talks for the **proposed Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project**.
- During the summit, it was also proposed to create an '**India-Central Asia Investment Club**' under the auspicious of the India-Central Asia Business Council (ICABC) to enhance and promote the opportunities in this sector. Both sides also identified multiple sectors like agriculture, energy, textile, pharmaceutical, education, IT, business process outsourcing (BPO) to enhance trade and investments.

Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project

- The project, conceived in 1995, aims to transport 33 billion cubic metres of gas from Turkmenistan's Galkynysh gas field to Afghanistan, Pakistan and finally India through the proposed 1814-km long pipeline, also called **the 'Peace Pipeline'**.
- It is expected to pass through the Kandahar and Herat provinces of Afghanistan from where it will pass through Quetta and Multan of Pakistan and then terminate in Fazilka, a district in Punjab that is located near the India-Pakistan border.
- The four countries signed an Inter Government Agreement (IGA) and Gas Pipeline Framework Agreements (GPFA) in December 2010 for the development of the pipeline.



- A special-purpose international consortium — TAPI Pipeline Co. Ltd (TPCL) — was incorporated in November 2014. It was decided that from India, state-owned GAIL will pick up 5 per cent stake in TPCL, along with Pakistan's Interstate Gas Systems (ISGS) and Afghanistan's Afghan Gas Enterprise (AGE), both of which will have 5 per cent stake each in the project while Turkmenistan's Turkmengaz, will hold majority stake of 85 per cent.
- In April 2016, India along with other shareholders of the project signed an investment agreement with the Asian Development Bank, under which an initial budget of \$200 million was earmarked to fund one of the phases of the project.
- The \$10 billion project failed to make any progress since it was conceived about three decades back mainly due to tensions between India and Pakistan, but the changed situation in Afghanistan has further marred chances of making progress. While New Delhi continues to remain a participant in the mega gas pipeline project conceived in the 1990s, its concerns over the safety and security around the project have grown manifold with the return of the Taliban in Afghanistan,
- One of India's primary concerns is that once the project becomes operational, a lot of Indian industries will become dependent on it. Pakistan can take advantage of this and can shut off supplies during periods of tension, which will then result in huge losses
- Another reason that will make it difficult for India to move is the fact that New Delhi doesn't officially recognise the Taliban regime in Afghanistan, which is one of the stakeholders, sources said. Other factors such as price of gas and existence of such a large amount of gas in the fields of Turkmenistan and whether it can sustain the supplies also remains a question.

CHALLENGE

Poor connectivity

- The key constraint India faces is the lack of direct access to Central Asia. That India **does not share a common land border with any of these states** has been a major bottleneck in promoting and expanding ties. Pakistan does not allow direct routes to either Afghanistan or to Central Asia. China is, therefore, the transit land route for trade which is time consuming and costly. Further, planned connectivity projects are facing serious financial, political, and security challenges, frustrating oil, and gas diplomacy.

Instability factor

Politically, the Central Asian republics are highly fragile and also face threats like terrorism, Islamic fundamentalism etc. making the region a volatile and unstable market. There were concerns expressed over recent protests against Kazakhstan government and a crackdown by the authorities.

- Delineation of borders, a Soviet legacy, overlooked many ethnic, tribal, linguistic, geographical, and even economic factors. Consequently, the post-soviet era saw problems of governance, regulation of movement across the borders and many inter-state disputes. Kazakhstan is more progressive than others; Kyrgyzstan and Tajikistan have lagged; Uzbekistan and Turkmenistan remain closed and controlled societies. Uzbekistan is a potential leader but has difficult relations with neighbors Tajikistan and Kyrgyzstan on water issues. Kazakhstan, is in the race to become a pre-eminent power in the region.
- Also deteriorating between Iran and the United States, diminishes reliability and safety required for trade and commerce in this region. This adversely impacts investments potential in this region.

Sino-Central Asia ties

- Compared to \$40b trade turnover with China, the region's trade with India is only \$2b. This amount is less than 0.5 percent of India's total trade. It is skewed towards energy imports from Kazakhstan.
- **China has emerged as the dominant player, as compared to India**, by providing loans and investing heavily in the region through ambitious projects like Belt and Road Initiative (BRI)
- China's trade with the five countries crossed \$40 billion in 2018, roughly 20 times India's trade with the region that year. Much of that trade has been driven by Chinese appetite for energy resources. There are several big projects of strategic importance including
 - ✓ the China-Central Asia natural gas pipeline,
 - ✓ the China-Kazakhstan crude oil pipeline,
 - ✓ the China-Kyrgyzstan-Uzbekistan highway, and
 - ✓ the China-Tajikistan expressway.
 - ✓ China-Europe Railway Express which runs through Central Asia has seen rapid growth since the launch of Belt and Road Initiative
- China has pledged to import more quality goods and agricultural products from countries in the region and strive to increase the trade between the two sides to \$70 billion by 2030. China would also provide a grant assistance of \$500 million to Central Asian countries in support of livelihood programs.
- Though India is part of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, progress is slow. Uzbekistan has also pushed ahead for a joint plan with India and Iran to enhance connectivity through the Chabahar Port, but it is expected to take time. Also factors such as trade regulatory hindrances and political fragility have often created obstacles in the free flow of trade within the region.

Future potential

Trade and investment

- **Agriculture and food processing** is one promising area of cooperation between India and Central Asia. The countries of the region have large tracts of arable land with abundance of water and low population pressure. There is scope for organic farming and organic products, which are in demand in the nearby health conscious European markets. Besides, agricultural cooperation can also contribute to India's own food security. India's experience in boosting food and milk production and modernizing agro-techniques under the green and white revolution can immensely help Central Asia.
- **Greater engagement is expected to help improve mutual security and regional economic prosperity.** Economically, Central Asia provides a 'near abroad' market for India's industry, overland routes to rich resources of Russia and Middle East, and significant energy supplies at relatively short distances. The INSTC corridor route is shorter than Suez and the Mediterranean Sea. As competition for resources with China intensifies, this region is likely to assume greater significance.
- **India and Central Asia also need to expand their trade basket.** There is considerable scope of participation in trade fairs, and in building infrastructure projects, as in rail, road, highways, power transmission lines, nuclear power, etc. In addition to oil and gas, IT, pharma and textiles, higher education, space, SME, power generation, food processing and agriculture present rich potential for deeper engagement. SCO may serve as a guarantor for the projects.
- The ongoing discussion on Air corridors may prove to be a positive feature. Central Asia presents a viable space for India's pharmaceuticals industries. Due to a lack of connectivity, there is **a huge potential in establishing manufacturing units of pharmaceutical products.** In addition, cooperation in the healthcare sector, especially in medical tourism, is promising. It was also brought out that cooperation in the **education sector** may be expedited. Indian universities like Sharda and Amity have already been operating in Uzbekistan, which may be extended to other countries.
- It is in India's interest to finalise the much-awaited Free Trade Agreement (FTA) between India and the Eurasian Economic Union (EEU).

Regional balance

- Russia, China and Iran are increasing their footprints in Central Asia through investments and multilateral organizations. **The regional countries want the presence of more international players for their economic growth and political balance, so that no one power is able to hold sway in the region.** Realizing the importance, stability, experience and economic capabilities of India, Eurasian countries have favoured greater interaction and engagement with New Delhi in the form of membership of the SCO and proposed FTA with the EEU.

- India may yet have to balance geopolitical ambitions of China and Russia to evolve a mutually beneficial framework. Though active partners in the BRI, **the disenchantment of the Central Asian countries** has increased not only with the growing Chinese footprint in their economic and political systems but also because of repression of several Kazakh and Kyrgyz Muslims along with Uighurs in the Xinjiang region, resulting in many anti-Chinese protests. **India can use its soft power diplomacy to take the opportunities presented in the region.**

Capacity building

- New Delhi can work with Central Asian countries to have a dedicated satellite for the region's electronic media networks. Greater information about each other would also help in boosting tourism between India and Central Asia. India's rich experience in managing the local-self-government can also be helpful to Central Asian countries where mahalla culture (local self-government) is widely prevalent.
- There is a need to increase research on the region in Indian educational institutions, besides giving training of regional languages to the students and researchers. It is now incumbent on the business leaders, practitioners, academia, entertainment industry and media sources from India to play an active role to build on and widen the relationship for mutual development of South Asia and Central Asia.

Conclusion

- Overall, in recent years, the contours of the India-Central Asia relationship have been witnessing metamorphosis in an unprecedented manner whereby growing convergence has the potential to bring about a paradigm shift in the geostrategic dynamics of the extended neighbourhood. The transformational impact from the visit of Indian Prime Minister Narendra Modi in July 2015 has been further energised by repeat high level exchange visits at various levels—all of which have further consolidated the upswing of strategic ties.
- Remarkably, consistent dialogue and discussions at multiple levels in recent years have taken this relationship to new orbit. India's relations with Central Asia still hold huge potential. It is also worth noting that the convergence of interest between the two regions will continue to fill the gaps and develop closer cooperation in unexplored avenues.

- It is a permanent intergovernmental international organisation, created in June 2001 (initially as Shanghai 5) in Shanghai, China. The SCO prototype - the "Shanghai Five" mechanism, initially developed on the basis of strengthening trust and disarmament in border regions of China with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. They had come together on the agenda of strengthening good-neighbourly relations of mutual trust, friendship and cooperation.
- The Shanghai Cooperation Organisation Charter was signed during St. Petersburg. SCO Heads of State meeting in June 2002, and entered into force on 19 September 2003. This is the fundamental statutory document that outlines the organisation's goals and principles, as well as its structure and core activities.
- This organization represents approximately 42% of the world's population, 22% of its land area and 20% of its GDP.
- SCO comprises 9-member states, namely
 - ✓ India,
 - ✓ Kazakhstan,
 - ✓ China,
 - ✓ Kyrgyzstan,
 - ✓ Pakistan,
 - ✓ Russia,
 - ✓ Tajikistan, and
 - ✓ Uzbekistan
 - ✓ Iran
- Current observer states are: Afghanistan, Belarus, Mongolia, Saudi Arabia, Egypt, and Qatar.
- Since its inception in 2001, the SCO has mainly focused on regional security issues, its fight against regional terrorism, ethnic separatism and religious extremism. To date, the SCO's priorities also include regional development. The SCO has been an observer in the UN General Assembly since 2005.

Objective

- The SCO's main objectives are as follows:
 - ✓ Strengthening mutual trust and neighbourliness among the member states;
 - ✓ Promoting their effective cooperation in politics, trade, the economy, research, technology and culture, as well as in 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.

Structure

- Heads of State Council - The Council of Heads of States is the apex decision-making body in the SCO. This Council meets at the SCO summits, which are held each year in one of the member states' capital cities.
- SCO Heads of Government Council (HGC)- The Council of Heads of Governments is the second highest council in the organization. It meets once a year to discuss the organisation's multilateral cooperation strategy and priority areas, to resolve current important economic and other cooperation issues, and also to approve the organization's annual budget. The SCO's official languages are Russian and Chinese.
- SCO- Council of Foreign Ministers (CFM) - It is the highest forum of SCO after the Council of Heads of State (CHS) and the Council of Heads of Government (CHG). It deliberates on important regional and international issues and considers documents for approval and adoption by the Council of Heads of State.
- SCO has two permanent bodies
 1. SCO Secretariat in Beijing - –to provide informational, analytical & organisational support.
 2. Executive Committee of Regional Anti-Terrorist Structure (RATS) in Tashkent- to combat terrorism, separatism and extremism.

Significance of SCO for India

- India's security, geopolitical, strategic and economic interests are closely intertwined with developments in the region

Geopolitical

- Stable Afghanistan is in India's interest. SCO is a platform which can play an important role in Afghanistan.
- SCO is a potential platform to advance India's Connect Central Asia policy and formulate an appropriate Eurasian strategy. India can push for the Chabahar port project and International North-South Transport Corridor (INSTC).

Security

- The SCO provides India with an opportunity to initiate multilateral and regional initiatives on counter-terrorism and deal with the illicit drug trade. Regional Anti-Terrorist Structure (RATS) is a permanent

body of the SCO and is intended to facilitate coordination and interaction between the SCO member states in the fight against terrorism, extremism and separatism.

Energy

- The Central Asian region is richly endowed with natural resources and vital minerals. SCO provides a platform for India's efforts to connect with Central Asia. SCO can unblock India's access to Eurasia and provide a fillip to projects like Turkmenistan-Afghanistan-Pakistan-India(TAPI) pipeline.

India's engagement

- At the July 2005 Astana Summit, India, Iran and Pakistan were granted Observer status. In July 2015 in Ufa, Russia, the SCO decided to admit India and Pakistan as full members. On 9 June 2017, at the historic summit in Astana, India and Pakistan officially joined SCO as full-members.
- India had assumed the Chair of the SCO HGC, in November 2019, at the conclusion of the term of Uzbekistan. During the course of its Chairmanship, India particularly focused on creating three new pillars of cooperation:
 - ✓ Startups and Innovation,
 - ✓ Science and Technology, and
 - ✓ Traditional Medicine.
- During its chairmanship, India organised in the virtual format, the first-ever SCO Young Scientists Conclave, in which more than 200 young scientists participated. India also hosted the first-ever Consortium of SCO Economic Think Tanks as well as the first ever SCO Startup Forum.
- On the cultural-humanitarian side, India implemented PM Modi's commitment at the Bishkek Summit in 2019 by launching the first-ever SCO Digital Exhibition on Shared Buddhist Heritage by the National Museum and translating 10 classics of Indian regional literature into Russian and Chinese.
- India assumed the chairmanship of the Council of RATS SCO in October, 2021 for a period of one year. India hosted a three-day meeting under the framework of the SCO's Regional Anti-Terrorist Structure (RATS) in May 2022.
- A major focus of the discussions was to be on the situation in Afghanistan, especially in dealing with the threat from terror groups active in the Taliban-ruled country. India has not recognised the Taliban regime in Afghanistan. It has been pitching for the formation of a truly inclusive government in Kabul. It is also insisting that Afghan soil must not be used for any terrorist activities against any country

- PM Modi participated in the 22nd Meeting of the Council of Heads of State of the SCO at Samarkand (Uzbekistan). After the summit, Uzbekistan handed over the rotating presidency of the SCO to India. India will host the next SCO summit as a chairman of organisation in 2023.
- Samarkand Declaration of the Council of Heads of State of SCO was released after the summit. Its main highlights of this meetings are-
 - ✓ Varanasi, was declared as the SCO Tourism and Cultural Capital for 2022- 2023 to promote the rich heritage and the tourism potential of SCO member states.
 - ✓ Iran was accepted as a permanent member of the SCO.
 - ✓ The Samarkand declaration advocated commitment to peaceful settlement of differences and disputes between countries through dialogue and consultation.
 - ✓ They stressed that the principles of mutual respect for sovereignty, independence, territorial integrity of States, equality, mutual benefit, non- interference in internal affairs, and non-use or threat of use of force are the basis for sustainable development of international relations.
 - ✓ The member countries are planning to develop common principles and approaches to form a unified list of terrorists, separatist and extremist organizations whose activities are prohibited on the territories of the SCO member states.
 - ✓ Support for non – proliferation of nuclear weapons and the continuation of nuclear disarmament
- India emphasised the initiative to promote millets and address issues related to food security. India also to take initiative for new SCO working group on traditional medicines.

Challenges

Balancing engagement with QUAD and SCO

- SCO and Quad have apparently conflicting stance. SCO, as a platform, is seen by the West as an organization to forward Chinese interests and Quad is seen as a coalition to counter China. India's membership of both organisations is often seen as India attempting to put its foot in two boats.
- The purpose of the two organisations is majorly securing regional peace and stability. If going by the real purpose, SCO deals with India's Continental neighbourhood to ensure peace, security, and stability in the region. Quad deals with India's Maritime neighbourhood working towards ensuring a free and open and prosperous Indo-Pacific region.
- India being a member of both organisations reflects India's strategy of multi alignment or strategic autonomy in the emerging multipolar world order. This entails putting India's national interests on priority while engaging with multiple global players.

- Differences between India and Pakistan might hamper the functioning of the SCO. China is Pakistan's 'all weather friend' and supports Pakistan to maintain the balance of power in South Asia. India's definition of terrorism is different to the definition of SCO under RATS. For SCO, terrorism coincides with regime destabilisation; whereas for India it is related to state sponsored cross border terrorism.
- All members of SCO have supported One-BeltOne-Road (OBOR) initiative except India. It might lead to isolation of India on this platform. China's aggressive approach and border disputes with India further complicate India's position in the SCO.
- Growing convergence of China and Russia will be another challenge for India. Amid Ukraine conflict, Russia may continue to seek a closer partnership with China in the face of increasing hostilities between Russia and the West.
- It would be difficult for India to overcome the burden of geography and make tangible gains in terms of trans-regional connectivity.

Way ahead

- The opening of Chabahar port and entry into Ashgabat agreement should be utilized for a stronger presence in Eurasia. India should retain its independent voice against dominance of other members in the grouping. India could play a role in de-radicalisation of youths in Central Asia and leverage its soft power. The SCO should hold more anti-terrorism drills and also cooperate with the Financial Action Task Force to choke the finances of terror outfits.

- The term "BRIC"(Brazil, Russia, India and China) was coined in 2001 by then-chairman of Goldman Sachs Asset Management, Jim O'Neill, in his publication Building Better Global Economic BRICs. In his analysis Jim asserted that by 2050 these 4 economies will constitute world's largest economies.
- In 2006, foreign ministers of BRIC nations met in St. Petersburg, Russia and formalized the BRIC group. In 2009, first full-scale formal meet was held in Yekaterinburg, Russia. In 2010 South Africa was invited to join the group, thus emerged BRICS (in 3rd Summit in 2011 in Sanya, China).
- Recently, Iran and Argentina have applied to join the BRICS mechanism. This could be the first expansion of the group since South Africa was included in 2010.

Objectives

- ✓ To foster strong economic collaboration, improving political and security co-operation.
- ✓ **Democratization of the United Nations, including expansion of the UN-Security Council.**
- ✓ **Reform of global financial governance.**
- ✓ South-South framework for cooperation.
- ✓ To achieve regional development.
- ✓ Assisting developing countries in gaining an advantage in trade and climate change negotiations.
- ✓ Enhance market access opportunities and facilitate market inter-linkages.
- ✓ To promote mutual trade and investment and create a business-friendly environment for investors and entrepreneurs in all BRICS countries.
- ✓ Strive for, inclusive economic growth to eradicate poverty, address unemployment and promote social inclusion.
- ✓ **Commitment to cooperate for strengthening multilateralism, the rule of law and an equitable international order.**

Significance

- The BRICS is **the fastest growing and largest emerging market economy**. It accounts for almost three billion people, or just **under half of the total population of the world (41%)**. In recent times, the BRICS have contributed to the majority of world GDP growth.
- As of 2018, these five nations had a combined nominal GDP of US\$18.6 trillion, about **23.2% of the gross world product**, combined GDP (PPP) of around US\$40 trillion (**32% of World's GDP PPP**) and an estimated US\$4.46 trillion in combined foreign reserves.
- Further, it is a unique group such that it is not geographically bound like ASEAN or EU, or commodity based like OPEC or a security-based alliance like NATO. What binds them together is the joint

strategic will of BRICS countries to reconfigure the world order and engage the world in search of inclusive growth and sustainable development.

Areas of Cooperation

- Climate Change
- Bretton Woods Reforms
- Global trade + IPR
- Counter-terrorism
- Money Laundering
- Sustainable Development

New Areas of BRICS Cooperation

- The new areas of BRICS cooperation as proposed by South Africa are as follows:
 - Establishment of a Working Group on Peacekeeping;
 - Establishment of a Vaccine Research Centre focused on research and development and vaccine innovation.
 - Establishment of a BRICS Gender and Women's Forum – intended as a dedicated track for gender and women's issues.
 - Establishment of a BRICS Tourism Track of Cooperation.
 - Leveraging the Strategy for BRICS Economic Partnership towards the pursuit of Inclusive Growth and Advancing the 4th Industrial Revolution.
- India took over the Chairmanship of the BRICS in 2021. It was the third BRICS Presidency for India since its inception (after 2012 and 2016).

Importance of BRICS for India

- BRICS provides a great alternate for India to build its global profile. Participation in a non-Western grouping balances India's growing partnership with the West. India often equates BRICS with its participation in other "Western-led" groupings such as the Quad, which helps in highlighting its commitment to strategic autonomy and multi-aligned foreign policy.
- BRICS membership elevates India's global profile and presents an opportunity to project India as a truly international player.
- BRICS provides platform for enhanced engagement between India and China.
- Major focus of India's policy towards BRICS is co-operating on the economic front.
- India is also a fast-growing economy of the bloc which can be beneficial to other members. India being a service-oriented economy and other members strong in manufacturing, can complement each other.

- India can use Brazil and South Africa as a gateway into South America and Africa.

India's contribution to BRICS

- India's notable contribution to BRICS is proposal of the New Development Bank which was put on the BRICS agenda by India in 2012.
- India also added the Urbanization Forum to BRICS cooperation mechanisms to bring greater focus on intra-BRICS cooperation to learn from each other's experience in tackling challenges of rapid urbanization faced by all BRICS members.
- India institutionalized the practice of holding BRICS Academic Forum meetings as preparatory meetings feeding into the Summit agenda by hosting the first such meeting in 2009

XIV BRICS SUMMIT, June 2022

- The 14th BRICS Summit was hosted by China in virtual format in June 2022. India was represented by PM Modi at the summit.
- Theme of BRICS Summit - "Foster High-quality BRICS Partnership, Usher in a New Era for Global Development".
- The participating members issued a joint statement in the form of Beijing Declaration. Key highlights of the declaration are as follows:
 - ✓ BRICS welcomed the **BRICS Initiative on Denial of Safe Haven to Corruption** which further strengthen anticorruption capacity building through education and training programs and enhance anti-corruption exchanges and cooperation within multilateral frameworks.
 - ✓ It supported the leading role of WHO in combating the pandemic, as well as acknowledged initiatives such as the COVAX and the ACT-A. COVAX is the vaccines pillar of the Access to COVID-19 Tools (ACT) Accelerator. The ACT Accelerator (ACT- A) is a ground-breaking global collaboration to accelerate the development, production, and equitable access to COVID-19 tests, treatments, and vaccines.
 - ✓ The declaration welcomed the virtual launch of the **BRICS Vaccine R&D Center**.
 - ✓ It emphasized the urgent need for the establishment of the BRICS Integrated Early Warning System for preventing mass infectious diseases risks.
 - ✓ The declaration expressed **concern about the humanitarian situation in Ukraine and supported talks between Russia and Ukraine**. The grouping is willing to support efforts of the United Nations' and the International Committee of the Red Cross's (ICRC) to deliver humanitarian aid to Ukraine.
 - ✓ It emphasized the importance of continued implementation of the Strategy for BRICS Economic Partnership 2025 in all relevant ministerial tracks and working groups..

- ✓ The declaration congratulated NDB on its relocation to its permanent headquarters building in Shanghai as well as the opening of NDB's regional office in India.
- ✓ As BRICS countries produce around 1/3rd of the world's food, the members stressed their commitment to further enhancing agricultural cooperation. In this regard, it reiterated the **importance of implementing the Action Plan 2021-2024 for Agricultural Cooperation of BRICS Countries.**
- South Africa will be hosting the 15th BRICS summit next year.
- India called for strengthening of the BRICS Identity and proposed establishment of Online Database for BRICS documents, BRICS Railways Research Network, and strengthening cooperation between MSMEs. India will be organizing BRICS Startup event this year to strengthen connection between Startups in BRICS countries.

BRICS Achievements

- **The New Development Bank (NDB):** a multilateral development bank operated by the BRICS states. Primary focus of lending will be infrastructure projects with authorized lending of up to \$34 billion annually. The idea of NDB was proposed by India. NDB is headed by an Indian K.V. Kamath.
- **BRICS Contingent Reserve Arrangement (CRA)** providing protection against global liquidity pressures including currency issues where members' national currencies are being adversely affected by global financial pressures. Both are seen as a competitor to the International Monetary Fund (IMF) and along with the New Development Bank, it is viewed as an example of increasing South-South cooperation.
- **BRICS payment system:** BRICS countries intend to create their own multilateral financial system that would be similar to SWIFT.
- The annual BRICS summit provides a platform to the leaders to share their concern and thoughts regarding geopolitical issues. The BRICS have received both praise and criticism from numerous commentators. Bilateral relations among BRICS nations have mainly been conducted on the basis of non-interference, equality, and mutual benefit.

Challenges facing BRICS

- Dominance of China- Presence of China and the greater role it seeks to assert within the group poses major challenge to India. It could use the group as a platform for anti-U.S propaganda framed around U.S. sanctions on Russia and broader U.S. hegemony. This would go against India as it seeks to avoid being seen as part of an anti-U.S. bloc.
- **Competition among themselves to be regional powers:** Both India and China want to dominate the Asian neighbourhood.

- **Different forms of governance:** Brazil, India, South Africa are democratic countries while Russia, China are authoritarian regimes.
- **Trade conflicts:** Brazil and Russia are commodity exporting countries and thus benefit from high commodity prices while India and China are commodity importers that benefit from low commodity prices.
- **Territorial Issues:** China and India have outstanding territorial issues to resolve. China's Belt and Road Initiative (BRI) is being opposed by India because it transgresses into Indian Territory. China spearheads two other major initiatives in this region – Asian Infrastructure Investment Bank (AIIB) and SCO.
- The BRICS have little in common:
 - ✓ The Chinese economy is 28 times the size of South Africa's.
 - ✓ Income per person in India is much less than in Russia.
 - ✓ China and Russia are members of UN Security Council - the others are not.
- It maintains a low profile on security issues: BRICS will never attempt to make the group into a traditional security framework.

Way Forward

- Jim O'Neill, former chairman of Goldman Sachs who coined the phrase BRIC- (South Africa joining only in 2010) had assessed the group. He felt BRICS, even today, **has a vital role to play in tackling the most pressing international challenges**. His optimism rests on the **continued rise of India and China** and the recovery of economic growth in the other three members.
- Although BRICS as an institution does not necessarily challenge the existing international order **there are elements in the BRICS which can be a base for an alternative world order**. But it is even more likely that around China and India it is possible to intensify **South-South cooperation** and to replace the existing order with the one what would reflect better the international realities.
- BRICS's unfinished agenda of reform of global financial and trade institutions reminds member countries of the necessity of continued cooperation in this regard for mutual benefit. There is a greater need to formalise BRICS cooperation on global financial sector reforms and be assertive in norm-setting that leads to financial flows earmarked for separate needs, such as climate change mitigation, resilient and sustainable infrastructure, and green technologies.
- BRICS should take following measures-
 - ✓ set a BRICS FTA to counter mega FTAs happening across world.
 - ✓ Expand the reach of NDB and AIIB. NDB should exploit the weakening of the Bretton Wood Twins (WB and IMF).

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- Despite the divergent foreign and security policy priorities of the BRICS states, the group unanimously acknowledges terrorism as a serious threat to their national, regional and international security.
- The BRICS must support post-pandemic growth and development in emerging countries and push for much enhanced multilateral efforts by furthering its deep connect with the Global South.

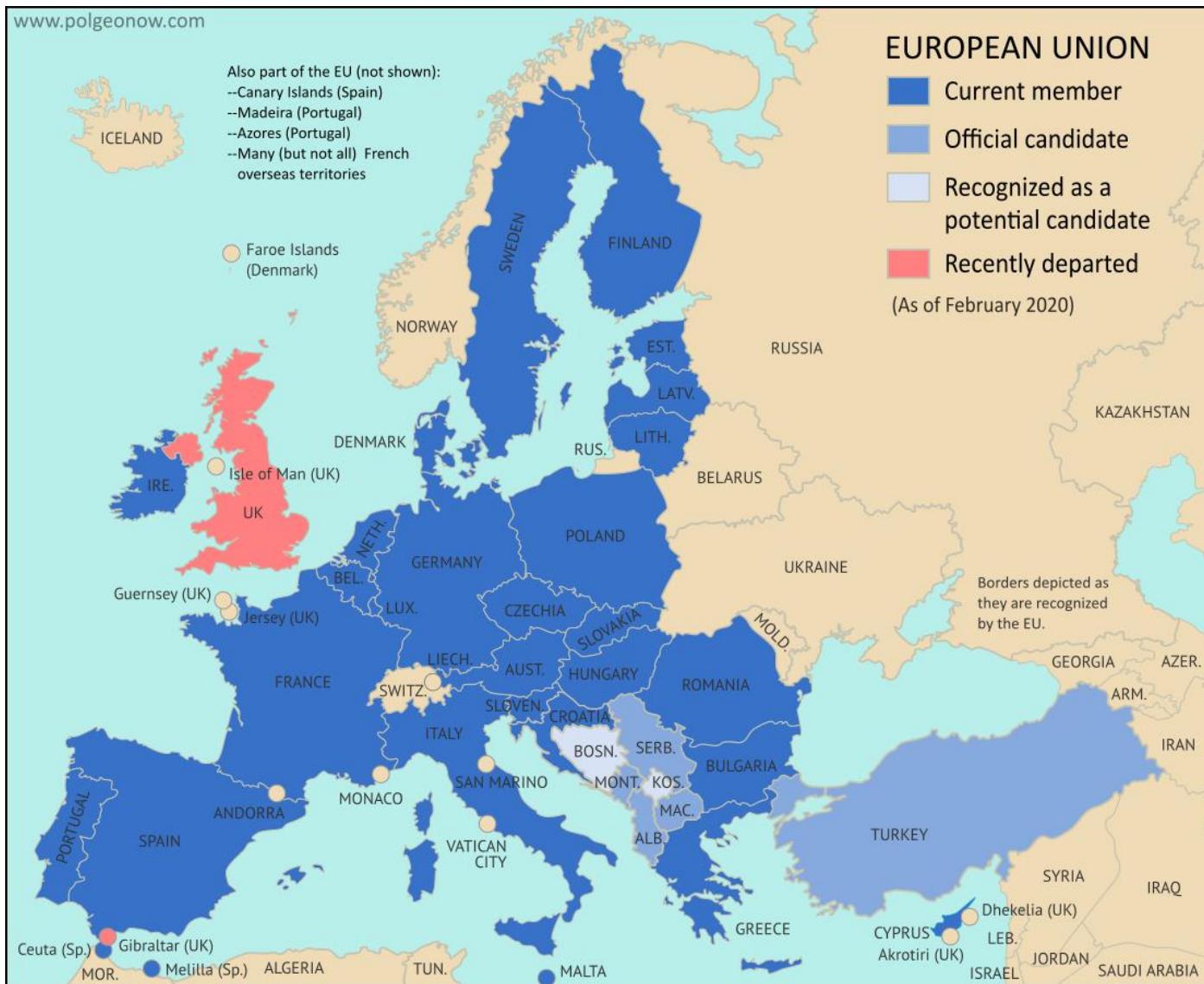


BY SUSHANT VERMA

INDIA- EUROPEAN UNION (EU) RELATION

EUROPEAN UNION

- The European Union is a political and economic union or a **hybrid intergovernmental and supranational organization of 27 countries** across the European continent.



- Free trade area: An area within which states agree to reduce tariffs and other barriers to trade.
- Customs union: An arrangement whereby a number of states establish a common external tariff against the rest of the world, usually whilst abolishing internal tariffs.
- Common market: An area, comprising a number of states, within which there is a free movement of labour and capital, and a high level of economic harmonization; sometimes called a single market.

- An Economic Union is a Common Market extended through further harmonization of fiscal/monetary policies and shared executive, judicial & legislative institutions.

Brief History

- In 1951, six countries (Belgium, France, Germany, Italy, Luxembourg and the Netherlands) founded the European Coal and Steel Community. In 1958, this became known as the European Economic Community (EEC), and its name was changed to the European Union in 1993.
- Over the years, 22 more countries joined the original 6.
- Countries accede to the union by becoming party to the founding treaties, thereby subjecting themselves to the privileges and obligations of EU membership. This entails a partial delegation of sovereignty to the institutions in return for representation within those institutions, a practice often referred to as "pooling of sovereignty".
- **On 1 February 2020, the United Kingdom left the EU. The EU currently has 27-member countries, and has 24 official languages.**
- According to World Bank figures, EU's GDP totalled **\$15.3 trillion in 2020**.
- With just **7.3% of the world's population**, the EU's trade with the rest of the world accounts for around **20% of global exports and imports**.
- Given its achievements, the European Union was awarded **the Nobel Peace Prize In 2012**.
- A common currency – The Euro as a common currency circulates among 19 of the member states known as the Eurozone, under the auspices of the European Economic and Monetary Union (EMU).
- **The Schengen Area is one of the greatest achievements of the EU.** It is an area without internal borders, an area within which citizens, many non-EU nationals, business people and tourists can freely circulate without being subjected to border checks. The Agreement was signed initially by the five (France, Germany, Belgium, Luxembourg, and the Netherlands) in Schengen, a small village in Southern Luxembourg on the river Moselle in 1985. Since then, it has gradually grown and encompasses today almost all EU States and a few associated non-EU countries.
- 22 Member States are members of the Schengen area, which enables passport-free movement, with five maintaining their own border controls. Five countries (Romania, Bulgaria, Croatia, Cyprus, Ireland) maintain their own border controls. Although not members of the EU, countries like Norway, Iceland, Switzerland and Lichtenstein are also part of the Schengen zone.

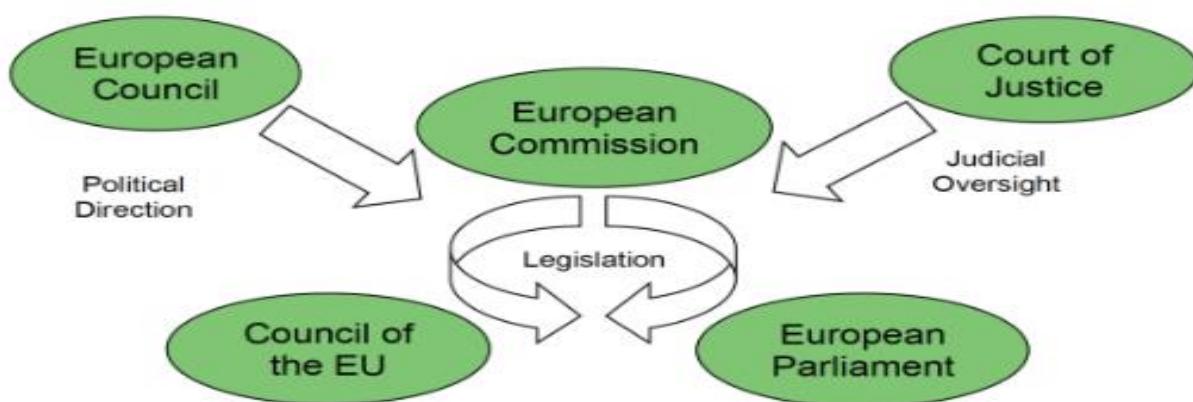
EU Budget and Finances

- The EU budget is funded by a percentage of each member country's gross national income, as well as other sources. EU countries decide the size of this budget, and how it is financed. 'Own resources'

(such as duties, levies, VAT and national contributions) account for approximately 98% of the EU's budget. The remaining 2% of budget revenue comes from other sources of income.

Institutions

- EU's institutional set-up includes:
- **1. The European Council:** Informally called the European Summit, this is made up of the *Presidents or Prime Ministers* of each member state, accompanied by their foreign ministers, and a permanent, full-time President of the European Council. The European Council meets four times a year and provides strategic leadership for the EU (intergovernmental body). The EU's broad priorities are set by the European Council, which brings together national and EU-level leaders i.e. Heads of states and governments as well as President of the European Commission.
- **2. The Council:** It is a *ministerial-level body*. It conducts *policymaking and coordinating functions* as well as *legislative functions*. Informally called the Council of Ministers, this is the decision-making branch of the EU and comprises ministers from the 27 states, who are accountable to their own assemblies, and the presidency (vested in a country, not a person) of the Council rotates amongst member states every six months. Important decisions are made by unanimous agreement, and others are reached through qualified majority voting or by a simple majority.
- **3. The European Commission:** Based in Brussels, with a staff of some 20,000 people, the Commission is the *executive-bureaucratic arm of the EU*. It is headed by 28 Commissioners and a President. The Commission proposes legislation, is a watchdog that ensures that the EU's treaties are respected, and is *broadly responsible for policy implementation* (supranational body). The interests of the EU as a whole are promoted by the European Commission, whose members are appointed by national governments. In principle, the *Commission proposes new laws, and the Parliament and Council adopt them*. The Commission and the member countries then implement them, and the Commission ensures that the laws are properly applied and implemented.



- **4. The European Parliament:** Usually located in Strasbourg, the EP is composed of 751 Members of the European Parliament (MEPs), who are directly elected every five years. MEPs sit according to political groups rather than their nationality. Although its powers have been expanded, the Parliament remains a scrutinizing assembly, not a legislature. Its major powers (to reject the European Union's budget and dismiss the European Commission) are too far-reaching to exercise (supranational body).
- **5. The European Court of Justice:** Based in Luxembourg, the ECJ interprets, and adjudicates on, EU law and treaties. There are 28 judges, one from each member state, and eight advocates-general, who advise the Court. As EU law has primacy over the national law of EU member states, the Court can disapply domestic laws. A Court of First Instance handles certain cases brought by individuals and companies (supranational body).
- **6. The European Central Bank:** Located in Frankfurt, the ECB is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The eurozone comprises the 19 EU countries that have introduced the euro since 1999 (supranational body).
- **7. The Court of Auditors,** located in, Luxembourg checks the financing of the EU's activities.

THE EFFECTS OF BREXIT

Brexit Timeline

- In a referendum held on 23 June 2016, the majority of those who voted chose to leave the European Union. On 29 March 2017, in writing to European Council President Donald Tusk, the Prime Minister formally triggered Article 50 and began the two-year countdown to the UK formally leaving the EU.
- The UK had long been expected to leave the European Union at 11pm on 29 March 2019. However, following a House of Commons vote on 14 March 2019, the Government sought permission from the EU to extend Article 50 and agree a later Brexit date. On 19 October 2019, the Prime Minister's new Brexit deal was lost on amendment in the Commons.
- In accordance with the European Union (Withdrawal) (No. 2) Act 2019 – commonly known as the ‘Benn Act’ – the Prime Minister wrote to European Council president Donald Tusk, to request an extension to the Brexit process. On 23 January 2020, the European Union (Withdrawal Agreement) Act 2020 received Royal Assent. This is the legislation that will implement the withdrawal agreement negotiated by the UK and the EU. At 11pm on 31 December 2020, the transition period ended and the United Kingdom left the EU single market and customs union.

New arrangement

- The two sides have been in complex negotiations since March 2020 to try to keep their trade in goods flowing from Jan. 1, 2021. The recent free trade deal announced means that this goods trade - roughly half of the \$900 billion of annual EU-UK commerce - will remain free of tariffs and quotas.
- However, goods moving between the UK and the EU will be subject to customs and other controls, and extra paperwork is expected to cause major disruptions.
- The deal was negotiated on top of a formal Withdrawal Agreement reached last year, which ensured that extensive controls would not be put back on the sensitive border between EU member Ireland and the British province of Northern Ireland.
- The third key element of the deal is dividing up fishing quotas between Britain and the EU. While the EU and the UK agreed not to require visas for travel, free movement of people will end. That means EU citizens going to the UK, and vice-versa, will be subject to border screening and no longer be able to use biometric passports to cross swiftly through electronic gates.

Brexit and Northern Ireland

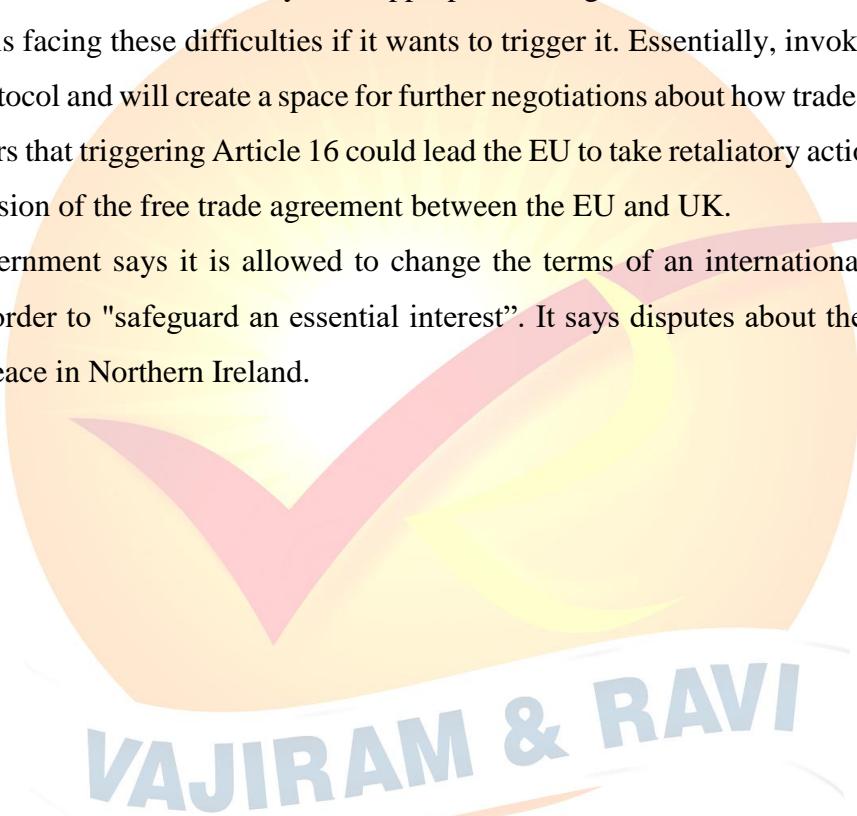
- **Northern Ireland protocol-** The Northern Ireland Protocol is a trading arrangement, negotiated during Brexit talks. It was agreed by the UK prime minister in 2019 and subsequently ratified by UK parliament. It allows goods to be transported across the Irish land border without the need for checks.
- The UK and the EU agreed that protecting the Northern Ireland peace deal - the Good Friday Agreement - was an absolute priority. So, both sides signed the Northern Ireland Protocol as part of the Brexit withdrawal agreement. It is now part of international law.
- **The problem area:** The problem lies in the current process which is followed during the transit of goods. The goods are checked at ports in Northern Ireland on arrival. They can then be moved into the Republic of Ireland once checked.
- Before Brexit, it was easy to transport goods across this border because both sides followed the same EU rules. After the UK left, special trading arrangements were needed because Northern Ireland has a land border with the Republic of Ireland, which is part of the EU.
- The EU has strict food rules and requires border checks when certain goods - such as milk and eggs - arrive from non-EU countries. That's why a new system - the Northern Ireland Protocol - was needed.

What UK wants?

- **It wants that the goods are split into two different lanes**
 - 1) Goods destined only for Northern Ireland go into the Green Lane and are not checked.
 - 2) Goods destined for Ireland and the EU go into the Red Lane and checks are carried out.

How does the UK's plan create a problem?

- Tax rules would also be changed. Northern Irish businesses currently follow EU rules on state aid and VAT. That means government payments to help firms in Northern Ireland, and tax breaks, must be within limits set by the EU. The UK government wants to remove these limits.
- It also wants an independent body to settle disputes over the Northern Ireland Protocol, rather than the European Court of Justice. The UK government is threatening to make changes without the agreement of the EU.
- Article 16 of the protocol, titled —Safeguards says that if the application of this agreement leads to —serious economic, societal or environmental difficulties that are liable to persist, or to diversion of trade,- then the UK can unilaterally take appropriate safeguard measures. But the UK will have to prove that it is facing these difficulties if it wants to trigger it. Essentially, invoking this article would pause the protocol and will create a space for further negotiations about how trade should be conducted. There are fears that triggering Article 16 could lead the EU to take retaliatory action, ultimately leading to the suspension of the free trade agreement between the EU and UK.
- The UK government says it is allowed to change the terms of an international agreement, like the protocol, in order to "safeguard an essential interest". It says disputes about the protocol threaten to undermine peace in Northern Ireland.



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What does the UK want to change?

Under the Brexit deal, certain goods have to be checked when they enter Northern Ireland from Great Britain

The current process

- The goods are checked at ports in Northern Ireland on arrival
- They can then be moved into the Republic of Ireland once checked



The UK's new plan

- The goods are split into two different lanes
- Goods destined only for Northern Ireland go into the **Green Lane** and are not checked
- Goods destined for Ireland and the EU go into the **Red Lane** and checks are carried out



EU's Stance on the issue

- On 15 June 2022, the European Commission took legal action against the UK for not keeping to the protocol, and called on the government to return to negotiations. The EU says the UK's move to change

the deal is a breach of international law. It said it was not prepared to renegotiate the protocol, but has offered to work on how the rules apply, including:

- reducing customs and checks on goods
- reducing the amount of paperwork
- relaxing rules so chilled meats can still be sent across the Irish Sea.

➤ Technical negotiations between the UK and the EU restarted in October 2022- for the first time since February. Irish prime minister Micheál Martin said both the UK and the EU wanted a negotiated solution, but arriving at an agreed outcome would be difficult.

Beginning of INDIA- EU Cooperative engagement

➤ India-EU relations date to the early 1960s, with India being amongst the first countries to establish diplomatic relations with the European Economic Community. A cooperation agreement signed in 1994 took the bilateral relationship beyond trade and economic cooperation.

India EU Summits

➤ Annual summit-level dialogues have been the cornerstone of India-EU relations. The first India-EU summit, held in Lisbon 2000, was a successful venture, which laid the roadmap for future partnership.

➤ The fifth India-EU Summit upgraded the relations to that of **strategic partnership**.

➤ Simultaneously, following the sixth India-EU summit held in New Delhi, both sides adopted the **Joint Action Plan (JAP)**, which set out the roadmap for a strategic partnership between the two. The JAP included

- ✓ the strengthening of the dialogue and consultation mechanisms,
- ✓ deepening of political dialogue and cooperation and
- ✓ enhancing of economic policy dialogue and cooperation.

➤ During the ninth summit, India and the EU reviewed the JAP and a revised JAP was adopted adding 40 new elements in India-EU cooperation.

➤ During the 15th India-EU summit held virtually in 2020, an ambitious Roadmap to 2025 document was adopted.

➤ The 16th India-EU Summit is scheduled for May 2021.

➤ These summit-level meetings have provided a platform for both India and the EU to agree or disagree on a broad range of issues

Trade Picture

➤ The EU is **India's third largest trading partner**, accounting for €88 billion worth of trade in goods in 2021 or 10.8% of total Indian trade, after the USA (11.6%) and China (11.4%). The EU is the

second-largest destination for Indian exports (14.9% of the total) after the USA (18.1%), while China only ranks fourth (5.8%).

- India is the EU's 10th largest trading partner, accounting for 2.1% of EU total trade in goods in 2021, well behind China (16.2%), the USA (14.7%) or the UK (10%).
- Trade in goods between the EU and India increased by about 30% in the last decade.
- Trade in services between the EU and India reached €30.4 billion in 2020.
- The EU's share in foreign investment stock in India reached €87.3 billion in 2020, up from €63.7 billion in 2017, making the EU a leading foreign investor in India. This is significant but way below EU foreign investment stocks in China (€201.2 billion) or Brazil (€263.4 billion).
- Some 6,000 European companies are present in India, providing directly 1.7 million jobs and indirectly 5 million jobs in a broad range of sectors. A key EU objective in its trade relations with India is to work towards a sound, transparent, open, non-discriminatory and predictable regulatory and business environment for European companies trading with or investing in India, including the protection of their investments and intellectual property. The aim is to contribute to unlocking the untapped potential of two-way trade and investment between the EU and India.
- On 8 May 2021, the EU and Indian leaders agreed to resume negotiations for a “balanced, ambitious, comprehensive and mutually beneficial” trade agreement, and to launch separate negotiations on an investment protection agreement and an agreement on geographical indications (GIs).
- Leaders also agreed to link trade negotiations to finding solutions to longstanding market access issues.
- Key instruments in this respect are the
 - ✓ **EU-India High-Level Dialogue on Trade and Investment** established in 2021 by a decision of the July 2020 EU-India Summit, as well as
 - ✓ **the EU-India Trade Sub-Commission** established under the 1994 Cooperation and Partnership Agreement between the EU and India, and its specialised working groups and dialogues.
- EU and India are rediscovering new pathways to conclude the free trade negotiation. **The Bilateral Trade and Investment Agreement (BTIA)** has strategic importance for EU and India. It is also a geo-political opportunity for peace and security in the Indo-Pacific, and a geoeconomic opportunity for opening new areas of economic cooperation.
- As global power dynamic shifts, it is important that EU and India assert their role in the emerging multi-polar world order with closer economic cooperation. If EU and India take the FTA negotiation as a matter of strategic and economic urgency, it would help the FTA negotiations. Negotiating a successful trade deal which will impact the lives of more than 1.8 billion people is a complex and complicated exercise and will require visionary approach.

- It is also important that EU follows the developments in the free trade negotiations between India and Britain, and how the two are set to finalise FTA framework soon.
- On 17 June 2022, the European Union relaunched negotiations with India for a Free Trade Agreement, and launched separate negotiations for an Investment Protection Agreement and an Agreement on Geographical Indications (GIs).

Issues Regarding India-EU Free Trade Agreement (FTA)

Demands By the EU

- 1) EU wants India to **overhaul its financial sector** and has requested for various regulations pertaining to bank branches, foreign ownership, equity ceilings, voting rights and investments by state-owned companies in foreign banks in India removed, among other changes.
- 2) Further EU has asked India to **cut taxes on wines and spirits** and reduce the tariff on the dairy sector as well as duties on automobiles.
- 3) The **IPR provisions** in India-EU draft FTA also raise concerns as they will limit the capacities of both India and the EU to use public health safeguards and flexibilities allowed in WTO's TRIPS Agreement
- 4) Apart from these, EU has been imposing **non-tariff barriers** in the form of technical regulations, phytosanitary measures, industrial standards, conformity assessments or barriers to services exports.

Demands By India

- 1) India is pitching for a '**data secure**' **status** (important for India's IT sector specially in lieu of new GDPR regulations).
EU's GDPR came into force across Europe in May 2018. The objective of the GDPR is "to harmonise data privacy laws. GDPR ensures data protection and privacy for all those living within the EU, and also prevents the export of personal data outside its territories. It deals with 3 primary areas: personal data, consent for its use, and privacy by design.
The country is among the nations not considered data secure by the EU. The matter is crucial as it will have a bearing on Indian IT companies wanting market access.
- 2) India's demographic advantages have provided it with a skilled, competitive, English-speaking workforce, of which Europe will be lacking in the near future. Considering this, India places considerable importance to **Mode 4 liberalisation**. Mode 4 refers to the delivery of a service within the territory of a member with the service provider being present as a natural person. In essence, this enables free movement of individual professionals by committing to measures such as relaxation of immigration norms.
- 3) India wants the EU to give it **greater market access** **pharmaceuticals** sectors provide data secure nation status (beneficial to India's IT sector) and liberalise visa norms for Indian professionals.

- 4) India is apprehensive about demands of the EU (like further reducing tariffs on EU goods) which might hamper the growth of domestic industries. More recently India's Bilateral Investment Treaties (BITs) with many European countries are about to expire. India thus has formulated a Model BIT to apply to all countries which includes some clauses unacceptable to European nations.
- 5) India's Model Bilateral Investment Treaty **excludes matters relating to taxation**. Also, it states that foreign investors investing in India can seek the option of international arbitration only when all domestic legal routes have been exhausted. These provisions have further acted as impediments in finalizing any deal between EU and India.

EU - India Political Relations and Engagement

- In 2019, the European Union and India marked 57 years of diplomatic relations. EU-India relations now span many areas, including cooperation on regional, global and security issues, close trade and economic ties, sectoral dialogues on sustainable development and modernisation, research and innovation as well as people-to-people contacts.
- As long-standing partners, India and the EU are committed to dynamic dialogue in all areas of mutual interest as major actors in their own regions and as global players on the world stage. The world's two largest democracies share key values and principles such as democracy, freedom, the rule of law, human rights, and the promotion of peace and stability.
- The 2017 EU-India Summit was a milestone and gave momentum to the strategic partnership. It reiterated cooperation on political, security, human rights, global and sectoral issues, including ICT, research and innovation, clean energy and climate change, and sustainable urbanisation.
- The years 2018-19 witnessed further progress in the partnership with the EU presenting a new vision in 2018 to strengthen the cooperation with India, 'EU Strategy for Relations with India', placing emphasis on foreign policy and developing defense cooperation, promoting effective multilateralism and building on common values and objectives.
- Political relations are also strengthened by the regular exchange visits between EU and Indian parliamentarians. Visits and people-to-people contacts, including expert meetings and think tank contacts, academic and student exchanges, cultural and other activities complement the multiple official interactions.

Defence and Security Cooperation

- Signifying the growing ties with the European Union (EU), India held the first-ever Security and Defence Consultations with it. The two sides reviewed the entire gamut of their defence relations and evolving security situation in Europe, India's neighbourhood and the Indo-Pacific.

- The maiden dialogue between India and the EU took place on June 10 2022 in Brussels pursuant to a decision taken at the India-EU Summit in July 2020, the Embassy of India said in a release.
- The consultations were co-chaired by the Ministry of Defence Joint Secretary (IC) Somnath Ghosh and the Ministry of External Affairs (MEA) Joint Secretary (Europe West) Sandeep Chakravorty from the Indian side and Joanneke Balfoort, Director of Security and Defence Policy, from the EU side.
- The two sides noted a number of positive developments in the area of security and defence cooperation in recent years, including
 - ✓ the establishment of a regular maritime security dialogue, which met for the second time in February 2022,
 - ✓ the first-ever joint naval exercises held in June 2021, and
 - ✓ a number of joint workshops on the subject of fostering maritime security.
- The two sides during the consultations also discussed various means of
 - ✓ increasing India-EU cooperation on maritime security,
 - ✓ implementation of the European code of conduct on arms export to India's neighborhood,
 - ✓ cooperation in co-development and co-production of defence equipment,
 - ✓ including India's participation in Permanent Structured Cooperation (PESCO) in the area of security and defence policy. (The Permanent Structured Cooperation (PESCO) in the area of security and defence policy was established 2017 by Council. It offers a legal framework to jointly plan, develop and invest in shared capability projects, and enhance the operational readiness and contribution of armed forces.)
- “Both sides agreed to increase India-EU defence and security cooperation as an important pillar of the bilateral strategic relations.

EU- India cooperation in Indo Pacific

- In May 2019, India and EU signed **Comprehensive Connectivity Partnership** on supporting resilient and sustainable connectivity both in India and in third countries and regions, including Africa, Central Asia and the Indo-Pacific that will provide an alternative to China's mega Belt and Road Initiative (BRI). It covers cooperation in the digital, energy, transport, and people-to-people sectors.
- The new Connectivity Partnership therefore aims at pooling resources, norms and expertise to serve the needs for the next generation of sustainable and quality infrastructure. It includes joint work on standards and the regulatory environment, as well as on concrete infrastructure projects.
- As EU seeks to engage deeper in the Indo-Pacific, strengthening partnership with India will be crucial. With the rise of China, the EU needs a powerful alliance and a stronghold in the Indo-Pacific security architecture. Also, the speed with which the EU is reshaping its Indo-Pacific agenda speaks of

realisation how China aims to increase its pre-eminence within the established world order, and even fundamentally revise it.

- Therefore, Europe's new strategic orientation towards India in the Indo-Pacific and India's priority towards maintaining its strategic autonomy with Europe will help build a robust relationship.
- Notwithstanding the above challenges, the growing realities in EU-India relationship offers more than a foundation of mutual benefit rather it offers a strong commitment for reinforcing a rule-based order in the Indo-Pacific region.
- Democracy has also been a realm of strategic relations between them and working together they can collectively change the geo-political and economic dynamics of the new global order. As India celebrates seventy-five years of its Independence; the celebrations called 'Azadi Ka Amrit Mahotsav' is a dedication towards the people of the country who have been instrumental in bringing India thus far in its evolutionary journey and hold within them the power and potential to take forward the dreams of every Indian, catalysed with the spirit of Atmanirbhar Bharat (Self-reliant India).
- Also, as EU and India celebrate sixty years of their bilateral relations, this is a defining moment in their relations which will shape the future of India-EU relations. The success of this will depend upon their ability to transform themselves and their preparedness to share their values and ethos.

Cooperation in Science and Technology and Digitisation

- International cooperation on research and innovation (R&I) is very high on the European Union's agenda and is an integral part of the EU-India Strategic Partnership. Increased collaborative efforts on R&I can play an important role in addressing societal challenges such as climate change, public health, clean energy or connectivity and achieve the Sustainable Development Goals. The main task of the R&I Section includes reaching out to the Indian scientific and innovation community in view of cooperation under the EU's framework programme for research and innovation 'Horizon 2020' (2014-2020), to be succeeded by Horizon Europe (2021-2027).
- India and the EU have engaged to strengthen links between their flagship initiatives such as Digital India, European Digital Strategy and the Digital Single Market for Europe. Regular dialogues take place within the Joint ICT Working Group, focusing on market access issues for companies on both sides, regulatory issues, ICT standardisation, and research and innovation(including startups). These meetings are complemented by ICT Business Dialogues. Furthermore, a Cyber Security Dialogue focuses on exchanging best practices on addressing cybercrime and strengthening cyber resilience.
- New cooperation avenues are developing in the areas of Artificial Intelligence (AI), data protection and privacy, and cyber security to address the challenges in emerging technologies.

Climate change

- EU Green deal Adequate response to face the challenges of climate change requires transitional and adaptive policies and it is important for EU and India to redesign their existing cooperation. The European Green Deal offers an unequivocal and binding commitments on climate action, thereby breaking the quandary inherent to climate transitions.
- With this bold initiative, the EU can shape new types of diplomacy and incentivise climate action across the globe with credibility. These include clean technologies, enhanced cooperation for technology development and transfer, increased investment in sunrise sectors, knowledge sharing and cleaner finance.
- As India aims to become a net-zero economy by 2070 and has set a target of installing a nonfossil energy capacity of 500 GW by 2030, India cannot afford not to be a part of this socioeconomic and political progress. This new dynamic in India's relationship with EU extends beyond trade in today's world.

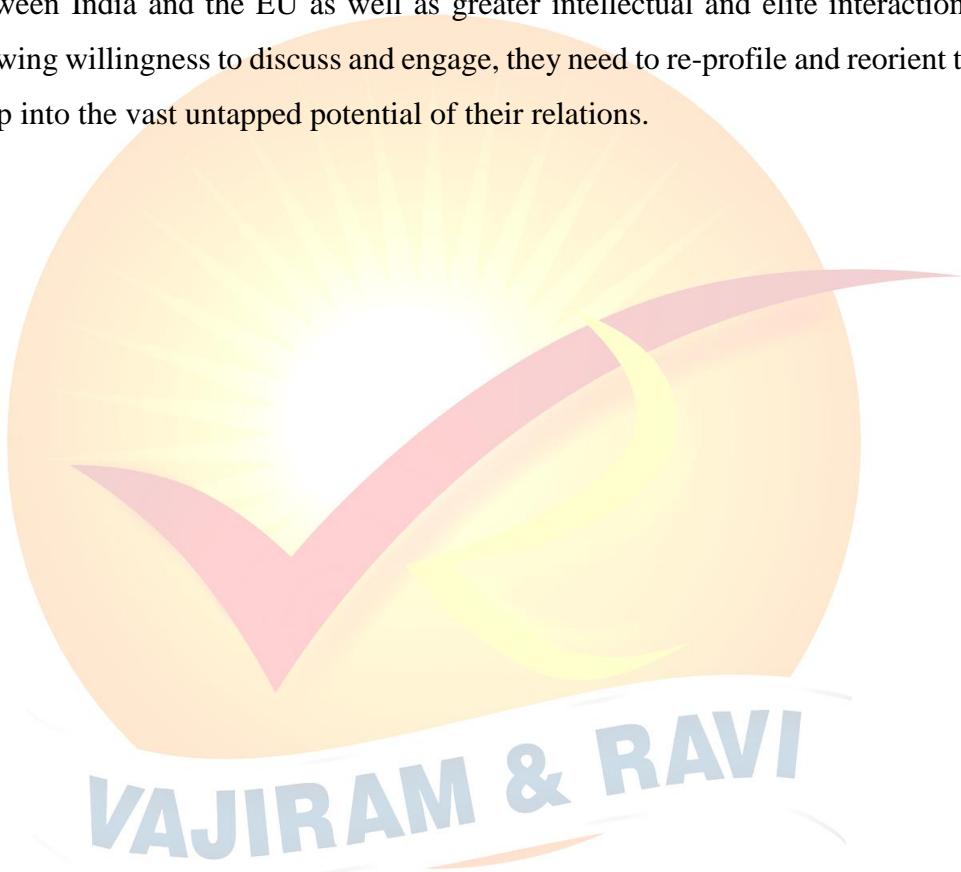
Impact of BREXIT on India

- One of the major reasons why trade will be affected is because Britain, since decades, has proved to be a gateway to Europe and the end of this union will perhaps make Britain less attractive for Indian investors.
- Most Indian businesses use the U.K. as a springboard for their European operations, given India's historical and cultural affinity with the country. Indian businesses will have to install a parallel set-up on mainland Europe for conducting their operations.
- From now onwards, India will have to maintain separate trade negotiations with both, UK and the European Union. India is the second largest source of foreign direct investment (FDI) for Britain and it would not want to lose its Indian investors. Thus, India can expect a less regulatory British market for trade and investment.
- India is already exploring the possibility of separate free trade agreements with UK and EU. → There are about 800 Indian businesses companies with more than 110,000 employees operating in UK and ever-growing in size.
- After Brexit, Indian companies will have to rethink their business strategies. → Brexit will also affect the \$108-billion Indian IT sector because companies like TCS, Infosys and HCL heavily depend on Britain for their IT exports. The automobile sector could face a downturn, due to a decline in the export of cars and auto components to Europe.

- It is also predicted that Brexit could lead to changes in UK immigration policies that would favor high-skilled workers from India. Divorced from the rest of the Europe, the UK could potentially face a dearth of high-skilled EU workers. India could benefit from the possible shortfall.

Conclusion

- India and the EU have many common interests, but transforming them into coordinated policies has been rather elusive. Despite shared values, the lack of shared interests on a number of issues continue to limit co-operation.
- Hopefully, the future will witness the broadening, deepening and intensification of civil society dialogue between India and the EU as well as greater intellectual and elite interaction. While both display a growing willingness to discuss and engage, they need to re-profile and reorient their mindsets in order to tap into the vast untapped potential of their relations.



- Africa is a continent on the move, characterised by rapid economic growth, rising educational and health standards, increasing gender parity, and expanding infrastructure and connectivity. The region has witnessed growing trade, investments, and a surge in innovation. African governments and leaders are playing an active role in shaping the continent's future and they no longer remain passive bystanders. Various non-western powers like China, Japan, Singapore, and Malaysia are also expanding their presence in the continent.
- India has an intrinsic interest in helping Africa achieve progress. **The spirit of “developing together as equals” defines this bilateral partnership.** A resurging Africa and a rising India can give a strong impetus to South-South Cooperation, especially when it comes to addressing challenges in areas like clean technology, climate-resilient agriculture, maritime security, connectivity, and Blue economy. However, the India-Africa partnership is yet to achieve its full potential. What is needed is an infusion of energy, of something new and concrete, and with a specific focus and direction.

Brief history

- India's relations with Africa date back several centuries. The presence of Indians in East Africa is documented in the 'Periplus of the Erythraean Sea' or Guidebook of the Red Sea by an ancient Greek author written in 60 AD. The geographical proximity and easy navigability in Indian Ocean resulted in well-established trade network between India and the East Coast of Africa predating European exploration.
- More concrete relation between India and Africa begins to emerge during the Islamic age which is evident through the accounts of Venetian traveller Marco Polo.
- Political connection during the colonial era was linked through M.K Gandhi who began his political career in South Africa, became the leader of colonized and established Indian Natal Congress in 1894.
- After India got independent, it raised voice for African liberation taking their case to all the available international forums. End of racial struggle and decolonization became the rallying point of India-Africa relations.
- India was a forerunner as a champion of the interests of the developing countries from Africa, particularly through the Bandung Declaration of 1955, the Group of 77, and the Non-Aligned Movement (NAM).
- India's policy of NAM provided the world with the third front at the time of heightened cold war rivalry between US and USSR, where African nations acted as the strengthening factor.
- A large number of Indian diaspora continues to live in African countries such as Kenya, Uganda, Mauritius, and Nigeria. South Africa alone has an approximately one million strong Indian community

that traces its origins back 150 years when Indian indentured labour arrived in the country to work at sugar plantations across South Africa.

Importance of Africa

- There exists a great complementarity of interests between India and Africa. Africa is home to over half a dozen of the fastest growing countries of this decade such as Rwanda, Senegal, and Tanzania etc making it one of the growth pole of the world. African continent has a population of over one billion with a combined GDP of 2.5 trillion dollars making it a **huge potential market**.
- India is **an important source of investment for projects in Africa** in sectors such as pharmaceuticals, IT and telecommunications, engineering, education, health and agriculture. India also provides a **long-term, stable and profitable market to the goods and services that Africa generates**.
- Africa is a **resource rich nation** dominated by commodities like crude oil, gas, pulses and lentils, leather, gold and other metals, all of which India lack in sufficient quantities. So, for India, Africa has the potential to become a major contributor to our **energy security and food security requirement**.
- India is seeking diversification of its oil supplies away from the Middle East and Africa can play an important role in India's energy matrix.
- Both face **common challenges** in health and well-being, food security and nutrition, energy, climate change, water and sanitation. This is because both have great similarity in terms of demography, disease burden and resource constraints. They can learn from each other's initiatives in innovative solutions to these challenges.
- **They also have common interest in combating terrorism and piracy** to coordinating their positions in global forums over issues such as **UN reforms, WTO and Climate Change**.
- The reform of political, security and economic institutions of global governance, including a **meaningful expansion of the UNSC**.

Recent Initiatives

India Africa Forum Summit (IAFS)

- Multilateral engagement was launched with the first India Africa Forum Summit (IAFS) in 2008. The India–Africa Forum Summit (IAFS) is the official platform for the **African-Indian relations**. India by consistently holding India- Africa Forum Summit (IAFS) in places like New Delhi (2008), Addis Ababa (2011) and New Delhi (2015) has already forged ties with the 54 African states through the African Union (AU).
- The first ever **India-Africa Forum Summit** (2008) adopted the **Delhi Declaration and the Africa-India Framework for Cooperation**, which constituted the blueprint for cooperation between India

and Africa in the 21st century. India announced unilateral duty free and preferential market access for exports from all Least Developed Countries, 34 of which are in Africa. Products of immediate interest to Africa include cotton, cocoa, aluminium ores, copper ores, cashew nuts, cane sugar, ready-made garments, fish fillets and non-industrial diamonds.

- In order to enhance opportunities for African Students to pursue higher studies in India, the Government of India doubled long-term scholarships for undergraduates, postgraduates and higher courses and increased the number of training slots under our technical assistance programmes.
- The **Second India-Africa Forum Summit** took place in Addis Ababa from May 20-25, 2011. The AIFS-II, saw the first ever State visit of the Prime Minister of India to Ethiopia. The Prime Minister announced a new credit line of **US \$ 300 million for Djibouti-Ethiopia Railway** line as regional integration component of the decisions taken under the Summits. Two documents, namely
 1. the Framework for enhanced cooperation and
 2. The Addis Ababa Declaration were adopted during the summit.
- The Third **India-Africa Forum Summit** was held in New Delhi in 2015 with participation from 54 African countries. The outcome document of the summit – “**Delhi Declaration**” and “**Framework for Strategic Partnership**”- reflected the common positions of India and Africa on a wide array of political and economic issues as well as an articulation of our joint commitment to deepening our mutual cooperation.
- The meeting provided a **new direction to Africa- India relations** based on equality, mutual respect and shared gains in addition to identifying broad areas of cooperation in political, economic and social development. Cabinet approved opening of **18 new Indian Missions in Africa** to implement commitments of IAFS-III .
- India committed to grant assistance of **USD 600 million, including an India-Africa Development Fund of USD 100 million and a India-Africa Health Fund of USD 10 million**.
- **In July 2018, Prime Minister Narendra Modi addressed the Ugandan Parliament** during his state visit. He outlined a vision for not just a bilateral partnership with Africa, but also a partnership in multilateral forums by espousing the ‘**10 guiding principles for India-Africa engagement**’.
- They represent a **continuity in policies** that have historically defined India-Africa partnership. At the same time, the Guiding Principles also reflect a change in the nuances and priorities in India’s engagement, and most importantly, the principles are clearly articulated. After all, the Indian government has long been criticised for not having a clear vision or strategy for Africa, even after 70 years of robust engagement with the continent.

The following are the 10 Guiding Principles for India-Africa engagement-

- 1) Africa will be at **the top of our priorities**. We will continue to intensify and deepen our engagement with Africa. As we have shown, it will be sustained and regular.
- 2) **Our development partnership will be guided by your priorities**. We will build as much local capacity and create local opportunities as possible. It will be on terms that are comfortable to you, that will liberate your potential and not constrain your future.
- 3) We will keep **our markets open and make it easier and more attractive to trade with India**. We will support our industry to invest in Africa.
- 4) We will harness India's experience with the **digital revolution** to support Africa's development; improve delivery of public services; extend education and health; spread digital literacy; expand financial inclusion; and mainstream the marginalised.
- 5) Africa has 60 percent of the world's arable land, but produces just 10 percent of the global output. We will work with you to improve **Africa's agriculture**.
- 6) Our partnership will address the challenges of **climate change**.
- 7) We will strengthen our cooperation and mutual capabilities in combating **terrorism and extremism**; keeping our cyberspace safe and secure; and, supporting the UN in advancing and keeping peace.
- 8) We will work with African nations to keep **the oceans open and free for the benefit of all nations**. The world needs cooperation and competition in the eastern shores of Africa and the eastern Indian Ocean.
- 9) As global engagement in Africa increases, we must all work together to ensure that **Africa does not once again turn into a theatre of rival ambitions**, but becomes a nursery for the aspirations of Africa's youth.
- 10) Just as India and Africa fought colonialism together, we will work together **for a just, representative and democratic global order** that has a voice for one-third of humanity that lives in Africa and India.

Defence Partnership

- **India-Africa Defence Dialogue (IADD)** held on the sidelines of Def Expo 2022 in Gandhinagar, Gujarat; paves way for strengthening of India-Africa defence relations. **Gandhinagar Declaration** adopted to enhance cooperation in the fields of training & military exercises.
- Indian Defence Minister Rajnath Singh invited African nations to explore Indian defence equipment & technologies; and said that robust Indian defence manufacturing ecosystem can fulfil international requirements. “**India does not believe in a hierarchical world order; Our international relations are guided by human equality & dignity”**

- IADD's theme was 'Adopting Strategy for Synergizing and Strengthening Defence and Security Cooperation'. Delivering the keynote address, Rajnath Singh defined the theme of IADD as the underlying commitment of India and African countries **to explore new areas of convergence for defence engagements, including capacity building, training, cyber security, maritime security and counter terrorism.** He termed India & African countries as important stakeholders in ensuring a safe and secure maritime environment, especially in the Indian Ocean Region.
- Emphasising that India & Africa share a multi-faceted defence and security cooperation relationship, Shri Rajnath Singh reiterated India's support to Africa to deal with challenges of conflict, terrorism and violent extremism. He described the Indo-African ties as multi-faceted covering economic, diplomatic and defence domains. He highlighted that India and Africa share a robust partnership, which is based on the cooperative **framework of 'SAGAR'** (Security and Growth for All in the Region), drawn upon the ancient ethos of 'Vasudhaiva Kutumbakam' (The World is One Family).
- The **Gandhinagar Declaration** proposes to enhance cooperation in the field of training in all areas of mutual interest by increasing training slots and deputation of training teams, empowerment and capability building of the defence forces of Africa, participation in exercises and humanitarian assistance during natural disasters.
- India offered fellowship for experts from African countries through Manohar Parrikar Institute for Defence Studies and Analysis.

India Africa Maritime Security

- India has been gradually increasing its engagements with the navies in the African continent through frequent naval deployments and port visits. An inclusive regional maritime security infrastructure has been set up with the participation of the island states which are strategically located and there are constant interactions at the operational level.
- An Indian- led initiative Indian Ocean Rim Association (IORA), is headquartered in Mauritius and has eight African members including the strategic island states like Madagascar and Comoros. Integrated Maritime Strategy 2050 of the African Union's vision statement states, "The main aim of the Strategy is to foster increased wealth creation from Africa's oceans and seas. This can be done by developing a sustainable thriving blue economy in an environmentally sustainable and secure manner".
- India is particularly active in the realm of anti-piracy. After the kidnapping of several Indian citizens by Somali pirates, the Indian navy stepped up its efforts after 2008 and escorted over 1,000 vessels across the Gulf of Aden, sometimes in cooperation with the European Union's Mission Atalanta.
- Another domain that saw India at the forefront is **UN peacekeeping missions.** The Indian subcontinent has always been one of the leading suppliers of peacekeepers to UN missions, with 80%

of them deployed in Africa. On top of that, Indian defense academies have provided training to the Nigerian, Ethiopian and Tanzanian military.

Economic Relation

- The African Union is India's fourth largest trading partner after the United States, China and the United Arab Emirates, propped up by diversification in Indian exports to the continent.
- The India-Africa bilateral trade has been growing steadily, year-on-year, with the trade volume touching **USD 89.5 billion in 2021-22 compared to USD 56 billion the previous year. India is the fifth largest investor in Africa with cumulative investments of US\$ 54 billion.**
- India has a **negative trade balance with Africa**, implying a dominance of imports over exports. India's trade with Africa has been diversified from exporting mainly textile yarns to petroleum products, pharmaceutical products, chemicals and manufactured products.
- At the same time, India's import basket, though dominated by primary products and natural resources, is still diverse given the wide natural resource base in Africa. Within the African Union, India's top trading partner is Nigeria (20.91 per cent). Ten countries account for nearly 60 per cent of India's total trade with Africa. Of them, India enjoys a positive trade balance with Egypt and Mozambique, while having a deficit with the rest of the countries.
- In Agriculture, Pulses, of which India faces a shortage, are a major import item for India from Mozambique and Tanzania. During PM Modi's July 2016 visit, agreements were signed with Mozambique and Tanzania to incentivise local farmers to grow pulses in order to cover the growing Indian demand with a guaranteed minimum procurement price and quantity.

Development Cooperation

- **The Indian Technical and Economic Cooperation (ITEC) programme**, launched in 1964 to share India's lessons in development with other developing countries, continues to remain an important pillar of Indian development cooperation programme. Africa is a key beneficiary of the programme with nearly 50% of the ITEC slots reserved for countries from the region.
- At the third India-Africa Forum Summit in 2015, India pledged to provide 50,000 scholarships to African students over a five-year period and set up institutions of higher learning in Africa.
- The scale of **India's development cooperation** with Africa has also grown rapidly. From 2003 onwards, India began to use concessional lines of credit (LoC) as one of its key development partnership instruments to fund the construction of railway lines, electrification and irrigation projects, farm mechanisation projects, among others
- The **LoCs are demand-driven** and extended on the principle of mutual benefit — recipient countries make development gains, while the LoCs help create new markets for Indian companies, foster export

growth, build good relations with countries that are important sources of food, energy and resources, and contribute to the country's image abroad. So far, India has extended concessional loans of over **USD 12.3 billion to it** and completed 197 projects.

- India-Africa cooperation has also focused on **techno-economic capacity building**. Skill development and capacity building featured prominently in all the India-Africa Forum Summits.
- **Information Technology-** This is an important pillar of India's technical cooperation with Africa, given the role of the information and communication technology (ICT) sector in India's growth story and the importance most African leaders attach to ICT sector development
- **The Pan African e-Network**, launched in 2009, was a ground breaking initiative to extend Indian expertise in IT to provide better healthcare and education facilities in 53 African countries. India has invested \$100 million in the Pan-African E-Network to bridge the digital divide in Africa, leveraging its strengths in information technology
- The second phase of this programme, e-VidyaBharti and e-ArogyaBharti (e-VBAB), was started in 2018, with an aim to provide free tele-education to 4,000 African students each year for five years and continuing medical education for 1000 African doctors, paramedical staff, and nurses
- Further, multiple successful digital tech-driven companies have managed to gain a strong foothold in the region as well. Recently, after the Nigerian government banned Twitter, an Indian micro blogging network start-up – Koo – managed to gain significant following and an active user base in that nation.
- **Climate Change-** Nearly half of all member countries in the **International Solar Alliance**, initiated by India, are from Africa. India has **announced an LoC worth US\$ 2 billion to Africa over five years for the implementation of off-grid solar energy projects**. India is also working to develop solar power systems across the Sahel region to provide electricity to approximately half of the 600 million Africans who are currently off-grid.
- **COVID-19 Cooperation-** During the COVID-19 pandemic, India has provided 270 metric tonnes of food aid (155 metric tonnes of wheat flour, 65 metric tonnes of rice, and 50 metric tonnes of sugar) to Sudan, South Sudan, Djibouti and Eritrea.
- Also, Under India's landmark '**Vaccine Maitri**' initiative, India gifted 150 metric tonnes of medical supplies to 25 African countries. The Indian government also organised an e-ITEC training course for healthcare professionals on COVID-19 prevention and management protocols.
- The Ministry of External Affairs also extended the e-ITEC course on "COVID- 19 Pandemic: Prevention and Management Guidelines for Healthcare Professionals" to healthcare workers in Africa.

The China Factor

- India has engaged Africa for long, its capacity to effect changes have been limited primarily due to lack of India's economic capacity. In 2014, China-Africa bilateral trade was around \$220 billion. In

comparison, India-Africa bilateral trade in March 2016-17 was \$52 billion. Its annual trade with Africa in 2021 stood at \$254 billion, in addition to investments and loans worth \$200 billion.

- Traditionally, China's participation in infrastructure projects has been remarkable. It had built the **1,860 km Tanzania-Zambia railway line in 1975, and the Addis Ababa-Djibouti and Mombasa-Nairobi lines more recently, China is now eyeing to develop the vast East Africa Master Railway Plan.**
- China has signed several agreements furthering China's **Belt and Road Initiative (BRI)**, many components of which has been objected to by India. One of the major problems of the BRI is that there is no transparency in the agreements with the host country.
- The operationalisation of the **Chinese support base in Djibouti in 2016**, which tends to be militaristic in nature, is an alarming development in most of the engagements that China makes under BRI. This boosts China's String of Pearls strategy.
- China is dominantly present in the African Nations of Kenya and Sudan.
- In view of some experts, Indian engagement lays emphasis on the long term, **enhancing Africa's productive capacities, diversifying skills and knowledge, and investing in small and medium sized enterprises.** Whereas, China's approach is more traditional — resource-extraction, infrastructure development and elite-level wealth creation

Asia Africa Growth Corridor (AAGC)

- The idea of Asia Africa Growth Corridor (AAGC) emerged in the joint declaration issued by Prime Minister Narendra Modi and Prime Minister Shinzo Abe in November 2016. It was a direct response to the BRI initiative.
- It is based on four pillars of
 - 1) Development and Cooperation Projects,
 - 2) Quality Infrastructure and Institutional Connectivity,
 - 3) Enhancing Capacities and Skills and
 - 4) People-to-People partnership.
- The AAGC led growth in Africa and Asia will be responsive to the collective commitment for the Sustainable Development Goals (SDGs).India has also unveiled the Vision Document of the Asian Africa Growth Corridor which is jointly prepared by Indian and Japanese think tanks. the corridor will focus on four pillars.
- India postulates that its partnership with Africa is an amalgam of development priorities in keeping with the African Union's long-term plan and the **Africa Agenda 2063**, as well as India's development objectives.

- India and Japan should immediately initiate a few joint pilot projects involving the companies of India, Japan and a few African countries such as Kenya, Ethiopia and Mozambique in identified areas such as health care, agriculture and blue economy. Unless results become visible in the short term, questions may arise about the credibility of their joint approach. China's substantial success needs to be matched by sustained India- Japan cooperation in Africa.

Challenges

- There are continued acts of unconstitutional changes in the government or military coups taking place which make the investment climate dangerous for the potential investors. Many nations in the union have terrible experience in sustaining democracy.
- The continent is rife with **sectarian and ethnic clashes** which further makes the social life difficult and makes the project of economic growth susceptible to random violent acts.
- It suffers from serious lack of funding for its programs and depends on external funding which makes it prone to external whims thus not allowing it to cater to the region's need fully.
- The **biggest challenge for Indian LOC-funded initiatives in Africa is ensuring effective and timely implementation of projects**, and ensuring that there is no pilferage of funds. The Joint Monitoring Mechanism with African Union, as promised by PM Modi in 2015, is crucial for improving India's delivery mechanism. If Indian project implementation is not seriously monitored, Indian LOCs will remain on paper even.
- There are **three primary constraints to Africa-India trade:**
 - 1) **Limited access to trade finance** – Lack of proper financing mechanisms and limited access to trade-related project finance has been exacerbated by a stringent regulatory environment, resulting in the withdrawal of many international banks from Africa's trade finance space. This has contributed to limited trade expansion with the rest of the world, including India.
 - 2) **Transport and logistics costs** – High shipping costs and high cost of insurance in exports to African countries have discouraging to many Indian exporters. Given the high transaction costs and risk perceptions attached, Indian exporters sometimes show tendencies to become risk averse. Therefore, **lowering transaction costs is crucial for increasing India-Africa trade.**
 - 3) Limited market information and knowledge — The knowledge asymmetry created due to the lack of proper dissemination of information, and the incomplete understanding that India and Africa have about each other's markets creates major hurdles. It is necessary to create straightforward regulations, develop basic infrastructure, generate greater political will, and address domestic leakages, to create the correct environment for reducing investment risks.

Way Forward

- India must utilise the tremendous diaspora present in several African nations to further strengthen its outreach and presence in the Union. India must explore the new areas of investment apart from traditional developmental sector investments.
- The China factor must be dealt in a suitable manner so that the strategic and diplomatic presence is balanced.
- Food security and energy security have come into special focus in the context of the Ukraine conflict. Here too, India and Africa can work together for mutual benefit. There is great potential for stepping up India-Africa collaboration in the agriculture sector.
- The rich and valuable experience that India has acquired over the last 40 years (after the Green Revolution), and its Triple ‘A’ (appropriate, adaptable, and affordable) technology can indeed be a game changer in assisting African smallholder famers who depend heavily on income from agriculture.
- India and Africa, can make **the triad of health, digital and green growth** the focus of our collaboration. This is as much a business opportunity as it is a public policy.
- India and Africa must also look to sign more legal frameworks to improve economic engagements like FTAs. To generate and incubate more ideas, both India and Africa should look to engage with one another in more programmes and platforms.
- There should also be **greater connectivity and people-to-people contact**, which is vital for growth of relations. For example, random attacks on African nationals in India have been a cause for concern; India should have a zero-tolerance policy for such incidents. Indeed, as India continues to promote itself as a multicultural, progressive, and democratic country, it is necessary to establish effective institutional mechanisms for the quick redressal of grievances of foreign nationals.
- Another avenue for **engagement is the academia**. At present, there are very few scholarly seminars on Africa and India-Africa engagement being organised on both sides. This gap must be addressed, given that greater contacts between universities and think tanks will go a long way in increasing mutual awareness.

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BY SUSHANT VERMA

INDIA-WEST ASIA RELATION

- Being at the intersection of major continents and civilizations, **West Asia holds a critical centrality in global geopolitical affairs**. For quite some time, geostrategic disruptions emerging from the region have deeply impacted the global peace and security. The West Asian region is witnessing a tectonic shift, new regional alliances are taking shape and situation has further been compounded with the humanitarian crisis in Syria and Yemen.



- India has ties to West Asia since millennia. The Indus Valley civilization had trade links with Dilmun (modern Bahrain). In the 6th century BCE, Punjab was part of the Persian empire. In the 3rd century BCE, Egypt's Ptolemy II and the Mauryan emperors Chandragupta Maurya and Asoka exchanged ambassadors. Persian was the language of the Mughal court, and India's official language until 1835. This connection continues.

- Historically, India's West Asia policy has been bi-directional. During the Cold War years, India maintained close economic cooperation with both Saudi Arabia and Iran, the regional rivals.
- The bi-directional approach has been expanded to a tri-directional foreign policy to accommodate the **three key pillars of West Asia — Saudi Arabia, Iran and Israel**. In recent years, United Arab Emirates (UAE) has also emerged as a close ally of India in the Gulf region. Ties with Iran, however, took a beating during the sanctions years when New Delhi cut its energy cooperation significantly despite its vitality and huge energy potential. It was during the same time that India deepened cooperation with the Saudis.
- India has traditionally followed a **low key and non-intrusive policy** and consequently enjoyed good relations with the countries in the region. It has also consistently **opposed any military actions** to solve the political problems. Despite being the largest democracy in the world, India has refrained from promoting any particular form of government in the region.

SAUDI ARABIA -IRAN RIVALRY

Saudi Arabia and Iran have often behaved as serious rivals for influence in the Middle East, especially the Gulf area, since at least Iran's 1979 Islamic Revolution and the 1980-88 Iran-Iraq War. In most respects, Saudi Arabia is a regional status quo power, while Iran often seeks revolutionary change throughout the Gulf area and the wider Middle East with varying degrees of intensity.

Saudi Arabia also has strong ties with Western nations, while Iran views the United States as its most dangerous enemy. **Perhaps the most important difference between the two nations is that Saudi Arabia is a conservative Sunni Muslim Arab state, while Iran is a Shi'ite state** with senior politicians who often view their country as the defender and natural leader of Shi'ites throughout the region. The rivalry between Riyadh and Tehran has been reflected in the politics of a number of regional states where these two powers exercise influence.

Iran seeks to expand its power in the Gulf, which is a key area of competition between the two states. Saudi Arabia and to varying extents other Gulf Arab states often seek to contain Iran's quest for dominance. In the struggle for Gulf influence, Saudi Arabia has consistently maintained a vastly higher level of political clout with local states than Iran.

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ISRAEL- PALESTINE DISPUTE: A BRIEF TIME LINE

1917- The Balfour Declaration was a public pledge by Britain in 1917 declaring its aim to establish “a national home for the Jewish people” in Palestine. The statement came in the form of a letter from Britain’s then-foreign secretary, Arthur Balfour, addressed to Lionel Walter Rothschild, a figurehead of the British Jewish community.

Importance of Jerusalem

Jerusalem or the Holy City is the sacred site for three religious followers namely Christians, Muslims and Jews. **Temple Mount** is said to be the holiest place in Judaism. The Temple Mount is considered to be the third holiest site in Islam. It contains the shrine of the Dome of Rock and the **al-Aqsa Mosque** on a plateau called the Haram al-Sharif, or the Noble Sanctuary. Here is where Muslims believe their Prophet Muhammad ascended to heaven. The **Church of the Holy Sepulchre** was constructed in 335 A.D. It is the site believed by Christians where Jesus was crucified and later had resurrected.

Post-World War-I: In the post-war settlement, **Britain was given the mandate for Palestine and Trans-Jordan** (areas including Israel, West Bank and Gaza). Upon the start of the mandate, the British began to facilitate the immigration of European Jews to Palestine. Between 1922 and 1935, the Jewish population rose from nine percent to nearly 27 percent of the total population. Defeat of Germany in the war (1914-19) saw the rise of Adolf Hitler, who blamed Jews for the country’s defeat. He expanded Germany and Jews were persecuted in areas he controlled. Jewish immigration to Israel gained pace.

Post-World War-II (1939-45): With the support from the US and the UK, Jews created the state of Israel in 1948. The declaration came after Jews failed to sign a deal with Arabs for carving out a separate state from Palestine.

1947- the United Nations adopted Resolution 181, known as the Partition Plan, which sought to divide the British Mandate of Palestine into Arab and Jewish states. The move is accepted by Jewish leaders but rejected by the Arab side and never implemented.

1948- Unable to solve the problem, British rulers leave the region. On May 14, 1948, the State of Israel was created, sparking the first Arab-Israeli War. The war ended in 1949 with Israel’s victory, but 750,000 Palestinians were displaced and the territory was divided into 3 parts: the State of Israel, the West Bank (of the Jordan River), and the Gaza Strip.

1956: Second Israel-Arab war began after Egypt announced nationalisation of the Suez Canal, an important trade route. Israel invaded Egypt, got support from Britain and France. The US and erstwhile USSR brokered a deal to end the war.

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1964: Palestinians organised themselves under the Palestinian Liberation Organisation (PLO) for struggle against Israel.

1967: Six-Day War took place in which Israel defeated Egypt, Jordan and Syria. After the war, Israel gained territorial control over the **Sinai Peninsula and Gaza Strip from Egypt; the West Bank and East Jerusalem from Jordan; and the Golan Heights from Syria.**

1973: Arab nations formed a coalition to attack Israel. It suffered losses but recovered after receiving supplies from the US. The war led to massive oil crisis.

1978: The US brokered a peace deal between Israel and Egypt. Settling the question of Palestine was part of the deal what came to be known as Camp David Accord. It was never implemented.

1987: **First Palestinian Intifada** was launched. Intifada means uprising or rebellion. Protests and clashes continued for years in Gaza, the West Bank and inside Israel. Many people died and scores injured during the Intifada.

1991: Israel begins peace talks with Palestinian leaders, Syria, Lebanon and Jordan in Spain — Madrid Conference.



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1993: First major breakthrough was achieved. Israel and the PLO signed what is called **the Oslo Peace Accord.** It was backed by the United Nations.

1994: A follow-up deal was signed, called the Cairo Agreement between Israel and the PLO. The agreements **created the Palestinian Authority which was given the charge of administrative affairs in the West Bank and Gaza.** Question of Israeli settlements in the West Bank, and status of Jerusalem remained unresolved. Both Israel and Palestine view Jerusalem as their future capital.

2000: Second Palestinian Intifada was launched. Clashes erupted after Israeli hardliner Ariel Sharon visited the compound that houses both the Temple Mount and Al-Aqsa, the site of current violence. In response, the Israeli government approved construction of a barrier wall around the West Bank in 2002, despite opposition from the International Court of Justice.

2002: Palestinian militant group Hamas launched first major suicide attack killing at least 30 Israelis. Israel later conducted an operation to took control of much of the West Bank.

2006: Hamas won election in Gaza emerging as a political challenger to Fatah party that was moderate and had won in the West Bank.

2008: Palestinian militants fired rockets into Israel, which responded by pummelling missiles into the Palestinian territory. More than 1,100 Palestinians lost their lives, 13 Israeli soldiers were killed.

2014: A seven-week fight ensued after Hamas allegedly kidnapped three Israeli girls from a Jewish settlement in the West Bank and killed them. More than 2,000 Palestinians lost their lives. Israel reported 73 deaths including civilian casualties.

2015: Seeking re-election, Israeli Prime Minister Benjamin Netanyahu declared that there would be **no two-state solution to Israel-Palestine question.**

2017: The Donald Trump administration of the US recognised Jerusalem as the capital of Israel and announced shifting of its embassy from Tel Aviv to this city. The decision saw fresh protests and clashes in the West Bank and Gaza. **Israel considers the “complete and united Jerusalem” its capital, while Palestinians claims East Jerusalem as the capital of a future Palestinian state.**

2021: Israel barricades Damascus Gate Plaza in the East Jerusalem on April 12. It is a popular gathering place for Palestinians during Ramzan. Protests broke out. On April 16, Israel limits the number of people who can prayer at Al-Aqsa Mosque — in East Jerusalem to 10,000 people. Clashes erupt and spreads to Gaza and the West Bank. On May 21, Israel and Hamas agreed to a cease-fire brokered by Egypt, with both sides claiming victory and no reported violations.

Abraham Accords

The Abraham Accords saw several Arab countries such as the UAE, Bahrain, Sudan and Morocco establishing diplomatic ties with Israel in 2020. This normalization process was facilitated by the US. The accords are named after the patriarch Abraham regarded as a prophet in both Judaism and Islam. The rise of Iran's clout in the region has played a significant role in signing of the accords. The ending of animosity between Israel and at least some Arab countries has paved way for greater regional and multilateral cooperation.

Negev Forum

Negev Summit took place in Israel March 2022 and brought together Secretary of State Tony Blinken and the foreign ministers of Israel, UAE, Bahrain, Morocco and Egypt. Senior diplomats from these countries met in Manama, Bahrain, in June 2022 to push forward with the establishment of the **Negev Forum**, a new framework for cooperation in the region.

On September 18 2022, the Israeli government approved a proposal calling to establish the Negev Forum as a mechanism for regional cooperation. the regional cooperation under the newly-established forum is set to prioritize food and water security, energy, education, health, tourism, security, and climate.

Importance of West Asia

- Adoption of '**Look West Policy**' in **2005** reflects India's increased desire for engagement with its 'extended neighbourhood'. The Gulf region is important for India due to a combination of several factors –
 - (a) **Energy security**- Securing long term energy supply for its burgeoning economy is of vital importance for India. West Asian region **accounts for 2/3rd of Indian energy supply**. As such, ensuring energy security has undoubtedly dictated India's initiative of building up a strategic energy partnership with this region.
 - (b) **Protecting Interests of Diaspora**- There is a huge Indian Diaspora of more than 6 million working and living in this region. India receives valuable remittances in **excess of \$70 billion annually** from the region. Also, India has to engage Gulf countries to secure a safe and exploitation free working conditions for these people.
 - (c) **Trade and Investment**- The Gulf Region remains the **largest trading partner** for India with top trading partner in the region being UAE, Saudi Arabia and Iraq. Besides, the region is also a **potential source of sizeable investment** in different sectors of Indian economy especially

infrastructure. Investments have included a \$44 billion oil refinery in India by Saudi Aramco and the Abu Dhabi National Oil Company in partnership with an Indian consortium.

(d) **Internal Security**- India's internal security is more linked to West Asia than ever before. The **rise of religious extremism** and its use for political and terrorist purposes in West Asia as well as India has acted as force multiplier for cross border terrorism. Extremist and terrorist groups tend **to get support, funding and ideological legitimacy** from states and organisations in West Asia. The rise of ISIS and its attempts at radicalising Indian youths presents a serious challenge to Indian Security establishment.

Consequently, the region is an important partner for India in counter-terrorism, intelligence sharing, homeland security, combating money laundering, small arms trafficking and smuggling.

(e) **Maritime Security**- The increase in piracy activities off the Gulf of Aden in the Indian Ocean has affected both India and the Gulf countries. So maritime security is one of India's primary concerns and cooperation with these countries is vital for **strengthening Indian presence in the strategic waters of the Indian Ocean Region**. The demand for increased involvement in the region is ever growing and given the USA's reluctance and withdrawal from the region, it provides an opening for greater Indian role.

(f) **Forging strategic ties**- India looks forward for enhanced strategic ties with the region. The ensuing geopolitics and regional and great power rivalry in the region as reflected in chaos in Iraq, Syria, Yemen, Egypt, Turkey and Palestine-Israel along with the rise of ISIS has intensely complicated the geopolitical landscape. If India needs a sustained high growth, a peaceful extended territory from Suez to South Asia is an imperative.

(g) **Access to Central Asia and Beyond**- For India, West Asia represents an access to Central Asia, Russia and potentially, overland to Europe. In order to secure these vital communication links, India needs to expedite Chabahar, INSTC and other connectivity projects along with help of these countries.

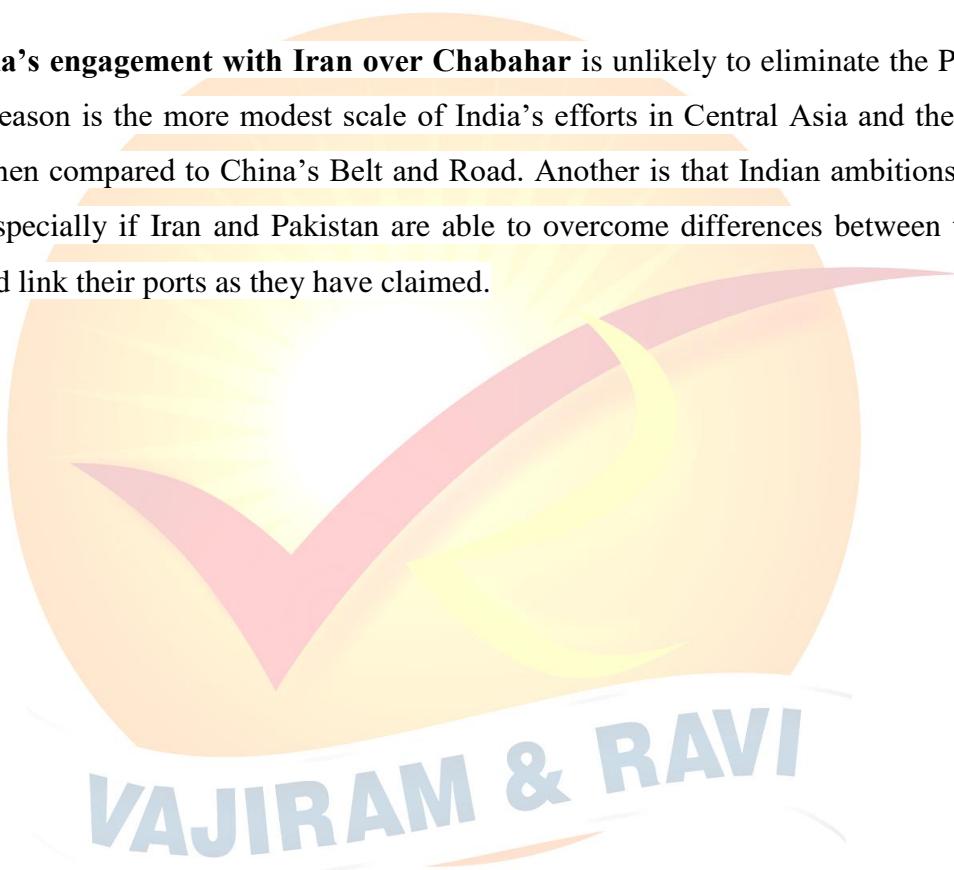
Ties during Modi Regime

- In recent years, India has taken initiatives to engage with other countries of the region and has opened multiple fronts of engagement with them. **The declaration of strategic partnerships with Saudi Arabia in 2010 and with Oman in 2008** and the agreement on defence and security cooperation with Qatar in 2008 are some of the high points in India's engagement with the region.
- With the coming of the Narendra Modi-led BJP government in 2014, India's relations with West Asia have clearly moved towards active diplomatic engagement with all the major players in the region, with the Prime minister himself leading the initiative. India's **increasing diplomatic activism** towards

the region is indicative of the Modi government's shift in its effort to build stronger economic and security ties with West Asian countries. Predicting the future course of India's policy towards the region, the then Foreign Secretary S. Jaishankar observed in early March 2016 that "**'Act East' would be matched with 'Think West'.**

- PM Modi's visits to Riyadh, UAE, Iran and Qatar should be seen against this background. His government appears to be following the regional policy set by its predecessor government. This approach, while not entirely giving up the tri-directional framework, is **tilted more towards the Saudi camp and Israel.**
- Expatriates and energy components are the strengths of India's engagement with the Persian Gulf Region. But they are also its weaknesses and prevent India from fully exploiting its potential.
- **In 2020-21, the top oil exporter to India was Iraq (more than 22%), followed by Saudi Arabia (18%).** From 2017 through 2021, Iran and the GCC member states accounted for a 15.3% share of India's cumulative two-way merchandise trade. Out of that, the UAE contributed the lion's share of almost 7%, followed by Saudi Arabia. ***UAE is the third largest trading country with India in recent times after the US and China.***
- It is too early for India to get involved in any regional security arrangement as it would have to deal with two basic issues- security for whom and against whom. Most regimes feel threatened internally and any involvement would entail India taking sides between rival factions.
- In the broader sense, **combating ISIS, religious extremism and indoctrination, terror financing and cyber security** would be the prime areas of cooperation. In recent years, Israel dominated India's security cooperation. Now, fighting ISIS entails enhanced cooperation with countries like Jordan, Saudi Arabia and the UAE. Religious extremism poses an existential threat to these countries and cooperating with them makes good common sense for India.
- Perhaps, **the key to India's diplomatic success lies in its de-hyphenation of relations with countries locked in zero-sum rivalries** and its focus on forging bilateral win-win relations with each country individually. By pursuing a highly balanced, non-partisan policy, India has to a great extent been able to protect and secure its growing stakes and vital interests in the region that range from energy, maritime trade, security and the safety of its 8 million strong diasporas.
- According to some experts, New Delhi needs to pay attention to **two major trends** that are changing the big picture in the Middle East-
 - 1) The **first is about the nature of confrontation between the US and Iran.** The sanctions regime against Iran, according to the US's official claims, is one of the toughest the world has known. Even many of Iran's Arab neighbours, including Bahrain, Egypt, Saudi Arabia and Egypt, support the US Administration's steps against Tehran. For they fear Iran's growing power and the assertion is threatening to undermine their national coherence and security.

- 2) **The second trend is the unfolding normalisation of relations between Israel and the Gulf countries** after signing of Abraham Accords.
- However other experts also argue that despite Modi's efforts to cultivate ties with the Arab Gulf, Israel and Iran, each presents **potential challenges and risks**.
- 1) First, **Israel's improving status with the Arab world may not endure**. Another intifada or revival of support for the Palestinians by the wider Arab public could put pressure on Gulf regimes to reverse their current rapprochement with Israel. If that should happen, India could find its position exposed as well, given its own growing closeness with Israel. Amid competing demands from West Asian powers for India to take sides, India might find it difficult to maintain a “balancing” approach even if it wanted to.
- 2) Second, **India's engagement with Iran over Chabahar** is unlikely to eliminate the Pakistan/China option. One reason is the more modest scale of India's efforts in Central Asia and the Middle East, especially when compared to China's Belt and Road. Another is that Indian ambitions may become redundant, especially if Iran and Pakistan are able to overcome differences between themselves to cooperate and link their ports as they have claimed.



INDIA – UAE TIES

- **India-UAE relations has become a pivot of India's Extended Neighborhood and Look West Policy in the region.** UAE is one of India's important partners in the Gulf region. The India-UAE relationship has continued to grow with a number of crucial connections such as trade, energy, Diaspora and culture.
- In the contemporary era, changing geopolitics and growing security challenges in the region have drawn the two countries even closer.

Imperatives for Better ties

Economic imperative

- The Indian community in the UAE is 35 percent of the UAE's 10 million population, making it the largest expatriate community in the country. They **remit more than \$13 billion annually, accounting for 20 percent of India's total remittances.**
- **Economic and commercial cooperation** is a key aspect of overall bilateral relationship between the two countries. The traditionally close and friendly India-UAE ties have evolved into a significant partnership in the economic and commercial sphere.
- For India, **the UAE's most critical importance lies** in the field of trade and business. UAE is India's **third largest trade partner** (after China and the USA) and **second-largest export destination**, with bilateral trade standing **at over USD 72 billion in 2021-22. The UAE is also India's second largest export destination.**
- Indians have emerged as **important investors within the UAE** and India as a major export destination for goods manufactured there. India's major imports from UAE include petroleum and petroleum products, precious metals, stones, gems and jewellery, minerals and chemicals.
- However, what has not been satisfactory is the **investment scenario**.
- UAE's FDI into India stands at more than US \$12 billion. This is **far below the UAE's investment potential** considering its enormous Sovereign Wealth Fund (SWF) of about USD 773 billion, which India intends to attract. The investment climate in India should be made appealing for foreign investors else it would remain a major impediment for attracting greater investments from the UAE.

Strategic Imperative

- UAE also plays an important role in fulfilling **India's energy needs**. India imported around 16 million tonnes of crude oil from UAE in the year 2014-15. It is the **sixth largest supplier of crude oil** to India.

- India believes that the UAE can be an important partner in **developing its strategic petroleum reserves** keeping in mind its growing demand of energy and concerns about disruptions in production and supply.
- **Security** is another potential area of cooperation between India and UAE, which have treaties and agreements on extradition, mutual legal assistance in criminal and civil matters, combating trafficking in narcotics, and information cooperation apart from maritime interaction.
- India and UAE had signed **a defence cooperation agreement in 2003**, with the aim of providing military training, arms import and export, peacekeeping operations, military medical services, security and defence policy and joint scientific research on defence, among other issues.
- **Regional security** in the Gulf region is an important concern for both India and the UAE. It directly affects the physical security of the UAE while India's interests are affected by the turbulence in the region.
- India and UAE have a common issue in **countering terrorism and radicalisation**. Cooperation in this regard will further enhance bilateral ties. The rise of ISIS and its efforts at promoting radicalisation among youths is a common threat to their peace and stability. In fact, Cooperation in this regard will further enhance bilateral ties.
- With the rise of the IS, the UAE took a strong stand against terror — and has, till date, **deported about more than a dozen Indian citizens suspected of IS links** including Indian Mujahideen terrorist Faizan Ahmed and other wanted criminals. India and the UAE had **decided to call on all countries to dismantle terrorism infrastructure where they exist and bring perpetrators of terrorism to justice**. They decided to coordinate efforts to counter radicalization and misuse of religion by groups.
- Similarly, both India and UAE have been **victims of piracy** in the Arabian Sea. The importance of maritime security for both countries can be understood from the fact that around 95 per cent of India's trade by volume and 68 per cent by value is transported through the sea route and Dubai is an international transit hub.
- Since 2008, India has continuously deployed ships in the Gulf of Aden to prevent pirate attacks. UAE has called for robust coordination and cooperation by the international navies against piracy. UAE's reiteration of its commitment to join hands with India in the fight against terrorism and piracy brings it even closer towards India.

PM Modi's visit to UAE, June 2022

- After attending G-7 meeting in Germany, on his way back, PM Narendra Modi stopped in the United Arab Emirates. It was **Modi's fourth visit to the country** after visits in August 2015, February 2018, and August 2019. PM Modi was in the **UAE to offer his personal condolences on the passing of Sheikh Khalifa bin Zayed Al Nahyan, the former UAE president and Abu Dhabi ruler**. The visit

also offered an opportunity for Modi to congratulate the new president of the UAE and the ruler of Abu Dhabi, Mohamed bin Zayed Al Nahyan.

- The UAE leader received Modi at the airport, reflecting the personal ties between the two leaders. As UAE Crown Prince Sheikh Mohamed bin Zayed Al Nahyan had paid his first state visit to India from in 2016.
- Earlier Vice President Shri Venkaiah Naidu had gone to Abu Dhabi on 15 May 2022 to offer the Indian government's condolences to the leadership of the UAE and in an unusual gesture, the External Affairs Minister, Dr S. Jaishankar, had personally visited the UAE embassy in New Delhi to sign the condolence book.
- The visit comes weeks after the controversial remarks by two BJP officials about Prophet Muhammad that created much anger and protests all across the Gulf including in the UAE. Like many other Muslim-majority countries, the UAE's Ministry of Foreign Affairs and International Cooperation condemned the controversial statements.
- **Modi's visit, therefore, offered an opportunity to soften the anger expressed against India.** Even though it was a one-day visit, it appeared to have been an important one in cementing ties that may have been adversely impacted by the recent developments, and an opportunity for a face-to-face interaction with the new leadership.
- Earlier when PM Modi visited UAE in 2015, it was the **first visit by an Indian Prime Minister in 34 years**. Both countries decided to take the bilateral relationship to the level of a '**comprehensive strategic partnership**'. The strategic partnership of India-UAE is a multidimensional strategic partnership including different areas such as defense, security, environment, education, health, commerce, and investment. UAE has supported India in her bid **for a permanent seat** for the UN Security Council. The UAE government **allotted a land for a temple** – as a gesture to reach out to the new Modi government. The two sides were able to establish **the UAE-India Infrastructure Investment Fund**, with the aim of reaching a target of USD 75 billion to support investment in India's plans.
- Modi's latest visit to UAE needs to be seen in the larger context of strengthening ties and further widening the scope of India's engagement with the Gulf region. Besides boosting bilateral relations with the UAE, it would provide further impetus to India's engagement with the Gulf region.

CEPA with UAE

- India and the United Arab Emirates have signed a **Comprehensive Economic Partnership Agreement (CEPA) on 18th February 2022, during the India-UAE virtual Summit**. It provides for an institutional mechanism to encourage and improve trade between the two countries.

- **The CEPA was the first of its kind signed by India in the Middle East and North Africa region, and the first by the UAE with any country of the world.** It is remarkable that negotiations for this historic agreement took a mere 88 days, and that they were made possible only through mutual trust and commitment.
- As per the CEPA signed between India and the UAE, 90% of India's exports will have duty-free access to the Emirates. It covers goods, services and digital trade. The bilateral trade pact is India's first in the region and the first comprehensive trade agreement with any country in a decade.
- India will benefit from preferential market access provided by the UAE, especially for all labour-intensive sectors such as Gems and Jewellery, Textiles, leather, footwear, sports goods, plastics etc.
- The CEPA is likely to benefit about \$26 billion worth of Indian products that are currently subjected to 5% import duty by the UAE. The deal will **open up to 10 lakh jobs for the young people in the country.**
- It is expected that the CEPA will lead to an increase in bilateral trade from the current \$60 bn to \$100 bn in the next 5 years. **Through the pact, Indian exporters will also get access to the much larger Arab and African markets.**
- Given that the UAE is keen on transforming itself from an oil-dependent economy to a knowledge-based economy, the India-UAE relationship has the potential to expand to critical areas in the science, technology, innovation (STI) domain. With India's strong science and technology base including in STEM education, space and nuclear fields, the two countries have the potential to transform the nature and scale of their engagement. The Indian decision to establish the first foreign branch of the Indian Institute of Technology (IIT) in the UAE fits well with this goal. **The decision on the IIT's UAE branch in Dubai is part of the CEPA agreement.**
- India and the UAE are also becoming more comfortable with the changing geopolitics of the region. Their partnership in 'Middle East Quad' U2I2 is a case in point.
- With Modi wooing the UAE's investors for the infrastructure projects and opportunities upto a trillion-dollar potential, for rapid expansion of next generation infrastructure, especially in railways, ports, roads, airports and industrial corridors and parks.

- On January 30 2022, India and Israel marked 30 years of full diplomatic relations.
- India-Israel relations have been sensitive and controversial in much of their relationship history. India had recognised Israel as far back as 1950 but normalisation took another four decades. India was reticent about its ties with Israel as it balanced this with its historical support for the Palestinian cause, its dependence on the Arab world for oil, and the pro-Palestinian sentiments of the country's Muslim citizens.

Reasons for shift in India's attitude towards Israel

- India's attitude towards Israel has been guided more by **diplomatic prudence** rather than moral basis.

There were several reasons for this change of policy by India-

(a) Soured Relations with Arab world-

- **India's largely proArab stance in the Middle East had not been adequately reciprocated and rewarded by the Arab world.**

India had received no worthwhile backing from Arab countries in the resolution of problems it faces in its neighborhood, especially Kashmir. There had been no serious attempts by the Arab world to put pressure on Pakistan to reign in the cross-border insurgency in Kashmir. On the contrary, Arab nations have firmly stood by Pakistan, using the Organization of Islamic Cooperation (OIC) to build support for Islamabad and jihadi groups in Kashmir.

In the wake of the first Gulf War, equations in West Asia underwent big shifts. Arab support for the Palestinian cause began to weaken due to PLO's backing for Iraq's invasion of Kuwait. If Arab nations, such as Jordan, have been able to keep their traditional ties with Palestine intact while building a new relationship with Israel, there is no reason for India not to take a similar route, which might give it more room for diplomatic maneuvering in the region

- (b) By 1992, **with the end of cold war and collapse of Soviet Union**, there was an urgent need for better relations with the sole superpower USA. Developing relations with Israel would be an important gesture for closer economic cooperation with Washington.

- (c) There were big advantages in developing closer ties with Israel which included cooperation in the spheres of agriculture, industry, trade, science and technology and defence.

Imperatives for closer cooperation

- Israel can be described as **India's natural ally**.

- The common threat to national security emanating from their neighbourhood in form of **cross-border terrorism** especially in the era of globalisation of jihadi politics necessitates a closer cooperation between them. Both countries have been victims of terrorist violence for decades and have fostered closer cooperation to counter this threat.
- Israel is a reliable ally of India especially as seen in **regional dynamics of South Asian geopolitics**. Unlike major powers' ties with Pakistan (like USA, China and even Russia), Indo-Israel ties will never be hyphenated with Indo-Pakistan relations. India is assured of strong Israeli support in this region including vis-à-vis China.
- As a rising power with **a growing economy**, India offers immense opportunities for mutually beneficial ties for Israel ranging from a huge market, innovation, science and technology, agriculture and attractive investment destination. Conversely, Israel's **technical expertise** in defence, dual use high technology, dry land agriculture, water management, technical education etc. make it an indispensable partner for accelerating India's economic development and security. Israel is thus also important for food security.
- India offers crucial diplomatic support to Israel in international arena where it is often isolated over many issues. Also, India's geopolitical position makes it a gateway for Israel to South Asia, South-East Asia and East Asia where India's standing as a responsible power is of great benefit for Israel.

Growth of ties

- Since then, India-Israel relations have blossomed in the short period of three decades into close military, economic and strategic ties. Both countries took a fresh look at each other and found substantial interaction in various fields ranging from economic, agricultural, scientific to defence.
- **At crucial times, when India needed Israeli help, it got it unreservedly.** Israel was willing to continue and even step up its arms sales to India after other major states curbed their technological exports following India's May 1998 nuclear tests. Israel provided India with much needed imagery about Pakistani positions using its UAVs during the Kargil War with Pakistan in 1999. That was ultimately instrumental in turning the war around for India. When India was planning to undertake a limited military strike against Pakistan in June 2002 as part of "Operation Parakram," Israel supplied hardware through special planes.
- The first high-level bilateral visits took place only when the NDA-1 under Prime Minister Atal Bihari Vajpayee took office. In 2000, L K Advani became the first Indian minister to visit Israel. The same year, Jaswant Singh visited as Foreign Minister. That year, the two countries set up a joint anti-terror commission. **And in 2003, Ariel Sharon became the first Israeli Prime Minister to visit India.**

India & the Palestinian cause

- Keeping India's wider strategic interests in perspective, successive Indian governments since the early **1990s have walked nuanced line between expressing genuine concern for the Palestinian cause and expanding its commercial and defense ties with Israel.**
- Over the years, the Indian government has toned down its reactions to Israel's treatment of Palestinians. India has also begun denouncing Palestinian suicide bombings and other terrorist acts in Israel, something that was seen earlier as rather justified in light of the Israeli policies against the Palestinians. India is no longer initiating anti-Israel resolutions at the United Nations.
- During the UPA's 10 years in office, Mahmoud Abbas, head of the Palestinian Authority that administers the West Bank, visited four times — in 2005, 2008, 2010 and 2012. India voted for Palestine to become a full member of UNESCO in 2011, and a year later, co-sponsored the UN General Assembly resolution that **enabled Palestine to become a “non-member” observer state at the UN without voting rights.** India also supported the installation of the Palestinian flag on the UN premises in September 2015, a year after Modi was voted to power.
- The first big shift in India's policy came during the visit of Mahmoud Abbas in 2017 when India in a statement dropped the customary line in support of East Jerusalem as the capital of a Palestinian state. When Modi visited Israel, his itinerary did not include Ramallah, as had been the practice by other visiting dignitaries.
- **But the balancing act continued.** Modi made a separate visit to Ramallah in February 2018, and called for an independent Palestinian state. Even as it abstained at UNESCO in December 2017, India voted in favour of a resolution in the General Assembly opposing the Trump administration's recognition of Jerusalem as the Israeli capital.
- At the UNHRC's 46th session in Geneva earlier in 2021, India voted against Israel in three resolutions
 - ✓ on the right of self-determination of the Palestinian people;
 - ✓ on Israeli settlement policy; and
 - ✓ on the human rights situation in the Golan Heights.It abstained on a fourth, which asked for an UNHRC report on the human rights situation in Palestine, including East Jerusalem.

- In its statement in the UN Security Council on the Israel-Palestine violence last year, India expressed India's “strong” support to the “just Palestinian cause” and “unwavering” support for the two-state solution.
- India believes that **the peaceful resolution of the Israel-Palestine conflict** would bring lasting peace and stability to the region and reiterated the need for an early resumption of the political course by launching credible direct negotiations on all final status issues. **India has consistently called for**

Ties during Modi regime

Political ties

- Israeli policy makers and analysts have often expressed displeasure at the lack of high-level political interactions with Indian leaders, despite the robust strategic engagement between the two countries. During Modi Regime, high level bilateral visits have been a remarkable feature of bilateral ties.
- PM Modi's meeting with Prime Minister Benjamin Netanyahu on September 28, 2014, at the side lines of the 69th UNGA sessions was the **first interaction between the Indian and Israeli Prime Ministers** since the September 2003 visit of Ariel Sharon to India. PM Netanyahu had remarked that "**sky is the limit**" that can be achieved between the two sides with "**limitless**" potential.
- The **first-ever Indian President's visit to Israel and Palestine** between October 12 and October 15 in 2015 was a marked departure from New Delhi's standpoint. For the last two decades, India has been shy about its relationship with Israel and the NDA government seemed determined to break those pre-conceived notions. For long, India had avoided a bilateral visit at the highest level. So, it has **successfully come out of the hyphenation between Israel and Palestine** in its relationship with the two nations.
- **Prime Minister Narendra Modi's visit to Israel from July 4-6 was a significant milestone.** It was the first-ever historic visit of an Indian Prime Minister after Israeli PM Ariel Sharon came to India during Vajpayee regime in 2003, and takes place as the two countries marked 25 years of establishment of diplomatic relations.
- PM Modi had already undertaken visits to the United Arab Emirates, Saudi Arabia, Qatar and Iran before embarking on his trip to Israel. Receiving Palestinian President Mahmoud Abbas in Delhi in May eased the politics of skipping a visit to Ramallah while visiting Israel.
- **India has finally de-hyphenated its relationship with Israel and Palestine, engaging with the two arch-rivals separately and on mutually beneficial terms.** PM Modi had already made a political statement by choosing to stay in Jerusalem, on which Palestine has claims, for all the three days and only going to Tel Aviv for the Indian community event. **The political message of the trip was clear** – New Delhi is no longer uneasy in dealing with Israel as was the case in the past.
- He visited Yad Vashem, the Holocaust Memorial. He paid homage to the soldiers in Haifa cemetery that contains the graves of Indian soldiers who had died during the First World War. He also unveiled a plaque commemorating **Major Dalpat Singh**, known as the 'Hero of Haifa' for his critical role in the liberation of the city during World War I.

- **The outcome of the visit was an impressive joint statement which elevated the relationship to a ‘strategic partnership’.** Indian and Israeli companies entered into agreements **to bid jointly for defence contracts for the Indian military and locally build the systems under “Make in India”**.
- This was followed by **PM Netanyahu’s visit to India in January 2018**, the second such visit by an Israeli PM.
- Deputy Prime Minister and Defence Minister of Israel Lt Gen (Res) Benjamin Gantz, visited India on June 2, 2022. Both countries reviewed the rapid growth in defence cooperation between India and Israel over the past few years. They acknowledged mutual security challenges and their convergences on a number of strategic and defence issues, and expressed their commitment to work together to enhance cooperation in all forums.

Defence ties

- **Defence continues to be a “central pillar” of the bilateral relationship.** Next to Russia and the United States, Israel is one of the largest arms suppliers to India with annual sales worth over \$1 billion. **India is the largest buyer of military equipment from Israel.**
- Indeed, under the Modi government, India and Israel have ramped up their cooperation on security and defense matters. The Indian armed forces have **inducted a wide array of Israeli weapon systems** over the years, which range from
 - ✓ **Phalcon AWACS (Airborne Warning And Control Systems)** and
 - ✓ Heron, Searcher-II and Harop drones
 - ✓ Barak anti-missile defence systems and
 - ✓ Spyder quick-reaction anti-aircraft missile systems.
 - ✓ a **host of Israeli missiles and precision-guided munitions**, from Python and Derby air-to-air missiles to Crystal Maze and Spice- 2000 bombs.
- At the **15th Joint Working Group (JWG 2021)** meeting on Bilateral Defence Cooperation, countries agreed to form a Task Force to formulate a comprehensive Ten-Year Roadmap to identify new areas of cooperation.
- Israel has sold radar and surveillance systems as well as electronic components for military aircraft and India has already deployed **Israeli unmanned aerial vehicles (UAVs)** along the rugged mountains of Kashmir for surveillance, as well as on the disputed border with China.
- Israel also wants to be **a key player in the “Make in India” initiative**, especially in defence manufacturing through technology transfers and joint research, technology start-ups and cyber-security. Indian and Israeli warships successfully tested **the jointly developed Barak 8 long-range surface-to-air missile system** during November-December 2015, which will now serve as a missile

defence shield for warships and key facilities such as offshore oil platforms. It was joint venture of DRDO and Israeli aerospace Industry (IAI).

Counter-Terrorism

- Israel has helped **India defense itself through training in counterterrorism methods**. Israel has been cooperating with India in the areas of **border management, internal security and public safety, police modernization and capacity building for combating crime, crime prevention and cybercrime**.
- The two countries have signed an Extradition Treaty and a pact on Transfer of Sentenced Prisoners. Both countries signed an intelligence-sharing agreement in July 2014, hoping to fight radical Islamic extremism in the region together.
- Joint working Group on counter-terrorism meets periodically
- India eyes advanced Israeli foliage penetrating radar capable of detecting human, and vehicular activity in dense forests. In the Indian use case, the radar would be a handy monitoring tool for the porous Line of Control with Pakistan, the de facto boundary in the disputed territory of Kashmir. Israeli radars could considerably improve intelligence, surveillance, and reconnaissance of the difficult terrain.
- This would help India plug leakages in LOC to prevent infiltration and incidents like Pathankot and Uri attack. There is thus immense scope for collaboration on border security sphere.

Trade & Investment

- The trade and investment relationship has grown impressively in the last few years. From US\$ 200 million in 1992 (*comprising primarily of diamonds*), merchandise trade diversified and reached US\$ 7.86billion (*excluding defense*) during the period 2021 –2022 with the balance of trade being in India's favor.
- **India is Israel's second-largest trading partner in Asia and the ninth largest globally.** Though bilateral trade is dominated mainly by diamonds and chemicals, recent years have witnessed an increase in trade in areas such as electronic machinery and high-tech products; communications systems; medical equipment etc.
- India continues to be a 'focus' country for the Israeli Government's increased trade efforts. India and **Israel have restarted negotiations for the Free Trade Agreement (FTA) with an aim to conclude it in 2022.** The success of Indian and Israeli information technology companies has particularly led to interest in collaboration in that sector.
- Indian Investments in Israel: Cumulative ODI from India as on June 2022 was US \$ 131.85 million. Indian companies are marking their presence in Israel through mergers and acquisitions and by opening branch offices.

- During April 2000 – March 2022, Israel's direct FDI into India was US \$270.91 million. There are over 300 investments from Israel in India mainly in the high-tech domain and in agriculture. These investments are varied in nature - manufacturing plants; R&D centers; subsidiaries etc. There is a growing preference for Israeli companies in sectors such as renewable energy, water technologies, homeland security and real estate in addition to traditional areas such as agriculture, chemicals etc.
- **India-Israel Industrial R&D and Technological Innovation Fund (I4F)** setup for affordable technological innovations in focus areas of mutual interest such as water, agriculture, energy and digital technologies. I4F is a cooperation between the two countries to promote, facilitate and support joint industrial R&D projects between companies from India and Israel to address the challenges in the agreed Focus Sectors.

Agriculture and Water Management

Agriculture:

- An **Indo-Israel agriculture action plan for 2015-18 was operational**, and **15 of the proposed 26 centres of excellence in agriculture are being developed in India with Israel's help** to showcase the latest technology to Indian farmers.
- **India has benefited from Israeli technologies in horticulture mechanisation**, protected cultivation, orchard and canopy management, nursery management, micro-irrigation and post-harvest management, particularly in Haryana and Maharashtra.
- Every year, more than 20,000 farmers visit the Agricultural Centre of Excellence at Gharaunda in Karnal, Haryana, where a nursery produces hybrid seedlings -- including tomatoes, cherry-tomato, colored capsicum, cucumbers, eggplant and chilli pepper-grown in small, individual cells, ready to be transplanted into containers or a field. **There was a five-to 10-fold increase in crop yields with an accompanying 65 per cent reduction in use of water and noticeable decrease in the use of pesticides and fertilisers**, according to a December 2014 report on the Indo-Israel Agriculture Project.
- Undoubtedly, agriculture **is at least one of the two main pillars in India-Israel relations** – definitely the main pillar from the civilian angle.” The contribution of Israel to the agricultural growth in different parts of our country over the last two decades is immense- From the blossoming mango orchards of Haryana to the drip-irrigated vegetable nurseries of Gujarat state, Israeli agricultural know-how has become a staple resource of farms across the Indian subcontinent.
- Indian officials have been receiving training in Israel from time to time. Indian officials and business delegations regularly attend Israel's triennial international agricultural exhibition event Agritech, which showcases Israel's achievements in agriculture. Union Minister of Agriculture and

VAJIRAM & RAVI

Farmers Welfare Shri Narendra Singh Tomar visited Israel in May 2022 and held bilateral discussions with his counterpart.

- Cooperation in **water conservation, waste-water treatment and its reuse for agriculture, desalination, water utility reforms, and the cleaning of the Ganges and other rivers using advanced water technologies**. Israel ‘s expertise in drip irrigation will help India meet its target of doubling farmer ‘s income.
- A Plan of Cooperation between Israel and the Government of Uttar Pradesh for addressing water issues in Bundelkhand region was signed in August 2020 following which an Israeli company is working on a feasibility study in water management in Bundelkhand region. In June 2022 Israel signed a joint declaration with Haryana government in the field of integrated water resource management and capacity building. Israeli company IDE has built several desalination plants in India.

People to People Contact

- There are approximately 80,000 Jews of Indian origin in Israel. The majority is from Maharashtra (Bene Israelis) and relatively small numbers from Kerala (Cochini Jews), Kolkata (Baghadadi Jews) and North East (Bnei Menache).
- The Indian Embassy in Israel facilitated the first ever National Convention of Indian Jews in Israel held on September 2013 in Ramla. Besides, there are about 10,000 Indian citizens of whom about 8000 are care givers while others are diamond graders, IT professionals, students and unskilled workers.
- India is a popular tourist destination of Israelis. Every year, over 40,000 Israelis visit India for tourism and business.
- Both governments also encourage collaboration among Universities and Educational institutions involving faculty and student exchange programmes, joint academic research, fellowships, Industrial R & D in IT and electronics, promoting innovation etc.

Constraints to bilateral ties

- **India’s huge reliance on Arab countries and Iran for energy security**, diaspora interests, security and connectivity issues force it to have a nuanced approach for ties with Israel so as not to offend these countries. This regional power play dynamics circumscribes India’s choice vis-à-vis Israel.
- Israel’s ultra-aggressive style of military action in which it uses disproportionate force against weak adversaries and the consequent collateral damages including high civilian causalities makes it untenable for India. Besides, Israel’s isolation at the international stage where it is part of few international groupings also constraints India’s policy options.

- **Poor Connectivity between two countries** has resulted in limited People to People ties.
- **Israel's close ties with China:** China is attracted to Israel's technology sector, and Israel welcomes China's investments and potential as a research collaborator.

Potential for deeper engagement

- Israeli companies, with their acknowledged strengths in technology and products, would clearly benefit from Indian partnership as they sought to scale up for markets or production. Israeli companies have invested in India in **renewable energy, telecom, water technologies, and R&D**. Indian companies have invested in Israel in **drip irrigation, pharmaceuticals, and waste water treatment**.
- **As a water-challenged state, Israel recycles 90% of its water, and 95% of sewage is processed for agricultural use, making it virtually a closed water cycle.**
- Given Israel's strengths in innovation and it having, despite its small population base, **the second largest number of start ups in the world (after US)**, Indian companies have also taken stake in such ventures and in R&D. The two governments have worked to finance and promote scientific collaborations, and Indian companies are now beginning to partner with Israeli universities and scientific institutes for development and commercialization of technologies.
- **Defence and homeland security** have also been among the critical pillars of the relationship. The regular exchanges of senior leadership in this field, the purchase of critical equipment and co-development of technology are a reflection of high-level mutual confidence. Israel is seen as a reliable partner.
- **Every country pursues its foreign policy to maximise its own national interests.** Egypt and Jordan have peace treaties with Israel. **Abraham accords have normalized relations between several Arab countries** and Israel. The Palestinian leadership, despite disagreements and disappointments, also engages periodically in talks. It is clear, therefore, that India's interests lie, while maintaining its principles, in securing bilateral cooperation for its own interests.

- I2U2 stands for India, Israel, the UAE, and the US, and was also referred to as the ‘West Asian Quad’ by Ahmed Albanna, Ambassador of the UAE to India. The I2U2 Grouping was conceptualized during the meeting of the foreign ministers of the four countries held in October 2021 as part of External Affairs Minister S. Jaishankar’s visit to Israel. At that time, the grouping was called the ‘International Forum for Economic Cooperation’.
- In a virtual conference, the four foreign ministers agreed to utilise complementary capabilities to fulfil overlapping interests, thus bolstering cooperation and strengthening the strategic partnership between the new Quad partners.
- Aim- Its stated aim is to discuss “common areas of mutual interest, to strengthen the economic partnership in trade and investment in our respective regions and beyond”. Six areas of cooperation have been identified by the countries mutually, and the aim is to encourage joint investments in
 - 1) water,
 - 2) energy,
 - 3) transportation,
 - 4) space,
 - 5) health, and
 - 6) food security.
- With the help of private sector capital and expertise, the countries will look to modernise infrastructure, explore low carbon development avenues for industries, improve public health, and promote the development of critical emerging and green technologies.
- The grouping also points to India’s growing engagement with countries in West Asia including Israel, with whom India has developed closer ties under PM Modi in the last few years. Two weeks ago, PM Modi also made a short visit to the UAE after attending the G7 Summit, soon after Vice-President M.V. Naidu’s trip in May this year.
- The **Abraham Accords of 2020** had led to Israel formally normalizing diplomatic ties with the UAE and two other countries in the region, marking an important shift in the stance of West Asian countries on Israel.

I2U2 Summit

- Prime Minister Narendra Modi, Prime Minister of Israel Yair Lapid, President of the UAE Sheikh Mohamed bin Zayed Al Nahyan and US President Joe Biden participated in the first Leaders’ Summit of I2U2, held virtually in July 14 this year.

- India said it has vital stakes in peace and prosperity in the Middle East and through the newly-formed I2U2 grouping it is confident of making significant contributions to energy, food security and economic growth in the region and South Asia. PM Modi said the grouping has established a positive agenda and its framework is a good model for practical cooperation in the face of increasing global uncertainties.
- **The I2U2 group met on September 20, 2022 on the sidelines of the United Nations General Assembly Meeting.** The I2U2 grouping of India, Israel, UAE and the US have expressed commitment to deepening their economic partnership and has taken stock of current projects in agriculture and clean energy and reviewed potential projects to help the group's objectives. The group looks forward to building on the success of the Leaders' Summit in July.

2022

Q19. How will I2U2 (India, Israel, UAE and USA) grouping transform India's position in global politics?
(Answer in 250 words) 15 marks

Analysis

- The I2U2 is an outcome and **a reflection of the resets** that the West Asian region has been going through. The formation of the I2U2 is considered as a direct outcome of the Abraham Accords. The I2U2 is an attempt towards forging cooperation between regional powers Israel and the UAE and their extra regional close partners India and the US in the wake of changing equations in the region.
- The new Quad can be termed as a result of converging interests between India, the UAE, and Israel amidst Turkish president Recep Tayyip Erdogan's assertive claims for the leadership of the Islamic world.
-

Benefits for India

1) Deepen India's ties with West Asia

- The I2U2 provides an additional avenue for India to expand its multilateral engagements but it also offers an opportunity for India **to play a prominent role in the geopolitics of West Asia**.
- According to a former Israeli national security adviser, the I2U2 Summit's first high-level meeting is a significant development in which **India's partnership can prove to be a "game changer"**. Additionally, American National Security Advisor Jacob Sullivan noted that just as the United States can play an important role in deepening Israel's integration into the region, India has a role to play as well.

- *India can also help to enhance and expand the scope of Abraham accords bringing in new countries.*

It has the ability to push others by saying that it is in the interest of the world. Experts believe that it has the potential to build on the Abraham accords to expand regional partnership beyond the Middle East, specifically on energy, tech and economic issues.

- Since **India is a massive market and a producer of high-tech and highly sought-after goods**, the four countries can work together on several areas, including technology, trade, climate, and Covid-19. US has also hinted that security cooperation might be possible in the future.
- The grouping helps India in positioning itself as **a reliable, strategic and developmental partner in the West Asian region**. The I2U2 can provide India with an excellent foothold for an even greater role in West Asia. It can lead to the emergence of a stronger and more multifaceted strategic partnership between India and 12 West Asian countries.

2)Bridge with Iran

- **I2U2 members need to work around their different approaches towards Iran.** Iran could prove to a challenge in functioning of the I2U2. Israel considers Iran a security threat even as the western countries are attempting to salvage the nuclear deal. The UAE is taking steps towards improving ties with Iran. **India is the only country that enjoys cordial relations with Iran.** India has deep economic and strategic engagements with Iran. With Chabahar Port under development and INSTC under trial run, **India could prove to be a vital link between Iran and its adversaries.**

3)A ‘natural partner’ for the US in its efforts to revitalise its alliances in the region

- **I2U2 is a step to strengthen the United States' strategic alliances in the region.** It is a direct continuation of what previous Presidents like Mr. Obama and Mr. Trump did. The I2U2 is one of many strategies designed to demonstrate **the return of the American leadership to the global arena** by connecting countries with common interests.
- Since India enjoys friendly relations with the countries in the region, as well as deep cultural and historical links and vibrant economic ties, **it can be called a ‘natural partner’ for the US in its efforts to revitalise its alliances in the region. It also presents an opportunity to expand ties with the US beyond Asia.**
- USA believes that I2U2 can become a feature of the broader region, just as the Quad has become a central pillar of the Indo-Pacific strategy of the United States

4)Tackling China’s influence

- The US administration sees China as a rival and tries to deal with its activities in various ways. The U.S. is concerned **with the growing Chinese presence in the Middle East.** China signed a 25-year

strategic partnership agreement in March 2021 with Iran which will give Beijing a military foothold in the region. Many experts see the alliance as an effort to counter China's growing influence and foil Iran's nuclear ambitions. India cannot be a part of a security alliance given its traditional ties with Iran, but it does not stop it from being a strong economic partner.

- A small group of this kind may push for **one of the critical economic corridors, the Arab-Mediterranean corridor**, which will maximize the potential and profit of any country taking part in it. For India it is a net profit, mainly because of the complexity and instability presented by the INSTC path. **The momentum of such a corridor strengthens India against China** in competition for connectivity and is a strategic advantage for Washington. And today it is very clear that a strong India is ideal for America.

5)Boost to clean energy and food security

- By working together these countries could have the potential to prevent the global food crisis, affect food prices, keep inflation low and stabilise economies.
- An analysis of the joint statement from the first summit demonstrates the grouping's resolve to address **the various areas that are crucial not just for India but the larger Global South**. With a focus on the food security crisis and clean energy, the grouping has announced a 300-megawatt (MW) hybrid renewable energy project in Gujarat, supplemented by a battery energy storage system. The joint statement notes that the project has **the potential to make India a global hub for alternate supply chains in the renewable energy sector**.
- While the food parks have the potential to sustainably increase India's food yields threefold in just five years, the hybrid renewable energy project with battery storage system was going to help **India reach its climate and energy goal of 500 megawatts of non-fossil fuel capacity by 2030**.
- A series of integrated food parks will be developed across India with \$2 billion in UAE funding that will incorporate state-of-the-art climate-smart technologies to reduce food waste and spoilage and conserve fresh water. The recently announced initiative will bring
 - ✓ a big technological boost,
 - ✓ help maximise crop yields,
 - ✓ tackle food insecurity, and
 - ✓ enhance our capabilities even further.
- The focus on food and energy security has acquired urgency in the backdrop of the current military **situation in Ukraine** that has unleashed cascading negative effects on food, energy and other sectors.
- Some experts argue that India's participation in the I2U2 forum as a "final verdict" on the doubters who do not see much of a change in India's policy towards Israel and in the Middle East in general. It marks a transition in India's policy in the Middle East.

Challenges

- In view of some experts, the parallels drawn with QUAD are questionable given the differing foreign policy stances **witnessed with respect to Russia**. Barring the US, no other country in the I2U2 — Israel, India, or the UAE — has followed the Western lead of imposing sanctions on Russia.
- Furthermore, while the Indo-Pacific Quad was primarily focused on defence and security, the West Asia Quad seems to focus more on economic cooperation, and not security cooperation
- Even on the issue of China, the grouping doesn't seem to have converging interests. The UAE is already a signatory to China's Belt and Road Initiative (BRI) and Israel is expected to gain from the initiative due to its strategic geographical positioning as a transit country, connecting Europe, Asia and Africa. The BRI gives greater scope and reach to Israeli technology, and it also helps in boosting tourism. Maybe this is why, while Beijing has often attacked the Indo-Pacific Quad grouping as 'Asian NATO', it has avoided being overly critical of the I2U2 yet.

Conclusion

- I2U2 is an ideal example of how 'minilaterals' can reshape West Asia's geopolitical landscape, enabling India to establish both economic relations and long-term security cooperation through a comprehensive engagement strategy. In recent years, India's footprint in the region has grown substantially, making the I2U2 alliance natural next step for India to further consolidate those ties.

Imperatives for Better ties

For India

- There's a consensus in India's foreign policy establishment that maintaining vibrant ties with Saudi Arabia is imperative to its national interest. Today, **Saudi Arabia is India's second largest supplier of crude oil** which makes Riyadh a vital player in the country's quest for energy security.
- India also believes that strategic energy cooperation with its largest oil supplier will help achieve its objective of maintaining **a strategic crude oil reserve** of five million metric tons (MMT) to meet any future exigencies.
- Besides, India is the **largest recipient of foreign remittances** from the kingdom. Of the 11 million Indians working in West Asia, nearly three million are in Saudi Arabia. Therefore, **stability in the region, and particularly in Saudi Arabia**, is high on India's core agenda.
- But bilateral relations have gone beyond the economic realm in recent years, **acquiring a strategic sense** and pushing both countries to beef up their security partnership.
- India would also not prefer to sit on the margins at a time **when China is raising its profile in West Asia**. Chinese President Xi Jinping recently visited Egypt, Saudi Arabia and Iran and the relationship between Beijing and Tehran is particularly going strong especially with rising tensions between USA and Iran.

For Saudi Arabia

- Enhanced ties with India are important for Saudi Arabia as well. The kingdom is facing **economic strain in the wake of persistently weak oil prices**. The U.S. is no longer as dependent on the region for energy as it used to be, due to the shale boom. Demand from China is also receding in the wake of a slowdown. In this context, **India is a vital market for Saudi Arabia**.
- There is believed to be **friction between Islamabad and Riyadh** over the former warming up to Tehran and their growing energy cooperation. Pakistan had refused to join Saudi Arabia's war coalition that has been bombing Yemen for the past couple of years in the name of fighting the Iran-backed Shia rebels. So growing ties with India enables Saudi Arabia to have a more balanced South Asia policy especially with the world's emerging economy –Indian economy.

Recent Steps taken

- For decades, India was a passive player in West Asia — a beneficiary of good relationships with multiple actors. Despite the growing economic ties, political contacts between Saudi Arabia and India were at minimum till the Manmohan Singh government took office in 2004.
- The broader framework for reactivating India's Saudi ties was set in the post-9/11 world where **counter-terror cooperation** became a new diplomatic norm between terror-affected countries. Dr. Singh found it an opportunity to deepen security ties with Sunni Muslim countries.
- West Asia acquired great significance in Dr. Singh's world view; he even appointed **a special envoy** for the whole region.
- The **January 2006 visit of the late King, Abdullah bin Abdulaziz, to Delhi** set a new tone for bilateral ties. **Dr. Singh reciprocated the visit in 2010** — the first Indian Prime Minister visiting Saudi Arabia in nearly 30 years — and **signed the Riyadh Declaration**, which set the framework for enhanced cooperation in the security, defence and economic spheres.
- Since then, there has been marked improvement in security cooperation and intelligence sharing between India and Saudi Arabia. **Riyadh also extradited several terror suspects to India in a clear departure from its established policy towards New Delhi.**
- Saudi Arabia is **India's fourth largest trade partner**. The bilateral trade was valued at US \$42.8 billion during FY 2021-22. India also intends to further promote bilateral trade and widen its scope particularly in the non-oil sectors.

PM Modi's visits to Saudi Arabia- April 2016 and October 2019

- PM Modi's visits have further accelerated this movement with the two countries agreeing to deepen ties in energy infrastructure and undertake **joint ventures in the energy sector**. This is a significant step forward towards building a strategic energy partnership with the Kingdom.
- PM Modi, during his visit to Riyadh, encouraged more investments from Saudi Arabia into India. According to the Sovereign Wealth Fund Institute, Saudi Arabia holds the **world's fourth largest sovereign wealth fund** with the present holding standing at USD 632.3 billion. India intends to tap into this huge fund by inviting investments from the Kingdom. Saudi investments in India during the last 15 years have totalled only USD 53.37 million, which is far below the potential. Both sides signed an agreement to promote investment and Saudi Arabia has shown interest in **investing in India's infrastructure sector**.
- Both countries have an MoU concerning Cooperation in the Exchange of Intelligence related to **Money Laundering, Terrorism Financing and Related Crimes**.

- The **main focus** of PM Modi's first trip to Saudi Arabia was **counter-terrorism**. Both Abu Dhabi and Riyadh are Pakistan's historical allies. The joint statement, issued had during first visit had **indirect references to Pakistan's dual policy towards terrorism**. **In view of some experts**, it is clear that Mr. Modi is giving a Pakistan spin to the 'Act West Asia' policy of his predecessor. India's objective appears to be to build a "counter-terror narrative" in diplomatic engagements with Pakistan's close allies which could complicate the latter's foreign policy.
- The Crown Prince Mohammed Bin Salman visited India in February 2019, giving a further boost to the bilateral ties. Prince Salman declared his country's intention to invest up to \$100 in India over the next few years, including a plan by the Saudi Basic Industries Corp. to acquire two LNG plants.
- During his second visit to Riyadh in October 2019, Prime Minister Modi delivered a keynote address at the high-profile Future Investment Initiative (FII), dubbed as 'Davos in the desert'.
- **Under its vision 2030, Riyadh has termed India as its strategic partner, making India fourth country after France, the UK and China to earn such a significant status in Riyadh.**
- Also, **Strategic Partnership Council** was established to coordinate on important issues. This is a major development since Saudi Arabia is now only the fourth country with whom India has an inter-governmental mechanism headed by the Prime minister. Germany, Russia and Japan are the other three.
- This was PM Modi's 1st visit to Riyadh after removal of J&K's special status. Pakistanis were told by the Saudi that they consider **Kashmir as India's internal matter** in which they do not want to interfere.
- The two sides stressed on energy security and "**Strategic Petroleum Reserves**" (**SPRs**). ISPRL (Indian Strategic Petroleum Reserves Limited) signed an agreement with Saudi Aramco to lease part of the 2.5 million-tonne Padur storage in southern Karnataka state and Indian Oil Corp signed a preliminary deal with Saudi Arabia's Al Jeri company for cooperation in the downstream sector, including setting up fuel stations in the kingdom.
- India's influence in the Gulf region was starkly visible when India was invited to the Foreign Ministers' meeting of the Organisation of Islamic Cooperation (OIC) States in Abu Dhabi in 2019.
- In 2020, Pakistan was constantly requesting Saudi Arabia to convene a meeting on Kashmir at the 57-member council of Organisation of Islamic Cooperation (OIC) but Riyadh continued to refuse. Experts believe that Pakistan's growing ties with Turkey is another factor in Saudi Arabia's changing behaviour towards Islamabad. Riyadh perceived a challenge to its leadership in the Muslim world by Turkey, Malaysia and Pakistan.
- In 2021, Saudi Gazette lauded Prime Minister Narendra Modi's government for undertaking various development and public welfare programmes, in the aftermath of the abrogation of Article 370 in J&K

Challenges

- The real question, however, is whether the joint statements will be translated into actual policies. The Saudis may like to use their growing relations with India to put pressure on Pakistan, but a structural overhaul of Riyadh's South Asia policy is not on the cards. Pakistan, after all, is the country with an "Islamic bomb", a "historic ally" of the Saudis. So, if India, while reactivating its West Asia policy, looks only through the Pakistan prism, it might end up making strategic mistakes.
- Another sore point is the growing Saudi-Iran rivalry, which has always influenced West Asian geopolitics. By skewing its West Asia policy towards the Saudis, even though it might help meet its short-term goals, New Delhi also runs the risk of antagonizing Iran which is still a stronger player in West Asia post despite imposition of sanctions. So, India needs to do a fine balancing act between two regional heavyweights.
- Then there's the ideological problem. While Saudi Arabia denounces all forms of terrorism, Saudi money is funding Wahhabi Islamic groups around the world. Many extremist outfits are inspired by the Wahhabi branch of Islam. Saudi Arabia's aggressive foreign policy in West Asia in Yemen and Syria under King Salman bin Abdulaziz al Saud is doing great damage to regional stability, which is India's most important goal in the region.
- The poor treatment of Indian workers in Saudi Arabia is one of the irritants. The blue collared workers always complain about harsh working conditions and poor treatment. The much controversial Nitaqat law has already reduced opportunities for Indian Workers in high paying jobs. Nitaqat is an initiative launched by the Saudi Ministry of Human Resources and Social Development ("HRSD") to encourage the private sector to hire Saudi Nationals, thus, decreasing Saudi unemployment and increasing the share of their participation in the labour market. The initiative restricts certain positions in the private sector to be occupied only by Saudi nationals. Nitaqat applies to all entities that have 6 employees and above.
- Many workers, sometimes, are detained even after their work documents expire. They are usually paid very less or no salary for months together. The crux of the problem is the 'kafala' system. Under the system, migrant workers' visas are tied to the employers so that they cannot change jobs without the consent of their employers. A migrant worker in the countries that practise this sponsorship system is legally bound to his employer. Without Kafeel's permission, the migrant worker cannot enter or leave the country; nor transfer his/her employment. To enter a country, a migrant gets tied to one sponsor who coordinates with the immigration authorities about the former's arrival and departure as per the contractual agreement.

- Iran has been a key country for India in the Gulf region.
- In the recent past, India has struggled to sustain its strategic and economic ties with Iran under the shadow of Western-led sanctions. **America's CAATSA Sanctions on Iran are a big challenge for India to balance ties between US and Iran. India stopped importing oil from Iran in mid-2019 following sanctions on Iran by the Trump administration.** India plan to resume buying crude oil from Iran the moment U.S. sanctions are eased.
- Despite that, New Delhi made efforts to work through various mechanisms to enhance its cooperation with Iran, supplemented by many important visits by business delegations, high level officials and Ministers. These visits reflected not only New Delhi's desire **to reinvigorate bilateral cooperation.**
- India's ties with Iran are actually largely underdeveloped as compared to its much more substantive engagement with the Arab States in the Persian Gulf and Israel. Hence India-Iran relations can be best described as developing relations.

Imperatives for cooperation

- Iran with its substantial energy reserves can contribute substantially in **ensuring India's energy security as well as to get access to oil and gas-rich Central Asian nations.** On the other hand, India can provide investment to further develop Iranian petrochemical sector, both upstream and downstream projects. India and Iran could establish joint refineries.
- In addition, being littoral states, a focus on the Indian Ocean would be good for **regional security from piracy.** In this regard, the Association of Indian Ocean Rim countries (AIOR) could be a good mechanism of cooperation.
- Similarly, in the **security arena**, Iran believes that it is facing challenges on both the eastern and western fronts of its borders and it is therefore looking for partners who could help deal with these security challenges. India and Iran both face the threat of terrorism by outfits like Al-Qaeda and Islamic State. Hence counter terrorism is an important area of cooperation. Moreover, **India realizes importance of Iran in the wake of return of Taliban in Afghanistan.** NSA of Iran was invited to Delhi for the Delhi regional security dialogue on Afghanistan. India and Iran can be constructive contributors in dealing with the **problem of terrorism** in the region.
- **Economic cooperation** is the **most significant element** in this list. In fact, India is viewed as a country with a capacity to invest not only in the Chabahar port but also in other projects. Indian's involvement in the Chabahar port project is termed as a "**peace port**" and "**transit diplomacy**".

- Prime Minister Narendra Modi's visit to Iran marked a new beginning in bilateral relations and beyond. **The last time an Indian prime minister visited Iran for a bilateral state visit was 15 years ago**, when the then PM Vajpayee visited Tehran. Modi's visit succeeded in injecting the relationship with a great deal of momentum.
- The centrepiece of the trip was the basket of agreements on the **development of the Chabahar port and onward connectivity with Afghanistan**.
- A set of agreements were signed which include -
 - (a) a contract for the development and operation for 10 years of two terminals and five berths at Chabahar port
 - (b) the extension of **credit lines of \$500 million** for the port and of Rs.3,000 crore for importing steel rails and implementation of the port.

India will set up plants in sectors such as fertilisers, petrochemicals and metallurgy in Chabahar free trade zone.

 - (c) memorandums of understanding on provision of services by Indian Railways, including financing to the tune of \$1.6 billion, for **the Chabahar-Zahedan railway line** — a line that is also part of the **trilateral agreement between India, Iran and Afghanistan on a transit and trade corridor signed during this visit**.
- From the Chahbahar port, the existing Iranian road network can link up to Zaranj in Afghanistan, about 883 kilometres from the port. **The Zaranj-Delaram road** constructed by India in 2009 can give access to Afghanistan's garland highway, thereby establishing road access to four major cities — Afghanistan-Herat, Kandahar, Kabul and Mazar-e-Sharif.
- Vowing to **jointly combat terrorism and extremism**, India and Iran agreed to share intelligence in a bid to fight the menace that is “rife and rampant” in the region.
- Indian investment in and development of the **Farzad B block** in the Farsi gas field has long been a stalled area of cooperation between the two sides, primarily due to the previous international sanctions. Modi and Rouhani addressed the issue and the joint statement noted that the leaders anticipate further developments including commercial contract for Farzad B.
- **The real challenge for India is in delivery**. It has taken us nearly 13 years since the idea was first mooted. The proposal was mired in **three sets of problems**. First, the **Finance Ministry initially questioned rationale of development of the port**, insisting that there had to be a certain assured return on investment for the project. The strategic import of the project, especially by way of providing access to Afghanistan, did not figure in their calculations. Secondly, **the United States' sanctions on**

Iran and the associated danger of exposing Indian banks and companies to indirect American sanctions for dealing with Iranian entities prevented further progress.

- Prime Minister Modi met Iranian President Ebrahim Raisi on the sidelines of the SCO summit in September 2022 and discussed issues of bilateral and mutual interests. India has been in touch with Iran over the developments in Afghanistan as well following its takeover by the Taliban on August 15 last year.
- Earlier this month, External Affairs Minister S Jaishankar held a telephonic conversation with his Iranian counterpart Hossein Amir-Abdollahian, focusing on bilateral cooperation, and the Iran nuclear deal.

Potential

- It is suggested that there is a **need to start a new chapter** in India-Iran relations.
- India and Iran can be natural partners in the South, Central and West Asian regions given their common interests, geographical proximity and regional realities.
- The potential areas of bilateral cooperation are many. **Three key areas of cooperation** are being looked at in this regard: **energy, trade and economy, and connectivity**.
- India has moved forward on the **project of setting up of a fertilizer plant** in Iran's southeastern port city of Chabahar. The state-run Rashtriya Chemicals and Fertilizers (RCF), Gujarat Narmada Valley Fertilizers and Chemicals (GNFC) and Gujarat State Fertilizers Corporation (GSFC) have selected Bank Pasargad as the Iranian investor for the construction of a fertilizer plant expected to produce an annual volume of 1.3 million tons of urea. Indian companies are reportedly investing some USD 738 million in this project.
- **From the Iranian viewpoint**, both India and Iran need to understand the ground realities in the changed geopolitical situation in the region. As a friendly country, Iran expects India to understand its security issues and concerns. It is argued that **India needs to have a long term approach** on enhancing its cooperation in the area of connectivity and other trade-related issues and not look only at short term gains.
- There is potential in **trilateral energy cooperation** between Iran, Oman and India for an under-sea **Oman-Iran-India pipeline** pipeline which has been discussed for a long time without any results on the ground. In addition, the **prospects of the Turkmenistan-Iran-India (TII) pipeline project** is immense as it does not face any security challenge. This is the most doable project in the current context.
- **Chabahar port is strategically vital for India to enhance connectivity with Afghanistan and Central Asia**. Both sides had agreed for extending a **USD 150 million credit** for the port as well as a

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USD 400 million credit line for the supply of steel rails from India for the **Chabahar-Zahedan railway link.**

- Economic and trade relations are the **weakest link** in India's overall relations with Iran. India and Iran have been trying hard to enhance cooperation in this field.

The Ashgabat Agreement



- On April 25, 2011, in Ashgabat, Turkmenistan's capital, an agreement was signed between Turkmenistan, Iran, Uzbekistan, Oman, and Qatar to build a new international trade and transit corridor. The 'Ashgabat Agreement,' as it is called, laid the groundwork for the development of the shortest commercial route which connects the CARs with Iranian and Omani ports. A Memorandum of Understanding (MoU) on various components such as the legal, procedural, and infrastructural of the agreement, was signed on August 6, 2014, in Muscat. Kazakhstan applied for membership in the same year that Qatar withdrew from the pact.
- The Ashgabat Agreement, which envisions the development of an International Transport and Transit Corridor between Central Asia and the Persian Gulf, was signed by India in the year 2018. The Gulf countries and Central Asian Republics (CARs) will be benefited from this corridor, which

is said to improve communication, cargo, trade, and transit. India has taken a step further in its efforts to improve connectivity with Eurasia by joining the Agreement.

- The Ashgabat Agreement aims to establish a commerce and transportation corridor connecting the CARs and the Persian Gulf. The corridor will be multi-modal, with road, rail, and sea transit options.
- India's participation in the Ashgabat Agreement will allow it to take advantage of the existing transportation and transit corridor to facilitate trade and commercial relations with the Eurasian region. This will also be in line with India's efforts to build the International North-South Transport Corridor (INSTC), a multi-modal trade transportation network that runs from Mumbai, India, through Bandar Abbas, Iran to Moscow, Russia.

Challenges ahead

Some of the major challenges are:

- The US maintains an embargo on Iran in terms of gaining access to the American financial system or directly conducting transactions in US dollars, among a series of other restrictions. With new sanctions on Iran by USA, Indian government had to curtail its energy imports from Iran . Also in the changed scenario, it is difficult for India to meet Iranian expectations on playing a much more active investor in Iran.
- India will also have **to navigate carefully between Iran and its arch rivals, Saudi Arabia and Israel.** For India, its relations with both countries are extremely important.

China Factor

- Over the past few decades, China and Iran have developed a broad and deep partnership centred on China's energy needs and Iran's abundant resources as well as significant non-energy economic ties, arms sales and defence cooperation, and geostrategic balancing against the United States.
- Over the past several years, China has become **Iran's number one oil customer and trading partner.** China has provided Iran with the technological know-how to develop its energy resources. Chinese engineers have also built bridges, dams, railroads, and tunnels throughout Iran. China has aided Iran's efforts **to modernize its military hardware and doctrine through the transfer of military technology** and sales of small arms and tactical ballistic and antiship cruise missiles.
- **China and Iran signed a strategic agreement in Tehran in March 2021,** when former President Hassan Rouhani was in office, the strategic accord entails economic, military, security and political

cooperation. The \$400 billion agreement paves the way for Iran's participation in the Belt and Road initiative. It will significantly expand China's economic and political influence. The details of this deal are not in public domain. However, analysts believe that this deal would secure a regular supply of oil for China.

- China agreed to build two nuclear power plants in southern Iran and for Iran to provide long-term supplies of oil to China. Such cooperation could threaten Russian positions, since Moscow had earlier announced that it would simultaneously be building eight nuclear plants in Iran. Russia's place in the Chinese oil market, which for the last years has been squeezing out the Arabic countries, could also be affected.
- Against American way of balancing China, China is likely to bring Iran into its orbit. Also, India has growing proximity with USA and in past India sided with USA against Iran especially its UN vote. In this backdrop India and Iran will have to find a middle path to manage their relations. Iran's expectation from India is different as compared to that from China, US and Europe. India's strength, in the Iranian view, lies in 'soft power', but Iran does not expect 'soft power' from China.



BY SUSHANT VERMA

INDIA-PAKISTAN RELATION

- How to sum up India-Pakistan relations? Different views are there-
 - ✓ Some say it is a ‘love-hate’ relationship.
 - ✓ Others describe the two neighbours as estranged brothers who love each other but are quarrelling over distribution of family wealth.
 - ✓ Some look at India-Pakistan relationship in adversarial terms: India and Pakistan are involved in a mortal battle. This enmity will end only with the destruction of Pakistan.
 - ✓ A less extreme view is that Pakistan stands against everything that India champions – pluralism, secularism, democracy, development and peace.
- There is not one single dominant view which can capture the complexity and nuances of Indo-Pak relations. Also, relations with Pakistan have dynamics which are very different from India’s relations with other neighbours. **It is the most enduring rivalry between any two nations since the end of the Second World War.** Ironically, the number of issues that divides them continues to increase then decrease. But the number of issues that unite them also has a fairly long list. Peace and harmony is not in sight; conflict and hostility is the reality of today – as it was of yesterday and, one fears, of tomorrow as well.

Ties during PM Narendra Modi’s Regime

- In keeping with its “Neighbourhood First Policy”, India desires normal neighbourly relations with Pakistan. India’s consistent position is that issues, if any, between India and Pakistan should be resolved bilaterally and peacefully, in an atmosphere free of terror and violence. The onus is on Pakistan to create such a conducive environment. It has been made clear that India will not compromise on issues relating to national security and will take firm and decisive steps to deal with all attempts to undermine India’s security and territorial integrity.
- India has made a number of attempts to build normal neighbourly relations with Pakistan. Since 2014, this has manifested in
 - ✓ the invitation to the then Prime Minister Nawaz Sharif for the swearing-in ceremony in May 2014;
 - ✓ the meeting between Prime Ministers’ in Ufa in July 2015; and External Affairs Minister’s (EAM) visit to Islamabad in December 2015.

- ✓ EAM also took the initiative to propose a Comprehensive Bilateral Dialogue in December 2015.
- ✓ PM Modi makes a surprise visit to the Pakistani eastern city of Lahore on Sharif's birthday and the wedding of his grand-daughter in December 2015.
- These initiatives have been responded with acts of cross border terrorism and violence against India including the cross-border terror attack on
 - Pathankot Airbase on 2 January 2016;
 - attack on Army Camp in Uri in August 2016; and
 - terror attack on the convoy of Indian security forces in Pulwama by Pakistan based Jaish-e-Mohammad (JeM) on 14 February 2019.
- Pakistan is yet to respond like a normal neighbour. It has continued to
 - ✓ sponsor cross border terrorism against India;
 - ✓ restrict normal trade, people to people exchanges and connectivity with India.
- On 7 August 2019, Pakistan announced unilateral measures, including downgrading of diplomatic relations, suspension of bilateral trade and review of bilateral arrangements with India. Subsequently, Pakistan suspended all bus and train services between India and Pakistan. India has rejected Pakistan's attempt to present an alarming picture of bilateral ties to the world by taking such unilateral measures.

A Brief Timeline of India Pakistan Relation

1947 – Britain, as part of its pullout from the Indian subcontinent, divides it into secular (but mainly Hindu) India and Muslim Pakistan on August 15 and 14 respectively. The partition causes one of the largest human migrations ever seen and sparks riots and violence across the region.

1947/48 – The first India-Pakistan war over Kashmir is fought, after armed tribesmen (lashkars) from Pakistan's North-West Frontier Province (now called Khyber-Pakhtunkhwa) invade the disputed territory in October 1947. The Maharaja, faced with an internal revolt as well an external invasion, requests the assistance of the Indian armed forces, in return for acceding to India. He hands over control of his defence, communications and foreign affairs to the Indian government.

Fighting continues through the second half of 1948, with the regular Pakistani army called upon to protect Pakistan's borders.

January 1948: —The India-Pakistan Question was discussed by UNSC. UNCTP was set up.

1949- The war officially ends on January 1, 1949, when the United Nations arranges a ceasefire. In July 1949, India and Pakistan signed an agreement to establish a ceasefire line as recommended by the UN and the region became divided. with a UN peacekeeping force and a recommendation that the plebiscite on the accession of Kashmir to India be held as agreed earlier. That plebiscite has yet to be held.

A key condition for the plebiscite was withdrawal of Pakistan from the areas under its control and India withdrawing individuals who were not residents of the State. However, neither of this happened. Instead both sides firmed up their presence in the areas under their control.

Pakistan controls roughly one-third of the state, referring to it as Azad (free) Kashmir. It is semi-autonomous. A larger area, including the former kingdoms of Hunza and Nagar, is controlled directly by the central Pakistani government. The Indian (eastern) side of the ceasefire line is referred to as Jammu and Kashmir state.

1954 – The accession of Jammu and Kashmir to India is ratified by the state's constituent assembly.

1960: India and Pakistan sign a World Bank-brokered **Indus Water Treaty** governing six rivers, or three rivers each.

1965 – India and Pakistan fight their second war. The conflict begins after a clash between border patrols in April in the Rann of Kutch (in the Indian state of Gujarat), but escalates on August 5, when between 26,000 and 33,000 Pakistani soldiers cross the ceasefire line dressed as Kashmiri locals, crossing into Indian-administered Kashmir.

By September 22, both sides agree to a UN-mandated ceasefire, ending the war that had by that point reached a stalemate, with both sides holding some of the other's territory.

1966 – On January 10, 1966, Indian Prime Minister Lal Bahadur Shastri and Pakistani President Ayub Khan sign an agreement at Tashkent (now in Uzbekistan), agreeing to withdraw to pre-August lines and that economic and diplomatic relations would be restored.

1971 – India and Pakistan go to war a third time, this time over East Pakistan. The conflict begins when the central Pakistani government in West Pakistan, led by Zulfiqar Ali Bhutto, refuses to allow Awami League leader Sheikh Mujibur Rahman, a Bengali whose party won the majority of seats in the 1970 parliamentary elections, to assume the premiership.

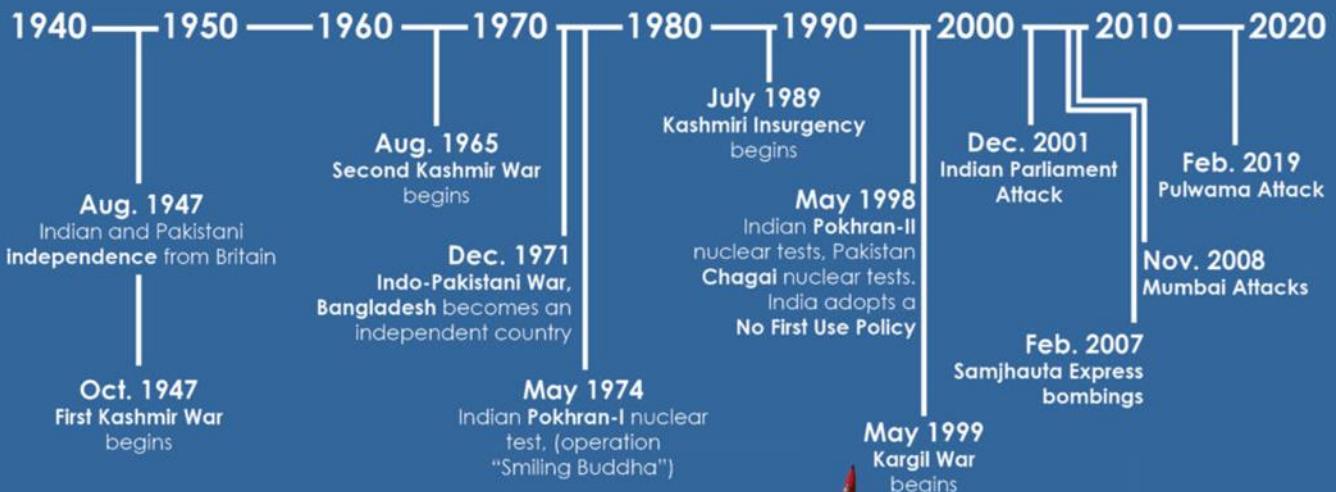
India then launches a coordinated land, air and sea assault on East Pakistan. The Pakistani army surrenders at Dhaka, and its army of more than 90,000 become prisoners of war. Hostilities lasted 13 days, making this one of the shortest wars in modern history.

East Pakistan becomes the independent country of Bangladesh on December 6, 1971.

1972 – Pakistani Prime Minister Zulfikar Ali Bhutto and Indian Prime Minister Indira Gandhi sign Shimla Agreement. The Simla Agreement designates the ceasefire line of December 17, 1971, as being the new “Line-of-Control (LoC)” between the two countries.

1974 – On May 18, India detonates a nuclear device at Pokhran, in an operation codenamed “Smiling Buddha”. India refers to the device as a “peaceful nuclear explosive”.

INDIA-PAKISTAN HISTORY OF CONFLICT



1988 – The two countries sign an agreement that neither side will attack the other's nuclear installations or facilities.

Both sides agree to share information on the latitudes and longitudes of all nuclear installations. This agreement is later ratified, and the two countries share information on January 1 each year since then.

1989 – Armed resistance to Indian rule in Kashmir begins. India accuses Pakistan of giving weapons and training to the fighters. India says that Pakistan is supporting the resistance by providing weapons and training to fighters, terming attacks against it in Kashmir "cross-border terrorism". Pakistan denies this. Pakistan says it offers only "moral and diplomatic" support.

1998 – India detonates five nuclear devices at Pokhran. Pakistan responds by detonating six nuclear devices of its own in the Chaghai Hills. The tests result in international sanctions being placed on both countries. In the same year, both countries carry out tests of long-range missiles.

1999 – Indian Prime Minister Atal Bihari Vajpayee meets with Nawaz Sharif, his Pakistani counterpart, in Lahore. The two sign the Lahore Declaration, the first major agreement between the two countries since the

1972 Simla Accord. Both countries reaffirm their commitment to the Simla Accord, and agree to undertake a number of ‘Confidence Building Measures’ (CBMs).

Composite Dialogue-Vajpayee decided to revive the dialogue with Pakistan in this changed geostrategic context. The first round of the renewed Composite Dialogue was held in October-November 1998 to discuss **eight identified subjects** –

- 1) peace and security including CBMs;
- 2) J&K;
- 3) Siachen;
- 4) Tulbul navigation project;
- 5) Sir Creek,
- 6) Trade and Economic Cooperation;
- 7) Terrorism and Drug Trafficking; and
- 8) Friendly Exchanges in different fields.

The dialogue started but no agreement could be reached on any of the subject.

Vajpayee’s principles of

- ✓ *insaniyat* (humanism),
- ✓ *jamhooriyat* (democracy) and
- ✓ *kashmiriyat* (Kashmir’s legacy of amity) further attenuated Indo-Pakistan differences.

Some of the diplomatic gains are eroded, however, after **the Kargil conflict breaks out in May**. Pakistani forces and Kashmiri fighters occupy strategic positions on the Indian side of the LoC, prompting an Indian counter-offensive in which they are pushed back to the other side of the original LoC.

2001- In July, Pakistani President Pervez Musharraf and Indian Prime Minister Atal Behari Vajpayee meet for a two-day summit in the Indian city of Agra. That summit collapses after two days, with both sides unable to reach agreement on the core issue of Kashmir.

On December 13, an armed attack on the Indian parliament in New Delhi leaves 14 people dead. India blames Lashkar-e-Taiba and Jaish-e-Muhammad for the attacks. The attacks lead to a massing of India’s and Pakistan’s militaries along the LoC. The standoff only ends in October 2002, after international mediation.

2004 – Vajpayee and Musharraf hold direct talks at the 12th SAARC summit in Islamabad in January, and the two countries’ foreign secretaries meet later in the year. This year marks the beginning of the **Composite Dialogue Process**, in which bilateral meetings are held between officials at various levels of government (including foreign ministers, foreign secretaries, military officers, border security officials, anti-narcotics officials and nuclear experts).

2008- In September, Pakistani President Asif Ali Zardari and Indian Prime Minister Singh formally announce the opening of several trade routes between the two countries. In October, cross-LoC trade commences, though it is limited to 21 items and can take place on only two days a week.

On November 26, (called as 26/11 attacks) armed gunmen open fire on civilians at several sites in Mumbai, India. Ajmal Kasab, the only attacker captured alive, says the attackers were members of Lashkar-e-Taiba. In the wake of the attacks, India breaks off talks with Pakistan.

Fragileness of peace process is due to the **role of Pakistan's military establishment** which has a major role in shaping Pakistan's foreign policy and security issues. Pakistan's deep state has a vested interest in the conflicted nature of ties between India and Pakistan. Therefore, they do not support any compromise and reconciliation with India. This is the reason why peace talks are always followed by terror attacks which makes it impossible for India to carry forward the peace process. The bilateral relationship suffers from the vicious circle of terror, talks and again terror.

2015- China and Pakistan signed the China Pakistan Economic Corridor (CPEC) infrastructural project in 2015 which was an affront to Indian sovereignty as the corridor passes through the PoK.

2016 – India launches what it calls “surgical strikes” on “terrorist units” in Pakistan-administered Kashmir in September, less than two weeks after an attack on an Indian army base at Uri leaves 19 soldiers dead. Pakistan denies the attacks took place.

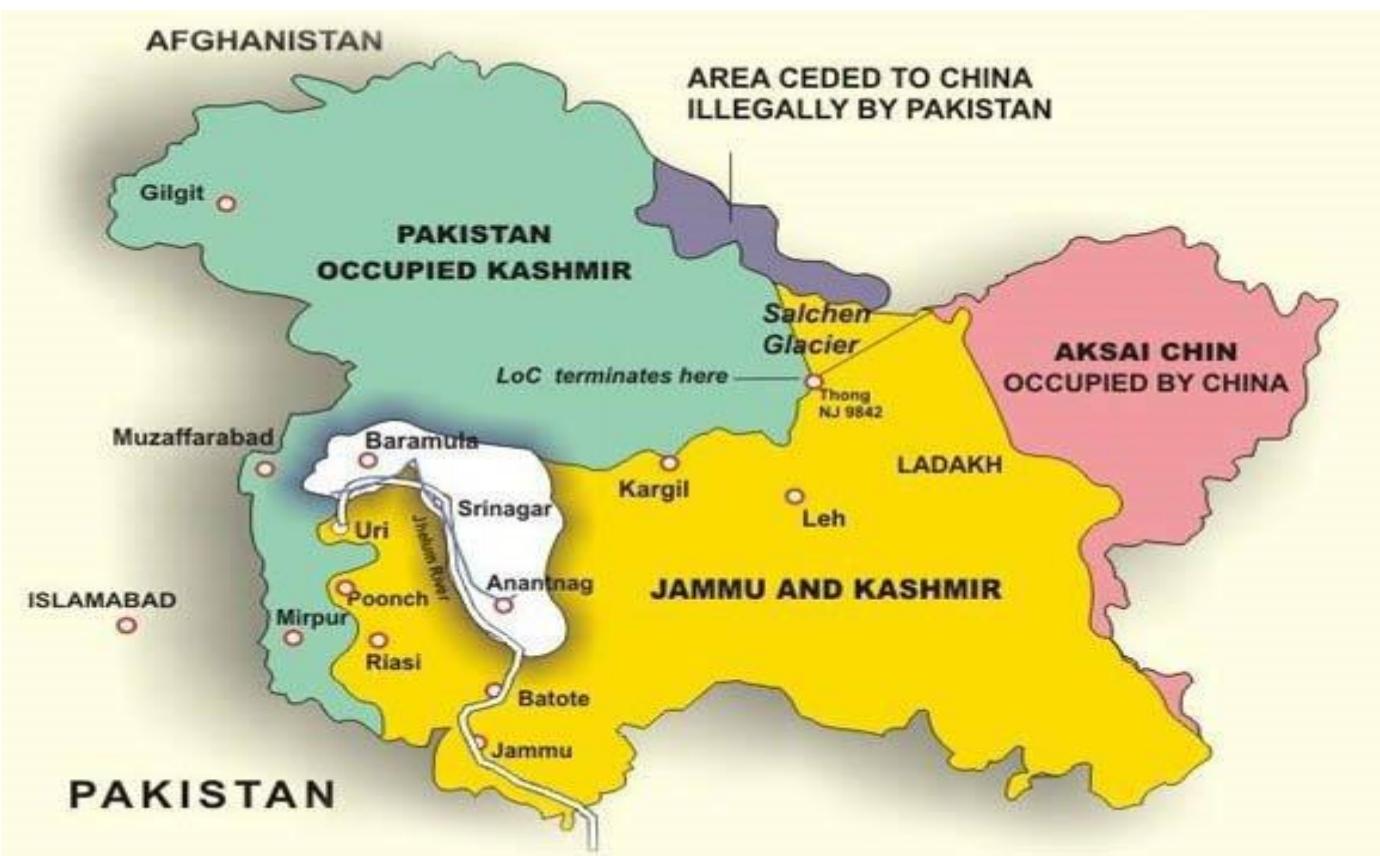
2019 – February 2019: Pakistani-based terrorist group Jaish-e-Mohammed carried out a suicide car bomb attack in Indian-controlled Kashmir which resulted in the deaths of over 40 members of India's paramilitary forces. India retaliated with Balakot air strikes across the Line of Control, and Pakistan shot down an Indian aircraft and captured a pilot. These actions significantly increased tensions between the two nuclear states but two days later, the Indian pilot was released and tensions relaxed.
India has revoked the Most Favoured Nation (MFN) status to Pakistan.

Kashmir Issue

- The Kashmir region is often dubbed as one of the most militarised places in the world. Two nuclear powers, India and Pakistan, lay claim to the region and have been warring over it since their independence from the British in 1947.
- Kashmir issue is related to the **divergent concepts of nationhood**. India emerged as a secular nation with a Hindu majority population and a large Muslim minority besides several more religious minorities. Pakistan also emerged as a theocratic nation as a result of partition of the country on the basis of two-nation theory. It had a Muslim majority population and a large Hindu minority and sizeable Sikh community.
- Pakistan considers that India has not reconciled to the fact of Partition and wants to undo the Partition. It regards that as Muslim majority province Kashmir should have been a part of Pakistan. It regards Kashmir as the unfinished agenda of partition. On the other hand, a secular India also considers entire Jammu and Kashmir is an integral part of India and Pakistan illegally occupies its territory. Holding this state is also must for Indian nationhood else it may open the floodgates of separatist movement in other parts of India.
- While Pakistan considers the Kashmir conflict an international dispute, India says it is a bilateral issue and an “internal matter.”
- **Another primary reason for this conflict between the two nations is due to how valuable Kashmir is in terms of national security, geography and resources.** The largely important Indus River flows through Kashmir. The Indus River is extremely crucial to agriculture in Pakistan. It is especially important in the lower Indus valley region, where rainfall is uncommon. Similarly, India depends on the Indus for irrigation. Hence, the Indus and its tributaries are highly sought after. The nation that controls this region effectively can cut off the water supply to the other. The Kashmiri Rivers and water bodies also have the potential to generate hydroelectricity at great magnitudes.
- From a geopolitical standpoint, Kashmir is vital as well. Kashmir serves as a bridge between South Asia and Central Asia. For India, it is the only direct route to Central Asia and through Central Asia to Europe. It plays a key role in the Belt and Road initiative. More importantly, it is key for the China-Pakistan Economic Corridor (CPEC). Additionally, in 1963, Pakistan ceded the Shaksgam valley and Gilgit to China. This region was originally a part of Pakistan occupied Kashmir.
- It is also extremely important to India’s national security. Kashmir is a central piece between three nuclear nations: India, Pakistan and China. At the moment, of the original territory of Kashmir, India has control over roughly 55% of the total area, Pakistan controls 30% of the land and China controls 15% of it. **Kashmir is the only direct link between Pakistan and China.** This direct link with China

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has been largely beneficial in terms of economic development. In the face of a conflict, without Kashmir, China and Pakistan could combine forces, gravely endangering India. With India's straining relationships with both China and Pakistan, it has become wary of this.



- In October of 2019, the Indian government led by Narendra Modi revoked Article 370 of the Indian Constitution. Pakistan condemned India's decision to revoke the special status of its part of Kashmir as illegal, saying it would "exercise all possible options" to counter it.
- Following the abrogation of Article 370 the diplomatic relations between the two countries have been downgraded. Pakistan launched a global diplomatic campaign to attract international support for Pakistan's position on Kashmir.
- In November 2022, India criticised Pakistan for raking up the issue of Kashmir in the United Nations General Assembly and termed it as Pakistan's desperate attempts "to peddle falsehoods" and bad habit of abusing the sanctity of multilateral forums.

Cross-border Terrorism

- Terrorism emanating from territories under Pakistan's control remains a core concern in bilateral relations. Pakistan has been adept at playing the dual role of promoting terror as well as combating it. **Its links with terrorism is both strategic and tactical.** Strategically, it will not abandon its deeply-

rooted jihadi links that keep India under pressure. Tactically it can take steps to defuse pressure to end terrorism from its soil.

- India has consistently stressed the need for Pakistan to take credible, irreversible and verifiable action to end cross border terrorism against India and fulfill its assurances, given to India at the highest level in January 2004 and reiterated several times, that territory under its control would not be allowed to be used for terrorism against India in any manner. The government of Pakistan allows known terrorist organizations and their leaders to operate freely and indulge in anti-India propaganda and activities openly.
- India has repeatedly called upon Pakistan to bring perpetrators of Mumbai terror attacks to justice expeditiously. However, there has been no progress in the ongoing trial of Mumbai terror attacks case in Pakistan even after all the evidence has been shared with Pakistan side.
- It has also been emphasised that India will continue to take firm and decisive steps to protect its national security.
- Stephen Cohen argues that ‘terrorism’ is the core issue for India, ‘Kashmir’ for Pakistan, and ‘nuclear security and stability’ for the international community. These tectonic plates crash up against each other, but cannot mesh comfortably.
- Despite the abrogation of Article 370, terrorist activities have continued in Kashmir. These activities have now taken the form of targeted killings where police personnel, local councillors, and religious minorities in the Valley are targeted. Last year, killings of Pandits and Sikhs in the Valley triggered a fresh wave of insecurity among the remaining religious minorities in the Valley and there were reports that some families even left in the wake of those killings. There were also multiple attacks on local councillors and district-based council leaders.
- India highlighted in global interest that Pakistan must continue to take credible, verifiable, irreversible and sustained action against terrorism and terrorist financing emanating from territories under its control. India is using major powers like USA and France and international organizations like UN and FATF to build pressure on Pakistan to take effective steps against terrorism.

FINANCIAL ACTION TASK FORCE (FATF)

FATF is **the global watchdog on anti-money laundering and combating financing terrorism (AML/CFT)** efforts. The inter-governmental body sets international standards that aim to prevent these illegal activities.

The 39-member body that was set up in 1989 out of a G-7 meeting of developed nations, is today made up of 37 countries and two regional organisations: the European Commission, the European Union’s executive body, and the Gulf Cooperation Council.

India joined with ‘observer’ status in 2006 and became a full member of FATF in 2010.

According to its mission statement, FATF members meet regularly to monitor various countries, “review money laundering and terrorist financing techniques and counter-measures; and promote the adoption and implementation of the FATF Recommendations globally”. The decision-making body of the FATF or Plenary meets thrice a year, in February, June and October, to take stock of “Mutual Evaluation Reports” (MERs) of the countries they review.

Black List: Countries known as Non-Cooperative Countries or Territories (NCCTs) are put in the blacklist. These countries support terror funding and money laundering activities. The FATF revises the blacklist regularly, adding or deleting entries.

Grey List: Countries that are considered safe haven for supporting terror funding and money laundering are put in the FATF grey list. This inclusion serves as a warning to the country that it may enter the blacklist.

Countries on both lists are subject to increasing levels of financial strictures, as the listing is like a global rating, and makes it difficult to procure loans from financial organisations like the IMF/World Bank, ADB etc., as well as to invite investment from private companies and other countries.

On September 28, 2001, the UN Security Council had also passed a new resolution (UNSC 1373), which added to a previous 1999 resolution (UNSC 1267), which barred links to any group or individual connected to the Taliban or al-Qaeda. The lists that the UNSC then approved, of hundreds of designated terrorists, soon became one of the important tasks for the FATF, and the reason it is frequently in the news. It held its quarterly plenary session to discuss the listings of several countries on its radar, including Pakistan.

In October 2022, Financial Action Task Force (FATF) announced the removal of Pakistan from its “Grey List.” Pakistan has been placed in and removed from “Grey List” in the past too. It was placed in the “Grey List” for the third time in June, 2018 and remained there till October, 2022. As a result of FATF scrutiny, Pakistan has been forced to take some action against well-known terrorists, including those involved in attacks against the entire international community in Mumbai on 26/11.

Sir Creek Dispute

- The dispute may have its origin in just a pile of firewood, but the Sir Creek’s dispute is turning out to be one of India’s biggest security headaches.
- The Sir Creek dispute between India and Pakistan got its name from the British representative who negotiated the original dispute over firewood between the local rulers. It is now turning out to be more than just an unresolved border. The 96-km estuary between India and Pakistan, cutting through where Gujarat State and Sindh province meet, has had a dramatic impact on Indian security, though it’s always been seen to be relatively simple to resolve.

- With both countries unable to agree on the exact boundary, the differences flow into the Arabian Sea creating a vast stretch of disputed water, where fishermen's misery, terrorist designs and global drug syndicate interests are all converging.

A CENTURY-OLD DISPUTE

1908

■ Dispute arise between the Rao (ruler) of Kutch and the Sindh government over the collection of firewood from the creek area

1914

■ Bombay government resolution map places the boundary on the eastern bank of the creek but its para 10 speaks of the mid-channel being the boundary. All these areas were under the jurisdiction of the Bombay province

APRIL-MAY 1965

■ India & Pakistan armies clash in the Rann of Kutch



FEBRUARY 1968

■ India-Pakistan tribunal on the Kutch border gives its award, which upholds 90 per cent of India's claim. But it does not cover Sir Creek

1997

■ India and Pakistan resume composite dialogue and, among the issues, is the resolution of the Sir Creek dispute

2005-2007

■ Two rounds of joint surveys of Sir Creek carried out by a joint India-Pakistan team

2008

■ At the fourth round of the composite dialogue in Islamabad, the two sides agree on a joint map of the area, which had been worked out through the joint survey

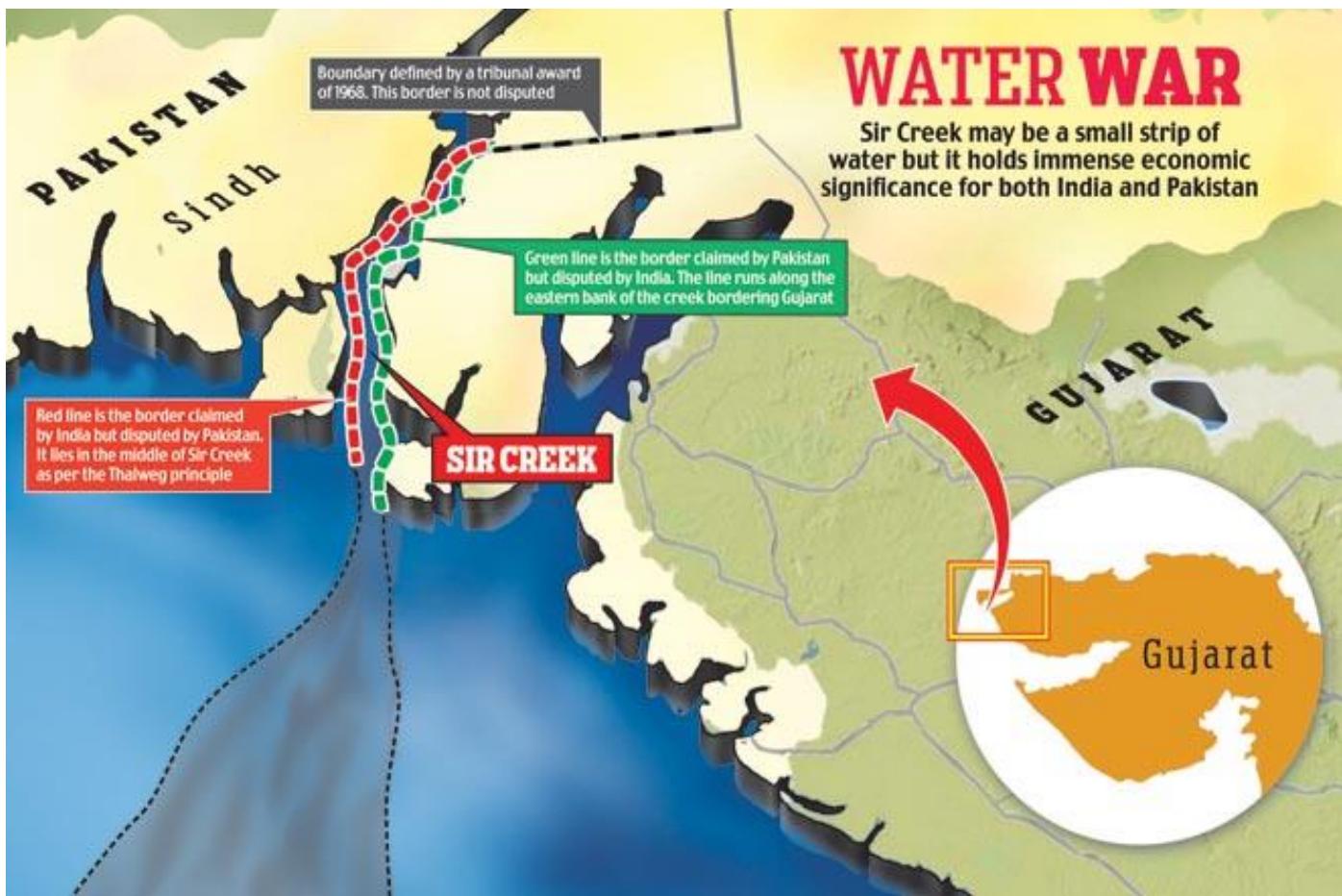
JUNE 2012

■ After dialogue resumes on the Sir Creek issue in New Delhi, the two sides "reiterate their desire to find an amicable solution of issue through sustained dialogue"

- Pakistan claims the entire Sir Creek with its eastern bank defined by a "green line" based on a 1914 agreement signed between the government of Sindh and rulers of Kutch. Accepting Pakistan's premise on the "green line" would mean loss of about 250 square miles of EEZ for India.
- India claims that the boundary lies mid-channel, as was depicted in a map in 1925 and implemented with pillars placed to mark the boundary. India supports its stance by citing the **Thalweg doctrine** in international law. The law states that river boundaries between two states may be, if the two states agree, divided by the mid-channel. Though Pakistan does not dispute the 1925 map, it maintains that the doctrine is not applicable in this case as it most commonly applies to non-tidal rivers, and Sir Creek is a tidal estuary.
- Over the years, the creek has also changed its course considerably. If one country agrees to the other's traditional position, then the former will end up losing a vast amount of Exclusive Economic Zone (EEZ) rich with gas and mineral deposits. A country has special rights to EEZ under the United Nations

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Convention on the Law of the Sea that includes exploration and use of resources there including via deep sea mining, in which there have been exciting new breakthroughs.



Problems for fishermen and security

- Because of various factors, the Sir Creek area is also a great fishing destination for hundreds of fishermen from both India and Pakistan. Due to lack of proper maritime boundary, many of their boats stray across the perceived boundaries, and they end up being arrested by the other side. The demarcation would also prevent the inadvertent crossing over of fishermen of both nations into each other's territories.
- On August 10, 1999, just a month after the Kargil war, an Indian fighter plane shot down a surveillance aircraft of the Pakistan Navy, killing all its 16 occupants. India said the Pakistani aircraft was deep inside its boundary; Pakistan disputed the claim. It was flying over Sir Creek.
- Occasionally, fishermen fall prey to deadlier forces than just the rival nations. One such instance occurred in November 2008, when 10 terrorists from the Lashkar-e-Taiba left in a Pakistani boat for Mumbai. They captured an Indian fishing vessel, Kuber, off Sir Creek, and used it to attack Mumbai.

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Of course, the disputed nature of the sea off the area was one of the reasons why the terrorists decided to capture the boat there.

- This region has become main route to smuggle drugs, arms and petroleum product to India. The blurred maritime boundary is being exploited by drug syndicate.
- There are enough red flags being raised in Sir Creek, and the disputed seas off it. **It is for both countries to grab the earliest opportunity to find a solution to what is a low-hanging fruit among the many India-Pakistan bilateral disputes.**

Siachen Dispute



- With the tragic news of 150 Pakistani soldiers (2012) and few Indian soldiers (2015) buried alive in an avalanche in their base camp at Siachen, it brings back to memory the bitter truths about this conflict.

The glacier:

- Siachen means '*the place of wild roses*'.
- Siachen glacier is the great Himalayan watershed that demarcates central Asia from the Indian sub-continent, and that separates Pakistan from China in this region.

- It is the world's second longest non-polar glacier, and thus is sometimes referred to as the third pole.
- It is 70 km long and flows from an altitude of 5750 meters to 3620 meters above sea level.

The conflict:

- ***Siachen is known as the world's highest battlefield between India & Pakistan. Troops are deployed at elevations of up to 6,700 metres (22,000 feet) at minus 60 degrees C.***
- Siachen conflict began in 1984 when both India and Pakistan, began sending mountaineers, in an attempt to lay their claims over the area. Several skirmishes took place till 2003 when a cease fire was declared.
- The roots of the conflict over Siachen lie in the non-demarcations on the map northward to the China boundary beyond NJ9842, which is the line's "dead end" in the India-Pakistan line of control agreement.
- The 1949 Karachi agreement and the 1972 Simla agreement presumed that it was not feasible for human habitation to survive north of NJ9842.
- ***UN officials presumed there would be no dispute between India and Pakistan over such a cold and barren icy wasteland.*** The contentious area is only 900 square miles (2,300 km²) Indian and Pakistani sides have since interpreted the phrase "**thence North to the glaciers**" very differently. Pakistan argues that this means that the line should go from NJ 9842 straight to the Karakoram pass on the Sino-Indian border. India, however, insists that the line should proceed north from NJ 9842 along the Saltoro range to the border with China.
- Indians control the length and heights of the glacier including the three passes, while the Pakistanis control the glacial valley. As a result, Pakistanis cannot climb up, and Indians cannot come down.
- ***Together, the two nations have about 150 manned outposts along the glacier, with some 3,000 troops each. Over 2,000 Pakistani & 4,000 Indian soldiers have died at Siachen conflict. More soldiers have died or handicapped from frost bites, cold and avalanche i.e. harsh weather than combat.***
- ***Official annual figures for maintaining these outposts are put at \$300 and \$200 million for India and Pakistan respectively.***

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ALL ABOUT THE DISPUTE

GENESIS OF CONFLICT

- It lies in the formulation of the cease-fire line (CFL) defined in the 1949 Karachi Agreement, which did not explicitly delineate the CFL all the way to the international border with China. This ambiguity led to the conflict. The Indian interpretation of the statement is that the Line of Control should run northeasterly from the map coordinate known as NJ-9842, along the Saltoro Ridge to the Chinese border. Pakistan believes it should run straight to the Karakoram Pass on the India-China border.
- The conflict began in 1984, when India launched Operation Meghdoot and took control of Siachen by preempting Pakistan's Operation Ababeel aimed at occupying the glacier.

2,300 SQ KM
THE CONTENTIOUS AREA

25,000+ FEET
ALTITUDE OF INDIAN POSTS

9,000-15,000 FEET
ALTITUDE OF PAK POSTS

India and Pakistan have cumulatively deployed nearly 10,000 troops along the 110-km Actual Ground Position Line (AGPL) on the glacier.



ACTUAL GROUND POSITION LINE

This line, slightly to the left of Siachen Glacier, runs along the Saltoro Ridge from NJ-9842 to Indira Col, a pass. Passing over the major peaks of the ridge, this line is held by Indian troops.



SIACHEN GLACIER

At 72-km long, it is the longest glacier in the Karakoram. It falls from an altitude of 18,875 ft above sea level at its head at Indira Col down to 11,875 ft, its snout. It gets its name from the wild roses that grow near its snout. Siachen is the source of the Nubra River.

CURRENT POSITION

India: It controls all of the 70 km-long glacier and all of its tributary glaciers, as well as the three main passes of the Saltoro Ridge, Sia La, Bilafond La and Gyong La.

Pakistan: It controls the glacial valley just five km southwest of Gyong La. The Pakistanis have been unable to get up to the crest of the Saltoro Ridge, while the Indians can't come down and abandon their strategic high posts.

Indian Stand

- Cartographic aggression by Pak must cease. Many Pak Atlases show Siachen as part of Pakistan.
- India agrees to establishment of a demilitarized zone in Siachen.
- However before the modalities begin, exchange of maps in which deployment of troops on Actual Ground Position Line is marked, must be exchanged.
- Ground rules to govern future military operations in this area must be formed.
- Redeployment of forces to mutually agreed position should thereafter take place.

Pak Stand

- Forces should be redeployed to position at the time of ceasefire after 1971 war thus de facto asking India to vacate Siachen.
- Demilitarization of extension of Line of Control beyond NJ 9842 as per the immediate previous alignment, hence Actual Ground Position Line to go to Karakoram Pass.

- ✓ *Pak does not agree to marking of present AGPL and troops deployment and thereafter exchange of maps.*

The strategic importance:

- The strategic importance of the region from an Indian point of view can be seen from the map.
- 1) Firstly, the Saltoro Ridge overlooks the area of Gilgit–Baltistan of Pakistan Occupied Kashmir (POK) that is under dispute with Pakistan.
- 2) Secondly, it guards the routes leading to Leh, the principal town and capital of Ladakh.
- 3) Thirdly, it overlooks and dominates the Shaksgam Valley, which was illegally ceded to China by Pakistan.
- 4) Fourthly, it is close to the Karakoram Pass through which the Karakoram Highway passes connecting Gilgit-Baltistan to Xinjiang Province of China.

Counter view-

- No matter what India and Pakistan may claim about its strategic importance, **Dr. Stephen Cohen**, a well-known and respected Washington-based South Asia analyst, considers, “**Siachen conflict is a fight between two bald men over a comb.**” In his view, “**Siachen... is not militarily important... They (Indian and Pakistani armies) are there for purely psychological reasons, testing each other's 'will'.**”
- The talks for demilitarisation of Siachen did take place between India and Pakistan in May 2011, but failed to reach any agreement. The truth remains that this stretch of icy wasteland holds no political or economic importance to the billion and a half residing on both sides of the border.
- ***Instead of being a battle ground, Siachen should be demilitarized, and to evade the unresolved dispute of AGPL (actual ground position line) the area could be seen as a 'common ground' precious enough to study and conserve the glacier which is under threat due to the climate change. And the billions of rupees used to maintain its cost should be directed at improvement of the plight of the impoverished peoples on both sides.***

Indus Water Treaty (1960)

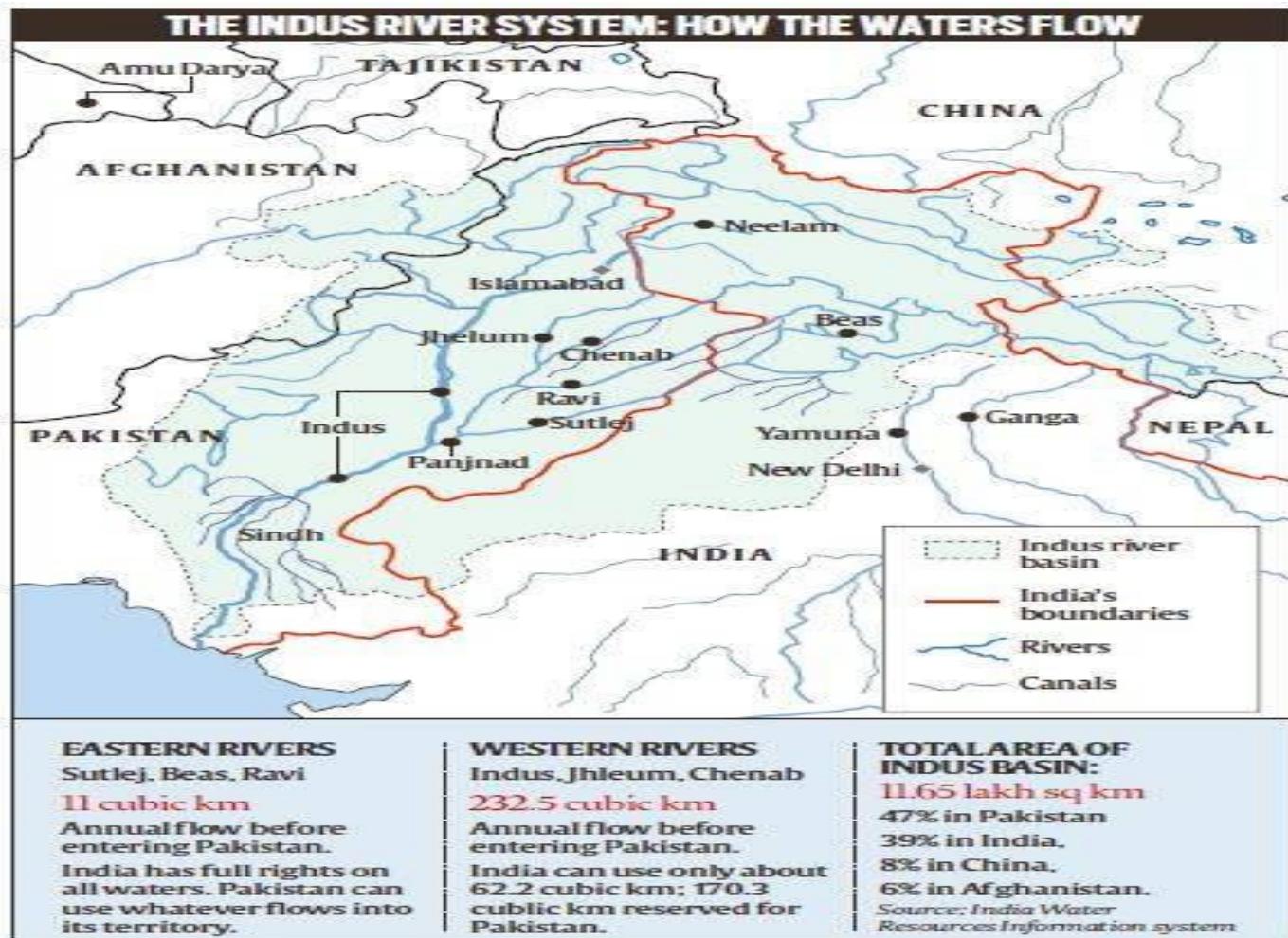
- In the backdrop of the terror strikes, including the Uri attack. Prime Minister Narendra Modi had declared in 2016 that "**blood and water cannot flow together**,". India decided to increase the utilization of rivers flowing through J&K to fully exercise India's rights under the pact.

Provisions of IWT

- The Indus Waters Treaty is a water-sharing arrangement signed by former Indian Prime Minister Jawaharlal Nehru and General Ayub Khan on September 19, 1960, in Karachi. The treaty gave the three "eastern rivers" of Beas, Ravi and Sutlej to India for use of water without restriction. The three "western rivers" of Indus, Chenab and Jhelum were allocated exclusively to Pakistan. New Delhi is under obligation to let the waters of the western rivers flow, except for certain consumptive use, with **Pakistan getting 80% of the entire water of the six-river Indus system. The Indus Waters Treaty (IWT) reserved for India just remaining 19.48% of the total waters.**
- India can construct storage facilities on western rivers of up to 3.6 million-acre feet, which it has not done so far. India is also allowed agriculture use of 7 lakh acres above the irrigated cropped area as on April 1, 1960. It allowed India to use them for irrigation, transport and power generation, while laying down precise do's and don'ts for India on building projects along the way.
- The IWT permits run of the river projects and require India to provide Pakistan with prior notification, including design information, of any new project.
- The treaty provides a 3-tier dispute resolution mechanism -
 - ✓ "questions" are handled by the Permanent Indus Commission;
 - ✓ "differences" are to be resolved by a Neutral Expert; and
 - ✓ "disputes" are to be referred to a seven-member arbitral tribunal called the "Court of Arbitration."
- **IWT is considered as the world's most generous water-sharing treaty.** It is the only inter-country water agreement embodying **the doctrine of restricted sovereignty**, which compels the upstream nation to forego major uses of a river system for the benefit of the downstream state.
- The IWT has been **a symbol of India-Pakistan cooperation** and has survived the three wars of 1965, 1971 and 1999 as well as various tense stand offs between the two countries. Regular Exchange of river flow data has kept away Pakistani fears and insecurities.

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- There have been consistent calls in India that the government scrap the water distribution pact to mount pressure on Pakistan in the aftermath of audacious Uri terror attack.



- Historically, India has never made full use of its rights, neither on the Eastern nor on the Western rivers. On the Western rivers specifically, there has been no pressing demand for creation of new infrastructure on the Indus rivers, either for hydroelectricity or irrigation. With a large proportion of farmers in Jammu and Kashmir having moved to horticulture from traditional crops, the demand for irrigation has gone down over the years. After the devastating floods of 2014, it was argued that storage infrastructure could have been built on these rivers as a flood-control measure.
- As a result of India's under-utilisation of its share of waters, Pakistan has over the years benefited more than it is entitled to under the Treaty. Pakistan's dependence on the waters of the Indus basin cannot be overstated. More than 95% of Pakistan's irrigation infrastructure is in the Indus basin — about 15 million hectares of land. It has now become the world's largest contiguous irrigation system, comprising over 60,000 km of canals. Three of Pakistan's biggest dams, including Mangla, which is one of the largest in the world, is built on the Jhelum River. These dams produce a substantial proportion of Pakistan's electricity.

Arguments for scrapping IWT

- The Indus Waters treaty has been an issue since its inception. **Jammu and Kashmir believes that it is at a loss** and the concessions given to Pakistan are more than it should have been given. By gifting the state's river waters to Pakistan, the treaty has hampered development there and fostered popular grievance.
- Although the IWT permits modestly sized, run-of-river hydropower plants and prior notification does not mean the other party's prior consent, Pakistan has **construed the condition as arming it with a veto power over Indian works**. To keep unrest in J&K simmering, it has objected to virtually every Indian project. Its obstruction has delayed Indian projects for years, driving up their costs substantially.
- Pakistan has for over a decade now been pursuing a "water war" strategy against India. This strategy centres on repeatedly invoking the IWT's conflict-resolution provisions to **internationalise** any perceived disagreement so as to mount pressure on India. In past it had done with respect to two hydropower projects in J&K, **Kishanganga on Jhelum and Ratle Hydroelectric projects on Chenab**. Similarly, Pakistan has been flagging concern over designs of India's three other hydroelectricity projects -- Pakal Dul (1000 MW), Miyar (120 MW) and Lower Kalnai (48 MW) -- being built/planned in the Indus river basin, contending these violate the treaty.
- The treaty has been a success **mainly because of India**, which has continued to uphold the pact even when Pakistan has repeatedly waged aggression and fundamentally altered the circumstances of cooperation. **International law recognises that a party may withdraw from a treaty in the event of fundamentally changed circumstances**. So, India can **dissolve the lopsided but indefinite treaty**. The Anti-Ballistic Missile Treaty was also of indefinite duration but the US unilaterally withdrew from it after Russia opposed its revision.
- **The water card is probably the most potent instrument India has in its arsenal - more powerful than the nuclear option, which essentially is for deterrence**. The Indus is Pakistan's jugular vein. If India wishes to improve Pakistan's behaviour and dissuade it from exporting more terrorists, it should hold out a credible threat of dissolving the IWT.

Argument against

- By imperilling one of the few treaties that has successfully governed how water is shared between any nations, India may have **opened the floodgates to a new and potent source of conflict** between India

and its arch rival and in so doing, have set a bad example for the rest of the world. It could only **end up worsening future distributional conflicts** over water in the sub-region.

- Any Indian attempt to put a squeeze over water flowing to Pakistan suffers from **two infirmities**. First, there is no way to control the fast-flowing waters of the Indus, at least in India unless India builds dams and forces its citizens J&K to undergo the trauma of massive displacement. Second, Pakistan is bound to approach an international tribunal to contest India's construction parameters. **The possibility of litigation slowing down the pace of work** coupled with the extremely difficult terrain will mean it will take an **enormous amount of the nation's resources to build a single dam**.
- Pakistan's agricultural economy is effectively a bet on the Indus waters. In a scenario where the sixth most populous country, with nuclear weapons and one of the largest standing armies in the world is torn apart by lack of water, could have dangerous ramifications on all of South Asia.
- Unilateral abrogation of the treaty will severely undermine Delhi's hard-won reputation as a responsible rising power. It would come back to bite India as it seeks membership in the UN Security Council and a greater voice on the international stage.
- Its actions as an upper riparian country run the risk of **seriously undermining its position as a lower riparian state vis-à-vis China**. On the Brahmaputra, India has stakes in institutionalising norms of first-user rights, joint management and consultative processes. If it chooses to renege on its own international obligations, India's chances of getting China to invest in process-oriented, institutionalised norms in a trans-boundary basin will become less realistic.
- A planned move to abrogate international obligations will **send negative signals to Dhaka, Kathmandu and Thimphu**. It is likely to lessen confidence in India's credentials as a leader with an inclination to design regional norms of benefit-sharing. **It would further reinforce the perception that India has a strong unilateralist streak**.

Way out

- Some scholars have asserted that even within the provisions of IWT, India has enough leeway to utilise the waters of Western rivers in a manner to convey a strong signal to Pakistan without violating treaty provisions. The plan is for India **to exercise its legal rights under the treaty to the maximum capacity**. Under IWT India is allowed to irrigate 1.332 million acres for irrigation; it irrigates around 800,000. So now a plan will be made to irrigate the rest. It also has plans ready with a virtual procession of dams planned on the Jhelum and the Chenab with names like Sawalkot, Dul Hasti, Pakuldul, Gyspa and Bursar.

- The populations of both Pakistan and India are no longer same, and populations will only increase more by the middle of 21st century, making review of the treaty vital. The IWT also didn't consider the impact of climate change. Its amendment also becomes important as people in disputed Kashmir are seeking a greater say in the affairs involving their natural resources.
- Following the Pulwama terror strikes in Pakistan in February 2019, the Indian government announced that all water coming into Pakistan through the three eastern rivers would be diverted to Haryana, Punjab, and Rajasthan for various purposes. To prevent this flow and utilize the entire share of water under the Treaty India projects like Ujh multipurpose project, Shahpurkandi Project, a second Sutlej-Beas link in Punjab were introduced. These projects would help fast track the utilization of waters of Eastern Rivers allotted to India as per the Indus Water Treaty.
- Pakistan and India must consult each other on all major projects on the Indus river system that might have cause a hostile environmental impact across borders. Both nations must improve domestic water management and encourage less water intensive crops. Improved infrastructure could help plug power distribution losses while both countries need to increase rainwater harvesting projects wherever possible as well.
- Pakistan and India could jointly build dams and share benefits. This could lower their tensions over water sharing. They can also reduce their reliance on hydro-electricity by adopting solar energy instead.
- **As a change in India's stand, it has regularly participated in meeting of Permanent Indus Commission (PIC) under the aegis of Indus Water Treaty since then.** The World Bank has assured its continued neutrality and impartiality in helping India and Pakistan find an amicable way forward during talks over issues related to two of India's hydroelectricity projects under Indus Waters Treaty.

INDIA'S NOTICE TO PAKISTAN FOR REVISION OF IWT

In an unprecedented move, India has issued a notice to Pakistan for modification of the Indus Waters Treaty (IWT) — a bilateral agreement that was signed in September 1960 and survived three wars, the Kargil conflict, and the terror attacks in Mumbai and Kashmir. The notice was conveyed by India to Pakistan on January 25 2022 through the respective Commissioners for Indus Waters according to **Article XII (3) of the IWT**. The Article states: “The provisions of this Treaty may from time to time be modified by a duly ratified treaty concluded for that purpose between the two Governments.”

Sources said Pakistan's “intransigence” forced India to issue the notice of modification and update the treaty to “incorporate the lessons learned over the last 62 years”. This would effectively mean that the treaty can be opened for re-negotiations for the first time in over six decades. **The objective of the notice for modification is to provide Pakistan an opportunity to enter into intergovernmental negotiations**

within 90 days to rectify the material breach of IWT. This process would also update IWT to incorporate the lessons learned over the last 62 years.

While India has always been a “steadfast supporter” and a “responsible partner” in implementing the treaty in letter and spirit, Pakistan’s actions have “adversely impinged” on its provisions and their implementation.

The notice is the latest twist in a sequence of events that began in 2015, when Pakistan requested for the appointment of a “Neutral Expert” to examine its technical objections to the Kishanganga and Ratle Hydro Electric Projects (HEPs). In 2016, Pakistan retracted this request and proposed that a Court of Arbitration adjudicate on its objections. This “unilateral action” by Pakistan is in contravention of the graded mechanism of dispute settlement envisaged by Article IX of the IWT. Accordingly, India made a separate request for the matter to be referred to a “Neutral Expert”.

The World Bank acknowledged this process in 2016, and decided to “pause” the initiation of two parallel processes and request India and Pakistan to seek an amicable way out. Despite efforts by India to find a mutually agreeable way forward, the sources said Pakistan refused to discuss the issue during five meetings of the Permanent Indus Commission from 2017 to 2022.

At Pakistan’s insistence the World Bank initiated action in March last year on the “Neutral Expert” and Court of Arbitration processes. In October, the World Bank named Michel Lino as the “Neutral Expert” and Prof Sean Murphy as chairman of the Court of Arbitration.

India argued that the “initiation of two simultaneous processes on the same questions and the potential of their inconsistent or contradictory outcomes creates an unprecedented and legally untenable situation, which risks endangering IWT itself”. India was compelled to issue the notice since “such parallel consideration of the same issues is not covered under any provision of IWT”.

Pakistan responded that a Court of Arbitration is holding its first hearing in The Hague on its objections to two hydroelectric power projects in J&K and attention should not be diverted from the important proceedings.

Several reasons to re-negotiate

- While it is too premature to guess on the eventual outcome of the move, the renegotiation of the Indus Waters Treaty is not as radical an idea as it appears. In fact, it is not a new idea at all.
- Calls for amending or renegotiating the Indus Waters Treaty are being made for more than two decades now, on both sides. Despite being awarded nearly 80 per cent of the water flow in these rivers, Pakistan has always maintained that it has been treated unfairly, arguing that it should have been allotted some share of the Ravi, Sutlej and Beas rivers as well.
- Experts on both sides agree that there have been significant changes since the Treaty came into being in 1960, and it needs to be updated. Some of the most compelling reasons to renegotiate are-

- ✓ The impacts of climate change and
- ✓ the advancement in water storage and management technologies

- Climate change concerns bother Pakistan more. One of the consequences of climate change has been a decrease in the overall flows in the Indus River system. The decline thus far is just about 5 per cent from 1960, but is expected to worsen rapidly. On the other hand, Pakistan's population has increased by six to seven times since Independence, and is still growing at a fast pace. That means increased demand for water, and thus increased dependence on these rivers.
- Accommodating new technologies- Today's dams or reservoirs are very different from the ones in the 1960s. Whenever India has tried to use newer designs and technologies, Pakistan has objected, like with the Baglihar dam. The dispute over Baglihar dam had to be referred to a neutral expert who ruled in favour of India, arguing that the new technology, even if not fully in accordance with the Treaty, would prolong the life of the project and thus was in everyone's interest. **Making the Treaty non-prescriptive on design and technology could also help in mitigating the adverse impacts of climate change on water availability in the Indus River system.**
- In 2022, the Standing Committee on Water Resources of Parliament had recommended renegotiating the Indus Water Treaty with Pakistan to address the impact of climate change on water availability in the river basin, along with other challenges which are not covered under the agreement.
- Other reasons include the need for joint management, greater flexibility in utilisation of waters, and adoption of basin-wise approach in the management of the river waters. Some Pakistani voices also hope that a renegotiation of the Treaty would allow China to become a party, which would then neutralise India's advantage. The Indus basin extends to China and Afghanistan as well.

Interpretation of Indian move

- There are two ways to look at India's recent notice to Pakistan on the Indus Waters Treaty, which governs the sharing of six rivers flowing through the two countries.
 - 1) It can be viewed as India's countermeasure to Pakistan's repeated objections to every irrigation or power project on the Indian side of the Indus basin. This would imply that if Pakistan drops its obstructionist approach, India might not insist on amending the Treaty.
 - 2) Alternatively, this can be seen as the beginning of something more significant. India could be serious about making amendments to the Treaty and might have just set the ball rolling with the notice, served on January 25.
- Despite its reputation as one of the most successful water-sharing agreements between countries, the Indus Waters Treaty has kept both India and Pakistan dissatisfied for six decades. In a way, this

is another Balakot moment. The notice is a message to Pakistan that India would be unpredictable in its dealings with it, and would not shy away from escalation. Considering Pakistan's desperate dependence on the Indus basin rivers, this in itself could be extremely unsettling.

Trade and Commerce

- India had accorded MFN status to Pakistan in 1996. A Pakistan cabinet decision of November 02, 2011 to reciprocate remains unimplemented. In August 2012, India announced reduction of 30% in its SAFTA Sensitive List for non-Least Developed Countries of SAFTA [including Pakistan], bringing down tariff on 264 items to 5% within a period of three years. However, Pakistan continued to follow restrictive trade policy towards India.
- In the aftermath of cross border terror attack in Pulwama, India, on 15 February 2019 withdrew Most Favoured Nation Status to Pakistan. India also hiked customs duty on exports from Pakistan to 200% on 16 February 2019. Subsequently, as part of its unilateral measures, Pakistan suspended bilateral trade with India on 7 August 2019.
- Pakistan closed its airspace for India bound flights.

Conclusion

- Both nations need to understand that by robust bilateral cooperation, both nations stand a chance of gaining a great deal by engaging in the field of trade, investment etc. As a prerequisite Pakistan must stop its policy of state-sponsored cross border terrorism and act against anti-India elements with an iron hand. This alone has the potential of restoring trust between them and provide conducive environment for resuming stalled peace talks.
- It is important to note that Pakistan's Army is driven by strategic choices and politico-economic rationale which the decision-makers in New Delhi need to analyse and understand, and then reach out to the generals in Rawalpindi accordingly.
- Regional cooperation is essential for stability in Afghanistan. It shall be in the larger interest of ensuring peace and prosperity in the South Asian region.
- However, the political differences create a major hurdle particularly on the economic front. There is need to strengthen the visa system in order to implement more people to people contact by having cultural, educational and economic exchanges.
- The **trust deficit** between both nations needs to be worked on not only by engaging in positive problem-solving discussions but also taking effective action towards it. Hence, there is no short-term

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solution to the strained relations between the two countries and a large number of issues exist that can be tackled through a step-by-step approach by constant initiatives from both sides.



BY SUSHANT VERMA

INDIA- RUSSIA RELATION-2

3)NUCLEAR AND SPACE COOPERATION

Nuclear cooperation

- Nuclear cooperation between India and Russia can also be traced back to the 1960s. Like the United States, during that decade Moscow extended scientific and technical nuclear assistance to India. However, despite the 1974 nuclear tests, the Soviet Union agreed to supply heavy water to India for Canadian-built reactors, and throughout the 1980s and 1990s Moscow remained crucial for the survival of India's nuclear program by supplying fuel during the country's global nuclear isolation.
- Russia has now become the first one to start construction of a nuclear plant that is fully compliant with Nuclear Liability Act. India-Russia ties reached a new landmark in nuclear energy cooperation with the dedication of Unit 1 of the Kudankulam nuclear power project jointly inaugurated by Prime Minister Narendra Modi and President Vladimir Putin through video conference in August 2016.
- Both sides also agreed to work together on the remaining stages of the recently agreed 4 more reactors at Kudankulam, 3, 4, 5 and 6. The other 8 reactors will be set up at alternative site in Karnataka or Andhra Pradesh.
- Unlike other bilateral civilian nuclear deals signed by India, Russian-Indian collaboration in nuclear sphere is multi-pronged and is not limited to NPP construction. There are joint projects in nuclear science and on other aspects of nuclear fuel cycle. Russian and Indian scientists effectively cooperate in research at the Russian Joint Institute of Nuclear Research in Dubna and within framework of such international projects like ITER.
- During PM Modi's visit to Russia in 2015, both countries agreed to manufacture nuclear plants parts in India under Make in India Scheme. Apart from saving forex, it will also be able to cut down timeframe for construction of atomic reactors.
- **Russia has also proposed to involve India in building Russian-designed power plants in third countries including training of personnel in other countries like Bangladesh, Vietnam and Sri Lanka.** This is in particular due to logistical issues where New Delhi is much closer to these countries than Moscow. This cooperation is to be extended to joint extraction of natural uranium and production of nuclear fuel and atomic waste elimination. Since India has generated lot of goodwill

among IOR countries, it is in better position to market the nuclear power plants of Rosatom- the state-owned Russian Nuclear utility.

- During the annual Russia-India Summit in December 2021, the two sides highlighted the achievements of Indian and Russian collaboration in the field of nuclear energy, laying down the roadmap for further cooperation to launch the serial construction of the state-of-the-art Generation III+ Russian-designed nuclear power units at a new site in India using Rosatom's advanced nuclear power technologies. During the Summit, India and Russia also agreed to form a third country partnership based on the success of their participation in **Bangladesh's first nuclear power plant at Rooppur (RNPP)**.
- The India-Russia cooperation on RNPP demonstrates the capabilities of such collaboration and opens up new opportunities for both the countries, particularly in the developing countries. This cooperation opens door for Indian companies to work in the nuclear energy space in other countries since India cannot participate directly in constructing atomic power reactors because it is not a member of Nuclear Suppliers Group.
- Expanding their cooperation in civil nuclear energy, India and Russia are collaborating to set up 25 **integrated irradiation centres in India to reduce agricultural losses**. A bilateral agreement in this regard was signed on the sidelines of the BRICS Business Forum in the national capital in October 2016.
- According to estimates, post-harvest losses in food and food grains are around 40-50 per cent, primarily due to insect infestation, microbiological contamination, physiological changes due to sprouting and ripening, and poor shelf life. The wastage of fruits and vegetables alone is about Rs. 60,000 crores annually. Including cereals, meat, pulses and flowers, the annual loss is estimated to be Rs. 2, 50,000 crores. Irradiation centres will help reduce this wastage.

Space cooperation

- **India-Russia cooperation in the field of peaceful uses of outer space** dates back to about four decades. India has historically been able to harness much needed know-how and technology for its space industry by closely co-operating with Russia. **India - Russia space cooperation in the past includes the USSR launching India's first few satellites including Aryabhatta-I and Bhaskara-I, Rakesh Sharma's inclusion in a manned Soviet mission, and Russia's sale of cryogenic engines for India's Geosynchronous Satellite Launch Vehicles.** Currently, India-Russia space cooperation is largely limited to NavIC-GLONASS ground stations and Global Navigation Satellite Systems (GNSS)-Indian Regional Navigation Satellite System (IRNSS) augmentation.
- India's dependence on Russian space technology has reduced over the past few decades, but the two countries continue to collaborate through the Indian space agency, ISRO, and its Russian

counterpart, Roscosmos. ISRO's first group of four astronaut candidates for the planned crewed Gaganyaan mission completed their training for spaceflight in Russia in March last year. The contract for the training of Indian candidates for space flight between the Glavkosmos company (part of the Roscosmos State Corporation) and the Manned Space Flight Center of the Indian Space Research Organisation was signed on June 27, 2019.

- In annual summit held in December 2021, they agreed to study the prospects of the development of mutually beneficial cooperation in the development of launch vehicles and the use of outer space for peaceful purposes, including planetary exploration.

4)RUSSIA- PAKISTAN RELATION

- After decades of frosty ties, Russia finally began to reach out to Pakistan. Economic, political and even defense ties are growing between the two countries that were on opposing camps during the Cold War.
- Some important events in this blossoming relation were-
 - ✓ **Russian Defense Minister Sergei Shoigu visited Islamabad in 2014, the first Russian defense minister to visit Pakistan since 1969.** This trip saw both countries sign defense agreements including the sale of Mi-35 attack helicopters
 - ✓ Both countries signed an agreement on military technical cooperation in 2014.
 - ✓ In September 2016, after the Jaish-e-Mohammed attack in Uri, Russia went ahead with a joint military exercise with Pakistan, ignoring New Delhi's appeal against it. In 2017, with Indo-Pak relations at their lowest, Russia sold more helicopters to Pakistan.
 - ✓ the trade relations between Moscow and Islamabad see a growing trend over the last decade and they hope for further collaborations in the fields of energy and transit of goods, consultations, and closer political and security interactions.
 - ✓ In July 2021, Pakistan and Russia signed an agreement for the construction of about 1,100-km gas pipeline from Port Qasim in Karachi to Lahore at an estimated cost of \$2.5-3 billion by the end of 2023.
 - ✓ In February 2022, the then PM Imran Khan Pakistan's Prime Minister (PM) continued his two-day official visit to Moscow, amidst Russian military deployment in eastern Ukraine and escalating regional tension. **He was the first Pakistani leader to visit Russia in over two decades since the landmark visit by Nawaz Sharif in 1999.** He was also the first Head of State to be in Moscow after President Putin recognised the separatist regions of Donetsk and Luhansk.

- Several factors are responsible for this rapprochement between Russia and Pakistan-
- 1) Shared security interests are drawing Pakistan and Russia closer together, as evidenced by Russia's announcement that joint military exercises and security cooperation will become a routine feature of their bilateral relationship. The main purpose of these exercises is to share experience in counter terrorism, counter narcotics and anti-piracy.
- 2) Russia viewing Pakistan as critical to the stability in its backyard especially with Taliban in power in Afghanistan which has backing of Russia's strategic ally China. Islamabad is also keen to have Moscow's and Beijing's involvement in Afghanistan. The three have met several times to discuss conditions in Afghanistan
- 3) India's growing proximity with USA and displacement of Russia as biggest supplier of weapons by USA.
- 4) Post Ukrainian crisis sanctions have forced resource export dependent Russian economy to explore new markets to tide over economic recession.
- 5) Lucrative defence market of Pakistan offers Russia an opportunity to diversify its arms export basket the same way India is diversifying its arms import basket. Besides, it also offers huge opportunity to Pakistan to reduce its dependence over US for getting sophisticated weapons.
- 6) Another key concern for Moscow is the drug-trafficking emanating from Afghanistan and illegal substances ending up in Russia – a threat that's leading the Russians to team up with Beijing and Pakistan to control drug production in Afghanistan.

Analysis

- This visit by the Pakistani Prime Minister comes at a period of speculations of an Indo-Russian drift owing to changing global dynamics which have driven India to forge a close nexus with the US and Russia to form a relationship with India's most threatening regional rival, China, on account of their common and expanding rivalry with the US.
- In April 2021, Russia described India as a "trusted partner", and emphasized that there were no divergences or misunderstandings between the two countries and that it has "limited cooperation" with Pakistan based on "independent" relations. It said that all issues between the two countries should be resolved bilaterally under the Shimla and Lahore pacts.
- Some Indian experts regard it as a Moscow tactic to 'arm twist' India and stop it from diversifying its defence procurement sources. That Russia has sought a normal relationship with Pakistan since the end of Cold War has not been a secret. So is the fact that Indian diplomacy often prevailed over

Moscow to limit Russian ties with Pakistan. Moscow's reluctance to defer to Indian sensitivities this time suggests that a new phase in India-Russia relations is finally with us.

- **That a sovereign has no permanent friends or enemies is part of traditional wisdom around the world.** Nothing illustrates this more than the evolution of Russia's ties with China and Pakistan. Few countries in the non-Western world have done more damage to Russian interests. The Chinese alignment with the West from the 1970s and the Pakistani jihad against Moscow in the 1980s were central to the defeat of the Soviet Union in the Cold War.
- The possibility that Russia will get closer to Pakistan under China's influence and the possibility of transfer of Russian technology to Pakistan via China cannot be ruled out. Russia has allowed China to export aircraft, for instance the 50 JF-17 "Thunder fighter" planes that use Russian engines—something which it would not have allowed earlier. **India is also apprehensive of Russia transforming its stance on Kashmir.** So far Moscow has supported India by voting for New Delhi at the UNSC.
- **Counter viewpoint-Russia has the sovereign right to choose its friends.** Nor should Delhi assume that Russia's current orientation — warmth to China and hostility to the West — is a permanent one. At a moment of great turbulence in great power relations, Russia is rightly jockeying for position. India must focus on reconstituting the partnership with Russia- a country that will remain a powerful force in Eurasia, on its own merits.
- **The Indo-Russian dynamic is concretely based on the ideals of pragmatism.** Both India and Russia look at their relationship independent of their equations with other powers. So, it is unlikely that at this current moment based on the status of this Russia-Pakistan relationship, India would feel threatened or concerned. If US military aid to Pakistan for more than six decades did not come in the way of the current upswing in defence trade between India and the United States, there is no reason why Russia's strategic benevolence towards China and Pakistan should be a serious factor influencing India's defence trade with Russia.
- **India and Russia have great mutual dependency.** Russian-origin tanks, armoured vehicles, missiles, submarines, aircraft, helicopters, aircraft carrier, ammunition, and other assorted systems, constitute the backbone of India's military capability. Going by the past experience, these will remain in service for the next several decades. If nothing else, **Russian support will be crucial for ensuring operational serviceability of the equipment, including repair, refit and upgrades.** Even **Russia cannot afford to consider scaling down its defense trade with India.** Russia needs to sustain its huge military industrial base. India isn't only its largest defense customer; Moscow also sees the sub-continent as a potential energy export destination. India is the fourth largest energy consumer in the world in coal, oil and natural gas. Therefore, Russia is unlikely to jeopardize relations with New Delhi for Pakistan.

- As its support for the designation of Pakistan-based terrorist groups, including those targeting India such as the JeM and its leader, and the Lashkar-e-Taiba, have shown, Russia has clear views against Pakistan's patronage of terrorists. Also in August 2019, **Russia became the first P-5 country to describe India's move on Kashmir (scrapping Article 370 & bifurcation of the State) as purely an internal matter and called for resolution under the Shimla Agreement of 1972 and Lahore Declaration of 1999.** Ever since this position has been reiterated by the Russian foreign minister and senior officials.

Russia's Growing Proximity with China

- The significant expansion of Russia's economic, security and political ties with China, begin to pose a problem for India. The Sino-Russian partnership is becoming a lot deeper than that between India and Russia. **Russia described China as its most important strategic partner and said their partnership has "no limits". The two sides have firmly supported each other in defending their core interests, strengthened political and strategic trust, and achieved a new high in two-way trade.** They share the desire to curb the United States' power and challenge its hegemony.
- The Sino-Russian quasi-alliance has been possible due to-
 - ✓ The West's approach towards Russia after the annexation of Crimea in 2014.
 - ✓ Anti-Chinese rhetoric from Washington
 - ✓ Fluctuations of oil prices
 - ✓ Russia's growing dependence on Chinese markets, capital and Chinese hi-end technological products.
- **In case of Ukraine War, Chinese officials have refused to condemn Putin for the war, and have blamed the United States and the North Atlantic Treaty Organization (NATO) for provoking Russia.** Just as China supports Russian objectives with regard to NATO expansion, **Russia supports China's view of the Indo-Pacific and the illegitimacy of the U.S. role there.**
- **Russia has criticized the Indo-Pacific strategy by the western countries describing it as "dangerous" and an effort to revive the cold war mentality.** They remain highly vigilant about the negative impact of the United States' Indo-Pacific strategy on peace and stability in the region. China and Russia sent another high-profile signal of their strategic partnership in May 2022, **flying bombers near Japan while U.S. President Joe Biden and other leaders of Quad countries were visiting Tokyo.** It was their first joint military drill since the start of the war in Ukraine.
- Russia has not cautioned China from being belligerent either in South China Sea region or stopping incursions in Indian side. This implies tacit Russian endorsement of China's claim in South China

Sea which is at variance with India's stated position of unhindered freedom of navigation in international shipping lanes including South China Sea.

- Even in the defence domain, where Russia once privileged relations with India, China is rapidly becoming an important partner for Moscow. It now looks to be a strategic choice to align with Beijing amidst Western attempts to isolate and punish Russia over Ukraine. Russia's decision to sell sophisticated weaponry to China has resulted from its view of its own national interests of the time as well as its overall economic and geopolitical compulsions. China seems to have benefited by intensifying economic and political ties with Russia. **China has incorporated Russia as integral component of its OBOR policy which aims at increasing Chinese influence over the Eurasian Region.**
- **China has bailed Russia out through a series of big energy deals.** This has also helped Russia significantly by offsetting its reliance on the European market. China has gained increased access to Russia's vast natural resources including the much publicised 30-year gas contract worth \$400 billion between them.
- Militarily, the two are already part of the Shanghai Cooperation Organisation (SCO), which is taking over the mantle of regional security in Central Asia, and specifically in Afghanistan following the departure of the United States and NATO.

Implications for India

- As Russia and China draw closer, they are bound to put more pressure on India to back their positions at multilateral forums like the BRICS and the United Nations on a range of global issues. Delhi also knows that Beijing is now the senior partner to Moscow, and that the alliance with Russia will end up improving China's bargaining power with the US.
- New Delhi's main concern is not really Sino-Russian trade - much higher than Indo-Russian business - but **the nature of defence cooperation between Moscow and Beijing.** While most of the weapons China purchased from Russia – Amur submarines and S 400 air defense systems - will seemingly be used in the East and South China Sea, there's a growing apprehension that the deployments may be changed in a way that's detrimental to Indian security.
- Some experts have argued that **a Moscow that is more beholden to Beijing would be particularly problematic at this moment when India is dependent on Russian military supplies** and Sino-Indian border tensions could flare up again. If Russia becomes more reliant on Chinese support, Moscow would be coerced to oblige China if it asked Russia to stall supplies to India during a crisis. They cite the example of the 1962 Sino-Indian war to remind us that Soviet backing was crucial in Mao Zedong's plans to wage war against India.

- However other experts disagree. They instead point out that India and Russia have both shown the willingness and ability to navigate complex geopolitical realities historically and **have so far managed to isolate the dynamics of bilateral ties from being overridden by third-party preferences**. Russia's defense commitments to India are not unshakable, but they will depend on dynamics specific to the bilateral relationship and not on how far China-India ties fall.
- The COVID-19 pandemic and Western sanctions imposed in the aftermath of Russia's annexation of Crimea in 2014 had already forced Russia to seek deeper economic ties with China. For instance, China's share in Russia's trade turnover had increased from 10.5 percent (\$88.8 billion) in 2013 to 15.7 percent (\$108.3 billion) in 2019. Faced with harsher sanctions after its ongoing war in Ukraine and with the volatility in Ruble, Russia's dependence on Chinese markets, capital, goods, and services, as well as general political backing, will only surge further. Bilateral trade is now projected to reach US\$250 billion by 2025.
- Russia has also agreed to sell its frontline fighter jet Su-35 to China overcoming its inhibition of Chinese mastery at copying advanced Russian technology by reverse engineering which may help China's ambitious J-31 programme which is facing teething troubles. Russia has also ignored China's boosting up Pakistan's nuclear programme by rerouting some of the Russian Supplies.
- **India fears growing Western alienation will result in Russia getting closer to China.** So New Delhi will continue to project its support for Russia multilaterally, such as abstaining from voting at the UN over Ukraine or 'not supporting' Western sanctions on Russia. In turn Russia – also trying to avoid over dependence on Beijing – will try to secure a greater role for India at the Shanghai Cooperation Organization (SCO) and close alignment with the BRICS countries.
- India needs to work on gaining some more influence with Russia in order to stop it giving too much leverage to China. It must also work for normalization of Russia-USA relation as Russia will become more reliant on China as its relation with US led block continues to deteriorate.

Conclusion

- In fact, in this fast-changing multipolar world, both countries need each other more than ever. For instance, India provided crucial diplomatic support to Russia over Ukraine, Crimea and Syria where it was internationally isolated. Russia still provides India with crucial cutting-edge technology in defense, nuclear and dual use technology without any strings attached like US. These imperatives will drive continued close Indian-Russian engagement into the foreseeable future,
- India has done commendably at the highly complicated job of navigating the complexities of its relationship with Russia while building a robust one with the US in a period of unprecedented turbulence in US-Russia relations. In the face of Russia's disapproval, India has been working closely with the US within and outside the QUAD to shape the future of the Indo-Pacific. At the

same time, India has also been able to re-affirm the value of what Russia means to it by various diplomatic engagements and gestures like establishing a 2+2 Ministerial mechanism—which it only had with its QUAD partners before—signing deals for more arms supplies, despite the looming threat of US sanctions. New Delhi also took a diplomatic stance towards the crisis in Ukraine through abstention at the UNSC and calling for a peaceful settlement of the issue via diplomacy. **New Delhi has not yet allowed its close ties with the US to tilt its delicate balance on the Ukraine issue.** To India's credit, the US also said that their relationship with India stands on its own merit despite India's controversial decision to abstain from a UNSC vote on the Ukraine-Russia conflict.



BY SUSHANT VERMA

INDIA- RUSSIA RELATION-1

- **Russia is India's all-weather friend and time-tested partner. Development of India-Russia relations has been a key pillar of India's foreign policy.** In view of some analysts, Russia could perhaps be seen as India's only definitive "strategic" partner in its truest form, and this unique relationship has developed over decades.
- India and Russia would be celebrating the 75th Anniversary of establishment of diplomatic relations between India and the erstwhile USSR (now Russian Federation) in 2022.

A brief history

- Diplomatic relations commenced between USSR and India in 1947. Even though Nehru expressed appreciation for the USSR's swift economic development, India was still viewed as a "tool of Anglo-American imperialism".
- After Nehru visited the USSR in June 1955 and Soviet Leader Khrushchev visited India later the same year, things started to happen. The USSR commenced aiding India in all aspects of development. The Soviet Union gave India substantial economic and military assistance during the Khrushchev period, and by 1960 India had received more Soviet assistance than China had.
- The Soviet Union declared its neutrality during the Sino-Indian war of October 1962. In 1965 the Soviet Union served successfully as peace broker between India and Pakistan after an Indian-Pakistani border war. (The Tashkent Agreement).
- The year 1971 was a turning Point in bilateral relation. India signed with the Soviet Union **the Indo-Soviet Treaty of Friendship and Cooperation in August 1971**. This was a **guarantee against possible Chinese entrance into the conflict on the side of West Pakistan**. During the 1980s, India maintained a close relationship with the Soviet Union.
- Soviet Union had vetoed a number of resolutions on Kashmir in UNSC during the Cold War period, and blocked internationalisation of what is essentially a bilateral issue. In the UN Security Council Resolutions in 1957, 1962 and 1971, Russia was the only country which vetoed resolutions seeking UN interventions in Kashmir. **Thus, during the Cold War India was considered a close partner of Soviet Union.**
- In the post-Cold War era, 90s was the decade of transition for both India and Russia. The year 1991 saw numerous changes with the collapse of the Soviet Union. Democratic governments were installed one after the other in most of the east European countries. The disintegration of the Soviet Union had altered the power equations in international politics. Though Russia, successor state of USSR,

remained a military power, it lost its erstwhile dominance in matters of economy and politics. It was no longer a super power.

- Besides, it was the year when India also embraced neo-liberal economic reforms. Hence, due to greater emphasis on improving relations with the industrialized countries of the West for both India and Russia, bilateral ties got low priority. With the emergence of independent Central Asian Republics, Russia's borders fell further apart.
- The first major political initiative, since the collapse of the Soviet Union, between India and Russia began with **the Strategic Partnership signed between the two countries in October 2000** during visit of Russian President Vladimir Putin. This visit gave a great boost to bilateral relations.
- Since the signing of Strategic Partnership in October 2000, India-Russia ties have acquired a qualitatively new character with enhanced levels of cooperation in almost all areas of the bilateral relationship including political, security, trade and economy, defence, science and technology and culture.
- During the visit of the Russian President to India in December 2010, the Strategic Partnership was elevated to the level of a "**Special and Privileged Strategic Partnership.**" This partnership is an anchor of peace and stability in the region and the world.
- Under the Strategic Partnership, several institutionalized dialogue mechanisms operate at both political and official levels to ensure regular interaction and follow up on cooperation activities. **Annual Summit meeting between the Prime Minister of India and the President of the Russian Federation is the highest institutionalized dialogue mechanism under the Strategic Partnership.**
- The Indo-Russian Inter-Governmental Commission (IRIGC) is the main body that conducts affairs at the governmental level between both countries. Some have described it as **the steering committee of Indo-Russia relations.** It is divided into two parts-
 - 1) the first covering Trade, Economic, Scientific, Technological and Cultural Co-operation. This is normally co-chaired by the Russian Deputy Prime Minister and the Indian External Affairs Minister.
 - 2) The second part of the Commission covers Military Technical Co-operation this is co-chaired by the two countries respective Defence Ministers. Both parts of IRIGC meet annually.

Visit of President Putin, December 2021

- In December 2021, President Vladimir Putin visited Delhi for the **21st India-Russia summit.** The visit was significant in part because Putin has not traveled abroad to attend recent summits in person
- The following are the major outcomes:
 - ✓ Signed a 10-year defence cooperation pact in the background of ongoing deliveries of the S-400 air defence systems.

- ✓ Both countries signed an agreement to achieve joint production of more than 600,000 AK-203 assault rifles to advance self-reliance in the defence manufacturing sector.
 - ✓ In order to promote greater economic cooperation, both adopted targets **to increase bilateral trade to \$30b and bilateral investments to \$50b by 2025.**
 - ✓ Reserve Bank of India and Bank of Russia to cooperate to jointly respond against cyberattacks.
 - ✓ Both nations agreed to jointly fight against terrorist organizations like ISIS-Al Qaeda- LeT, drug trafficking and organised crime etc
 - ✓ **First 2+2 dialogue of Foreign and Defence Ministers was also held** to exchange views in global and regional political-security developments. So far, India has 2+2 ministerial formats with only the Quad countries — US, Japan and Australia.
- In view of some analysts, **the Russian president appears to have wanted to establish that Moscow can handle the India and China relationships independently of each other.** Putin's visit is seen as an effort to repair the damage done to the relationship over the last couple of years, as Russia and India drifted apart. Going by the optics and the number of memoranda of understanding (MoUs) and agreements signed by the two countries, Putin's India visit has attempted to bring back some balance in the relationship.

DEFENCE TIES

- **Defence ties constitute the core of Indo-Russian ties** where India has longstanding and wide-ranging cooperation with Russia in the field of defense. Russia has been biggest supplier of defence equipment to India. India-Russia military technical cooperation has evolved from a simple buyer - seller framework to one involving **joint research, development and production of advanced defence technologies and systems.** BrahMos Missile System, as well as the licensed production in India of SU-30 aircraft and T-90 tanks, are examples of such flagship cooperation.
- **The defence trade between India and Russia has crossed \$15 billion since 2018,** in the backdrop of some big deals including the \$5.43 billion S-400 long range air defence systems. Other major contracts currently under implementation are construction of
 - ✓ four additional stealth frigates in Russia and India,
 - ✓ licensed production of the Mango Armor-piercing fin-stabilised discarding sabot (APFSDS) rounds for the T-90S tanks as also
 - ✓ additional T-90S tanks,
 - ✓ AK-203 assault rifles among others.
- **While India continues to remain Russia's largest arms buyer with a major chunk of legacy hardware from Russia and the Soviet Union, the volume of imports has reduced in the last decade.**

VAJIRAM & RAVI

S-400 deal and CAATSA

In October 2018, India inked the historic agreement worth US\$5.43 billion with Russia to procure five S-400 Triumf surface-to-air missile defence system, one of the most powerful missile defence system in the world. Triumf has the capability to protect against almost all sorts of aerial attacks, including drones, missiles, rockets and even fighter jets. The system, intended to act as a shield over a particular area, is a long-range surface-to-air missile system.

What concerns India is that China placed an order in March 2014, and the delivery began in 2018. During the standoff in eastern Ladakh, which began in May 2020 and remains unresolved, China had reportedly deployed its S-400 along the Line of Actual Control

India signed this deal ignoring America's CAATSA act. **CAATSA Act, also known as Countering America's Adversaries Through Sanctions Act**, was enacted by USA in 2017 to impose sanctions on three nations, i.e., Russia, Iran, and North Korea. Apart from sanctions on the three nations, the act also imposes sanctions on countries who deal with these nations. This brings the current S-400 deal between India and Russia under this orbit. The United States threatened India with sanctions over India's decision to buy the S-400 missile defense system from Russia.

Turkey came under CAATSA sanctions for its purchase of a batch of S-400 missile defence systems from Russia. But US cannot afford to alienate a strategic ally and a defence market like India.

On July 14, 2022, a National Defense Authorization Act (NDAA) amendment was accepted by the US House of Representatives, proposing a waiver for the CAATSA Act that would apply specifically to India. The amendment calls for the US government to exercise its authority to grant India a CAATSA waiver in order to counter China and other aggressors.

- According to the Stockholm International Peace Research Institute's (SIPRI) report 2021, **India was the biggest arms importer during the period between 2017 and 2021**, accounting for 11 percent of the total global arms imports. Most of those arms come from Russia. While India's share of arms imports from Russia have dropped from 69 percent during the period between 2012 and 2016 to 46 percent in 2017-2021, **Russia still remains the biggest arms supplier to India**. The drop in share of imports from Russia corresponds to a simultaneous rise of defense imports from France, the United States, and Israel.
- Constant security threats from China and Pakistan imply that it would take time for India to diversify its defense imports and also increase indigenous production of arms. Indeed, recently India received the delivery of the second regiment of the S-400 air defense missile system from Russia.
- The two countries also hold exchanges and training exercises between their armed forces annually. The joint military exercise is called Indra. 12th Edition of Indo-Russia joint military Exercise INDRA 2021 was held at Volgograd, Russia from 01 to 13 August 2021.

Irritants

- Some major issues of disagreements have appeared between the two countries over the last few years. The first concerns the rapidly expanding ties between India and USA especially the growing defense relationship between India and USA. That the United States has emerged as one of the largest suppliers of arms and equipment to India could not have gone unnoticed in Russia, just as Russia's reaching out to China and Pakistan with significant defence deals has not gone unnoticed in India. **Experts argue that Russia's waning influence in India's defence market may result in further alienation of Russia from India's strategic plans. Russia's arms sales offer to Pakistan has been cited as fallout of this policy.**
- **Although in absolute terms Russia is still the largest supplier of defence equipment to India, its share in overall imports has progressively declined.** Most recently, India's decision to sign the three foundational defence Agreements with USA has surfaced as a cause of serious concern for Russia-
 - ✓ the Logistics Exchange Memorandum of Agreement (LEMOA signed in 2016),
 - ✓ the Communications Compatibility and Security Agreement (COMCASA signed in 2018)
 - ✓ Basic Exchange and Cooperation Agreement for geo-spatial cooperation. (BECA, signed in 2020)
- Russia feels that India is virtually entering into a military alliance with USA, **which will severely restrict Russia's ability to share sophisticated defence technology with it.** Indians on their part were frustrated by the Russian failure to meet delivery schedules, quality control, tendency to increase costs, and reluctance to transfer technology and supply spares. The late delivery of INS Vikramaditya was a case in point.
- In 2018 India also withdrew from the project to jointly develop 5th generation fighter aircraft. Experts point out the reason being disagreements over cost sharing plans, technology transfers, and the aircraft's technological capabilities.
- In April 2022, the Indian Air Force has cancelled plans to buy 48 Mi-17 V5 helicopters from Russia, though this move is said to be taken to boost the Make in India initiative. Also last month, India announced a phased import ban on 107 defense items which include several Russian defense parts. These developments drive home the fact that India's indigenization drive, regardless of its motivations, will inevitably have the end result of lessening India's dependence on Russia arms.
- While complete detachment from Russia is impossible, India has certainly prioritized those of its strategic interests that require closer cooperation with the Western countries.
- **As the Russia-Ukraine conflict stretches on with no clear endgame, there are apprehensions on Russia's ability to adhere to the timelines for both spares and hardware.** The Indian Army is dependent on certain weapon systems specially in the area of air defence, rockets, missiles and certain tanks from Russia and Ukraine. The immediate impact of the Russia-Ukraine war was on the supply

chain of certain spares and ammunition. Russia has assured India that it would adhere to delivery timelines.

- India is also looking at certain alternative mitigation measures and identifying alternate sources from friendly foreign countries while in the long term, this is also an opportunity for the private industry to step up production and meet the requirements.
- **With Russia being shut out of the SWIFT system, India and Russia have agreed to conduct payments through the Rupee-Rouble arrangement.**
- However, there is some delay. For instance, the delivery of the second regiment of the S-400 is delayed by a few months as also the operationalisation of the agreement for the manufacture of 6.1 lakh AK-203 rifles at Korwa, Amethi in Uttar Pradesh.
- There are **also several big-ticket deals currently under negotiation but several of them have been deferred by the Defence Ministry** as part of the review of all direct import deals. This is in line with efforts to push the ‘Make in India’ scheme in defence. Russian deals have also been deferred including the one for
 - ✓ 21 MiG-29 fighter jets for the Indian Air Force (IAF)
 - ✓ the upgradation of 59 existing Mig-29 jets
 - ✓ the manufacture of 12 SU-30 MKI aircraft by Hindustan Aeronautics Limited (HAL).
 - ✓ the manufacture of 200 K-226T utility helicopters in India
 - ✓ a deal for six Ka-31 early warning helicopters and
 - ✓ a deal for Igla-S very short-range air defence systems

Potential

- *Globally no other pair of countries –apart from USA-Israel- has enjoyed this type of defence relationship.*
- *It should be remembered that India has opted for diversification of its arms import basket since long. It has sourced British Aircraft carrier, French Jaguar and Mirage aircrafts, German submarines, Swedish Bofors Guns etc. In past several international sanctions and its inability to pay hard cash for defence purchases tilted balance in Russia’s favour.*
- The fact that India went along with the S-400s from Russia, despite the threat of CAATSA sanctions, must have been welcoming to Putin and brought some reassurance about the endurance of the India-Russia relationship.
- It should be emphasized that “Make in India” also aims at having India emerge as an essential player in the global defense market. India is forecast to spend \$250 billion over the next decade upgrading its military and Russia wants to seize the opportunity to become a major part of this mission, expressing

its readiness to work jointly with India on defense manufacturing. **The boost to defense engagement will also help India contain the growing engagement between Russia and Pakistan.**

- Both countries have rich experience of collaboration in production of military equipment in India such as MiG-21, MiG-27, Sukhoi Su-30MKI, Brahmos, naval ships etc. In fact, the international competition in this segment is **low due to the transfer of technology clauses where Russia is more than ready as compared to other countries** and thus has a natural edge over other country. So, both countries need to tap over this rich legacy of cooperation to iron out differences over such projects.
- Besides, India can also be **a hub for service of Russian built aircrafts and submarines** which are in service with various other countries and also supplying spares to these machines with joint venture projects in India.

ECONOMIC TIES

- **One of the biggest handicaps in bilateral ties is the limited and stagnant trade** between the two countries. Despite being close partners for decades, the underdeveloped economic ties are a stark contrast.
- As per Indian figures, bilateral trade during 2020-2021 amounted USD 8.1 billion. Indian exports amounted USD 2.6 billion while imports from Russia amounted USD 5.48 billion.
- Major items of import from Russia include pearls, precious and semi-precious stones & metals, nuclear power equipment, electrical machinery and equipment, mineral oil & products, iron &steels, and optical, precision and surgical equipment.
- Clearly, for India and Russia, the challenge is to shift from largely defence oriented ties to promoting greater economic and trade partnership for long term interests. Making economic partnership as strong a pillar as other pillars of the strategic partnership between India and Russia is a key priority for the two governments. This is clear by **the revised targets of increasing bilateral investment to US \$ 50 billion and bilateral trade to US \$ 30 billion by 2025.**
- Both the Governments have undertaken initiatives to promote bilateral investments, primarily through facilitating high-level Government to business and Business to Business contacts apart from the ongoing investment process in strategic sectors in both the countries.
- Some of the other major investments by Indian companies include
 - ✓ ONGC Videsh Ltd. in Sakhalin-I Project (US \$ 2.2 bn);
 - ✓ Imperial Energy (US \$ 2.1 bn);
 - ✓ Commercial Bank of India Ltd. (JV of SBI and Canara Bank);
 - ✓ ICICI Bank in its subsidiary ICICI Bank Eurasia;
 - ✓ KGK Group (US \$ 50 mn);
 - ✓ Advance Pharma (1.5 bn Ru). 24.

- **Hydrocarbons is an active area for exploring cooperation between the two countries.** Russia is the largest investment destination for the Indian oil and gas companies and Indian public sector companies have made investments in Russia of about \$16 billion, including in the Far East and East Siberia, in oil and gas assets such as Sakhalin-1, Vankor and Taas-Yuryakh.
- Russia is also the largest investor in India's oil and gas sector. Russian company Rosneft acquired ESSAR's Vadinar refinery in India by concluding a deal in 2017. This deal was USD 12.9 billion, is **one of the biggest Russian investments in India in recent times**. Other major investments from Russia in India are by
 - ✓ AFK Sistema in Sistema Shyam Telelink Services;
 - ✓ planned India- Russia JV for production of titanium products in Odisha;
 - ✓ branches by VTB and Sber bank;
 - ✓ Joint 11 Ventures automotive company between Russian KamazInc and Vectra Group
- Fearing international isolation over Ukraine war, Russia has tried to expand its energy ties with India **by offering oil at a discounted price. Russia rose to become India's third biggest supplier of oil** in recent months after Iraq and Saudi Arabia. India has taken advantage of discounted prices to increase oil imports from Russia at a time when global energy prices have been rising. **Russian oil accounted for about 16% for India's overall imports in April-August, the first five months of this fiscal year, compared to a year earlier at 0.5% share. India has also become Russia's No. 2 oil buyer after China** as others have cut purchases following Moscow's invasion of Ukraine in late February.
- Russia is also the largest supplier of di-ammonium phosphate (DAP) fertilizer to India. **Supplies of fertilisers from Russia to India increased by more than eight times in recent times.** The main reason why India has bought huge consignment of the fertilizer from Russia is the cost advantage. Since Russia's war with Ukraine has invited western sanctions, the country has been compelled to find newer markets for its produce. The landing price of Russian DAP in India is said to much below the prices charged by countries like Jordan, Morocco, China and Saudi Arabia.
- India is also contemplating a Free Trade Agreement **with the Eurasian Economic Union.** The Eurasian Economic Union is one of the important emerging economic blocks, and India is keen to engage more closely with Russia and the CIS countries to further intensify our trade and economic cooperation with this region. The EAEU is a free trade agreement that came into being in 2015 to increase economic cooperation and raise the standard of living of its member countries, including Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan.

The Eastern Economic Forum was established in 2015. The primary objective of the EEF is to increase the Foreign Direct Investments in the Russian Far East (RFE). The Russian Far East comprises the Russian part of the Far East, the easternmost territory of Russia, between Lake Baikal in Eastern Siberia and the Pacific Ocean. The region encompasses one-third of Russia's territory and is rich with natural resources such as fish, oil, natural gas, wood, diamonds and other minerals. The sparse population living in the region is another factor for encouraging people to move and work in the Far East.



The RFE is geographically placed at a strategic location; acting as a gateway into Asia as well as the Arctic region. In the last seven years, more than 16 countries have invested in the Far East. These include regional and global heavyweights like China, Japan, South Korea, Australia, New Zealand, and Vietnam.

China is the biggest investor in the region as it sees potential in promoting the Chinese Belt and Road Initiative and the Polar Sea Route in the RFE. China's investments in the region account for 90% of the total investments. As of 2022, almost 2,729 investment projects are being planned in the region. The agreements focus on infrastructure, transportation projects, mineral excavations, construction, industry and agriculture.

ACT FAR EAST POLICY OF INDIA

India seeks to expand its influence in the RFE. At plenary session of the 5th Eastern Economic Forum (EEF) in Vladivostok in 2019, Indian Prime Minister Narendra Modi unveiled the ‘Act Far East’ policy for Russia. **He became the first Indian prime minister to visit the Russian Far East Region.** It is an extension to India’s Act East policy, Act East Plus- as it includes Russia’s Far East. **This policy is an important part of India’s Special and Privileged Strategic Partnership with Russia.**

There are several **strategic implications of Act Far East Policy-**

- ✓ It will open up investment opportunities for India in the region. India is keen to **deepen its cooperation in energy, pharmaceuticals, maritime connectivity, healthcare, tourism, the diamond industry and the Arctic.** Through the EEF, India aims to establish a strong inter-state interaction with Russia.
- ✓ **India has a talented and dedicated workforce, while the Far East is rich in resources.** So, there is tremendous scope for Indian talent to contribute to the development of the Russian Far East.
- ✓ Along with a boost in the maritime trade with the Russians, this policy would also facilitate India to grow its **maritime trade with other European countries via the Arctic route.**
- ✓ It can **reduce India’s dependency on the West Asian countries** for its energy needs. The Far East region is rich in energy and minerals.
- ✓ Along with this region, this policy will also help India to access the Arctic region via the Far East route, which is again rich in energy resources.
- ✓ The policy will be significant for Russia as well. There has been an increasing presence of China in the Far East region. Russia is also worried about the demographic change. With this policy, **Russia will get an opportunity to diversify its trade relations not only with India but also with Japan.**
- ✓ **The Indian government is also keen for coordination with Japan and South Korea for developing infrastructure and bringing investments in Russian Far East.**
- ✓ With the increasing significance of the Indo-Pacific geopolitics, **the interest that India is showing in keeping its historical friend close** will prove to be of significant for the two countries at the time of the ongoing U.S.-China trade war.

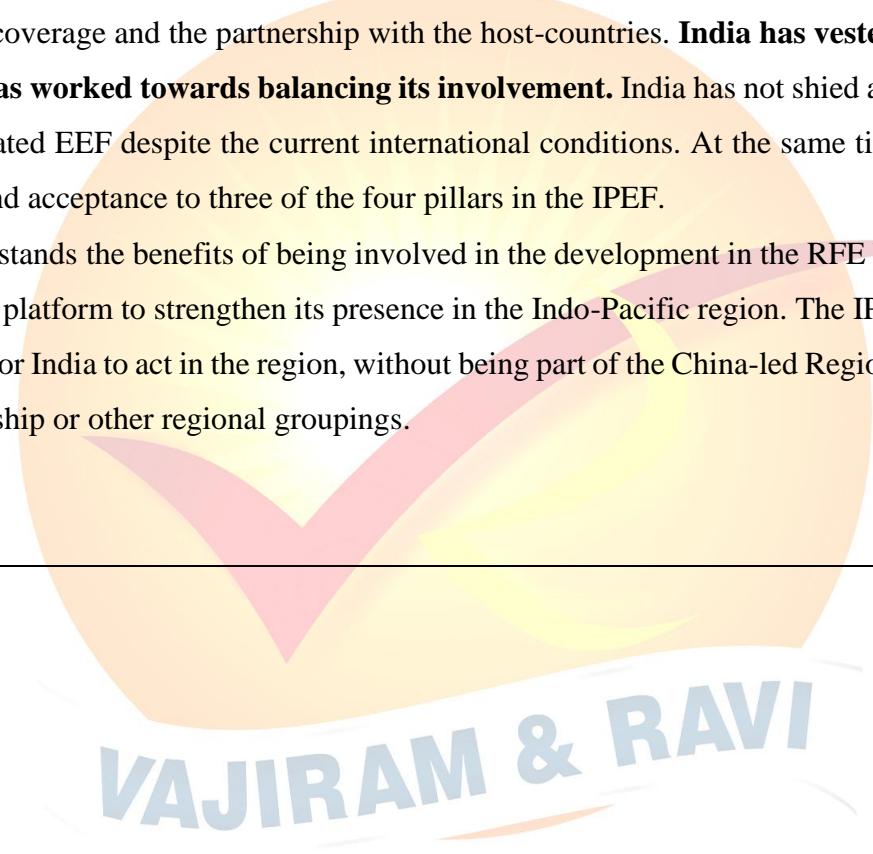
At this session, PM Modi also announced that **India would extend a \$1 billion line of credit towards the development of the Russian Far East.** The two countries are also looking at the **feasibility of Chennai-**

Vladivostok Sea route that would allow India access to Russia's Far East in 24 days, compared to the 40 days taken by the current route via Suez Canal and Europe.

In his virtual address to **7th Eastern Economic Forum (EEF) Summit in Vladivostok on September 5 2022**, Prime Minister Narendra Modi said that the friendship between India and Russia has stood the test of time. It was seen in their robust cooperation during the Covid-19 pandemic, including in the area of vaccines. **PM Modi also pointed out that energy is another major pillar of the strategic partnership between the two countries. He also remarked that Vladivostok is truly a *sangam* (confluence) of Eurasia and the Pacific.**

The U.S.-led Indo-Pacific Economic Framework for Prosperity (IPEF) and the EEF are incomparable based on its geographic coverage and the partnership with the host-countries. **India has vested interests in both the forums and has worked towards balancing its involvement.** India has not shied away from investing in the Russia-initiated EEF despite the current international conditions. At the same time, India has given its confirmation and acceptance to three of the four pillars in the IPEF.

The country understands the benefits of being involved in the development in the RFE but it also perceives the IPEF as a vital platform to strengthen its presence in the Indo-Pacific region. The IPEF also presents an ideal opportunity for India to act in the region, without being part of the China-led Regional Comprehensive Economic Partnership or other regional groupings.



VAJIRAM & RAVI

BY SUSHANT VERMA

INDIA-SRI LANKA RELATION

- The relationship between India and Sri Lanka is more than 2,500 years old. Both countries have a legacy of intellectual, cultural, religious and linguistic interaction. Both were historically parts of British India and member countries of NAM. Presence of a significant Tamil ethnic group in Sri Lanka further deepens the relations.
- In recent years, the relationship has been marked by close contacts at all levels. Trade and investment have grown and there is cooperation in the fields of development, education, culture and defence. Both countries share a broad understanding on major issues of international interest. In recent years, significant progress in implementation of developmental assistance projects for Internally Displaced Persons (IDPs) and disadvantaged sections of the population in Sri Lanka has helped further cement the bonds of friendship between the two countries.
- The nearly three-decade long armed conflict between Sri Lankan forces and the LTTE came to an end in May 2009. During the course of the conflict, India supported the right of the Government of Sri Lanka to act against terrorist forces. At the same time, it conveyed its deep concern at the plight of the mostly Tamil civilian population, emphasizing that their rights and welfare should not get enmeshed in hostilities against the LTTE.
- The need for national reconciliation through a political settlement of the ethnic issue has been reiterated by India at the highest levels. India's consistent position is in favour of a negotiated political settlement, which is acceptable to all communities within the framework of a united Sri Lanka and which is consistent with democracy, pluralism and respect for human rights.

Importance of Sri Lanka

- **Sri Lanka has a very strategic geographic position in Indian Ocean Region and Bay of Bengal; making it significant for India geopolitically.** It sits at the epicenter of the arc connecting the Persian Gulf to the Strait of Malacca. An island nation with an economy that's mainly reliant on tourism and tea exports, Sri Lanka's blessed geography puts it at a crucial juncture of the busy shipping lanes of the Indian Ocean.
- India also has a vital strategic stake in Sri Lanka for its own **security interests**. An unfriendly Sri Lanka or a Sri Lanka under influence of a power unfriendly to India would strategically discomfit India.

- Sri Lanka sits squarely in **the middle of the theatre where Russia and China seek to challenge U.S. global strategy**, and in 2009 Sri Lanka was invited by China and Russia to attend the Shanghai Co-Operation Council as a dialogue partner.
- **Economically**, Sri Lanka provides a plethora of opportunity for increased engagement efforts as well. The infrastructural developments in Sri Lanka over the past decade have significantly increased the commercial capacity of the country.
- **Significance at Multilateral Forms:** Sri Lanka is already using the increased commercial capacity to seek economic partnerships with the emerging economic power base known as the BRIC (Brazil, Russia, India, and China), and is poised to become their regional hub.

Political Relations

- Political relations between the two countries have been marked by high-level exchanges of visits at regular intervals. Prime Minister Shri. Narendra Modi hosted a Virtual Bilateral Summit (VBS) with Sri Lankan Prime Minister H.E. Mahinda Rajapaksa on 26 September 2020, also attended by senior Ministers/officials from both sides. This was the first such engagement by Prime Minister H.E Mahinda Rajapaksa after the Parliamentary elections of August 2020 and also the first VBS held by Indian Prime Minister with a neighboring country.
- A USD 15 million grant from India for promotion of bilateral Buddhist ties and an inaugural international flight carrying Sri Lankan pilgrims to the sacred city of Kushinagar, after Kushinagar's recent designation as international airport, were announced at the VBS. A joint statement covering all areas of bilateral cooperation, titled '**Mitratva Maga**' was issued following the Virtual Summit.
- Earlier Sri Lankan President Gotabaya Rajapaksa visited India from 28-30 November 2019 in the first overseas trip as President and held bilateral discussions with Indian leadership. H.E Mahinda Rajapaksa paid a State Visit to India from 7 – 11 February 2020 as his first overseas trip after assumption of Office.

Civil War in Sri Lanka

Indo-Sri Lanka Peace Accord of 1987

- Indian intervention in Sri Lankan civil war became inevitable as that civil war threatened India's unity, national interest and territorial integrity.
- The accord was **expected to resolve the Sri Lankan Civil War** by enabling the **thirteenth Amendment to the Constitution** of Sri Lanka and the Provincial Councils Act of 1987. Under the terms of the agreement, Colombo agreed to *devolution of power to the provinces, the Sri Lankan troops were to be withdrawn to their barracks in the north and the Tamil rebels were to surrender their arms.*

- India agreed to **end support** for the Tamil separatist movement and **recognise the unity of Sri Lanka** **and** also promised not to allow its territory to be used by Tamil militants. The Indo-Sri Lanka Accord also underlined the **commitment of Indian military assistance** - Indian Peace Keeping Force came to be inducted into Sri Lanka. The LTTE later refused to disarm. Because of this changing stance, the Indian Peace Keeping Force engaged the LTTE in a series of battles even though the original intention was of **IPKF was not be involved in large scale military operations**. The IPKF began **withdrawing in 1989**, and completed the withdrawal in **1990**.
- The Accord acknowledged in a formal sense that Sri Lanka was a **multi-ethnic, multi-lingual** and **multi- religious plural society** and recognized that each ethnic group had a **distinct cultural** and **linguistic identity** that had to be carefully nurtured. There was a provision for merger of the northern and eastern provinces into one administrative unit with an elected Provincial Council, one Governor, one Chief Minister and a Board of Ministers.

13th Amendment in the Constitution of Sri Lanka

On 29th July 1987, Indo-Sri Lanka Accord was signed. In pursuant to that, the Sri Lankan Parliament passed the Thirteenth Amendment to the constitution on 14th Nov' 1987 with the objective of creating provincial councils based on the provisions of the Indo-Sri Lanka Accord.

In this regard, certain Articles of the 1978 Constitution were amended and Chapter XVII A consisting of Article 154A to 154T and Eighth and Ninth schedule were added by the Thirteenth Amendment. The Thirteenth Amendment to the Constitution provides for:

- The establishment of Provincial Councils
- The appointment and powers of the Governor of Provinces
- Membership and tenure of Provincial Councils
- The appointment and powers of the Board of Ministers
- The legislative powers of the Provincial Councils
- Alternative arrangements where there is a failure in the administrative machinery
- The establishment of the Finance Commission.
- Tamil as an official language
- English as a link language
- The establishment of the High Court of the Province
- Elections to the three provinces – Northern, Central and North Western Provinces held

However, there are practical problems in devolving land, police and financial powers to the provinces and the Government has stressed that the structure that is implemented should be acceptable to all parts of the country. Over the time, Sri Lankan government had indicated that there are no plans to devolve the police

powers to the Northern Provincial Council. The recent Supreme Court verdict - land is essentially a federal subject.

After the defeat of the LTTE, Sri Lankan President Mahinda Rajapaksa had given assurance to India as well as the international community that the government would go beyond the Thirteenth Amendment to devolve substantial powers to the Tamil majority areas under '13th Amendment Plus. However, President Rajapaksa never made it clear what exactly he meant by '13th Amendment Plus.'

India has voiced concern over the lack of measurable progress by Sri Lanka on its commitment of a political solution to the ethnic issue through full implementation of the 13th Amendment.

UNHRC Resolution

Since 2009, India has voted thrice in favour of the U.N. resolution on Sri Lanka — two were critical — and abstained twice, in 2014 and 2021. Irrespective of its vote, India has consistently emphasised the need for a political settlement within the framework of a united Sri Lanka, ensuring justice, peace, equality and dignity for the Tamils of Sri Lanka.

India abstained on a draft resolution in the UN Human Rights Council in Geneva in September 2022 on promoting reconciliation, accountability and human rights in Sri Lanka. Due to its long-held position, India does not vote in favour of a country-specific UN resolution. Also voting against Sri Lanka would have pushed the Island country more towards China. It urged the Sri Lankan government to deliver on commitments towards the Tamil minority. India highlighted that its two fundamental considerations remain:

- support to Lankan Tamils for justice, dignity & peace;
- Unity, stability & territorial integrity of Sri Lanka.

Why Sri Lanka Faces the Heat Of UNHRC?

Over 13 years since the end of Sri Lanka's civil war, survivors continue demanding justice and accountability for war-time crimes. It is claimed that during Sri Lankan civil war, tens of thousands of civilians were killed and disappeared. In the post-war years, concerns were raised over persisting militarisation, especially in the Tamil-majority north and east; repression, and the shrinking space for dissent.

In latest report on Sri Lanka, the U.N. Human Rights Chief said that "embedded impunity for past and present human rights abuses, economic crimes and corruption was among the underlying factors that led to the country's devastating economic crisis".

It is the first time that a UNHRC resolution on Sri Lanka calls for accountability for violation of human rights due to corruption and economic crisis. However, it urged the government in Colombo to deliver on commitments towards the Tamil minority. It also observed that Sri Lanka's progress in implementing

commitments on the 13th Amendment, meaningful devolution, and early provincial elections remains inadequate.

ECONOMIC CRISIS IN SRI LANKA

- Sri Lanka is facing the double whammy of rising prices and high debt, and its people are bearing the brunt of it as the domestic situation turns increasingly grim. In September 2021, Sri Lanka declared a state of Economic Emergency for the Supply of Essential Foods. It allowed the government to take control of the supply of basic food items, and set prices to control rising inflation, which spiked to 14.2% in January 2022.
- The country is struggling under a severe foreign exchange shortage that has limited essential imports of fuel, food and medicine. As a result, Sri Lanka has plunged into the worst economic crisis since independence in 1948.

Factors Responsible for Economic Crisis of Sri Lanka

- **Impact of Covid-19 Pandemic-**
 - ✓ Tourism industry which represents over 10% of the country's GDP and brings foreign exchange reserve was severely hit. It also led to production shortages and logistical bottlenecks.
 - ✓ Thousands of Sri Lankan laborers in West Asian countries were left stranded and returned jobless. Due to shut-down, Garment factories and tea estates could not function, as infections raged in clusters. This led to domestic job losses where thousands of youth lost their jobs in cities as establishments abruptly sacked them or shut down.
- **Increase in foreign exchange rate-**
 - ✓ Forex decline meant that all key foreign exchange earning sectors, such as exports and remittances, along with tourism, were brutally hit.
 - ✓ With the supply of foreign exchange drying up, the value of the Sri Lankan rupee started depreciating which made the imports costlier. The island nation imports a large part of its food supplies. So, the price of food items has risen in tandem with the depreciating rupee.
- **Policy failures of the Lankan govt-**
 - ✓ The lack of a comprehensive strategy to respond to the crisis aggravated the crisis.
 - ✓ **Push for Organic Agri-Products-** Sri Lanka wants to become the first country in the world with an agriculture sector that is 100% organic. Govt has banned the use of chemical fertilisers in farming. This has further aggravated the crisis by dampening agricultural production.

- **Role of Speculators**- the government imposed wide import restrictions to save dollars which in turn led to consequent market irregularities and reported hoarding.Speculators are causing rise in food prices by hoarding essential supplies.

Support Extended by India

- As first responder, **India's recent economic aid stands at USD 3.5 billion**. India sent a shipment of 11,000 MT of rice ahead of the New Year celebration by the people of Sri Lanka.
- In March 2022, India extended a \$1 billion credit facility to Sri Lanka, which will ensure that the government can procure food, medicines, and other essential commodities.
- This was following a previous \$500 million line of credit in February 2022 to help it purchase petroleum products. In addition to this, India has already supplied 2,70,000 MT fuel to Sri Lanka.
- In November 2021, India had given 100 tonnes of nano nitrogen liquid fertilizers to Sri Lanka.
- RBI has extended a currency swap of \$400 million and deferred payments owed by the central bank of Sri Lanka worth several hundred million dollars. RBI has announced that all eligible current account transactions including trade transactions with Sri Lanka may be settled in any permitted currency outside the Asian Clearing Union (ACU) mechanism. Earlier in May 2022, RBI allowed trade with Sri Lanka to be settled in rupees outside the ACU mechanism. It will help Sri Lanka in saving its depleting foreign exchange reserves which stood at a mere \$1.89 billion at the end of May 2022.

Commercial Relations

- India and Sri Lanka enjoy a vibrant and growing economic and commercial partnership, which has witnessed considerable expansion over the years. The entry into force of the India-Sri Lanka Free Trade Agreement (ISFTA) in 2000 contributed significantly towards the expansion of trade between the two countries. Economic ties between the two nations also include a flourishing development partnership that encompasses areas such as infrastructure, connectivity, transportation, housing, health, livelihood and rehabilitation, education, and industrial development
- India has traditionally been among Sri Lanka's largest trade partners and Sri Lanka remains among the largest trade partners of India in the SAARC. In 2020, India was Sri Lanka's 2nd largest trading partner with the bilateral merchandise trade amounting to about USD \$ 3.6 billion. Sri Lankan exports to India have increased substantially since 2000 when ISLFTA came into force and more than 60% of Sri Lanka's total exports to India over the past few years have used the ISFTA benefits. Interestingly, only about 5% of India's total exports to Sri Lanka in the past few years have used the ISFTA provisions, thereby indicating their overall competitiveness in the Sri Lankan market.
- In addition to being Sri Lanka's largest trade partner, India is also one of the largest contributors to Foreign Direct Investment in Sri Lanka. A number of leading companies from India have invested and

established their presence in Sri Lanka. According to BoI, FDI from India amounted to about US\$ 1.7 billion during the period 2005 to 2019. The main investments from India are in the areas of petroleum retail, tourism & hotel, manufacturing, real estate, telecommunication, banking and financial services. Similarly, investments by Sri Lankan companies in India are also surging and taking advantage of India's dynamic economy and wider market. Significant examples include Brandix (about USD 1 billion to set up a garment city in Visakhapatnam), MAS holdings, Damro, LTL Holdings, and other investments in the freight servicing and logistics sector.

- Sri Lanka recently allowed India to jointly develop the **Trincomalee port** (oil tanks farm) in north-eastern part of the country. India has also bid to lease and manage the **Mattala airport** in Hambantota.
- **East Container Terminal at the Colombo Port** – In May 2019, **Sri Lanka, Japan and India** signed an agreement to jointly develop the East Container Terminal at the Colombo Port. However in February, 2021 Sri Lanka backed out from a tripartite partnership with India and Japan for its East Container Terminal Project at the Colombo Port, citing domestic issues. But later, the West Coast Terminal was offered under a public private partnership arrangement to Adani Ports and Special Economic Zones Ltd.
- India and Sri Lanka signed a **civilian nuclear energy deal in 2015**. The agreement aims at cooperation to explore nuclear energy for peaceful purposes.

Development Cooperation

- Sri Lanka is one of India's major development partners and this partnership has been an important pillar of bilateral ties between the two countries over the years. With grants alone amounting to around USD 570 million, **the overall commitment by GOI is to the tune of more than USD 3.5 billion**. Demand driven and people-centric nature of India's development partnership with Sri Lanka have been the cornerstone of this relationship. Grant projects cut across sectors such as education, health, livelihood, housing, industrial development etc.
- **The Indian Housing Project**, with an initial commitment to build 50,000 houses in war affected areas and estate workers in the plantation areas, is Government of India (GoI)'s flagship grant project in Sri Lanka. Overall commitment of INR 1372 crores makes it also one of the largest projects undertaken by GoI abroad. As on date, close to 49,300 houses spread across different provinces such as Northern, Eastern, Central etc have already been completed. During the visit of Prime Minister Shri Narendra Modi to Sri Lanka in May 2017, he announced that an additional 10,000 houses would be constructed in plantation areas at a total cost of INR 453 crore. There are also four smaller housing programmes for constructing 2400 houses across Sri Lanka. Overall, India has so far committed to construct close to 62,500 houses in Sri Lanka.

- The country-wide 1990 **Emergency Ambulance Service** is another flagship project. The Service which was initially launched in July 2016 in Western and Southern Provinces of Sri Lanka was later expanded to all the Provinces in the next phase. Launch of the second phase was held on 21 July 2018 in Jaffna wherein Prime Minister Narendra Modi joined the then Prime of Sri Lanka Ranil Wickremesinghe virtually from New Delhi. At a total cost of more than USD 22.5 million, close to 300 ambulances were provided by GOI under this project.
- Some of other notable grant projects which have been completed are the
 - ✓ 150- bed Dickoya hospital,
 - ✓ livelihood assistance to nearly 70,000 people from fishing and farming community in Hambantota,
 - ✓ supply of medical equipment to Vavuniya Hospital and 150 Boats and Fishing gear for Mullaithivu fishermen.
 - ✓ A modern 1500 - seat auditorium named after Rabindranath Tagore in Ruhuna University, Matara, is the largest in any University in Sri Lanka.
- There are another 20 ongoing grant projects across diverse spheres. This includes
 - ✓ the iconic Jaffna Cultural Center,
 - ✓ construction of 153 houses and infrastructure facilities in ShobithaThero Village in Anuradhapura;
 - ✓ Upgradation of Saraswathy Central College in Pusselawa, Kandy;
 - ✓ Construction of 600 houses under Model Village Housing Project in 25 districts of Sri Lanka;
 - ✓ 5000 MT temperature-controlled warehouse in Dambulla;
 - ✓ Kandian Dancing School at Pallekelle
 - ✓ DaladaMaligawa Cultural Heritage project, Kandy;
 - ✓ 144 transit housing units in Madhu Shrine, Mannar etc.
- 11 Lines of credit (LOC) have been extended to Sri Lanka by the Export Import Bank of India in the last 15 years. Important sectors in which Projects have been executed/ are under execution, under these LOCs include: Railway, transport, connectivity, defence, solar. Some important Projects completed are:
 - ✓ supply of defence equipments;
 - ✓ upgradation of railway line from Colombo to Matara;
 - ✓ track laying by IRCON on Omanthai-Pallai sector,
 - ✓ Madhu Church Tallaimannar, Madawachchiya-Madhu Railway line;
 - ✓ reconstruction of the Pallai-Kankesanthurai Railway line;
 - ✓ signalling and telecommunication system;
 - ✓ supply of engine kits for buses, diesel locomotives railways, DMUs, Carrier and fuel tank wagons etc.

- During President Gotabaya Rajapaksa's visit in November 2019, a LOC of USD 400 million for development and infrastructure projects and USD 50 million for security and counter terrorism were announced. These LOC Agreements are currently under discussion between the two sides.
- India now offers about 710 scholarship slots annually to Sri Lankan students. In addition, under the **Indian Technical and Economic Cooperation (ITEC) Program**, India offers 402 fully-funded slots every year to officials in various Ministries of Government of Sri Lanka and also to other eligible citizens for short term training programs in a wide variety of technical and professional disciplines to enhance skill sets. Indian institutes under 'Study in India' Program provide technical expertise across a diverse range of courses, and include programs in niche disciplines such as Ayurveda, Yoga, and Buddhist Studies. From the academic session 2017-18, Sri Lankan students can also appear for National Eligibility cum Entrance Test (NEET) in centers in India for MBBS/BDS admissions. IIT JEE (Advanced) entrance examinations have commenced in Sri Lanka from 2017.

Cultural relations

- India and Sri Lanka have a shared legacy of historical, cultural, religious, spiritual and linguistic ties that is more than 2,500 years old. In contemporary times, the Cultural Cooperation Agreement signed by the Government of India and the Government of Sri Lanka on 29 November, 1977 at New Delhi forms the basis for periodic Cultural Exchange Programmes between the two countries.
- **Buddhism is one of the strongest pillars connecting the two nations and civilizations** from the time when the Great Indian Emperor Ashoka sent his children ArhatMahinda and Therisangamitta to spread the teachings of Lord Buddha at the request of King Devanampiyatissa of Sri Lanka.
- Underlining the deep people-to-people connect and shared Buddhist heritage between India and Sri Lanka, the venerated relics of Lord Buddha from Kapilawasthu discovered in 1970 in India have been exhibited two times in Sri Lanka. The first time was in 1978 when they were brought to Sri Lanka and drew crowds of nearly 10 million people. In 2012, at the request of the then Sri Lankan President, H.E Mahinda Rajapaska, the relics once again travelled from India to Sri Lanka to commemorate the 2600th anniversary of the Enlightenment of the Buddha. The venerated relics from the Waskaduve Vihara have also been exhibited in India in October 2015 to celebrate the 60th anniversary of Dr Ambedkar, the architect of the Indian Constitution, embracing Buddhism along with 500,000 followers, where over 8 million people came to see the relics and paid homage.
- Prime Minister Shri Narendra Modi during the Virtual Bilateral Summit held between India and Sri Lanka on 26 September 2020, announced a USD 15 million grant assistance for protection and promotion of Buddhist ties between India and Sri Lanka. This is a first of its kind grant announcement by India which may be utilised for construction/renovation of Buddhist monasteries, education of young monks, strengthening engagement of Buddhist scholars and clergy, development of Buddhist heritage

museums, cultural exchanges, archaeological cooperation, and reciprocal exposition of The Buddha's relics. In July 2020, the Government of India declared **the Kushinagar Airport in India**, the place of Lord Buddha's Mahaparinibbana, as an international airport, to allow Buddhist pilgrims from around the world to visit the revered site associated with Lord Buddha with ease.

- **The Swami Vivekananda Cultural Centre (SVCC)**, the cultural arm of the High Commission of India, Colombo, has been playing a key role in strengthening these ties and promoting people-to-people contacts between India and Sri Lanka since its inception in 1998. SVCC actively promotes awareness of Indian culture by offering classes in Bharatnatyam, Kathak, Hindustani and Carnatic vocal, Violin, Sitar, Tabla, Hindi and Yoga.

MAJOR IRRITANTS

Fishermen issue

- Both Indian and Sri Lankan fishermen have been fishing in the Palk Bay for centuries. Problem emerged only after the maritime agreement was signed by India and Sri Lanka in 1976. In 1976, through exchange of letters, both India and Sri Lanka agreed not to engage in fishing activities into each other's waters.
- Given the proximity of the territorial waters of both countries, especially in the Palk Straits and the Gulf of Mannar, incidents of straying of fishermen are common. There is absence of value fish in Indian waters, whereas the Sri Lankan side of the Palk Bay is rich in marine resources. Though there are plenty of resources available on the offshore areas of the Indian waters, but due to lack of deep-sea fishing capability Indian fishermen prefer to fish in the Palk Bay.
- Sri Lankan Tamil fishermen from the country's northern province could not freely fish during the last three years of the Fourth Ealam War (2006-09) because the Sri Lankan Navy had imposed security restrictions, particularly on night fishing. It was during this period that the area of activities of the Indian fishermen is alleged to have increased.
- There are, at present, nearly 1,900 Indian trawlers fishing in the Palk Bay within the Indian maritime zone (some venture beyond into the Sri Lankan zone). This is against less than half the number of Sri Lankan fishing boats normally operating in the area, and generally confined to the Sri Lankan side.
- The Indians mostly fish at night for shrimp, with the trawlers originating from coastal Tamilnadu. Moreover, their use of gill nets and synthetic nets has caused severe damage to the ordinary nets of Sri Lankan fishermen. Besides Indian fishermen use trawlers which are considered harmful for marine

ecology and are also banned in Sri Lanka. The Sri Lankan fishermen refused to have any kind of understanding with the Indian fishermen until and unless bottom trawling is completely stopped.

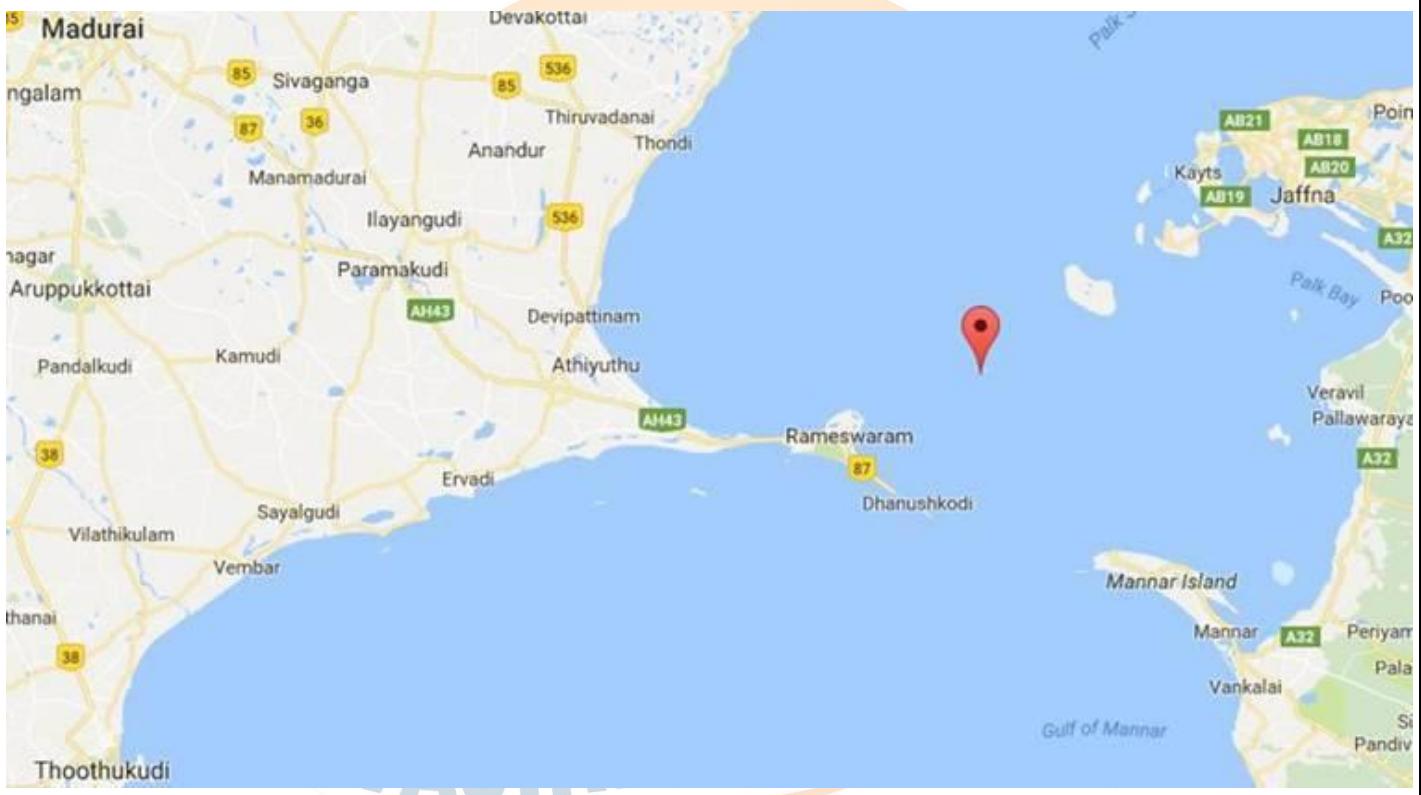
- Both countries have agreed on certain practical arrangements to deal with the issue of bona fide fishermen of either side inadvertently crossing the International Maritime Boundary Line. Through these arrangements, it has been possible to deal with the issue of detention of fishermen in a humane manner.
- India and Sri Lanka have agreed to set up a Joint Working Group (JWG) on Fisheries between the Ministry of Agriculture and Farmers Welfare of India and Ministry of Fisheries and Aquatic Resources Development of Sri Lanka as the mechanism to help find a permanent solution to the fishermen issue.
- Several meetings at Ministerial level have been held. The delegation from both sides deliberated on the fisheries issue including co-operation on patrolling, setting up of a Hotline between two Coast Guards, introduction of effective tracking systems for fishing vessels, release of Indian boats in Sri Lankan custody, SOPs for release and handing over of arrested fishermen and measures to phase out bottom trawling in Palk Bay. Another instrument to encourage an amicable solution has been fishermen association level talks, overseen by both Governments.
- The Tamil Nadu Government has reportedly sanctioned Rs. 52 crore for improving deep sea fishing capability and has sought additional deep sea fishing package from the Central Government. India has asked Sri Lanka to deal with the issue in a humane manner.
- India has also requested Sri Lanka to refrain from firing at the Indian fishing vessels or killing the fishermen. The issue has been discussed by the leaders of the two countries at every high-level meeting.
- Both countries can work out together to evolve agreement to permit licensed Indian fishermen to fish in Lankan waters. **Establishing a Joint Palk Bay Authority** comprising representatives of the governments of India and Sri Lanka, fisheries and marine experts and fishermen of both the countries to regulate fishing activity in the Bay. Start **joint-venture initiatives** involving Indian and Sri Lankan fishermen in deep sea fishing by introducing **multiday boats** and giant fishing and **fish-processing vessels** in **international waters**. It will act as a boost for the deteriorated relations.

The Kacchativu Dispute

- A territorial dispute arose in regard to the ownership of a one square mile uninhabited island, called Kacchathivu, off the Jaffna coast in the Palk straits. Kachchatheevu, a ‘barren island’ lies about 15 km from Rameswaram and 20 km north of Neduntivu off Jaffna peninsula and is just 1.5 km from the International Boundary Line in Sri Lankan waters.

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- Sri Lanka (then Ceylon) claimed that Kachchatheevu belonged to it because the Portuguese and later the British rulers of Sri Lanka exercised jurisdiction over it from Colombo. India argued that the Island formed part of the land of the Raja of Ramanathapuram.
- Pilgrims from both India and Sri Lanka used to go to Kacchattivu Island every year in the month of March during the four-day St. Anthony's festival for worship at the local Roman Catholic Church. India protested over the presence of Sri Lankan police during the festival in 1968. This caused conflict.
- In 1974, an agreement was signed between India and Sri Lanka. **The 1974 Agreement, while ceding Kachchatheevu to Sri Lanka**, also protects traditional fishing rights enjoyed by Indian fishermen to fish in and around Kachchatheevu. Unfortunately, these traditional rights were given away when the maritime boundary agreement delimiting the Gulf of Mannar and the Bay of Bengal was signed in 1976.



- The fishermen in Tamil Nadu feel, with justification, that the two agreements have struck a death blow to their livelihood. The Island's importance stems from the fact that the sea around it is rich in white and brown prawns and other varieties of fish.
- In 2009, Tamil Nadu Government declared that the area is controlled by Sri Lanka against the original pact of allowing Indian fishermen to access the water of Sri Lanka. This resulted in escalation of tensions. The problem continued to grow and prop in at times whenever fishermen move in to the Sri Lankan sea area. In 2010, the Sri Lankan government issued a notice to the Tamil Nadu government saying the Indian court cannot nullify the 1974 agreement.

- However, in June 2011, the new Tamil Nadu government led by Jayalalithaa filed a petition in Supreme Court seeking the declaration of the 1974 and 1976 agreements as unconstitutional on the ground that cession of Indian territory to another country should be ratified by parliament through amendment of the constitution.
- There was another petition filed by DMK later, on the same issue. The petitions are pending in the Supreme Court of India.

China Factor

- The increasing dependence on China for investment and military aid curtailed Sri Lanka's ability to limit Beijing's influence in its economic and maritime policy. China has been keen to push its economic and infrastructure proposals to the Indian Ocean states.
- The main objective behind is to ensure the **security of its sea lanes**, especially unhindered flow of critically-needed **energy supplies** from Africa and West Asia. Sri Lanka is seen as "an important hub
- India's exports to Sri Lanka rose from \$1.82 billion in 2005 to \$3.32 billion in 2020, whereas **China's went up from \$0.91 billion to \$4.01 billion — surpassing India's exports.**
- **China is Sri Lanka's largest bilateral creditor.** China's loans to the Sri Lankan public sector **amounted to 15% of the central government's external debt**, making China the largest bilateral creditor to the country. Sri Lanka has increasingly relied on Chinese credit to address its foreign debt burden. China is **providing loans** for the development of infrastructure. Some of the important infrastructure projects developed by China in the island state include **Hambantota port**, Colombo Expressway, Coal Power Project, Mattala Airport etc.
- During the decade of 2010-2020, **China has been the largest foreign investor in Sri Lanka. China's investment stands at \$12 billion** between 2006 and 2019. These investments include two controversial projects: the Colombo Port City Project and the investment in Hambantota Port by the China Merchants Port Company. Unable to service its debt, in 2017, Sri Lanka lost the unviable **Hambantota port** to China for a **99-year lease**.
- Sri Lanka passed the Colombo Port City Economic Commission Act, which provides for establishing a special economic zone around the port and also a new economic commission, to be funded by China.
- The Colombo port is crucial for India as it handles 60% of India's trans-shipment cargo.
- Most of the government and private investment by China is in **major infrastructure projects - especially ports and airports.** In December 2020, Sri Lanka announced the first **large-scale Chinese investment in manufacturing** in the country, a \$300-million tyre factory near a strategic deep-sea port. The factory will be **adjacent to the Hambantota port**
- China supplies huge number of **military equipments, arms and ammunitions.**

- China has displaced Japan as Sri Lanka's **major aid donor** with an annual package of \$1 billion. It is the first foreign nation to have an **exclusive economic zone** in Sri Lanka.
- China had **voted in favour of Sri Lanka** in US sponsored UNHRC resolutions.
- Sri Lanka's economic crisis may further push it to align its policies with Beijing's interests.

Steps taken by India

- China's 'string of pearls' strategy is an attempt to expand its influence in South Asia, which is closely watched and monitored by India. China's flagship projects in Sri Lanka are the Hambantota Port Development and the Colombo Port Project, both located at strategic points in global sea trade. Large projects like these make it easier for Beijing to draw Sri Lanka into its 21st Century Maritime Silk Road project - part of the Belt and Road Initiative (BRI). **Chinese presence at this port is also seen by some experts as a Chinese strategy for military presence in the Indian Ocean.**
- In the last couple of years India has focused on countering the growing presence of China in Sri Lanka by developing infrastructure. According to the government of India, Sri Lanka has been one of the major beneficiaries of India's development credit, to the tune of US\$2.6 billion including US\$436 million in grants.
- There are also talks of upgrading the India–Sri Lanka FTA to include a new trade pact called the Economic and Technological Cooperation Agreement (ETCA). The ETCA is proposed to enhance trade in services, investments and technology cooperation with India's five fastest growing southern states - Karnataka, Tamil Nadu, Kerala, Andhra Pradesh and Telangana.

Yuan Wang - 5 incident

The most recent controversy began with the docking of a Chinese research vessel, the Yuan Wang 5, at the strategically significant Hambantota Port in southern Sri Lanka on August 16, 2022.

The Chinese military research vessel was originally supposed to arrive at the Sri Lankan port on August 11 but Sri Lankan officials had not cleared it due to "security concerns raised by India.". China was later granted permission on August 13 2022 "on condition that it will keep the Automatic Identification System (AIS) switched on within the Exclusive Economic Zone (EEZ) of Sri Lanka and no scientific research to be conducted in Sri Lankan waters.

The nature of the Chinese vessel added to the controversy, with China stating that it is a research vessel on scientific missions, whereas the U.S. Department of Defense said that the ship is "under the command" of the People's Liberation Army, with capabilities to track satellites and missile launches. **India suspects that its spaceport in Sriharikota, its missile test range in Odisha, as well as several other sensitive facilities are within the tracking range of Yuan Wang 5. It has also been noted that the ship could also be used to survey the ocean which would help the Chinese in planning submarine operations in the region.**

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The docking of the ship is being seen in the context of China's security challenges to India and its neighbourhood and the competition and challenges it brings to the broader Indo-Pacific region. India considers South Asia its strategic backyard where China has made considerable inroads. Therefore, its continued and increasing presence in the region challenges India's clout in the region. This is why the presence of a potentially espionage vessel in the immediate neighbourhood is a concern to India.

In view of strategic experts **this episode is being seen as an embarrassment of India** as Sri Lanka violated Indian concerns and sensitivities despite India being its biggest backer in its worst economic crisis. India's clout in the country is still not as much as that of China. This is why Chinese pressure to allow the ship's visit prevailed over the Indian prodding to not allow it. Moreover, it has also been reported that China's international clout also outdid India. Sri Lanka is looking for a bailout from the International Monetary Fund (IMF) and China reportedly threatened it if ship was not allowed.

There is also **the possibility of Sri Lanka playing the "China Card"** and balancing the two regional powers — India and China. Countries such as Sri Lanka and Nepal have often used the prospect of getting closer with China —India's principal rival— to level up their place in their dealings with India.

Chinese Ambassador in Sri Lanka Qi Zhenhong, in an article published in the Sri Lanka Guardian, attacked India for Sri Lanka's initial rejection of the Chinese request to dock the ship in Hambantota and linked it with Nancy Pelosi's recent visit to Taiwan. The Indian High Commission in Sri Lanka criticized remarks of Chinese Ambassador as a violation of basic diplomatic etiquette which may be a personal trait or reflecting a larger national attitude of China.

President of Sri Lanka declared that his country does not want to be boxing ground for any rival powers.

Trincomalee Oil Farm Project

During the Second World War, the British built the Trincomalee oil tank farms. These oil tank farms were to serve as a refueling station and it was adjacent to the Trincomalee port, an enviable natural harbour.



The nearly century-old oil tanks need to be refurbished — at the cost of millions of dollars — if they are to be fit for use again. The oil facility is located in ‘China Bay’. It has 99 storage tanks with a capacity of 12,000 kilolitres each, spread across the Upper Tank Farm and the Lower Tank Farm.

India’s engagement with Sri Lanka for development of this oil tank storage farm project dates back to India-Sri Lanka Accord of 1987 (popularly referred as Rajiv-Jayewardene Accord). The accord stated that the work of refurbishing tank farm located in north-eastern province of Trincomalee would be undertaken jointly by the two countries.

Sri Lanka recently allowed India to jointly develop the Trincomalee port (oil tanks farm) in north-eastern part of the country. This project has gained significant importance due to increasing **presence of China** in the region. Trincomalee is an important counterbalance to the **southern Hambantota Port backed by China**.

Conclusion

- India needs to invest some political capital in resolving problems such as the long-standing dispute over fisheries. Beyond its objection to China’s BRI projects, Delhi, either alone or in partnership with like-minded countries like Japan, should offer sustainable terms for infrastructure development. New Delhi also needs to contribute more to the development of Colombo’s defence and counter-terror capabilities.
- If the new government in Colombo can advance reconciliation with the Tamil minority, it will be easier for India to strengthen ties with Ranil Government.

International Relations Handout-6 by Mr. Iqbal sir

India – Maldives

India and Maldives share ethnic, linguistic, cultural, religious and commercial links with each other. **India was among the first to recognize Maldives after its independence in 1965 and later established its mission at Male in 1972.** Moreover, under the **operation Cactus of 1988**, India played a significant role in providing military assistance to Maldives to overcome an attempted coup by a group of mercenaries and rebels. India has also been one of the leading development partners of Maldives and has always helped Maldives in terms of **aid, assistance and development cooperation.**

It is noteworthy that India had dispatched **water aid to Maldives in 2014 (operation Neer)**. India has also helped Maldives construct flagship institutions like **Indira Gandhi Memorial Hospital, Faculty of Engineering technology and Faculty of Hospitality and Tourism Studies**. India and Maldives also **signed a trade agreement in 1981, which provides for export of essential commodities.**

Therefore, India has spent enough diplomatic and economic capital to develop a cordial and close relationship with the island nation, which is strategically India's maritime backyard.

Significance of Maldives:

Maldives has special significance for India because of the following reasons:

- Maldives occupies a very special place in the “**Neighborhood First Policy**” and the **SAGAR (Security and Growth for All in the Region)** vision of the Government of India.
- **Strategically located in the Indian Ocean**, Maldives archipelago comprising 1,200 coral islands lies next to key shipping lanes which ensure uninterrupted energy supplies to countries like China, Japan and India.
- As the pre-eminent South Asian power and a '**net security provider**' in the Indian Ocean region, India needs to cooperate with Maldives in security and defence sectors.

- Indians are the second largest expatriate community living in Maldives. India has been one of the largest sources of tourist arrivals in Maldives (earlier largest now second to China).
- Maldives is also a member of SAARC, SASEC, and Indian Ocean Rim Association. Thus, it is important for India to have Maldives on board to maintain its leadership in the region.

Tilt towards China:

Maldives under the rule of **President Abdulla Yameen Abdul Gayoom (2013-2018)** had undergone an apparent tilt towards China. Consequently, China's strategic footprint in Maldives had increased at the cost of India's decreasing clout and influence. Following points highlight the increasing role of China in India's maritime backyard Maldives:

- Maldives has emerged as an important '**pearl**' in **China's "String of Pearls"** for ensuring the security of its sea lanes, especially the unhindered flow of critically-needed energy supplies from Africa and West Asia through the Indian Ocean.
- During **Chinese President Xi Jinping's** visit in 2014, Maldives agreed to become a partner in **China's Maritime Silk Route**. Whereas, India has boycotted China's BRI.
- China has provided grant and loan assistance to Maldives to build a bridge between the capital and the airport (called the **China-Maldives friendship bridge**). Whereas, contract given to an Indian company GMR to modernize the **Ibrahim Nasir International Airport** was cancelled by the Maldivian government and instead gave it to a Chinese company for US\$ 800 million.
- In December 2017, China also signed a **Free Trade Agreement with Maldives**. It paves the way for a tighter embrace between Beijing and Maldives and it will also open Maldives to Chinese goods and tourists in unprecedented numbers. Whereas, India has been kept waiting for a similar agreement.
- China's massive economic presence in Maldives is a major concern for India. According to the World Bank, Maldives owes over \$1 billion debt to Beijing while its total debt stands at \$5.6 billion, This raises concern about **China's debt trap diplomacy**.
- Yameen had also tried to pass a legislation that could have given China control over some Maldivian islands. Chinese have remained among the top visitors to the Maldives.

- Democratic crisis in Maldives (2018) and the imposition of emergency by President Abdulla Yameen were described as disturbing by India. However, China had backed President Yameen's decision. Consequently, India's strong stand against weakening democracy in Maldives was not appreciated much by the Yameen government.
- **The helicopter controversy** was another example of India losing strategic foothold in Maldives. India was asked by Maldives to take back its gift of two **Dhruv Advanced Light Helicopters**, one manned by the Indian Coast Guard and another by the Indian Navy. However, after several rounds of talks, India refused to take back helicopters.

India has been concerned about the growing Chinese footprint in Maldives. There have been apprehensions that the Chinese investments in Maldives are not just economic, but also reflect China's hidden military objectives.

Double blessing for Delhi: Election of Ibrahim Mohamed Solih:

In 2018 elections, Yameen lost power. Yameen was defeated by **Ibrahim Mohamed Solih** (consensus candidate of the opposition parties). **Prime Minister Modi attended Solih's oath taking ceremony and was the only foreign leader to attend the ceremony.** It is noteworthy that unlike Yameen, **Solih and political parties backing him are India friendly.**

The Solih government has reciprocated India's "neighborhood first" policy with an "**India first**" policy. The Maldives has begun to realize a mutually beneficial relationship with India. Thus, election of president Solih is being viewed as **double blessing for Delhi:** Consolidation of democratic forces in Maldives as well as deeper alignment with India. Both Modi and Solih have made respective visits to Maldives and India.

In fact, after his reelection in 2019, PM Modi's first international visit was to Maldives and Sri Lanka. Later, India's foreign minister Dr. Jaishankar also visited Maldives thrice in 2019, 2021 and 2022. As a result of these high level visits, following major decisions have been taken:

- President Solih announced "**India first policy**" and described India as its closest friend.
- India announced financial assistance package worth 1.4 billion dollars in the form of budgetary support, currency swap agreements, and concessional lines of credit.
- PM Modi has been honoured with the highest honour of Maldives called '**The Rule of Nishan Izzuddeen'**.

- Both leaders jointly inaugurated coastal surveillance radar system; this would strengthen maritime security cooperation.
- A ferry service has been announced between Kochi and Maldives.
- PM Modi was given the honour to address legislature of Maldives called “**Majlis**”.
- Using India’s soft power India has also decided to help Maldives construct a cricket stadium
- India has also decided to give **Dornier aircrafts** on lease to Maldives.
- **Fight against COVID:** The Indian govt. gave the Maldives government \$250 million to mitigate the impact of the pandemic. It gifted 2, 00,000 Covid-19 vaccines to the country. Maldives was the first country to receive vaccines from India (Vaccine Maitri).
- India and Maldives inked agreement to implement the **mega Greater Male Connectivity Project (GMCP)**. It is the largest infrastructure project in the country funded by an Indian grant of \$100 million and a Line of Credit of \$400 million.
- India strongly supported candidature of Maldivian foreign minister Abdulla Shahid for the President of 76th UNGA (2021).

Defence cooperation:

- In order to strengthen regional maritime security. India signed **defence line of credit agreement worth \$50 million** with Maldives to boost maritime capability of Maldives.
- \$50 million credit line agreement for defence projects was signed between the Finance Ministry of Maldives and the Export Import Bank of India. Agreement will facilitate capability building in the maritime domain and facilitate regional HADR (Humanitarian Assistance and Disaster Relief) efforts.
- India will develop, support and maintain an important naval facility for the Maldives National Defense Force Coast Guard Harbor at Sifvaru.
- Both countries agreed to strengthen coordination in enhancing regional maritime security, including on combatting terrorism in all its forms and manifestations, including cross border terrorism and maintaining peace in the region to ensure freedom of navigation in the Indian Ocean. Both nations have decided to convene the first meeting of the **Joint Working Group on Counter Terrorism, countering Violent Extremism and De-radicalisation at the earliest**.
- Both countries also conduct joint military exercise called **Ekuverin**.

- **Colombo Security conclave:** it is a trilateral maritime security grouping of India, Sri Lanka and the Maldives to strengthen their cooperation on the critical issue of maritime security.
- India, Maldives and Sri Lanka have also been conducting a biennial trilateral coast guard exercise called '**Dosti**'. Recently in 2021, 15th edition of Dosti exercise was conducted in Maldives. Aim of the Exercise is to further fortify the friendship, enhance mutual operational capability, and exercise interoperability and to build cooperation between the Coast Guards of Maldives, India and Sri Lanka.
- In 2021, India, Sri Lanka and the Maldives agreed to work on what are called the "**four pillars**" of security cooperation. These involved the areas of **marine security, human trafficking, counter-terrorism and cyber security**.
- Dr Jaishankar and President Solih jointly inaugurated **National College of Policing and Law Enforcement**. It is India's largest grant-funded project in Maldives. It will help the Maldives Police Service to train its officers and enhance its crime-fighting capacities.
- In addition to the inauguration of the police academy, a MoU for capacity building has been signed between the Sardar Vallabhbhai Patel National Police Academy (SVPNPA) and the Maldives Police Service.

Challenges:

- **China factor:** Maldives has emerged as the latest theatre of the **geopolitical tussle between India and China**. Rising Chinese influence and presence in Maldives is a big concern for India.
- **Islamic Radicalization:** radicalization has grown rapidly and it is reported that Maldives accounted for one of the highest numbers of foreign fighters in Syria in terms of per capita. **India can ill-afford a neighbour which fails to check Islamic Radicalisation.**
- **Anti-India sentiment on the rise:** "**India Out**" campaign is a call for the removal of the Indian military presence from the Maldives. It is a result of internal political bickering in Maldives. On behalf of China, Yameen rallied the opposition to launch the 'India Out' campaign, accusing the Solih government of selling the Maldives to New Delhi.

Thus, the new government of Maldives has increased India's leverage with in the island nation. **There is new warmth and powerful impetus to bilateral ties, however, Chinese shadow still looms over the India- Maldives relationship.** India must not get complacent as Male is still suffering due to massive Chinese debt.

Way forward:

Yameen's ouster has suddenly produced a favorable outcome for New Delhi and should seize the moment to rebuild ties with Male. If there is one lesson learnt out of Maldives crisis, it is that political elites in India's neighbourhood will come and go. **But if India can stand together with the aspirations of the citizens of the neighbouring countries then the prospects of long term sustainable relationship will be much brighter.**

India – Bangladesh

India was the first country to recognize Bangladesh as a separate and independent state immediately after its independence in December 1971. The year 2021 marked the **golden jubilee** (50 years) of 1971 India-Pakistan war that led to the **liberation of Bangladesh**.

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. National anthem of both countries has been written by the same poet **Rabindranath Tagore.**

Impact of Bangladesh's internal politics on relations with India:

Bangladesh has two principal political parties, both parties are led by women related to deceased leaders of Bangladesh. **Awami league (ruling party)** headed by **Sheikh Hasina** and principal opposition party is **Bangladesh Nationalist party (BNP)** headed by **Khaleda Zia**. Moreover, Bangladesh has also seen emergence of radical organizations like **Jamaat-e-Islami and Harkat-ul-Jihad-al-Islami (HUJI)**. Bangladesh constitution has secular foundations which makes the country secular.

Awami league is known for its pro India stand and also supports secular views. However, BNP is known for its pro-china stand and is supportive of radical forces. Thus, Awami league and Sheikh Hasina government has a positive impact on India- Bangladesh bilateral relations.

Awami League government was elected in 2009; it was also re - elected in 2014 and in 2019. Consequently, India - Bangladesh relations have improved considerably and are in good shape presently.

Significance of Bangladesh:

- Bangladesh has geopolitical importance for India because of its location. It can be described as an **India locked country**. It forms a strategic wedge between mainland India and North East India.
- Bangladesh can help contribute to the social and economic development of North East India. This can be done with the help of transit agreements and Bangladesh providing access to its Sea ports. **It can help secure connectivity to the North East.**
- India must ensure that it does not become a launch pad for anti-India activities, including terrorism and insurgencies.
- Bangladesh is crucial for the success of **India's Act East Policy**. It stands to be a natural pillar of this policy. It can act as a bridge with South East Asia.
- It is important for India to ensure that it does not fall in the Chinese embrace.
- **Illegal immigration** continues to be a major worry for India.

Both countries have successfully resolved their long-standing border disputes:

- India-Bangladesh **Land Boundary Agreement (LBA)** was signed in 1974. However, India did not ratify it for next four decades. Ratification of LBA required a constitutional amendment. In 2015, India adopted **100th constitution amendment act**, which led to the ratification of LBA. India transferred 111 border enclaves to Bangladesh in exchange for 56. Thus, this longstanding land border problem was resolved.
- In 2014, maritime boundary dispute in Bay of Bengal was also resolved with the help of a decision of **Permanent Court of Arbitration (PCA)**. The tribunal awarded Dhaka 19,467 sq. km of 25,602 sq. km sea area of Bay of Bengal.

Development cooperation relationship:

Bangladesh is the biggest development partner of India today. India has extended 3 Lines of Credits (LOCs) to Bangladesh in the last 10 years amounting to USD 8 billion. Thus, **Bangladesh is the largest recipient of Line of Credit (LOC) from India till date**. In addition to LOCs, the

Government of India has also been providing grant assistance to Bangladesh for various infrastructure projects such as the **Agartala- Akhaura rail link**, dredging of inland waterways, **India Bangladesh Friendship Pipeline**, and High Impact Community Development Projects (HICDPs) in the areas of education, health, water, culture, urban development, disaster management and community welfare.

Areas of cooperation and major decisions taken during high level visits:

- Bangladesh is India's largest trading partner in South Asia.
- Both countries have agreed to strengthen cooperation in priority areas. Areas are **border security and management, win-win business partnership; boosting connectivityon land, on the water, in the skies; harnessing defence cooperation; consolidating development cooperation; cross-border energy cooperation.**
- **Defense and security:** both countries conduct joint military exercises **MILAN and Sampriti**. They also engage in intelligence sharing to curb terror camps and militancy in north – east. They also signed MoU for providing a **Coastal Surveillance System**.
- **Nuclear Energy cooperation:** Both countries also share a robust Nuclear Energy cooperation relationship. India and Russia are jointly constructing **Rooppur Nuclear power Plant**. It is a joint initiative of ROSATOM (Russia) and NPCIL (India).
- Both countries decided to enhance cultural cooperation by jointly celebrating **Mahatma Gandhi's 150th birth anniversary** (2019), birth centenary of Bangabandhu Sheikh Mujibur Rahman (2020) and 50 years of Bangladesh War of Liberation (2021). **A commemorative postal stamp** was issued by India on the occasion of birth centenary of Sheikh Mujibur Rahman.
- **Connectivity:**
 1. Both countries have agreed on Standard Operating Procedure (SOP) on the use of **Chattogram and Mongla Ports** for Movement of goods to and from India.
 2. **BBIN motor vehicle agreement:** It will allow movement of vehicles across borders carrying cargo and passengers. Consequently, India's dependence on narrow Siliguri corridor will reduce. This would lead to **positive economic interdependence** which will help to sustain peace in the region. It would also reduce distance between Kolkata to Agartala from 1550 to 600km.

3. Inauguration of the newly restored railway link between **Haldibari (India) and Chilahati (Bangladesh)**, which was defunct since the India-Pakistan war of 1965.
4. **Akhaura – Agartala rail link** project underway.
5. India is providing grant assistance for development of **India – Bangladesh friendship pipeline**, which would connect Siliguri in India with Parbatipur in Bangladesh.
6. Inauguration of **Rupsha bridge**, a key part of Khulna-Mongla Port rail project.
7. **Khulna Darshana railway link project** upgrading existing infrastructure from Gede-Darshana (India) to Khulna (Bangladesh).
8. **Parbatipur -Kaunia railway line** will connect to existing border rail at Birol (Bangladesh)-Radzikapur (West Bengal).
 - Both countries are also members of SAARC, BIMSTEC and Indian Ocean Rim association. This would strengthen multilateral cooperation.
 - India provided assistance to help Bangladesh fight COVID. India provided medical assistance in the form of test kits, PPE and medicines, as well as online training for medical professionals. Both countries have agreed to develop a partnership in vaccine production.
 - **Water sharing of Feni river:** both countries signed a MoU on withdrawal of 1.82 cusecs of water from Feni River by India for drinking water supply scheme for Sabroom town, Tripura, India.
 - On the trade front, both sides have directed officials to begin negotiations on the **Comprehensive Economic Partnership Agreement (CEPA)** which is long overdue: India is Bangladesh's second biggest trade partner and its largest export market in Asia. Despite the pandemic, bilateral trade grew at an unprecedented rate of almost 44 per cent from \$10.78 billion in 2020-21 to \$18.13 billion in 2021-22. CEPA is a bilateral agreement that covers trade in goods and services, investment, competition and intellectual property rights (IPRs).
 - A MoU has been signed between the Ministry of Jal Shakti and the Bangladesh Ministry of Water Resources on the **withdrawal of water from the Kushiyara**. This is first such pact since signing of Ganga water treaty in 1996. It will benefit people residing in southern Assam and Sylhet division of Bangladesh.

- Both sides have also affirmed that border management is a shared priority and commended the fact that the deaths on the border have greatly reduced. They have both agreed to expedite work to complete all pending developmental works within 150 yards of the Zero Line, including fencing starting with the Tripura sector with the objective of maintaining a tranquil and crime-free border.

On her recent visit to India in 2022, Sheikh Hasina boldly stated, “**I reiterate that India is the most important and closest neighbour of Bangladesh. Bangladesh-India bilateral relations are known to be a role model for neighbourhood diplomacy.”**

Challenges in the bilateral relationship:

- **Teesta water agreement:** both countries share 54 Trans boundary rivers. However, Teesta river has been bone of contention. In order to resolve the matter of teesta water sharing, both countries finalized an agreement in 2011. As per this interim agreement India would get 42.5 % of the water, Bangladesh 37.5 % and 20 % flow unhindered. However, this agreement has been pending since 2011. India has delayed signing the water-sharing agreement of the Teesta River because it has become a very sensitive political issue in the state of West Bengal. West Bengal Chief Minister **Mamata Banerjee** has been critical of the agreed draft. Delay in signing Teesta agreement causes a lot of resentment in Bangladesh. It is going to be a test for PM Modi to overcome Teesta problem. In this context PM **Modi is of the view that “rivers should nurture the India-Bangladesh relationship and not become a source of discord”**.
- **Barak river:** Bangladesh has expressed concerns over the construction of **Tipaimukh project**.
- **The subcontinent suffers from the big brother - small brother syndrome.** Moreover, the big brother has the habit of ignoring the small neighbors which feels ignored.
- **Bangladesh prioritizes maintaining an independent foreign policy.** Some sections in Bangladesh are wary of a formal defence relationship with India for the fear of being drawn too close to Delhi. Many in Bangladesh are nervous that Dhaka under Sheikh Hasina might be drawing too close to India. They are especially concerned on the expanding defence cooperation between the two countries. Some others see Delhi trying to limit or constrain the unfolding strategic partnership between China and Bangladesh.

- **Adverse trade balance remains an issue.** Bangladesh incurred a trade deficit of \$14 billion with India in 2021-22 and this has almost trebled from \$5 billion in 2015-16. Therefore, the proposed trade agreement is also expected to increase export from Bangladesh to India and reduce this trade imbalance.

India has tried to offset the trade imbalance by providing Lines of Credit and grants. However, a more fundamental solution will be when Indian companies invest in the SEZs and export manufactured products back to India, redressing thereby the adverse trade balance.

- **Border management problems:** illegal migration remains a major worry for India along with other problems of drug trafficking and illegal arms trade.
- **Illegal migration issue:** Many Bangladeshis migrated to Assam and Tripura during partition of Pakistan i.e. 1971 war. There is no quantitative data, but estimates say number of illegal migrants may be around 6 million -15 million. Since 1990s India has started fencing border but BSF has been accused of excessive use of force in past.

Following are Reasons behind migration:

- i) Push factors – lack of employment in Bangladesh
 - ii) Pull factors – better wages, employment opportunities, especially in construction and textile sector.
- **NRC in Assam** has also caused a lot of resentment in Bangladesh. There is a fear of 1.9 million People being deported back to Bangladesh.
 - There are concerns and apprehensions in Bangladesh that the **NRC and CAA might unleash an exodus of Bengali-speaking people from Assam and Muslims attempting to escape persecution in India.** After having taken in nearly a million Rohingya refugees fleeing persecution in Myanmar, Bangladesh cannot take in any more.
 - India's attempts to equate Bangladesh to fundamentally theocratic Muslim nations such as Pakistan and Afghanistan is something that is unacceptable to Bangladeshis, where religious and racial harmony have always been a priority.
 - **Rohingya refugee crisis:** Bangladesh has been sympathetic towards the Rohingyas. However, they are particularly unhappy with India's approach of calling Rohingyas as illegal migrants. People of Bangladesh expected that India would come up with a much

firmer commitment to resolving the repatriation issue of the Rohingya refugees, who have been residing in Bangladesh since 2017, following persecution in their home in **Rakhine state in Myanmar**.

India supports the need for safe and sustainable return of Rohingyas, and promised to provide larger humanitarian relief assistance for the refugees in Bangladesh. In order to address this grievance India has been giving aid to Bangladesh to help Rohingyas under recently launched **operation Insaniyat**.

- India's dilemma comes from the fact that it needs to have good relations with both Bangladesh as well as Myanmar for our own strategic reasons and thus cannot tilt to one side among the two. It is the test of India's diplomacy.
- **Increasing presence and role of China in Bangladesh is also a big foreign policy challenge for India.** Currently, Bangladesh is an active partner of the Xi Jinping-led **BRI (Belt and Road Initiative)** that Delhi has steadfastly not signed up to. In the security sector, Bangladesh is also a major recipient of Chinese military inventory, including submarines. In order to reduce Bangladesh defence dependence on China India has extended **\$500 million line of credit (LoC) for defence procurement** by the Bangladesh military forces, the largest such LoC India has extended to any country so far.

Way Forward:

Bangladesh under Sheikh Hasina has cooperated with India on security issues. It has also proceeded to incrementally expand connectivity. Consequently, India-Bangladesh ties have entered an era of consolidation and expansion. Thus, From India's perspective, a positive political future for Hasina is a positive for bilateral ties. In this context, the Teesta issue gains even more significance and should be addressed.

With a border of nearly 4,060 km — India's longest with any country — Delhi has no reason to see itself in competition with Beijing in Bangladesh. Focus on the geographic imperative between Delhi and Dhaka. The time is now for Delhi and Dhaka to get out of the "**big brother small neighbour/brother" syndrome**".

Ms. Hasina's recent visit have set India-Bangladesh ties on a firmer footing, and on course for

closer engagement in trade, connectivity and people-to-people ties. However, it is necessary that New Delhi and Dhaka remain focused on their future cooperation, built on their past partnership, and what is referred to as the “**Spirit of 1971**”.

Who is a Refugee?

Refugees are people who have fled war, violence, conflict or persecution and have crossed an international border to find safety in another country. Refugees are defined and protected in international law.

The 1951 Refugee Convention is a key legal document and defines a refugee as: “someone who is unable or unwilling to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion.”

India-Nepal Relations

As close neighbors, India and Nepal share unique ties of friendship and cooperation characterized by an **open border and deep-rooted people-to-people contacts of kinship and culture (Roti – Beti Ka Naata)**. There has been a long tradition of free movement of people across the border. Nepal shares a border of over **1850 km with five Indian states – Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand**.

Moreover, Nepal is strategically located as it acts as a **natural security buffer** between India and China. It is also critical for India’s internal security as harmonious relations between both countries is necessary to nab **terrorists and maoist groups** having Nepal as their base.

The **India-Nepal Treaty of Peace and Friendship of 1950** forms the bedrock of the special relations that exist between India and Nepal. Treaty was signed with an objective to strengthen the relationship between the two countries by recognizing historical values and perpetuating peace in the region. Following are the major provisions of the treaty:

- Both countries acknowledge each other's territorial integrity and sovereignty.
- **National treatment of each other's citizens in economic matters:** Nepalese citizens avail facilities and opportunities on par with Indian citizens in accordance with the provisions of the Treaty. Nearly 6 million Nepalese citizens live and work in India.
- **Arms imports of Nepal:** Nepal would consult India whenever they undertake any arms imports from any nation other than India.
- Open borders.

India's Development Assistance to Nepal:

Government of India's development assistance to Nepal is a broad-based programme focusing on creation of infrastructure at the grass-roots level, under which various projects have been implemented in the areas of infrastructure, health, water resources, education and rural & community development.

In recent years, 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 Nepalganj.**

In 2019, Prime Ministers of India and Nepal jointly inaugurated through video conference, South Asia's first **cross-border petroleum products pipeline from Motihari in India to Amlekhgunj in Nepal.**

Apart from grant assistance, Government of India has extended **Lines of Credit of USD 1.65 billion** for undertaking development of infrastructure, including post-earthquake reconstruction.

Earthquake 2015:

When a devastating 7.8 magnitude earthquake struck Nepal in 2015, the Government of India swiftly dispatched National Disaster Response Force (NDRF) teams and special aircrafts with rescue and relief materials to Nepal.

The total Indian relief assistance to Nepal amounted to over **US\$ 67 million. The 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)** during

the International Conference on Nepal's Reconstruction held in Kathmandu in 2015.

Economic relations:

Bilateral trade is over US\$ 7 billion which makes India as Nepal's largest trading partner. India's exports to Nepal have grown over 8 times in the past 10 years. Because of its geographical constraints, Nepal has found itself heavily reliant on India. India has provided **transit facility** to Nepal for the third country trade. Both public and private sectors of India have invested in Nepal.

The trade statistics reveals phenomenal increase in the volume of bilateral trade over the years between the two countries. However, Nepal has escalating **trade deficit** with India. Nepalese local enterprises fail to grow because they are unable to compete against lower priced Indian products that flood the market. Nepal and India have concluded **bilateral Treaty of Transit, Treaty of Trade and the Agreement of Cooperation to control unauthorized Trade.**

Indian Investment in Nepal:

Indian firms are among the largest investors in Nepal, accounting for about 30% of the total approved foreign direct investments. There are about 150 Indian ventures operating in Nepal engaged in manufacturing, services (banking, insurance, dry port, education and telecom), power sector and tourism industries.

Water Resources:

Cooperation in water resources primarily concerning the common rivers is one of the most important areas of bilateral relations. A large number of small and large rivers flow from Nepal to India and constitute an important part of the **Ganges river basins**. These rivers have the potential to become major sources of irrigation and power for Nepal and India. Both countries have three treaties to regulate water sharing:

- In 1954, India and Nepal signed **Kosi treaty**. This river causes tremendous flooding and is also known as sorrow of Bihar. As per the treaty both countries agreed to cooperate to manage Kosi flooding. India, under the treaty, committed to create a barrage dam, which can help regulate Kosi's water flow. India constructed the barrage and Nepal agreed to give its management rights to India for 199 years. This has been the cause of much discontent among certain sections of Nepalese society.
- In 1959, India and Nepal also signed the **Gandak River treaty**. As per the treaty both

sides can utilize water from the river to generate 20,000 MW electricity.

- In 1996, India and Nepal signed **Mahakali** treaty. As per the treaty India has agreed to undertake the creation of 3 dams at **Sarda, Tanakpur and Pancheshwar**. Both sides have agreed to share costs. However, there has been no progress on these projects owing to pending social and environmental impact assessment.

Moreover, following mechanism and treaty has been signed to harness the full potential of hydropower and management of common rivers:

- **A three tier bilateral mechanism established in 2008**, to discuss issues relating to cooperation in water resources, flood management, inundation and hydropower between the two countries, has been working well.
- An important **Power Trade Agreement** was signed between the two countries in 2014 paving way for the power developers of the two countries to trade electricity across the border without restrictions. The agreement shall be valid for 50 years. Under the agreement, Nepal would give license to Indian firms to undertake 28 surveys in Nepal to explore 8,000 MW power generation. Private/public power developers from India have reached agreements with the Investment Board of Nepal to develop two mega hydropower projects – **Upper Karnali and Arun III**. GMR will establish a plant in Karnali to export 900 MW electricity to India.

New Partnership in Agriculture:

During the visit of Prime Minister of Nepal Mr. K. P. Sharma Oli to India in April 2018, the “**India-Nepal New Partnership in Agriculture**” was launched with a focus on collaborative projects in agricultural research, development and education. This is an important and timely initiative as vast populations of the two countries predominantly depend on agriculture and related activities for their livelihood.

Defence Cooperation:

India and Nepal have wide-ranging cooperation in the defence sector. India has been assisting the Nepal Army (NA) in its modernisation by supplying equipment and providing training. A number of defence personnel from Nepal Army attend training courses in various Indian Army training institutions.

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The Indo Nepal Battalion-level Joint Military Exercise “**SURYA KIRAN**” is conducted alternately in India and in Nepal. Since 1950, **India and Nepal have been awarding each other's Army Chief with the honorary rank of General** in recognition of the mutual harmonious relationship between the two armies.

The **Gorkha regiments** of the Indian Army are raised partly by recruitment from hill districts of Nepal. Currently, about 32,000 Gorkha Soldiers from Nepal are serving in the Indian Army.

Education:

Over the years, India’s contribution to the development of human resources in Nepal has been one of the major aspects of bilateral cooperation. GoI provides around **3000 scholarships/seats annually to Nepalese nationals for various courses at the Ph.D/Masters, Bachelors and plus–two levels in India and in Nepal.**

Culture

GoI has been taking initiatives to promote people-to-people contacts in the fields of art & culture, academics and media. India is establishing an **e-library system across Nepal**. Furthermore, MoUs/Agreements have been signed between:

- Sahitya Kala Akademi (India) and Nepal Academy
- Doordarshan (India) and Nepal TV
- Press Council of India and Press Council of Nepal
- Lalit Kala Akademi (India) and Nepal Academy of Fine Arts
- GoI and Government of Nepal for cooperation on youth affairs
- Sangeet Natak Akademi (India) and Nepal Academy of Music & Drama
- GoI and Government of Nepal for twinning of sister cities **Kathmandu-Varanasi, Lumbini-Bodhgaya and Janakpur-Ayodhya.**

China's growing role in Nepal

India and Nepal have always shared close relationship of friendship and cooperation. However, Nepal has tilted towards China. This tilt is noticeable since **Madhesi agitation of 2015**.

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Madhesi's live in the terai belt of Nepal neighbouring India. They were very unhappy with **gerrymandered provinces** outlined by **2015 constitution of Nepal**. Thus, they started massive protest to demand amendments and blocked all routes to India. **An economic blockade was imposed on Nepal, causing huge shortages of food, fuel and medicine supplies.** During this crisis, Nepal sought help from India.

However, India sympathized with madhesi community and supported their demand of amending new constitution. **New Delhi was blamed for using an (unofficial) economic blockade as a pressure tactic to politically influence Kathmandu, which contributed to souring of bilateral relations toward the end of 2015.** India had demanded to delay promulgation of the Constitution until concerns of Terai people are not addressed.

Indian stand during the madhesi agitation caused a **strong anti-India sentiment in Nepal. Nepal was alienated from India.** Moreover, **Communist party of Nepal** led by **K.P. Sharma Oli** has been generous towards communist china. Since 2015, Mr Oli has been the PM for majority of the time. He recently lost power in July, 2021 to **Sher Bahadur Deuba (Nepali congress)**.

It is noteworthy, Oli and his allies had secured a nearly two-thirds majority in Parliament in the 2018 polls. His triumph is attributed largely to the way he had stood up to India during madhesi agitation as Nepal had refused to delay promulgation of the Constitution without addressing the concerns of the people in the Terai region. Oli in Nepal won the image of a nationalist, especially after he moved closer to China by proposing trade and transit arrangements to address the shortage of essential commodities.

Thus, since 2015 Nepal's engagement with China has increased. It has signed multiple agreements with China which are listed below:

- Nepal – China rail link agreement
- Joint military exercise pact (**Sagarmatha Friendship**)
- Rasuwagadhi – Syabrubesi road link
- Nepal has joined BRI
- 1200 mw project on Budhi river by Gezhouba group

- Nepal have started accessing internet through a chinese optical fibre link laid across the Himalayan mountains
- **Transit and transportation agreement:** China has promised access to 4 seaports (Tianjin, Shenzhen, Lianyungang and Zhanjiang) and 3 land ports for 3rd country trade.
- Nepal banned high denomination Indian currency notes (Rs 2000, 500 and 200).
- Recently, China and Nepal has agreed to build the **Trans-Himalayan Multi-Dimensional Connectivity Network (THMCN)**. It is an economic corridor proposed in 2019 between Nepal and China as a part of China's Belt and Road Initiative. The corridor aims to enhance connectivity in ports, roads, railways, aviation, and communications. It would pave the way for more integration between China and the rest of South Asia.
- **Himalayan Quad:** Many experts have argued that China is trying to form a Himalayan Quad consisting of four Himalayan countries i.e. China, Pakistan, Afghanistan and Nepal, which could have a very negative impact on India's security and strategic environment.

Thus, china has made significant inroads into Nepal to counterbalance India. Growing China-Nepal relations under the **Belt and Road Initiative (BRI)** and enhanced Chinese investment in connectivity and infrastructure projects to inter-link the two countries in several sectors indicated India's waning influence in Nepal. This has emerged as a major foreign policy challenge for India. **To overcome this challenge India has developed a new vision to address Nepal's concerns:**

- **India has softened positions on Madhesi.** India has urged madhesi community to work through political processes rather than agitation or boycott of elections. Madhesi issue was also not discussed during recent high level visits between India and Nepal.
- Future of bilateral ties includes **India to develop agriculture, railway links and inland waterways in Nepal.**
- Enhancing connectivity and people to people contacts has emerged as a priority.

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As per above vision following major decisions have been taken:

- Both prime ministers have agreed to review, adjust and update the treaty of peace and friendship of 1950 and other bilateral agreements.
- In 2018, PM Modi visited **Janaki temple** in Janakpur, which is dedicated to hindu goddess Sita. India has relied on **soft power** to present a positive image of India to the people of Nepal, by visiting places underlining cultural commonalities between the two countries such as Janakpur, where the Hindu god Rama's wife Sita was born. He also inaugurated a **bus service between Janakpur and Ayodhya to promote religious tourism.**
- Both countries exchanged a MOU to build a strategic railway line connecting Bihar's **Raxaul city to Kathmandu**. It will be a real game changer. This rail link once established can provide a channel to travel from Rameshwaram to Mansarovar. This can be a great push to the model of regional integration and India will be able to put up an alternative to the Belt and Road initiative.
- PM Modi focused on bilateral economic cooperation by laying the foundation for the Arun III 900-megawatt hydroelectricity project.
- Both PM's jointly inaugurated the **Motihari – Amlekhgunj petroleum product pipeline**. It is 69 km long and first ever cross border petroleum product pipeline in South Asia.
- PM Modi has given a new **5T (Tradition, Trade, Tourism, Technology and Transport)** formula for Nepal.

According to PM Modi, “**New Delhi is ready to be the Sherpa to help Nepal scale the mountain of success.**” Thus, it appears that India has made sincere attempts to recover its lost ground in Nepal. **However, relations again turned bitter because of the recent Kalapani territorial dispute.**

Kalapani territorial dispute

In 2020, Nepal's parliament, in a rare show of unanimity, passed a constitution amendment Bill to approve the country's new map that includes **Kalapani, Lipulekh and Limpivadhura** which figure in Indian maps. Bill has been signed by the President and now new Nepal map

is part of the constitution. Following is India's frosty response:

"We have noted that the House of Representatives of Nepal has passed a constitution amendment Bill for changing the map of Nepal to include parts of Indian Territory. This artificial enlargement of claims is not based on historical fact or evidence and is not tenable. It is also violative of our current understanding to hold talks on outstanding boundary issues"

This battle over the historical accuracy of a geographical territory is one that has been brewing between the two neighbouring countries for the past several decades now. The bone of contention is the **Kalapani-Limpiadhura-Lipulekh trijunction between Nepal-India and China (Tibet)**.

Located on the banks of the river Kali at an altitude of 3600m, the **Kalapani territory lies at the eastern border of Uttarakhand in India and Nepal's Sudurpashchim Pradesh in the West**. India claims the area is part of **Uttarakhand's Pithoragarh district**, while Nepal believes it to be part of its **Dharchula district**. Matters came to a boil recently, when India opened an **80-km road linking Uttarakhand with Lipulekh**, across the disputed piece of land.

While the territory is of strategic importance to India and Nepal, the issue is complicated by the **contest over the historicity of cartographic evidence that both sides claim to be most accurate**. The issue in itself goes back to the early 19th century, when the British ruled India and Nepal was a conglomeration of small kingdoms under the reign of **King Prithvi Narayan Shah**.

On November 1, 1814, the British had declared war on Nepal. The war went on for the next two years, involving a series of campaigns. In 1815, the British general, **Sir David Ochterlony**, managed to evict the Nepalese from **Garhwal and Kumaon**. A year later, the War came to an end with the signing of the **Sugauli treaty** (1816). The treaty delimited the boundaries of Nepal, as it stands today.

The fifth article of the treaty stated: "**The Rajah of Nepal renounces for himself, his heirs, and successors all claim to or connection with the countries lying to the west of the river Kali and engages never to have any concern with those countries or inhabitants thereof.**"

Consequently, **the river Kali marked the western border of Nepal**. However, there is no

clear consensus on what is the precise location of the river Kali, giving rise to the dispute over whether the land consisting Kalapani-Limpiadhura-Lipulekh is part of present day India or Nepal.

While some scholars suggest that the lack of consensus is due to the shift in the course of the river over time, there are others who say that the British cartographers in the consequent years kept shifting the line demarcating the river eastwards for strategic reasons.

By enacting the constitution amendment, **Nepal has etched its territorial claim in stone which would make any concession by this or any future government of Nepal virtually unthinkable.**

After the vote, Nepalese took a conciliatory position saying “**We are for starting dialogue soon. The problem will be resolved through diplomacy.**”

However, million dollar question is what will diplomacy achieve? India should be prepared to engage in a dialogue on this and other outstanding border issues, but Nepal’s brinkmanship has made it much more difficult to explore a mutually acceptable solution.

However, India has clarified that “**unilateral act is not based on historical facts and evidence**” and that it would not accept “**artificial enlargement of territorial claims**”. The Ministry of External Affairs has also said that it hopes that Nepal will create a positive atmosphere for dialogue to resolve the issue.

Recent visit of Sher Bahadur Deuba to India:

Recently in 2022, newly elected PM of Nepal visited India and led to following breakthroughs in the relationship:

- **Solu Corridor:** Indian side handed over the Solu Corridor, a **90-km, 132 kV power transmission line** built for Rs 200 crore under an Indian line of credit. The line **will help bring electricity to several remote districts in northeastern Nepal** by connecting them to the country’s national grid.
- **RuPay card launched in Nepal.** This is expected to facilitate bilateral tourist flows. Nepal is the **fourth country, after Bhutan, Singapore and the UAE**, where RuPay is live.
- Nepal signed a framework agreement to join the India-led International Solar

Alliance (becoming the 105th member country).

- Signed three more pacts – a memorandum of understanding (MoU) **on enhancing technical cooperation in the railways sector**, and **two agreements between Indian Oil Corporation and Nepal Oil Corporation for the supply of petroleum products** for five years and for sharing of technical expertise.
- **Joint Vision Statement on Power Sector Cooperation:** India called for taking **full advantage of opportunities in the power sector, including through joint development of power generation projects in Nepal** and development of cross-border transmission infrastructure. Nepal also **appreciated India's recent cross-border electricity trade regulations** that have enabled it to access India's market and trade power with India. Nepal exports its surplus power to India.
- They agreed to expedite work on the delayed **Pancheshwar multipurpose dam project (on Mahakali river)** that is considered to be a game changer for the development of the region.
- **Border Issue:** Nepalese Prime Minister urged his Indian counterpart Narendra Modi to take steps to resolve a boundary dispute. The Indian side made it clear **both countries need to address the boundary issue through dialogue and to avoid the politicisation of such issues.**

Way forward for India – Nepal relations:

There is a sense of discomfort in Nepal to the notion of being under siege as the country is landlocked and dependent on transit through India for trade with third countries. There is a need to address such anxieties by developing a bilateral relationship of mutual trust and mutual benefit.

Nepal as a developing economy will need investment in key areas of its growth such as agriculture, manufacturing, information technology and tourism. India must focus on these areas and assist Nepal in its development. **India's aid to the country has surged significantly but Nepal needs more investment, economic cooperation and timely completion of bilateral projects.**

New Delhi can correct the trade imbalance with the Himalayan country only by pouring in more investment and assisting it in the areas of manufacture. India has an opportunity

to capitalize on people-to-people contacts facilitated by its open border, suitable geographic location and historical and cultural ties (the factors that place India in an advantageous position compared with China) that exist between the two countries predominantly populated by Hindus.

India-Bhutan relations

India and Bhutan enjoy unique ties of friendship and cooperation, which are characterized by utmost trust, goodwill and mutual understanding. The special relationship has been sustained by a tradition of regular high level visits and dialogues between the two countries. Furthermore, bilateral relations are marked by strong diplomatic, economic and cultural relations.

Diplomatic relations between India and Bhutan were **established in 1968** with the establishment of a special office of India in Thimphu. Before this our relations with Bhutan were looked after by our Political Officer in Sikkim. The basic framework of India- Bhutan bilateral relations was the **Treaty of Friendship and Cooperation signed in 1949** between the two countries, which was **revised in February 2007**. The Golden Jubilee of the establishment of formal diplomatic relations between India and Bhutan was celebrated in the year 2018.

As per 1949 Treaty, India was supposed to guide Bhutan's foreign policy. However, in 2006 Bhutan transitioned from an absolute monarchy to parliamentary democracy with constitutional monarchy. Democratic Bhutan started demanding a review of 1949 treaty, which allegedly violated Bhutan's sovereignty. India accepted Bhutan's demand and friendship treaty was revised in 2007.

2007 friendship treaty ended India's guidance of Bhutan's foreign policy. However it stated that the two neighbors "shall cooperate closely with each other on issues relating to their national interests. Neither government shall allow the use of its territory for activities harmful to the national security and interest of the other." The 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.

Bilateral Trade

India is Bhutan's largest trading partner. India accounts for more than 80 % of Bhutan's total imports and exports. Balance of trade is in India's favour.

The trade between the two countries is governed by the **India Bhutan Trade and Transit Agreement 1972** which was last renewed in November 2016 (**agreement on trade, commerce and transit**). The Agreement established a free-trade regime between the two countries. As per the provisions of the bilateral trade agreement, trade between two countries is to be transacted in Bhutanese Ngultrums and INR. The Agreement also provides for duty-free transit of Bhutanese exports to third countries (**Bhutan is dependent on India for its external trade as it is a land-locked nation**).

Since 1961, India has been giving financial assistance to Bhutan's five year development plans. During the recent visit of Bhutan's Prime Minister Dr Lotay Tshering, India announced grant assistance of 4500 for Bhutan's 12th five year plan (November 2018 – October 2023). Moreover, India also announced 400 crores as transitional trade support facility.

Hydropower Cooperation

Hydropower projects in Bhutan are an example of win-win cooperation, providing a reliable source of inexpensive and clean electricity to India, generating export revenue for Bhutan and cementing our economic integration. India has helped Bhutan in developing dams for hydroelectricity through a combination of aid and loans and buys excess electricity at low prices. So far, Government of India has constructed three Hydroelectric Projects (HEPs) in Bhutan totaling 1416 MW (336 MW **Chukha** HEP, 60 MW **Kurichhu** HEP and 1020 MW **Tala** HEP), which are operational and exporting surplus power to India About three-fourth of the power generated is exported and rest is used for domestic consumption.

The ongoing cooperation between India and Bhutan in the Hydropower sector is covered under the **2006 Agreement on Cooperation in Hydropower** and the Protocol to the 2006 agreement signed in March, 2009. Under this Protocol, Government of India has agreed to assist Royal Government of Bhutan in developing a minimum of 10,000 MW of hydropower and import the surplus electricity from this to India by the year 2020.

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During the recent visit of Prime Minister Modi to Bhutan, both Prime Ministers formally inaugurated the recently completed 720 MW **Mangdechhu** Hydroelectric Plant. Both Prime Ministers also resolved to continue working together to expedite the completion of other ongoing projects such as **Punatsangchhu-1, Punatsangchhu-2 and Kholongchhu**.

Educational and Cultural Cooperation

A large number of college going Bhutanese students are studying in India. It is estimated that approximately 4000 Bhutanese are studying in Under Graduate courses in Indian Universities on self-financing basis. Moreover, Government of India scholarships are granted to Bhutanese students at Undergraduate level every year to study in prestigious Indian Institutions of higher learning e.g. Nehru- Wangchuck Scholarships, Ambassador's Scholarship, ICCR Scholarship, Nalanda University scholarship, SAARC scholarship and ITEC Training Programme scheme.

Recent visit of Prime Minister Modi

Besides inaugurating Mangdechhu, PM Modi also inaugurated ground earth station of South Asian satellite in Thimpu constructed by ISRO. Moreover, 10 MOUs were also signed in the field of space research, aviation, IT, power and education.

Prime Minister Modi also reiterated Government of India's commitment to advancing the economic and infrastructural development of Bhutan. He congratulated the Government and the people of Bhutan for the Kingdom's imminent graduation to the category of a **Middle-Income country**. He complimented the people of Bhutan for this achievement while simultaneously preserving their rich cultural heritage and precious environment, in line with Bhutan's unique development philosophy of '**Gross National Happiness**'.

Moreover, both Prime Ministers also launched the facility of use of Indian-issued **RuPay cards** in Bhutan, which would greatly facilitate Indian travellers to Bhutan by reducing the need to carry cash, while at the same time boosting the Bhutanese economy and further integrating the economies of both countries.

Assistance during the Covid-19 Pandemic:

Bhutan was the first country to receive the Made in India Covishield vaccines under Ministry of External Affairs Vaccine Maitri Initiative. The first consignment of 150,000 vaccines was

gifted on January 20, 2021. On March 22, 2021, the Government of India (GoI) gifted a second consignment of 400,000 doses of the ‘Made in India’ COVID-19 vaccine to the Royal Government of Bhutan (RGoB) in keeping with the uniquely close and friendly relations between both countries.

The Government of India has handed over a total of 13 consignments of medical supplies, portable X-Ray machines, essential medicines and medical equipment in addition to the vaccine consignments to strengthen Bhutan’s fight against the COVID-19 pandemic.

Challenges in the bilateral relationship

The China Question:

Bhutan is the only neighbor of India which has not joined BRI. It also does not have diplomatic relations with China.

However, an assertive China has been making continuous attempts to make inroads into Bhutan. Doklam standoff is a glaring example of how China tried to creep towards India’s Chicken neck corridor (Siliguri corridor). In the past China has also offered territory swap agreements to Bhutan with respect to Doklam territory.

Bhutan’s concerns on the ‘BBIN’ Motor Vehicle Agreement (MVA):

The Bhutanese legislature has rejected BBIN. The lower house called National Assembly passed BBIN, but upper house National Council rejected BBIN. The main concern expressed by Bhutanese citizen groups and politicians is over increased vehicular and air pollution in a country that prides itself on ecological consciousness.

India described Bhutan’s decision as a “setback” and not a “rejection” of the agreement stating that it was natural that all members could not proceed at the same pace, and that India would continue its engagement with Bhutan on the issue. As of now, Bhutan’s legislature is reconsidering BBIN bill.

Unresolved grievances of Bhutan:

Bhutan has been demanding a review of the power purchasing policy and rigid rates. Moreover, India has also refused to allow Bhutan to join national power grid and trade with third countries like Bangladesh.

Way Forward:

China has been trying to make inroads into Bhutan. Thus, India should not take Bhutan relations for granted. Therefore all grievances of Bhutan should be speedily addressed. India should further take concrete efforts to address economic and other grievances on the part of Bhutan. It is only thereafter the relationship can touch a new height in the future.



BY SUSHANT VERMA

RUSSIA-UKRAINE CRISIS

“War as a Continuation of Policy by Other Means”–Clausewitz

Introduction

- The Russia-Ukraine war started on February 24, 2022 when Russian troops launched invasion of Ukraine under what it referred as “**special military operation**” as a response to **the alleged act of genocide of the Russian speaking people** in the territories of Donetsk and Luhansk in the Donbass region of Ukraine. Russia's invasion has sent more than 2.5 million people fleeing across Ukraine's borders and trapped hundreds of thousands in besieged cities with rising civilian and military causalities. It is considered as the biggest military mobilization in Europe since World War II.
- Despite continuing for nearly six months, the end of the war is nowhere in sight. The Russian army was able to conquer major parts of the Donbass region including the city of **Mariupol** (which would allow Russia to build a land bridge linking the two pro-Russian separatist regions of Donetsk and Luhansk with Crimea, which Russia occupied and annexed in 2014).
- However, Ukraine has given stiff resistance to Russia. In September 2022, Ukraine has inflicted a major operational blow against the Russian military, recapturing a swath of territory in eastern Ukraine including the city of Izyum. This is Ukraine's most significant military success since the Battle of Kyiv in March. **In a first since the war began, Russia acknowledged its defeat in the region.**
- Russian efforts to seize the Donbas region in its entirety have been thwarted by the precision efforts of Ukrainian forces, with Kupiansk and Izyum – both significant logistical hubs for Russian forces – being reclaimed by Kyiv in recent days.
- In this era of inter-connected world, the impact of this war is not confined to the parties to the war, but rather it is global in scope. It has adversely impacted world economy which is still reeling under the impact of covid pandemic. This war has profoundly impacted geo-strategic calculations especially in the European continent. **This war has deepened a geopolitical rift between the West and Russia.**
- Despite hectic diplomatic negotiations, an amicable solution to the dispute has not elusive so far. Efforts have discussed expanding exchanges of prisoners of war and arranging for UN atomic energy experts to visit and help secure Europe's biggest nuclear power plant- the Zaporizhzhia nuclear plant in southern Ukraine, which is in the middle of fierce fighting that has raised fears of catastrophe.



- Held or regained by Ukraine
- ▶ Direction of Ukrainian advance
- Russian military control

- Russian advances
- ▶ Direction of Russian advance
- Russia annexed Crimea in 2014

Source: UK MoD / Institute for the Study of War (21:00 GMT, 7 August)



REASONS FOR RUSSIA'S INTEREST IN UKRAINE

1) Historical Background

- Russia and Ukraine share deep cultural, linguistic, economic and political bonds with each other. In many ways Ukraine is central to Russia's identity and vision for itself in the world. Russia and Ukraine have shared a troubled past that stretches all the way back to the 10th century. The modern nations of Russia, Ukraine and Belarus all claim their cultural ancestry to Kievan Rus -- a mediaeval principality that was located in the KievanRus' region. In 1783, Ukraine was annexed by Imperial Russia in a largely bloodless event. In the 19th century, the Russian Empire started to suppress Ukrainian culture and language. This was done in an attempt to assimilate Ukrainians into Russian culture. The Russian Empire began moving ethnic Russians into present-day Ukraine in the 18th century.
- Ukraine joined hands with Russia to become the founding member of the Soviet Union in 1922. It became the bread basket of Soviet Russia because it had rich soil that was perfect for farming. The

population of Ukraine voted overwhelmingly for independence in the referendum of December 1, 1991.

- After the Soviet collapse, many Russian politicians viewed the divorce with Ukraine as a mistake of history and a threat to Russia's standing as a great power. Losing a permanent hold on Ukraine, and letting it fall into the Western orbit, was seen by many as a major blow to Russia's international prestige. Russian President Putin has persisted in calling Ukraine "Little Russia".For many in Russia and in the ethnically Russian parts of Ukraine, the shared heritage of the countries is an emotional issue that has been exploited for electoral and military purposes.
- **Budapest Memorandum (1994)-** In 1991, Ukraine was one of the three non-Russian former Soviet states, including Belarus and Kazakhstan, that emerged from the Soviet collapse with nuclear weapons on its territory. Under the terms of the memorandum, Ukraine agreed to give its nuclear arsenal and transfer all nuclear warheads to Russia for decommissioning. In return, **the United States, Russia, and Britain committed “to respect the independence and sovereignty and the existing borders of Ukraine” and “to refrain from the threat or use of force” against the country.**

2)Russian Diaspora

- Among Russia's top concerns is the welfare of the approximately eight million ethnic Russians living in Ukraine, according to a 2001 census, mostly in the south and east. Moscow claimed a duty to protect these people as a pretext for its actions in Ukraine.

3) Balance of Power

- Ever since Ukraine split from the Soviet Union, both Russia and the West have vied for greater influence in the country in order to keep the balance of power in the region in their favour.
- **NATO's support to Ukraine:** Russia is not happy with efforts by the US and European Union to induct Ukraine into the US-led military alliance of NATO and keep it out of Russian control. **Ukraine acts a crucial buffer between Russia and West.** Russia views the growing support for Ukraine from NATO - in terms of weaponry, training and personnel - as a threat to its own security. **Ukraine is a red line for Moscow, equivalent to what Cuba was to USA in 1962 Cuban missile crisis.** Russia is worried about the consequences of the US-led military alliances expanding right up to its doorstep.

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4) Russian interest in the Black Sea

- The unique geography of the Black Sea region confers several geopolitical advantages to Russia
 - ✓ Firstly, it is **an important crossroads and strategic intersection** for the entire region. Access to the Black Sea is vital for all littoral and neighboring states, and greatly enhances the projection of power into several adjacent regions.
 - ✓ Secondly, the region is **an important transit corridor for goods and energy**.
 - ✓ The Black Sea is bordered by countries which are either NATO members or aspiring to be one. Due to this faceoff between NATO countries and Russia, the Black Sea is **a region of strategic importance & a potential maritime flashpoint**.
 - ✓ Thirdly, Russia needs warm water ports on Black Sea coast. Its northern ports are ice-bound for much parts of the year. Its black sea fleet was also based in Sevastopol. It also provides Russia access to the Mediterranean Sea and its bases at Latakia and Tartus in Syria.

5) Concern over an economically resurgent and democratic Ukraine

- In view of Some experts, emergence of an economically resurgent and democratic Ukraine is a threat to the authoritarian regime in Russia. It may trigger demand for similar rights and accountability by the Russian population.

VAJIRAM & RAVI **EXPANSION OF NATO**

- NATO was formed as a collective defence organisation on 4 April 1949 by 12 founding members led by USA. Later Greece and Turkey (1952), West Germany (1955), Spain (1982) and reunified Germany (October 1990) became members of NATO.
- The Soviet Union formed **Warsaw Pact** on May 14, 1955 composed originally of 8 nations in response to expansion of NATO. After the democratic revolutions of 1989 in eastern Europe, the Warsaw Pact was formally declared “non-existent” on July 1, 1991.
- **Against informal understanding among USA and Russia that NATO would not be expanded into ex-Soviet territories, 5 waves of expansion of NATO were carried out after 1991-**

 - 1) **1999:** Accession of the **Czech Republic, Hungary and Poland**
 - 2) **2004:** **Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.**
 - 3) **2009:** Accession of **Albania and Croatia**
 - 4) **2017:** Accession of **Montenegro**
 - 5) **2020:** Accession of the **Republic of North Macedonia**

- **Russia views NATO as a vestige of the cold war, inherently directed against it.** Russia points out that it has disbanded the Warsaw Pact, its military alliance, and reasons why the west should not do the same. **Russia considers post-soviet space its traditional sphere of influence,in the so-called ‘Near Abroad’.**
- In March 2007, in the Munich Security Conference, Putin complained that NATO expansion represented a serious provocation that **reduces the level of mutual trust and asked against whom was this expansion intended.**

Background of the latest crisis

- The conflict has been developing since a long time.
- **May 2002:** President Leonid Kuchma announces Ukraine's goal of eventual NATO membership.
- **2004- Orange Revolution in Ukraine-** Pro-Russian Viktor Yanukovych's presidential win was cancelled following widespread protests –known as the Orange Revolution—against electoral fraud.
- **2008- NATO agrees that Georgia and Ukraine will become members in future.**
- 2013- The Obama administration's interference in Ukraine's internal political affairs in 2013 and 2014 to help demonstrators overthrow Ukraine's elected, pro-Russia president was the single most brazen provocation, and it caused tensions to spike. The trigger factor was his decision to reject the European Union's terms for an association agreement in late 2013, in favour of a Russian offer. It

resulted Euromaidan Protests in which he had to flee Ukraine and later he was removed from office.



- **2014-** Moscow immediately responded by seizing and annexing Crimea, and a new cold war was underway. A disputed and internationally rejected referendum was held on March 16, 2014, in which Moscow claims 96.77 per cent of Crimeans voted to become part of Russia. Despite international outcry, Russia formally incorporated Crimea as two Russian federal subjects – the Republic of Crimea and the federal city of Sevastopol – on 18 March 2014. Russia seized Crimea from Ukraine in what was the **first time a European country annexed territory from another country since World War II**.
- President Vladimir Putin had insisted Russia annexed Crimea to protect ethnic Russians from “far-right extremists” whom Russia claimed overthrown President Yanukovych.
- The Donbass region (the Donetsk and Luhansk regions) of eastern Ukraine has been facing a pro-Russian separatist movement since 2014. Almost 40% of the people in these two areas are ethnic Russians, forming the largest minority in the Donbass region. According to the Ukrainian government, the movement is actively supported by the Russian government and Russian paramilitaries make up between 15% to 80% of the separatists fighting against the Ukraine government.
- **2015- Minsk I and II agreements:** France and Germany initiated talks between Ukraine and Russia under the Normandy format leading to the Minsk agreements, in 2014 and 2015. **The first was for a ceasefire between Ukraine and the Russian-backed separatists.** The second was between Ukraine, Russia, the two separatist regions of Luhansk and Donetsk and the Organization for Security and Co-operation in Europe (OSCE). It set out military and political steps that remain

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unimplemented. It was more elaborate than the first on ceasefire, and the holding of elections for local governance. **A major blockage has been Russia's insistence that it is not a party to the conflict and therefore is not bound by its terms.**

- 2017: An association agreement between Ukraine and the EU opens markets for free trade of goods and services, and visa-free travel to the EU for Ukrainians.



BUILT UP OF WAR

- **Jan. 2021: Zelenskiy appeals to U.S. president Joe Biden to let Ukraine join NATO.** In February, his government freezes the assets of opposition leader Viktor Medvedchuk, the Kremlin's most prominent ally in Ukraine.
- **Dec. 17 2021: Russia presented security demands to West.** Washington later responded to Russia's security demands, repeating a commitment to NATO's "open-door" policy while offering a "pragmatic evaluation" of Moscow's concerns. Two days later Russia says its demands not addressed.

What are Russia's Demands?

1) **Russia wants a guarantee that Ukraine can never join NATO**

Russia's main demand is a commitment from NATO to end its further expansion into former Soviet republics — especially Ukraine. Russia wants NATO to rescind a 2008 promise that Ukraine could someday join the defence alliance. It wants Ukraine to amend the country's Constitution to drop attempts to join any bloc (NATO) and reinstate its neutrality.

2) Russia wants NATO arms out of Eastern Europe

Russia wants NATO to stop deploying its weapons and forces in countries in Central and Eastern Europe that joined the alliance after 1997. Russia has nervously watched as NATO has demonstrated it can deepen its involvement in Ukraine — providing weapons and training. NATO missiles on Ukrainian soil might pose serious threat to Russia's security.

4) Russia's demands in Ukraine's territory

It wants Kyiv

- ✓ to accept Crimea as a Russian territory,
- ✓ to recognize Donetsk and Luhansk as independent republics

➤ On Feb. 21, 2022, Putin ordered what he called peacekeeping forces into two breakaway regions in eastern Ukraine after recognising them as independent- the Luhansk "People's Republic" and Donetsk "People's Republic". Three days later Putin **authorized "special military operations"** in Ukraine. Russian forces begin missile and artillery attacks, striking major Ukrainian cities including Kiev. As per Russian President, the military action announced by Russia will seek to demilitarize Ukraine and came in response to threats from Ukraine. Russia has sought to justify its "special military operation" as a response to **the alleged act of genocide of the Russian speaking people** in the territories of Donetsk and Luhansk. Russia's invasion has sent more than 2.5 million people fleeing across Ukraine's borders and trapped hundreds of thousands in besieged cities.

Response of International Community

- Several rounds of talks have been held between Russian and Ukrainian officials to discuss the opening of humanitarian corridors for the evacuation of civilians, resuming export of foodgrains via Black Sea port, etc .The Ukrainian President, Volodymyr Zelensky, is reported to have said that **he is prepared not to insist on his country's North Atlantic Treaty Organization (NATO) membership** and he is ready to discuss the status of the eastern region of Donbas.
- **NATO strongly condemned Russia's invasion of Ukraine**, which is entirely unjustified and unprovoked. It considered it as a grave violation of international law and a serious threat to Euro-Atlantic security. NATO Allies call on President Putin to immediately stop the war, withdraw all his forces from Ukraine, and engage in good faith in diplomatic efforts. Furthermore, NATO calls on Russia to fully respect international humanitarian law and to allow safe and unhindered humanitarian access and assistance to all persons in need.
- The Western countries led by the US, have offered Ukraine financing, military equipment and training and have **applied increasingly strict sanctions on Russia**. But **they have ruled out any**

direct intervention, such as imposing no-fly zone over Ukraine for fear of being dragged into a war with Russia.

- The West has sanctioned Russian business, frozen state assets and cut off much of the Russian corporate sector from the global economy in an attempt to force Putin to change course. **Following the invasion of Ukraine, Russia was partially banned from SWIFT.** French Finance Minister Bruno Le Maire had described the measure as a “financial nuclear weapon”.

What is SWIFT?

The SWIFT system stands for the **Society for Worldwide Interbank Financial Telecommunication** and is a secure platform for financial institutions to exchange information about global monetary transactions such as money transfers. **It operates as a middleman to verify information of transactions by providing secure financial messaging services to more than 11,000 banks in over 200 countries.** Based in Belgium, it is overseen by the central banks from eleven industrial countries.

Cutting off a country from SWIFT in the financial world is equivalent to restricting Internet access of a nation. Prior to this, only one country had been cut off from SWIFT — Iran. **It resulted in it losing a third of its foreign trade.**

The Western countries have said that cutting Russian banks out of Swift will ensure **they are disconnected from the international financial system and harm their ability to operate globally.** The aim is for Russian companies to lose access to the normal smooth and instant transactions provided by Swift, disrupting payments for its valuable energy and agricultural exports.

- US announced a total ban on American imports of Russian oil and gas and gold etc. while EU announced a plan for gradual reduction in its dependence on Russian energy supply and diversification of its energy imports basket. Sports and cultural bans—the FIFA World Cup (both men's and women's), International Ice Hockey Federation, Formula 1, and Eurovision Song Contest—tried to foster a sense of isolation for the average Russian.
- The West's withering set of sanctions on Russia has taken a dramatic toll, **the country defaulted on its foreign debt for the first time since the Bolshevik revolution more than a century ago.** At the same time, the sanctions have inflicted pain on Americans and Europeans who are suffering high gas prices. Due to adverse impact of sanctions, a deep recession is expected and Russia's economy is expected to shrink by 10% in 2022. Moscow is still reaping massive revenues from its oil exports -- due in part to the skyrocketing prices.
- On September 2, 2022, Finance Ministers of all G7 countries as well as the European Union announced their plan **to impose a ‘price cap’ on Russian Oil exports.** It would mean simply not

buying Russian oil unless the price is reduced to where the cap is determined. For countries that don't join the coalition, or buy oil higher than the cap price, they would lose access to all services provided by the coalition countries including for example, insurance, currency payment, facilitation and vessel clearances for their shipments.

- G7 countries say they are aiming to reduce the price of oil, but not the quantity of oil that Russia sells, so as to control inflation globally while hurting the Russian economy and its ability to fund the war in Ukraine.

Russian response to Western sanctions

- Russia has resorted to three main sanctions defense strategies to contain those costs:
 - ✓ alternative trade partners,
 - ✓ sanctions busting, and
 - ✓ domestic offsets.
- Russia has **banned exports of more than 200 products**, including telecoms, medical, vehicle, agricultural, electrical equipment and timber. The SWIFT threat did prompt Russia to develop its own, very fledgling, cross-border transfer system called the System for Transfer of Financial Messages (SPFS) as an alternative to Swift. Separately, Moscow is working with Beijing to connect to China's Cross-Border Interbank Payment System (CIPS) - another alternative to Swift which processes payments in Chinese yuan.
- Russia has diversified its energy exports by selling oil at steep discounts to different countries including India and China.
- **US announced to provide another \$4.5bn to Ukraine. Moscow suspended nuclear arms inspections under 2010 new START treaty with Washington.**

Impact of Russian Invasion

1)Geo-Strategic Impact

- **Shift NATO focus to Europe again-** An escalating crisis in Ukraine threatens to overturn recent efforts by the United States and NATO to shift the alliance's attention to the security challenge posed by China, and would push it back toward its traditional role of protecting Europe and, by extension, North America.
- Europe's strategic geography is changing – to NATO's advantage. **Sweden and Finland shed their policy of neutrality between Russia and the West and applied for NATO membership.** The addition of Finland and Sweden to NATO means that all of the Baltic Sea's littoral states except Russia will be NATO members. Their membership will double the length of NATO's border with

Russia and make the Baltic states easier to defend. The inclusion of the two will give NATO a whole new range of ports and air bases, and the ability to reinforce the Baltic States more easily.

- Putin's decision to invade is **in direct violation of the Budapest Memorandum**, a key instrument assuring Ukraine's sovereignty and territorial integrity. This may have far-reaching consequences for the future of nuclear non-proliferation and disarmament. Russia's actions will weaken
 - ✓ the credibility of major power security assurances,
 - ✓ undermine the nuclear non-proliferation regime and
 - ✓ dampen prospects for future disarmament.
- In light of Ukraine's experience, **the pursuance of nuclear weapons to safeguard one's sovereignty and independence may be seen as more legitimate. It may trigger a resurgent interest in nuclear weapons.**

2)Economic Impact

- In an increasingly interconnected world, the impact of war do not confine to Ukraine and Russia, it has far more effect on other economies.
 - I. **Rising energy costs and disruptions to supply chains** caused by the fighting and sanctions have fuelled inflationary pressures worldwide, thereby sapping growth world-wide. Most of the world can be counted as economic losers from the conflict, **with rising food and energy prices set to push up inflation from Asia to Europe** and the U.S. squeezing household budgets just as economies were beginning to put the worst of the pandemic behind them. Prices have surged as investors judge those Western sanctions and logistical disruptions could choke off Russia's abundant supplies of oil, gas, grains, metals and fertilizers, while the war has **disrupted Ukrainian and Russian exports of food staples such as wheat and sunflower seeds**.
 - II. Supply of semiconductors, which decreased as a result of Covid-related disruptions but started picking up as manufacturing chains normalised, is now being threatened once again by the Ukraine War. **This is on account of supply of two key raw materials — neon and palladium** — that are at a risk of being constrained. Russia supplies over 40 per cent of world's palladium and Ukraine produces 70 per cent of neon.
 - III. **Energy politics- the politics around energy has been a subtext to the Ukraine crisis.** Soon, thereafter, **Germany halted the Nord Stream 2** — a 1,230- km-long gas pipeline — that would have dramatically increased availability of Russian gas in Germany. Sanctions prevent Russia from pumping Russian gas through the newly built Nord Stream 2 pipeline to Germany. Nord Stream 2 is one of two pipelines that Russia has laid underwater in the Baltic Sea in addition to its traditional land-based pipeline network that runs through Eastern Europe, including Ukraine.

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Nord Stream pipelines from Russia



3) Energy crisis

- In any conflict- Europe worries Russia will use energy as a weapon to pressurise Europe which is heavily dependent on Russian energy supplies. EU feared deliberate disruption in Russian gas and oil supplies- driving energy prices up. **Russian countersanctions, most significantly cutting natural gas supplies to the European Union**, are having a bite of their own.
- On September 5, 2022, in response to ‘price cap’ plan of G 7, Russia also announced **a halt on all supplies via the Nord Stream 1 pipeline to Europe due to “maintenance issues” arising from the EU sanctions already in place**, raising fears of a very difficult winter for European countries.
- Gas shortages are already causing major industries to cut back production. Conservation as well as fuel- and supplier-switching measures have helped but only somewhat. The EU’s recent gas-sharing agreement has enough loopholes to still leave **the specter of winter rationing looming**. Indeed, some rationing has already started. Amid one of the hottest summers on record,
 - ✓ Spain is requiring commercial air conditioning to be set no lower than 27 degrees Celsius
 - ✓ The Netherlands is encouraging 5-minute limits on showers, and
 - ✓ In France, “urban guerrillas” are shutting off storefront lights.

4) Global peace:

- The conflict has heightened tensions in Russia's relations with both the United States and Europe, complicating the prospects for cooperation elsewhere including on issues of terrorism, arms control, and a political solution in Syria.

India's Stand on this Crisis

- The Volodymyr Zelenskyy-led government requested India to intervene and hold talks with Russian President Vladimir Putin. **After the conflict began, Modi has held many telephonic conversations with Russian President Vladimir Putin and spoke to Ukrainian President Volodymyr Zelenskyy twice.** Indian PM Modi appealed for an immediate cessation of violence in his phone call to Russian President Putin. He expressed his long-standing conviction that **the differences between Russia and Ukraine can only be resolved through honest and sincere dialogue.**
- Since the start of the Russia-Ukraine war India has abstained from voting more than 11 times whenever this issue has come up – be it the United Nations General Assembly (UNGA), the United Nations Security Council (UNSC), the United Nations Human Rights Council (UNHRC), or the International Atomic Energy Agency (IAEA). It was justified on the ground of national interest.
- However, India has **unequivocally condemned the violence and called for the resolution of the conflict through dialogue and diplomacy.** India called **for urgent de-escalation of tensions and expressed deep concern over the developments.** Russia had welcomed India's balanced, principled and independent approach after India's statement at UNSC. Further India has called for respecting the sovereignty and territorial integrity of all countries. India also sent humanitarian aid to Ukraine and **expressed its outrage at the civilian killings in Ukraine's Bucha,** calling for an independent probe into this incident. India has explained its abstentions as taking a neutral approach since this is not India's war.
- In his **meeting with President Putin on the sidelines of SCO summit** in Samarkand on 17 September 2022, PM Modi told Putin **that this was not an “era” of war and “dialogue” was the only way forward.** This indicated India's discomfort with Russia's attack on Ukraine for the first time in public, although New Delhi has not criticized Russia for its action so far. The conversation between the leaders also revolved around major food, energy security crisis the world is facing.
- Earlier in 2014, India had not joined the Western powers' condemnation of Russia's intervention in Crimea and kept a low profile on the issue. Also in November 2020, **India had voted against a Ukraine-sponsored resolution in the UN** that condemned alleged human rights violations in Crimea thereby backing old ally Russia on the issue. In times of the previous three crises –

1) **the Hungarian Revolution of 1956,**

2) the Prague Spring of 1968, and

3) the Soviet occupation of Afghanistan in 1979 – India chose not to use condemnatory language against Russian foreign policy. Russia, for its part, was seen as a steadfast supporter of India in the United Nations Security Council, particularly with respect to the Kashmir dispute and India's nuclear ambitions.

- **At the recent Quad meeting in Australia, India did not publicly express concern about Russia's military build-up.** Australia, Japan came out more explicitly on the American side during the Quad meeting. Australia said that **the Quad member countries have accepted India's position on the crisis in Ukraine** Except for India, the three other Quad member countries have been severely critical of Russia for its military aggression against Ukraine.
- India's stand is criticized by Western Countries. The West views India's stand as condoning Russia's actions and applying double standards. As per them, India raises the issue of "territorial integrity and sovereignty" when it comes to China. However, it chose to remain neutral on the Ukrainian issue.
- **U.S. President Joe Biden said India's position was "somewhat shaky".** His Deputy National Security Adviser for International Economics warned India of "consequences" if it conducts trade with Russia circumventing American sanctions.
- India and the West may have their own perspectives about the Russia-Ukraine conflict, but India is making an effort to work around the differences, while maintaining its focus on the Indo-Pacific Region. In the past two months, India has had a hectic diplomatic schedule with a flurry of high-profile meetings. These engagements with the United States, Japan, Australia, the U.K., and the EU indicate India is maintaining its focus on the Indo-Pacific Region.

Reasons for India's Diplomatic Dilemma

1) To maintain balance between Russia and US

- India has good relations with its strategic partners Russia and the US and siding with one of these countries could cost India its relationship with the other. **India's position on the ongoing Ukraine crisis is guided by the desire to keep clear of the crosshairs of big power rivalry and is reminiscent of its quintessential 'strategic autonomy'.**
- Like any other country, **India also retains the right to take policies based on pragmatic realism and its core national interests.** And India thinks that a neutral position anchored in strategic autonomy which keeps channels open with both sides is what serves its interests.
- **India has maintained its neutrality from distant conflict in Eastern Europe. Strategically,** this is the most important global crisis since the end of the Cold War. India has improved its strategic partnership with the U.S., and the West in general, over the last 30 years, while at the same time retaining warm ties with Russia. **This balancing was not tested in the recent past.** But with the

Russian attack on Ukraine and the near-total breakdown in ties between Russia and the West, countries such as India are now faced with a difficult choice of picking a side.

- Given the transformation of India's partnership with the U.S., which also sees India 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.

2) India's own vulnerability in neighborhood

- Given its experiences in its own neighborhood, with China and Pakistan, **India is also wary of the implications of not condemning one country unilaterally attempting to change the borders it shares with another**. India urges that all member States demonstrate their commitment to the principles of the UN Charter, to international law and respect for sovereignty and territorial integrity of all states.

3) Increasing Sino-Russia proximity

- India is worried about the Russia-China axis too. India is also conscious that the hostility between the West and Russia is **likely to push Moscow further in the direction of Beijing**. The West not only failed to deter Russia, but its limited responses to war are also pushing Russia deeper into the Chinese embrace. The crisis will **make Moscow more dependent on friends like China and build a regional bloc of sorts that India is not a part of**.
- **Russia is already averse to the Indo-Pacific concept and the Quad** as a revival of Cold War bloc politics and views them as being against its Asia-Pacific interests. Any Ukraine conflict and a resulting breakdown of Russia-West ties will strengthen Russian opposition to these concepts and forums which are binding us to the US. India's relation with the Beijing is at an abysmal low since the Galwan clash of June 2020. **India can't afford to alienate Russia particularly when Indian and Chinese troops remain in a border stand-off**.

4) India's Investment in Russia

- India's plans in Russia's energy sector and in the development of its Far East, in general, would become problematic, especially by the reluctance of the private sector due to the complex US sanctions. The new sanctions could exclude Russia from the Swift payments system.

Impact on India

- The external sector shocks and tremors quickly overwhelm the domestic stock markets. Investors have lost millions of wealth due to the market fluctuations arising out of brewing conflict that started in early February and culminated in invasion on February 24. With razing levels of invasion without any sign of abatement, the losses could be deeper.

- **Weak rupee against US \$ is another major macroeconomic concern leading to widening current account deficit (CAD).** Rating agency ICRA expects CAD to widen to 3.2 percent in FY23 if the crude prices continue to stay elevated at a threatening level. The continued fall of rupee is pushing exporters into new dimensions of exchange rate risk. It has touched a low of Rs.80 to dollar at its all-time low. There are indications that if Russia does not sell crude oil and OPEC does not increase supply, there is a hovering further upside risks to inflation.
- Exports to Russia account for less than 1% of India's total exports, but exports of pharmaceuticals and tea could face some challenges, as will shipments to CIS countries. Freight rate hikes could make overall exports less competitive, too.
- In June 2022, Russia has overtaken Saudi Arabia to **become India's second-biggest supplier of oil behind Iraq** as refiners buy Russian crude available at a deep discount following the war in Ukraine. **The pressure on India to stop purchase of Russian oil and gas has increased in the backdrop of intensifying attacks on Ukraine. Similar geopolitical crises in the past, relating to Iran and Venezuela, had forced India to opt for alternative sources of energy, which came “at a higher cost.**
- The assertion of India's position came as international demand increased on India to stop buying Russian energy. **The Indian side argued that a large number of Western and European countries, in particular, were purchasing energy from Russia** even though Moscow was carrying out an aggressive military operation across Ukraine. **Among the top buyers of Russian oil and gas are Germany, Italy, France, and the Netherlands.** The source pointed out that apart from the major countries of Europe, even frontline states such as Poland, Lithuania, Romania and Finland were importing vast quantity of oil.
- **India has rejected any “moral” duty to join the price cap coalition of G7 countries.** India has asserted that its duty was to providing affordable oil to Indian consumers. At the EEF 2022, PM Modi said he wanted to “strengthen” ties with Russia in the energy field and boost India's \$16 billion investment in Russian oilfields. It also remains to be seen whether India will bargain with the U.S. to set aside sanctions against Iran and Venezuela, from which it cancelled oil imports under pressure from the U.S. in 2017-18, in exchange for joining the price cap coalition.

Way Out

- For many analysts, the conflict marked a clear shift in the global security environment from a unipolar period of U.S. dominance to one defined by **renewed competition between great powers.** However, a solution to the conflict is at hand, in the form of the **Minsk II agreement of 2015** calling for autonomy for a demilitarized Donbas within Ukraine, under international guarantees.

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- No one is a winner in a war. Destruction of life, livelihood and property is inevitable in armed conflicts and its economic impact will linger on for a long time to come making people poor and destitute. We are still experiencing the wrath of Covid19.
- World leaders should come together not for discussing scale of sanctions but to work out ways to resolve the issue and put an end to the mayhem. **Diplomatic channels should be used to have dialogue, negotiate, convince and arrive at amicable solutions to end the conflicts.** The increased spate of sanctions on one country is a pain to other dependent countries and it disrupts the world order. Prolonged armed conflicts will worsen the plight of innocent countries and its people.



BY SUSHANT VERMA

SINO-INDIA RELATION- I

- At the geo-political level, China and India have much in common. Both are ancient civilisations that carry the scars of past imperial conquests. Both are rapidly modernising and regaining their status as global trading and economic powerhouses. And they are the two most populated nations—collectively home to over one-third of the world's population.

Brief History

- The history of Sino-Indian relations since 1950 can be divided into distinct phases discussed below:

PHASE I - 1950-1962: PERIOD OF IDEOLOGICAL ENTHUSIASM

- This was a period of **friendship and ideological convergence** around anti-imperialist foreign policy objectives. Source of initial bonhomie between India and China was based on the shared sense of anti-colonialism.
- It was also highlighted by India and China both that **they share the responsibility to provide leadership to the newly emerging countries of Asia and Africa both**. They also shared the feeling that they should support newly emerging countries in their quest for peace and prosperity.
- In the year 1954 India and China signed **the treaty of friendship called as Panchsheel treaty**. The five principles of this strategy are:
 - 1) Mutual respect for each other 's territorial integrity and sovereignty.
 - 2) Mutual non-aggression.
 - 3) Mutual non - interference in each other 's internal affairs.
 - 4) Equality and cooperation for mutual benefit.
 - 5) Peaceful coexistence.
- Panchsheel formed a basis for a principled approach to international relations and it was suggested to guide the future of India China relationship. However, there were also differences in the ideology of Mao and Nehru which were as follows-
 - 1) Mao had led a militant movement that armed and mobilized the peasantry to win the civil war and establish People's Republic of China. Whereas Nehru led a non-violent movement against the British.

- 2) Nehru sought to consolidate the principle of sovereignty for the newly independent states which was evident in his policy of NAM. Whereas Mao advocated an international revolution, he advocated communist revolution in the newly emerging countries.
- Therefore, both nations sought to build solidarity and gain prestige among third world countries and this created competition between India and China to be viewed as a leader of the third world. This competition created initial cracks in the relationship.
- By the end of 1950s both countries got into a fierce border struggle with each other. While the border dispute can be considered a problematic legacy left over by history. Its more immediate antecedents lay in the Chinese invasion of Tibet. The year 1959 was somewhat of a watershed in Sino-Indian relations. **In March 1959, following an uprising against Chinese rule in Tibet, the Dalai lama fled to India.** This caused bitterness in bilateral ties and added fuel to border tensions.
- In November 1961, Nehru launched a more covertly confrontational '**forward policy**', which involved establishing military posts north of existing Chinese posts in the disputed territories in an attempt to cut off Chinese supply lines, and force a withdrawal. Instead of withdrawing China focused its energies on countering India's forward policy. China attacked Indian positions in both the eastern and western sectors on 20th October 1962, much to the surprise of an ill – prepared Delhi. The war had ended in 31 days **with a comprehensive victory for Chinese and a humiliating defeat to India.**

PHASE II- 1962-1990- PHASE OF COLD PEACE

- After 1962, Sino-Indian ties deteriorated. Diplomatic ties were cut off. Ambassador level ties were restored only in 1976. **Vajpayee's visit to China in February 1979** ended the chill created by the 1962 war. It was the first high-level political contact between the two countries after 17 long years.
- In mid 1980s when world was inching towards the end of cold war, India realized that USSR will not be able to retain itself as a super power and India would need new friends. Hence, **in the year 1988, Rajiv Gandhi made a historic visit to China** and he was successful in initiating a phase of normalization. During the visit, Rajiv Gandhi commented that India- China border dispute should not be made a pre-condition for the normalization of the relationship. Following Rajiv Gandhi's visit, an **India –China joint working Group (JWG)** was established to go into the boundary dispute.

PHASE III- END OF COLD WAR ONWARDS (1990 ONWARDS)

- In post-Cold War times India-China relations normalized further. Both nations were able to identify mutually inclusive economic interests. India brought a new economic policy and followed China's footsteps towards higher growth rate.
- In this period, both countries signed **five border pacts to manage disputed border.**

VAJIRAM & RAVI **FIVE BORDER PACTS**

- 1) **1993 Agreement on Maintenance of Peace and Tranquillity** along the Line of Actual Control in the India-China Border Areas. India formally accepted the concept of the LAC. The agreement stipulates that the two sides should seek solutions to border disputes through peaceful means and should not use force or threaten to use force before the final solution to the border issue.
- 2) **1996 Agreement on Confidence Building Measures** in the Military Field along the LAC spelt out some measures to clarify the LAC and to work out limits of their respective militaries and various armaments such as tanks, infantry combat vehicles, howitzers on the LAC. Combat aircraft and helicopters were barred from flying within 10 km of the LAC.
- 3) **2005 Protocol on Modalities for the Implementation of the Confidence Building Measures** in the Military Field along the LAC. The agreement spelt out the standard operating procedures on what would happen when patrols met each other on the territory that both countries claimed.
- 4) 2012 Agreement on the Establishment of a **Working Mechanism for Consultation and Coordination** on India-China Border Affairs. This was seen as a move to replace the old joint working group process that linked the two foreign ministries.
- 5) **2013 Border Defence Cooperation Agreement**- even while observing the provisions of the past agreements, they would not tail the patrols of the other side in areas where there was no common understanding of the LAC. Crucially, India and China had also agreed that if the two sides come face-to-face in areas where they have differing perceptions of the LAC, both sides shall exercise maximum self-restraint and refrain from any provocative actions.

Difference between LAC and LOC

India – China boundary is referred to as **Line of Actual Control (LAC)**. The LAC is the demarcation that separates Indian-controlled territory from Chinese-controlled territory.

On the other hand, **the Line of Control (LOC)** emerged from the 1949 ceasefire line negotiated by the UN after the Kashmir War. It was designated as the LoC in 1972, following the Shimla Agreement between the two countries. It is delineated on a map signed by DGMOs of both armies and has the international sanctity of a legal agreement.

The LAC, in contrast, is only a concept – it is not agreed upon by the two countries, neither delineated on a map or demarcated on the ground. India considers the LAC to be 3,488 km long, while the Chinese consider it to be only around 2,000 km. **Moreover**, China is often found doing intrusions across LAC, for instance recent intrusion in **Galwan region**.

LAC is not the claim line for India. India's claim line is the line seen in the official boundary marked on the maps as released by the Survey of India, including both Aksai Chin and Gilgit-Baltistan. In China's case, it

corresponds mostly to its claim line, but in the eastern sector, it claims entire Arunachal Pradesh as South Tibet. However, the claim lines come into question when a discussion on the final international boundaries takes place, and not when the conversation is about a working border, say the LAC.

- In 2003, Vajpayee visited China and both countries decided to appoint **special representatives** to resolve the border dispute. This mechanism of talks between special representatives is being used till date.

Three stages of Border Dispute Resolution

When the **Special Representatives were appointed in 2003**, the two sides set off a **three-stage process**-

- 1) First stage is an agreement on **the guiding principles and setting political parameters** for the settlement.
- 2) The second stage focuses on working out a **framework of settlement**. This would involve a framework of technical agreements that would translate into the final ‘border package’.
- 3) Stage III would be **the actual delineation and demarcation of the boundary on the map** by civil, military and survey officials.

- The Manmohan Singh-Wen Jiabao summit in 2005 had more significant outcomes. India and China were able to conclude **the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question**. This agreement completed the first of three stages of the talks.
- The most prominent area of cooperation has been trade. Over the years, China has emerged as one of India’s largest trading partner along with USA and European Union. **Thus, Sino-India relations have normalized substantially**
- However, they still have profound disagreements and a destabilizing border dispute; this makes them fierce competitors as well. Rise of China is seen as a threat for India, especially China’s growing presence in India’s neighbourhood. China is also considered all weather friend of India’s hostile neighbour Pakistan. Moreover, there are apprehensions regarding a rising nexus of Pakistan-China-Russia.
- Hence, **India is compelled to follow policies to balance China**. Thus, India is attempting **internal balancing** by developing its conventional and non-conventional capacities. Furthermore, India is also entering strategic partnerships with like-minded countries to balance China, for instance USA, Japan, New Zealand, Australia and role in QUAD (**external balncing**). **Policy of multiple alignment gives India bargaining power.**

- There have been regular interactions between leaders and officials of both the countries including at the highest political level. Yet despite these commonalities, China and India have been unable to resolve their shared boundary and other tensions. There **is a recurrent theme of conflict and cooperation witnessed in various sides of bilateral relation.**

AREAS OF COOPERATION: INFORMAL SUMMITS

- Informal Summits serve as **supplementary exchanges** to annual Summits and other formal exchanges. The informal summit **allows for direct, free and candid exchange of views** between countries which may not be possible in the formal bilateral and multilateral meetings that are agenda-driven, where specific issues are discussed, and outcomes are more concretely defined.

Outcomes of Wuhan (2018) and Mamallapuram (2019) summits:

- Both sides were able to reach mutual understanding on various issues listed below:
 - ✓ The Chennai summit added **the “Chennai Connect” to the “Wuhan Spirit”**- a mood of rapprochement- they had decided to
 - prudently manage differences and not to allow them to become disputes.
 - they will be sensitive towards each other's concerns
 - they would provide “strategic guidance” to their respective militaries to improve communication, implement various confidence building measures, and strengthen existing institutional mechanisms in order to prevent and manage situations in the border areas.
 - ✓ **High-Level Economic and Trade Dialogue mechanism** will look into achieving enhanced trade and commercial relations. It will also seek to address the trade deficit and issues related to investment.
 - ✓ Both agreed that there must be a **rules-based and inclusive international order**. They agreed that there must be reforms that reflect the new realities of the 21st century.
 - ✓ They also agreed that **rules-based multilateral trading systems** must be supported and strengthened (WTO). Both nations also reinforced their commitment to work together for open and inclusive trade arrangements that will benefit all countries.
 - ✓ They also made a commitment to address **global developmental challenges**, including climate change and meet the Sustainable Development Goals.
 - ✓ To celebrate the 70th year of diplomatic relations between the two nations, the year 2020 was designated as **Year of India-China Cultural and People to People Exchanges**.
 - ✓ To celebrate the civilizational ties between the nations, two leaders decided to form a 'Sister-state relationship' between Tamil Nadu and Fujian Province.

Major irritants in their bilateral ties are as following-

- 1) Boundary Dispute
- 2) Sino-Pak nexus
- 3) BRI
- 4) Geo-political tussle in Indo-Pacific
- 5) Trade Deficit
- 6) River Water Sharing

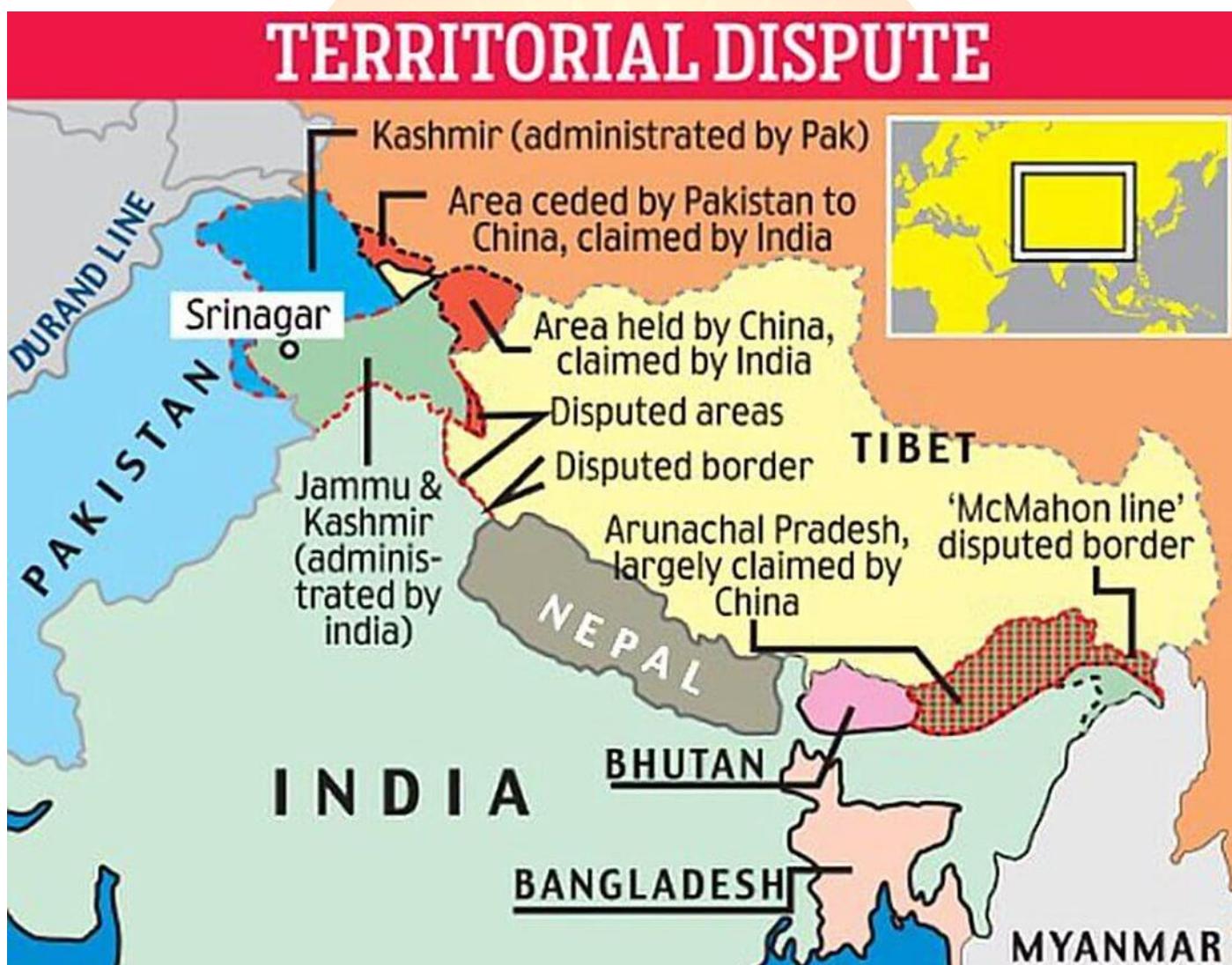
1)Boundary Dispute

- Boundary dispute is a legacy of the failure of British to not resolve outstanding disputes. Both India and China share about 3488 km of land border, which can be divided into the
 - 1) Eastern sector
 - 2) Middle sector
 - 3) Western sector.
- Most disputed are the western and eastern sectors. The Chinese **have two major claims** on what India deems its own territory-
 - 1) One claim, in the **western sector**, is on **Aksai Chin** (covering 38000 sq kms) in the north-eastern section of Ladakh Union Territory. This is apart from **5180 sq km of territory in Gilgit Baltistan region** in the Shaksgam valley of Jammu and Kashmir which was illegally ceded by Pakistan to China in 1963. British had appointed two commissions (**Johnson and McDonald**) to demarcate boundary. According to Johnson's commission Aksai Chin is part of India and according to McDonald commission Aksai Chin is part of China. British left without resolving this border.
 - 2) The other claim is in the **eastern sector over Arunachal Pradesh** (covering 90,000 sq Kms) Beijing has stated that it does not recognise Arunachal Pradesh. India accuses China of illegally occupying Aksai Chin While China accuses India of occupying areas in Arunachal which it calls **part of Southern Tibet**.
- The middle sector is in the state of Uttarakhand and Himachal Pradesh. The disputed area in the middle sector is much smaller, involving only few pockets. China also claims about 2000 sq. kms. in the Middle Sector of the India-China boundary.
- The **McMahon Line boundary dispute is at the heart of the boundary dispute between China and India**. In the early 20th Century Britain sought to advance its line of control and establish buffer zones around its colony in South Asia. In 1913-1914 representatives of China, Tibet and Britain negotiated a treaty in India: the Simla Convention. Sir Henry McMahon, the foreign secretary of British India at

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the time, drew up the 550 mile (890 km) McMahon Line as the border between British India and Tibet during the Simla Conference. The so-called McMahon Line, drawn primarily on the highest watershed principle, demarcated what had previously been unclaimed or undefined borders between Britain and Tibet. The McMahon line moved British control substantially northwards.

- The Tibetan and British representatives at the conference agreed to the line, which ceded Tawang and other Tibetan areas to the imperial British Empire. However, the Chinese representative refused to accept the line. Peking claimed territory in this far north down to the border of the plain of Assam.
- Chinese government does not recognize the "illegal" McMahon Line and considers it as a symbol of imperialist aggression on the country. These claims and counter claims have meant that the Line of Actual Control (LAC), the de-facto boundary after the 1962 war, is yet to be physically demarcated on the ground. As a result, different perception of the LAC has led to several border skirmishes and incursion.



- The Line of Actual Control (LAC) covers the 3,488 km-long border between them. While China says the border dispute is confined to 2,000 kilometres, mainly Arunachal Pradesh in eastern sector which

it claims as part of southern Tibet, India asserts the dispute covered the whole of the LAC including the Aksai Chin occupied by China during the 1962 war. It is to be noted that China has completely settled territorial disputes with 12 of the 14 land neighbors.

FIVE FINGER STRATEGY OF CHINA

The Five Fingers of Tibet is a Chinese foreign policy attributed to Mao Zedong that considers Tibet to be China's right hand palm, with five fingers on its periphery:

- 1) Ladakh,
- 2) Nepal,
- 3) Sikkim,
- 4) Bhutan, and
- 5) Arunachal Pradesh, and

It is China's responsibility to "liberate" (means capture) these regions.

It was never discussed in official Chinese public statements but an article in a provisional mouthpiece magazine of the Chinese Communist Party verified the existence of this policy in the aftermath of the 2017 China-India border standoff.

What role each of the finger will play?

- ✓ Ladakh: Control over this will give China full access to Pakistan and subsequently to Arabian sea which will connect China to the Arabia and west.
- ✓ Nepal: Control over Nepal will give China access to Indian heartland. It can easily build rail or roads easily to India. Or if it deploys its armies in Nepal, then states of UP, Bihar will be well within Chinese reach militarily.
- ✓ Sikkim: Control over Sikkim will give China an edge in cutting off India's Chicken neck (i.e. Siliguri corridor) and cut-off North East from Indian mainland.
- ✓ Bhutan: Control over this area will bring China closer to Bangladesh through which it can reach Bay of Bengal.
- ✓ Arunachal Pradesh: Control over this area will help China capture entire North east.

- **Tibet lies at the heart of Sino-Indian border dispute.** India harbours fears founded on Tibet's geo-strategic setting. **China's annexation of Tibet in 1951 removed India's 'political buffer'.** China was enraged at India's grant of political asylum to the Dalai Lama who fled to India in 1959.
- Also because of China's 'Western Development Strategy', China has carried out **widespread infrastructure development projects in Tibet especially highways, roads, rail links and air strips.** India views it as providing the logistical capability for a Chinese invasion across the border. Thus, **Tibet's geo-strategic setting** is effectively the source of the mutual threat perception and alignment patterns that dominate the Sino-Indian relationship.
- **Geo-economics** also shape the Tibetan Plateau's strategic value. The Tibetan Plateau is estimated to hold approximately 40 per cent of China's mineral resources, including coal, gold, lithium and copper.
- It is also the world's third largest fresh water repository, after the polar icecaps, and is **the source of most of Asia's major river systems**, including the Yellow, Salween, Irrawaddy, Yangtze, Mekong, Brahmaputra and Indus Rivers.
- The issue of water management (for projects such as flood control, irrigation and hydroelectric power) offers China the potential for enormous influence and leverage over downstream riparian states, such as India, Nepal, Bhutan, Bangladesh, Pakistan, Vietnam, Burma, Cambodia, Laos and Thailand. Moreover, China's plan **to dam the Brahmaputra River** in Tibet features heavily in Indian security calculations, given that the consequences of China turning off the tap upstream could be disastrous for northeast India.
- China had also started the practice of issuing **stapled visa** to Indian residents of Jammu and Kashmir and Arunachal Pradesh despite strong Indian protests.
- **Tawang in Arunachal Pradesh is one of the prominent religious centres for Tibetans. It serves as the headquarters of the Karma-Kargyu sect of Tibetan Buddhists.**
- **China aggressively promotes One-China policy and in Beijing's view a relevant Tawang outside Chinese control will continue to question Chinese acquisition of Tibet.**
- China looks nervously at a free Tawang, a source of inflammatory thoughts and ideas across the border in India. Beijing appoints the heads of Tibet's monasteries, but the Dalai Lama appoints the Tawang Gompa chief. So Tawang Gompa remained beyond Chinese control.
- **For now, Beijing insists that India must cede Tawang to China in any border settlement.**

- Prime Minister Narendra Modi's phone-call to the Dalai Lama on his 87th birthday in July 2022 annoyed Beijing, prompting it to ask New Delhi to refrain from using the issue of Tibet to interfere in the internal affairs of China. New Delhi responded by underlining that it was a consistent policy of the Government of India to treat the Dalai Lama as an honoured guest in the country.
- On August 10, 2022, the 14th Dalai Lama flew onboard a Dhruv helicopter of the Indian Air Force (IAF) from Leh to a 15th-century monastery located near Lingshed, one of the remotest village in Ladakh. The visit by the Tibetan Buddhist monk is also his first one to Leh since the military stand-off between India and China started along the Line of Actual Control (LAC) in eastern Ladakh in April-May 2020.
- New Delhi released pictures of the Dalai Lama with the IAF officials and personnel, apparently to tacitly snub China, which in the past repeatedly conveyed its displeasure over the Government of India facilitating the visits of the Tibetan Buddhist monk.
- **The latest move by Indian government to send out a subtle-but-firm message to Beijing** came just days after the Speaker of the United States House of Representative Nancy Pelosi visited Taipei, defying repeated warnings from China. It responded by launching a week-long military drill across the Taiwan Strait. Beijing considers Tibet and Taiwan as its “core issues” and repeatedly stressed that its sovereignty on both is non-negotiable.

Doklam Standoff (2017):

- Doklam plateau is a strategically vital 269 square kilometer patch of Bhutan's territory that Beijing laid claim to in the 1980s. **The disputed area is situated at the trijunction of Bhutan, Sikkim and China.** It is located in the strategically sensitive area of Chumbi valley.
- A standoff occurred in 2017, when Indian troops intervened to block the path of Chinese People's Liberation Army soldiers engaged in building road-works on the Doklam plateau. This standoff lasted almost three months and has changed the contours of already disturbed India-China relations. Standoff ended with both countries agreeing to mutually disengage from the Doklam region.
- Doklam holds strong strategic and geo-political relevance for India, which justifies India's aggressive stand of sending their troops to the area. Analysts say that the construction of a new road through the Chumbi valley would **further endanger the —Chicken's Neck— the narrow Siliguri corridor**, which links the north-east with the rest of India. India is vulnerable in this corridor as it is the only access point to the northeast. The Corridor is about 500 km from the Chumbi Valley.

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- India had conveyed to the Chinese government that the latter's construction of road in the disputed Doklam area would represent a significant change of status quo with serious security implications for India and would amount to undermine India's security.
- In recent time, China appears to have escalated its pressure on Bhutan. The aim of the pressure is well known: To persuade Bhutan to cede Doklam.



Salami Slicing

Salami Slicing is a **divide-and-conquer tactic** used to dominate opposition territory, piece by piece. Such military operations are too small to result in a war. They leave a neighbouring country confused as it is not able to decide how and how much should it respond. These small military actions **also help avoid international diplomatic attention**. These small actions cumulate over a period of time and result in a strategic advantage for the aggressive country.

The term was coined by dictator Mátyás Rákosi who used the term to justify the actions of the Hungarian Communist party to grab complete power in Hungary. Recently, the term has been increasingly used to describe China's unilateral military actions in India, Japan and countries in the South China Sea region.

China's recent action in Doklam, experts say, was an example of Salami Slicing.

The tools of Salami slicing depends upon the region. For example, in Ladakh, the People's Republic of China brings in ethnic Han pastoralists and giving them cover to use the land across the areas of unprotected

Line of Actual Control. In the process, they drive away from the Indian herdsmen from their traditional pastureland, thus opening the path for Salami slicing.

'Three warfares' (3Ws) strategy

In 2003, China's Central Military Commission (CMC) approved the guiding concepts for "information operations for the PLA, also known as "Three Warfares" (san zhong zhanfa). For the past decade, China is known to have actively used 'three warfares' (3Ws) strategy—

- 1) Media
- 2) psychological and
- 3) legal warfare—to weaken its adversaries in regions constituting what it perceives to be its 'core interests'.

Wolf Warrior Strategy

It describes offensives by Chinese diplomat to defend China's national interests, often in confrontational ways. In view of Harsha V.Pant, China's wolf warrior strategy has meant cultivating a diplomatic style which is inherently undiplomatic, as it seeks **to confront, attack, demean and even abuse other nations when Beijing is challenged**. This was done at the behest of China's top leadership that wanted to showcase to the world that today's China, rather than being bullied, would itself become a bully.

Wolf Warrior and Wolf Warrior II are Chinese action blockbusters that highlight agents of Chinese special operation forces. They have boosted national pride and patriotism among Chinese viewers.

As international criticism has mounted about China's initial handling of the coronavirus outbreak, Beijing's diplomats have clashed with host countries in a way seldom seen in peacetime.

Standoff in Eastern Ladakh (since May 2020)

- Face-off and stand-off situations occur along the LAC in areas where India and China have overlapping claim lines. The LAC has never been demarcated. Differing perceptions are particularly acute in around two dozen spots across different sectors of the India-China border.
- In April and May 2020, China repeated moves similar to those it had undertaken in Depsang in 2013, Chumar in 2014 and Pangong Tso in 2019, of physically occupying certain areas of the LAC and preventing the movement of Indian patrols. This time, **China also appeared in some areas that were previously not disputed** and the new tactic has involved simultaneous advances along the LAC in eastern Ladakh.
- The standoff in eastern Ladakh began on May 5, 2020 following a violent clash in the Pangong lake area and both sides gradually enhanced their deployment by rushing in tens of thousands of soldiers as well as heavy weaponry. Tensions had been running high in the area.

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- Chinese incursions took place in **Galwan Valley (Patrolling Point 14)**, **Hot Springs area (PP15)**, **Pangong Tso, the Gogra (PP 17 and 17 A) area**, **Demchok** and the **Depsang Plains** in Eastern Ladakh.
- The Patrolling Points we have referred to are not new. They were set up in the late 1970s by the Government of India's China Study Group. This means Indian patrols have been going there routinely all these years and the Chinese could not have but known about them. In turn, India is familiar with where the Chinese patrol, and hence claim. **And while there is an overlap of claims in Depsang and Pangong Tso, there was none in Gogra, Hotsprings and Galwan river valley.**



- **Galwan Clash-** Even though the LAC in Galwan river Valley in eastern Ladakh was never disputed by the two sides, however the Chinese had moved into the Indian side of the LAC. Negotiations had been conducted between local military commanders of both the armies for a mutually agreed disengagement process. As part of that process, a buffer zone had been agreed to be created between the LAC and the junction of the Shyok and Galwan rivers to avoid any faceoff between the two armies. The two armies were to move back by a kilometre each in that area as a first step.
- Colonel B Santosh Babu, who was monitoring this process, noticed that a Chinese camp still existed in the area; he went to get it removed. This soon led to fistcuffs and blows being exchanged, resulting in deaths and injuries (20 Indian personnel killed). The seriousness of this event was underscored by the fact that these were **the first casualties along the Line of Actual Control since 1975**, when four soldiers were killed in a Chinese ambush 500 metres south of Tulung La. In 1967, in a clash in Sikkim, 80 Indian soldiers and 400 Chinese soldiers are estimated to have been killed.

Trigger factor for China's action

- In view of some experts, the possible triggers cited for the People's Liberation Army's (PLA) targeting of Indian territory along the Line of Actual Control (LAC) in eastern Ladakh was the construction of **the 255-km long Darbuk-Shyokh-Daulat Beg Oldie (DSDBO) all-weather road and the revocation of statehood of Jammu and Kashmir.**
- The DSDBO road's strategic importance is that it connects Leh to DBO, virtually at the base of the Karakoram Pass that separates China's Xinjiang Autonomous Region from Ladakh. The DSDBO highway provides the Indian military access to the section of the Tibet-Xinjiang highway that passes through Aksai Chin. The road runs almost parallel to the LAC at Aksai Chin.
- Daulat Beg Oldie (DBO) has the world's highest airstrip, originally built during the 1962 war but abandoned until 2008, when the Indian Air Force (IAF) revived it as one of its many Advanced Landing Grounds (ALGs). The strip is critical to sustain Indian operations in the region, particularly in the winter when road access gets cut off because of heavy snowfall, particularly along passes. The Daulat Beg Oldie airstrip also enables Indian armed forces to speedily move in reinforcements and weapons including artillery guns into the region.
- There are additional strategic considerations in the area. To the west of DBO is the region where China abuts Pakistan in the Gilgit-Baltistan area, once a part of the erstwhile Kashmir principality. **This is also the critical region where China is currently constructing the China-Pakistan Economic Corridor (CPEC) in Pakistan-Occupied Kashmir (PoK),** to which India has objected. **The revocation of statehood of Jammu and Kashmir** heightened China's fear about Indian stand on CPEC.
- In the wake of Galwan faceoff, India banned 59 Chinese apps and PM Modi commented that —era of expansionism is over and —history is witness that such forces have been wiped out, or have been forced to turn around]. **Certainly, Galwan faceoff has overshadowed Wuhan spirit and Chennai connect (Mamallapuram summit).**

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ONE CHINA POLICY AND ONE CHINA PRINCIPLE

The **One China Policy** refers to **the strategic ambiguity** used by the US to have formal diplomatic relations with the People's Republic of China (PRC), while still maintaining significant informal relations with Taiwan, officially the Republic of China. It is a longstanding US policy that forms the bedrock of its relationship with Beijing.

The policy can be traced back to 1949 and the end of the Chinese civil war. The defeated Nationalists, also known as the Kuomintang, retreated to Taiwan and made it their seat of government while the victorious Communists began ruling the mainland as the People's Republic of China. Both sides said they represented all of China. No armistice or peace treaty was ever signed between the two countries. China considers Taiwan as part of its sovereign territory and Taiwan considers itself essentially independent. Since then, China's ruling Communist Party has threatened to use force if Taiwan ever formally declares independence. Initially, many governments including the US recognized Taiwan as they shied away from Communist China. But the diplomatic winds shifted as China and the United States saw a mutual need to develop relations beginning in the 1970s, with the US and other countries cutting ties with Taipei in favour of Beijing. After years of warming relations, the US established formal diplomatic ties with Beijing in 1979 under President Jimmy Carter.

The PRC's view of there being only one legitimate government of China, only one sovereign nation with the name of China, and that **Taiwan is part of China** is known as **the One China Principle**. Under the principle, the PRC is also opposed to the idea that any legitimate nation holds the name of China but also opposes the idea of Taiwanese independence in any form or shape. **One of the requirements for any political entity to establish diplomatic relations with the PRC is for them to not legally recognize the ROC**. As a result, only 15 countries today recognize the ROC. This has resulted in Taiwan's diplomatic isolation from the international community.

The contours of the **One China Policy** were explained in the US-PRC joint communique of December, 1978, which said: "The People's Republic of China and the United States of America have agreed to recognise each other and to establish diplomatic relations as of January 1, 1979. **The United States of America recognizes the Government of the People's Republic of China as the sole legal Government of China**. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan." However, under the policy, **the US merely acknowledged and did not affirm PRC's territorial claim on Taiwan itself** while also not promoting Taiwanese independence.

The US then passed **the Taiwan Relations Act** to still maintain all informal relations with Taiwan. This Act guarantees support for the island. **Crucially, this act states that the US must help Taiwan defend**

itself - which is why the US continues to sell arms to Taiwan. The US has also said it insists on the peaceful resolution of differences between the two sides and encourages both sides to pursue "constructive dialogue". It maintains an unofficial presence in Taipei via the American Institute in Taiwan, a private corporation through which it carries out diplomatic activities.

India's Relations with Taiwan

India, which was one of the first non-communist countries to recognise Zedong's PRC in 1950, has also adhered to the One China policy. However, **for India the One China Policy doesn't just govern Taiwan but also Tibet**. While India doesn't recognise Taiwan or any Tibetan authority as independent of China, there has been demands from the strategic community for India to revisit its stance over China's continuing aggression at Indian borders. **India-Taipei Association**, which is headed by a diplomat, functions as a de facto embassy of India in Taipei. **The Taipei Economic and Cultural Centre (TECC)** in New Delhi is the de facto diplomatic and consular mission of Taiwan in India.

India had invited Lobsang Sangay, the Sikyong (President) of the Tibetan Government-in-Exile (TGiE) and Tien Chung-kwang, the former ROC Representative to India, to swearing-in ceremony of Prime Minister Narendra Modi attending the 2014. It was interpreted as subtle shift in Indian position. **The government has also not officially reaffirmed the One China policy in its official statement since 2010**. This is in response to the communist country's policy of issuing "stapled visas" to the residents of Jammu and Kashmir, instead of normal visas pasted on passports issued by the Government of India.

The Modi Government, however, had in July 2018 virtually re-asserted its adherence to "One-China policy" and made Air India to change "Taiwan" with "Chinese Taipei" in the list of destinations on its website. Taiwan had strongly reacted stating that the move by Air India could be seen as India "succumbing to the unreasonable and absurd pressure from China".

Amid escalating tension between China and Taiwan following US House Speaker Nancy Pelosi's visit to the self-governing island in August 2022, India said it opposed any unilateral change to the status quo over Taiwan but India's position on "relevant" policies is well-known and consistent and they do not require reiteration.

India's trade and economic relations with Taiwan, however, steadily grew over the years. The bilateral trade volume reached \$ 7 billion in 2018. The two sides are now exploring the possibility of negotiating a bilateral Free Trade Agreement. **On September 13 2022, Vedanta and Foxconn have announced a \$19.5 billion joint venture to manufacture semiconductors and displays in Gujarat**. Foxconn, also called Hon Hai Precision, is Taiwan's and the world's largest electronics contract manufacturer, best known as the primary assembler of Apple iPhones.

Efforts to resolve dispute

- Since then, both countries are engaged in military and diplomatic talks to resolve the crisis and prevent further escalation. 16 rounds of discussion have already taken place at the Corps Commander level. **India and China on September 13, 2022 confirmed the disengagement of their troops from a fifth friction point in in the Gogra-Hot Springs area Eastern Ladakh along the LAC.** Buffer zones have now been established by the two sides in five locations, including in **Galwan Valley, north and south of Pangong Lake, and at PP17A in Gogra**. The arrangements in the four earlier established buffer zones have so far helped keep the peace over the past two years. No patrolling is to be undertaken by either side in the buffer zones, which have been established on territory claimed by both India and China. The latest disengagement came just three days before Prime Minister Narendra Modi and Chinese President Xi Jinping are to attend the SCO summit in Uzbekistan.
- While troops are yet to disengage in two other areas, the broader de-escalation is nowhere near the horizon. The standoff remains unresolved with about 50,000 troops amassed on either side of the LAC and still are facing each other at **Depsang and Demchok**. China refused to discuss other friction areas, Densang and Depsang maintaining that they are not a part of the current stand-off. It has stalled any progress. **India has been insisting on comprehensive disengagement and de-escalation to end the ongoing standoff in eastern Ladakh.**
- While the buffer zones may serve as a temporary measure to prevent a recurrence of clashes, the reality is that **this is an arrangement that has been forced on India**. The Indian military, by holding the line and showing its capacity to match China's deployments, has been able to reverse China's multiple territorial ingresses of April 2020 in the five areas. That has, however, come at the cost of India's ability to access patrolling points that it was reaching previously. In the view of some military observers, this might have been China's game-plan all along, given the favourable logistics and terrain on the Chinese side that enable faster deployments. China has not shown any intent to de-escalate, instead continuing to build forward infrastructure aimed at permanently housing a large number of troops closer to the LAC.
- India also described China's renaming of some places in Arunachal Pradesh as a "ridiculous exercise" to support "untenable territorial" claims, asserting that the state has always been and will always remain an "inalienable" part of India.

- Recently, China has adopted a new land border law amid the continued standoff between Indian and Chinese militaries in eastern Ladakh. The law will govern how Beijing guards its 22,000-km long land border that it shares with 14 countries, including India, Russia, North Korea and Bhutan.
- The new law stipulates that Chinese state shall take measures to safeguard territorial integrity and land boundaries. For this, The People's Liberation Army (PLA) shall carry out border duties including organising drills and resolutely prevent, stop and combat invasion, encroachment, provocation and other acts. Moreover, law necessitates China **to take measures to support economic and social development in border areas.**
- Impact on India: Experts in India say that **the law would formalize some of China's recent actions in disputed territories with both India and Bhutan**, including the PLA's deployment of troops in forward areas along the India border and multiple transgressions across the LAC. The passing of the law coincides with increased Chinese activity along the land borders, which have mirrored actions in disputed waters in the East and South China Sea.
- Worryingly, China in recent years has been strengthening border infrastructure, including the establishment of air, rail and road networks, launching bullet train in Tibet which extends up to Arunachal Pradesh border, and the construction of new frontier villages along the border with Bhutan.

VISIT OF CHINESE FOREIGN MINISTER WANG YI, MARCH 24, 2022**Key takeaways from the meeting between the two Foreign Ministers**

- External Affairs Minister S Jaishankar Friday told visiting Chinese State Councillor and Foreign Minister Wang Yi those bilateral relations have been “disturbed as a result of Chinese actions since April 2020”. This naming of “Chinese actions” and its impact is one of the most candid articulations of New Delhi’s assessment, directly conveyed to the Chinese Foreign Minister.
- Jaishankar said the presence of a large number of troops there, in contravention of 1993 and 1996 agreements is an abnormality, so restoration of normalcy will obviously require restoration of peace and tranquility. **India has been demanding status quo ante or positions prior to April 2020.** In his view, the **onus of normalisation of ties lies with Beijing.**
- He further argued that our relationship is best served by observing the **three mutuals** -
 - 1) mutual respect,
 - 2) mutual sensitivity and
 - 3) mutual interest

- He raised the issue of Wang's statement at the OIC conference in Islamabad which was criticised by the Indian government. China should follow an independent policy in respect of India, and not allow its policies to be influenced by other countries and other relationships — a reference to Pakistan.
- India asserted that matters related to the Union Territory of Jammu & Kashmir are entirely the internal affairs of India. Other countries, including China, have no locus standi to comment. They should note that India refrains from public judgement of their internal issues, New Delhi also reminded the leadership in Beijing that India refrains from public judgment of their internal issues. India usually does not criticise China over its internal issues including those related to Taiwan, Tibet, Hong Kong, human rights violations and atrocities against Uyghurs in Xinjiang province.
- Earlier India had outlined **eight principles** to help repair strained relations with China-
 - 1) **Agreements already reached must be adhered to in their entirety, both in letter and spirit.**
 - 2) **The LAC must be strictly observed and respected**, and any attempt to unilaterally change the status quo is completely unacceptable.
 - 3) **Peace and tranquillity in the border areas is the basis for development of relations in other domains.** If they are disturbed, so inevitably will the rest of the relationship be.
 - 4) While both nations are committed to a multi-polar world, there should be a recognition that a multi-polar Asia is one of its essential constituents.
 - 5) Each state will have its own interests, concerns and priorities, but sensitivity to them cannot be one-sided as relationships between major states are reciprocal in nature.
 - 6) As rising powers, each will have their own set of aspirations and their pursuit too cannot be ignored.
 - 7) **There will always be divergences and differences but their management is essential to bilateral ties**
 - 8) Civilisational states like India and China must always take the long view.
- (A civilisation state is a country that claims to represent not just a historic territory or a particular language or ethnic-group, but a distinctive civilisation. It is an idea that is gaining ground in states as diverse as China, India, Russia, Turkey etc.)

What's India's thinking?

- From Delhi's calculus, Beijing's outreach is an opportunity since two years of strained ties has led to the slide of gains made in the last three decades. **While India has always maintained that the border situation has adversely impacted bilateral ties, China has insisted that the border dispute should be handled appropriately and the larger picture of bilateral ties should be kept in mind.**
- This divergence of approach has meant that there have been no bilateral visits, although there have been focused bilateral meetings between Indian and Chinese Foreign Ministers and Defence Ministers in other countries perceived to be neutral venues, like Russia and Tajikistan. The two sides have also

participated in several multilateral summits including virtual summits of BRICS, G-20, SCO among others.

- **External Affairs Minister S Jaishankar met Chinese Foreign minister and State Councillor Wang Yi on July 7, 2022 in Bali** for the G-20 foreign ministers' meeting, amid the ongoing standoff between troops along the India-China border. He also called for an early resolution to the more than two-year-long standoff.
- **China's special envoy on Afghan affairs Yue Xiaoyong made a low-key visit to New Delhi** on August 1, 2022 for talks with the Indian diplomat handling matters related to Afghanistan. **This was the first visit to India by Yue, who was named the special envoy for Afghan affairs a year ago**, and follows trips by him to Pakistan and Turkey for discussions on the situation in Afghanistan. The Chinese side had sought the meeting and the move was being seen in New Delhi as an acknowledgement by Beijing of India's important role in Afghanistan.
- **This is also the first time that senior officials of the two sides have discussed Afghanistan since the takeover of the country by the Taliban almost a year ago.** China was among a handful of countries that didn't close its embassy in Kabul after the Taliban grabbed power on August 15 last year, and though it has not formally recognized the regime, it has said it wants "friendly and cooperative" ties.
- The meeting is also being seen in the context of recent one-off engagements that the two sides have had on important matters and does not in any way signal that relations are moving towards normalisation, especially in view of the differences between New Delhi and Beijing over the military standoff in Ladakh sector, the people said.

2)SINO-PAK AXIS

- **China and Pakistan have been described as "all weather friends.** Founded on a shared enmity for India, the relationship has in some respects run deeper than formal alliances have been remarkably resilient over the dramatic economic and geopolitical shifts of the last few decades.
- In a boundary agreement in 1963, **Pakistan ceded the Shaksgam Valley to China.** The Shaksgam Valley or the Trans Karakoram Tract is part of the Hunza-Gilgit region of Pakistan-occupied Kashmir and is a territory claimed by India but controlled by Pakistan. The agreement laid the foundation of the Karakoram highway, built jointly by China and Pakistan in the 1970s.
- India has long standing grievances against **China's secret nuclear and missile technological help** to Pakistan which enabled Pakistan to emerge as the nuclear power. This eroded conventional Indian military superiority and emboldened Pakistan to wage a proxy war against India in the state of Jammu and Kashmir. **This Pakistani policy of inflicting thousand cuts on India** via state sponsored terrorism has been a major security challenge for India.

- Chinese backing for Pakistan's nuclear, missile and defence supply program ensured that it could maintain its role as a balancer in South Asia and continuing to keep Delhi strategically tied down by its western neighbour.
- Convergence between the two countries raises the **real spectre of a ‘two-front’ war**. India is keeping a vigilant eye on air bases in Pakistan-Occupied Kashmir (PoK) where there is possibility of PLA Air Force (PLAAF) using air bases in PoK. The Gwadar naval base in Pakistan has emerged as an important naval base for Chinese Navy with serious security implications for India.
- Pakistan has a crucial intermediary for Beijing in establishing its relationship with the United States, with Saudi Arabia, and with the Taliban. Its intelligence services' ties with militant groups in the region helped, for many years, to ensure that China was never a top-tier jihadi target.

China’s ambiguous stand on cross-border terrorism

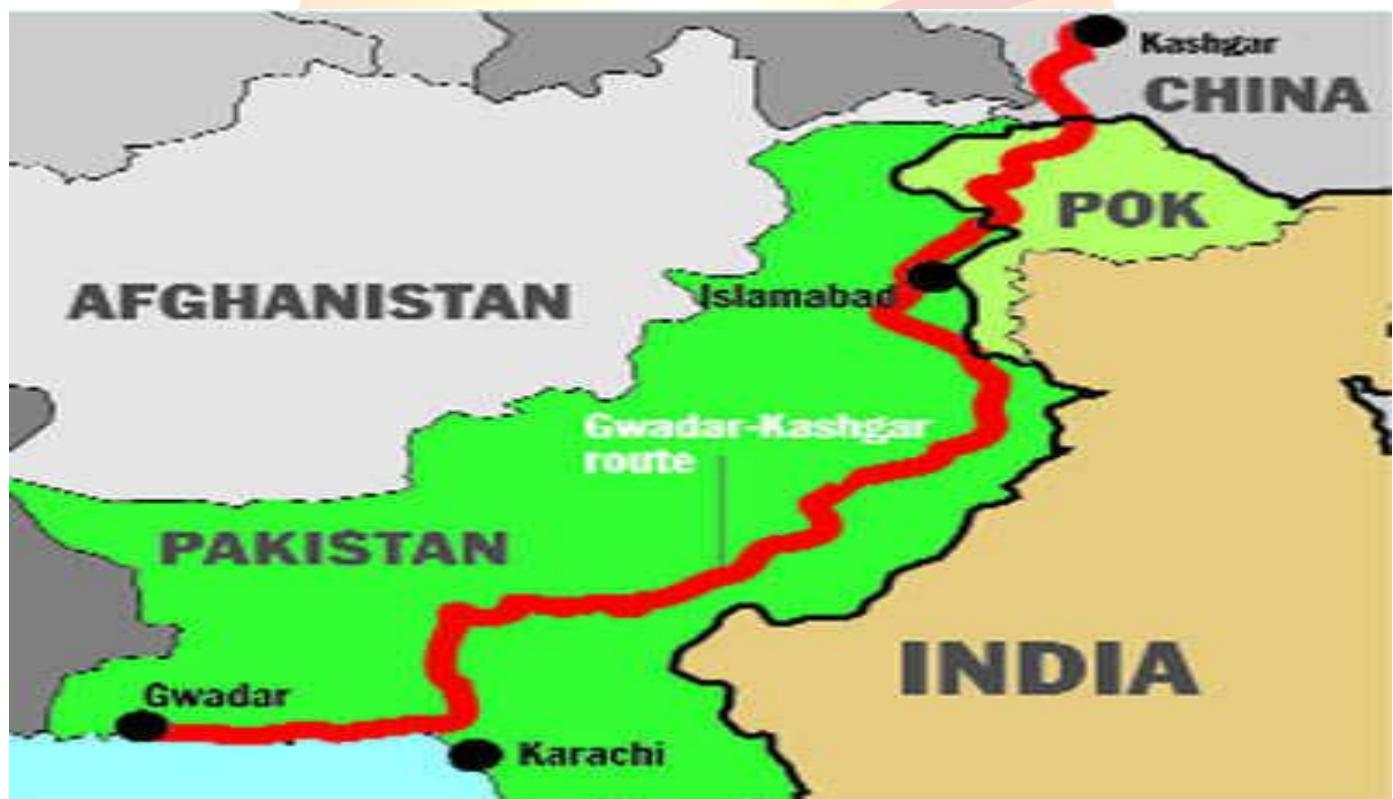
- China has **an ambiguous stand on cross-border terrorism** which profoundly affects India. Despite suffering terrorist incidents in its Xinjiang province at the hands of Uighur Islamists who have close ties with terrorist groups operating in Af-Pak region, China refuses to acknowledge the state-sponsored terrorism emanating from Pakistan into India for strategic reasons
- Since June 2022, China has blocked three joint proposals by India and the United States in the UN to list three Pakistan-based terrorists-
 - ✓ **Abdul Rehman Makki,**
 - ✓ **Jaish-e-Mohammad deputy chief Rauf Asghar**
 - ✓ **LeT handler Sajid Mir**

as a 'Global Terrorists' under **1267 ISIS and Al Qaeda Sanctions Committee** of the UN Security Council.
- Abdul Rehman Makki is a US-designated terrorist and the brother-in-law of Lashkar-e-Taiba (LeT) chief and 26/11 mastermind Hafiz Saeed. He is the deputy chief of LeT. Rauf Asghar, the brother of JeM leader Masood Azhar, is accused of masterminding a number of terror attacks from the IC-814 hijacking in 1999, the Parliament attack in 2001, as well as a number of attacks on security forces personnel from 2014-2019. Sajid Mir is one of India's most wanted terrorists. He has a bounty of \$5 million placed on his head by the US for his role in the 26/11 Mumbai terror attacks carried out by Pakistan-based LeT terrorists.
- All decisions of the UN committee are taken through consensus. **China put a “technical hold” on the proposal.** This measure, which can last for up to six months at a time under the Security Council's procedures, effectively blocks the proposal to designate Makki as a terrorist until the “technical hold” is withdrawn.

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- The method adopted by China, a close ally of Pakistan, is identical to the steps it took to repeatedly block the listing of **Jaish-e-Mohammed (JeM) chief Masood Azhar** under the UN Security Council's Al-Qaeda and ISIL Sanctions Committee. China finally relented in May 2019 in the face of international pressure. Beijing caved in because of mounting international pressure and its own efforts at the time to improve ties with New Delhi in the wake of the 2017 border standoff at Doklam.
- Any designation of these terrorists by the UN Security Council would have required Pakistan to take three steps –
 - ✓ freeze his funds and financial assets,
 - ✓ enforce a travel ban, and
 - ✓ cut off access to arms and related materials.
- India criticized China's move as "politically motivated" and evidence of China's "doublespeak" on Pakistan-based terrorism.

CHINA-PAKISTAN ECONOMIC CORRIDOR (CPEC)



- Pakistan is a key partner under the China-proposed Belt and Road Initiative whose flagship project China-Pakistan Economic Corridor (CPEC) passes through Pakistan-Occupied Kashmir (POK).

- During an April 2015 visit to Islamabad, Chinese President Xi Jinping and Pakistani PM Nawaz Sharif unveiled the \$46 billion China-Pakistan Economic Corridor (CPEC). CPEC quickly ballooned to \$62 billion in pledges—one-fifth of Pakistan's GDP—covering dozens of envisioned high-profile projects.
- The corridor links Xinjiang with Gwadar, and also passes through Pakistan-occupied Kashmir (PoK) where China is investing in a number of projects. In total, the economic corridor project aims to add some 17,000 megawatts of electricity generation at a cost of around \$34 billion. The rest of the money will be spent on transport infrastructure, including upgrading the railway line between the port megacity of Karachi and the northwest city of Peshawar.
- This corridor is not only passing through India's territory but also posing a threat to the sovereignty of India. It passes through Gilgit-Baltistan area of Kashmir which is occupied by Pakistan. India believes that **CPEC violates the sovereignty and the territorial integrity of India.**
- It poses **a serious security threat to India**. Ever since the construction of the corridor has started, the Chinese military presence in the area has also increased.
- In 2017, Chinese troops marched in the parade of Pakistan's day in Islamabad. This was the first time when Chinese military took part in any parade outside its country. Apart from the naval vessels deployed in Pakistan, eight submarines are also delivered to it by China.
- China is **planning to build its second a naval base in Gwadar port** after Djibouti in 2017. These activities of China are a serious security threat to India since China is encircling India into the Indian Ocean.
- India has protested to China over the CPEC as it is being laid through the Pakistan-occupied Kashmir (POK). As per India, the initiatives of the connectivity
 - ✓ must be based on the universally accepted and the other recognized international norms, transparency and equality, rule of law and
 - ✓ **must respect the sovereignty and the territorial integrity.**

Third parties joining CPEC is inherently illegal, unacceptable: India

The Joint Working Group of International Cooperation and Coordination under CPEC met on July 21, 2022 when the Pakistani and Chinese officials discussed bringing in a third county into the fold. Soon after coming to power in Afghanistan last year, the Taliban leadership had expressed desire to join the infrastructure project.

On July 26, 2022, India severely criticised China and Pakistan for their efforts to encourage third countries to join CPEC projects. India said such activities are "inherently illegal, illegitimate and unacceptable", and will be treated accordingly by India. It declared that any such actions by any party directly infringe on India's sovereignty and territorial integrity. India firmly and consistently opposes projects in the so-called CPEC, which are in Indian territory that has been illegally occupied by Pakistan.



BY SUSHANT VERMA

SINO-INDIA RELATION -2

3. BELT AND ROAD INITIATIVE (BRI)

- **The Belt and Road Initiative (BRI) or One Belt One Road (OBOR) Initiative** was launched by China in 2013. It is a broad vision of how China plans to boost regional integration in its wider neighborhood. **The plan largely is to revive the old Silk Road connections.** The new Silk Road, as envisaged by China largely aims at reestablishing the connections and linkages that had been created by the ancient Silk Road and runs through three continents of Asia, Europe and Africa. Estimates suggest that BRI has invested in more than 2,600 projects in over 100 countries with an estimated cost of \$3.7 trillion. This includes ports, railways, energy, digital networks etc.
- It has two components-
 - 1) **The Silk Road Economic Belt (SREB)** is the continental dimension of this geo-strategic realm. It consists of a network of rail routes, overland highways, oil and gas pipelines and other infrastructural projects, stretching from Xian in Central China, through Central Asia and ending at Rotterdam.
 - 2) **The Maritime Silk Road (MSR)** is the maritime dimension and consists of a network of ports and other coastal infrastructure from China's eastern seaboard stretching across South East Asia, South Asia, the Gulf, East Africa and the Mediterranean, embracing Greece and Venice.



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- Both the Road and the Belt include regional loops and branches which extend the reach of the emerging transportation networks and also serve to tie the Road to the Belt at critical points. South Asia is covered by three major undertakings—
- 1) **the China-Myanmar Economic Corridor (CMEC)**- The 1,700-km corridor will run from Yunnan Province of China to Mandalay- Yangon, before terminating at the Kyaukpyu Special Economic Zone (SEZ) on the Bay of Bengal. It provides China a node to access the Bay of Bengal.
 - 2) **the Nepal-China Trans-Himalayan Multi-Dimensional Connectivity Network**, including Nepal-China cross-border railway. This network starts from Chengdu, from where it is linked to Tibet by the Sichuan-Tibet Highway, or the Sichuan-Tibet Railway. It is proposed that the railway from Tibet will be further extended to Kathmandu. Chinese planners visualize that that railway will be eventually connected with the Indian railway network, linking China and India across the Himalayas.
 - 3) **China Pakistan Economic Corridor (CPEC)** which provides China with access to the Arabian sea.
- **The CMEC and CPEC will also reduce Beijing's trade and energy reliance on the Malacca straits** — the narrow passage that links the Indian Ocean with the Pacific. Chinese planners worry that the military domination over the Malacca straits of the United States — a country with which it is already engaged in a trade war — can threaten one of China's major economic lifelines.



Impact on India's interests

- Each of India's neighbors, with the exception of Bhutan, has signed up for the BRI. Therefore, India is being increasingly isolated on the issue of China's BRI.
- China's BRI investments in the Indian Ocean region are akin to **China's —String of Pearls**.
- BRI encompasses all of South Asia minus India and Bhutan and enhances **China's strategic pull in the same countries** where India also has huge stakes including connectivity initiatives and infrastructure projects launched during past few years.
- Keeping competition for African resources between India and China in mind, OBOR could set up giant Chinese sea lanes of communication (SLOC) in the Indian Ocean. This will **end India's advantage of being a maritime neighbour of Africa** and hence will be detrimental to India's economic interests.
- There have been arguments within India that, by boycotting BRI, India is denying itself unending benefits of something as big as BRI. For example, the earlier proposed Bangladesh- China- India- Myanmar (BCIM) Economic corridor (BCIM-EC) offers us the opportunity to reconnect the historic waterway linkages with Bangladesh and a concrete avenue to "Act East". It also offers our north-eastern states the opportunity to connect with the two neighbouring continental economies of ASEAN and China.
- India may also face some difficult choices in the road ahead, because as a co -founder of the Asian Infrastructure Investment Bank and as a member of the Shanghai Cooperation Organization, it will be asked to support many of the projects under the BRI.

Bangladesh- China- India- Myanmar Economic corridor (BCIM-EC)



It was established to create a sub-regional ‘cooperation zone’ or ‘growth zone’ which would link the relatively backward regions stretching from land-locked areas of Southwest China to North-eastern India along with the adjoining Least Developed Countries (LDCs) of Bangladesh and Myanmar. At the heart of the BCIM initiative is the route connecting Kolkata (In India) with Kunming (in China).

The connection between the two countries will be made by crossing over the countries of Bangladesh and Myanmar. The aim of the corridor is facilitation of connectivity and trade linkages between the underdeveloped and landlocked areas of India’s North-eastern region and South-western region of China.

A major reason for the underdeveloped nature of the region is that of poor connectivity. Therefore, if the BCIM EC is able to link northeast India with the Southeast Asian and East Asian market then this can create lots of opportunity for the people of the region. The implementation of the BCIM EC will provide the member countries to exploit the complementarities that exist amongst them in trade.

India’s objections to BRI

- India is not a part of China’s BRI and continues to boycott BRI. India has expressed following objections:
 - ✓ BRI’s flagship project is the China-Pakistan Economic Corridor (**CPEC**), which includes projects in the Gilgit-Baltistan region in POK ignoring India’s sovereignty and territorial integrity. **Accepting BRI means giving de-facto recognition to Pakistani occupation of POK which India legally claims as its territory.**
 - ✓ India has been emphatic in conveying that India’s “One China” policy must be congruent to China’s “One India” policy”, meaning, the Chinese must be sensitive to India’s claims in Pakistan-Occupied Kashmir. One-China Policy is the policy of acknowledging that there is only one Chinese government as opposed to separate Chinese states. Further under this principle, countries also consider disputed territories of Tibet, Hong Kong, Taiwan and Xinjiang to be an inseparable part of mainland China.
 - ✓ BRI infrastructure project structure smacks of **Chinese neo-colonialism**, and could cause an unsustainable debt burden for communities with an adverse impact on the environment in the partner countries.
 - ✓ BRI reflects **China’s —Debt Trap Diplomacy**. This type of diplomacy refers to offering projects/loans on terms that end up being too difficult for countries to repay, eventually compelling them to accept political or economic concessions. For instance, China has acquired Hambantota port in Sri Lanka for a lease period of 99 years.

- ✓ There is **a lack of transparency** in China's agenda, indicating that New Delhi believes the BRI is not just an economic project but one that China is promoting for political control, raising concerns of various covert motives associated with the proposed plan.
- ✓ There are concerns that BRI is part of a larger —hegemonic project of China **as these upcoming corridors in future could be used for military mobilization**. For example, the railway link in CPEC will be of strategic importance. In the event of conflicts with India it will facilitate Chinese supply of missiles and spare parts to Pakistan. This might have serious consequences on India's power to negotiate with China on the territory of Ladakh and further cause tensions at border.

India's strategy to counter BRI (India's alternatives)

- The **Asia-Africa Growth Corridor (AAGC)** proposed by India and Japan is aimed at countering China's flagship Belt and Road Initiative (BRI) and its influence in Africa. AAGC will essentially be a sea corridor linking Africa with India and other countries of South-East Asia and Oceania. It is an attempt to create a free and open Indo-Pacific region by rediscovering ancient sea-routes and creating new sea corridors.
- Japan's contribution to the project will be its state-of-the-art technology and ability to build quality infrastructure, while India will bring in its expertise of working in Africa. The private sector of both countries is expected to play big role by coming together to form joint-ventures and consortiums, to take up infrastructure, power or agribusiness projects in Africa.
- **In the recent QUAD summit in May 2022**, India, the US, Japan and Australia have resolved to invest **\$50 billion on infrastructure development in the Indo-Pacific region over the next five years** to counter China's Belt and Road Initiative. Quad leaders mentioned that the filling up of the infrastructure gaps had to be in a manner that it did not result in unsustainable burden and unsustainable bouquet of projects. Instead, their projects are sustainable, they are demand-driven, and they meet the specific needs of the Indo-Pacific countries.
- Without naming Sri Lanka, the Quad leaders also **resolved to address debt issues of countries** in the region. They will work to strengthen capacities of the countries in need to cope with debt issues under the G20 Common Framework. Also, a Quad Debt Management Resource Portal will help countries with debt issues.
- **International North South Transport Corridor (INSTC)** route proposed to connect India, Iran, and Russia through Central Asia is being widely seen in India as having the potential to counter the Chinese BRI.
- Kaladan Multi Modal Transit Project in Myanmar.
- IMT trilateral highway

- Indian investment in Chabahar port.
- India – Nepal petroleum product pipeline between Amlekgunj and Motihari.
- BBIN Motor vehicle agreement.
- It has also launched **Project Mausam** apparently in response to China's Belt and Road initiative.
- India's objections against the BRI are no doubt valid. However, it must articulate its concerns to other partner countries in a more productive manner, and take a position as an Asian leader, not an outlier in the quest for more connectivity.

Project 'Mausam'

It is a Ministry of Culture project to be implemented by **Indira Gandhi National Centre for the Arts (IGNCA)**, New Delhi as the nodal coordinating agency with support of **Archeological Survey of India and National Museum**. The unique idea of this project to showcase a **Transnational Mixed Route** (including Natural and Cultural Heritage) on the World Heritage List has been well appreciated during the Project Launch by India at the **38th World Heritage Session at Doha**, Qatar on 20th June, 2014.

Broadly, Project 'Mausam' aims to understand how the knowledge and manipulation of the monsoon winds has shaped interactions across the Indian Ocean and led to the spread of shared knowledge systems, traditions, technologies and ideas along maritime routes. These exchanges were facilitated by different coastal centres and their surrounding environs. The endeavour of Project 'Mausam' is to position itself at two levels:

- At the macro level, it aims to **re-connect and re-establish communications between countries of the Indian Ocean world**, which would lead to an enhanced understanding of cultural values and concerns;
- At the micro level, the focus is on **understanding national cultures in their regional maritime environment**.

International North South Transport Corridor (INSTC)

INSTC is a transportation network offering the shortest connectivity route to its member states. This trade route is 7200 Km long and the transport of freight is through a multi-mode network of roads, ships, and railways. The foundation of the north-south transport corridor was laid on September 12, 2000 in accordance with an intergovernmental agreement signed between Russia, Iran and India. Presently there are 13 member states of the INSTC project - India, Iran, Russia, Azerbaijan, Armenia, Kazakhstan, Belarus, Tajikistan, Kyrgyzstan, Oman, Turkey, Syria and Ukraine. Bulgaria is the Observer State.

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This route connects India and Russia through Iran and Azerbaijan. The corridor is aimed at reducing the carriage cost between India and Russia by about 30 per cent and bringing down the transit time from 40 days to less than 25 days. The corridor, besides improving trade with Russia, will also help India provide humanitarian aid to Afghanistan. The corridor will improve India's economic engagement with gulf countries like Iran and Iraq.



Besides reducing time, the INSTC is also being seen as a viable option for Indo-Russian trade amid the growing geo-political challenges. In the long run, the INSTC would be an alternative to the Suez Canal and the Mediterranean Sea. It will also provide an alternative to China's Belt and Road Initiative (BRI) in the region.

For India, the INSTC opens the way for trading with Iran and Central Asia, bypassing Pakistan. This, naturally, has implications in terms of reaching out to both Afghanistan and Central Asia, significant corners in our extended neighborhood. The corridor will also provide access to potential markets in the wider Eurasia region. The Indian government has also been pushing to include the INSTC with the Chabahar Port. The government considers it a way to connect with Russia and Europe.

The trade volume between India and Russia has increased in the last three months, facilitated by the International North-South Corridor (INSTC). Iran Shipping Lines has transported over 3,000 tonnes of goods and 14 containers between May and July 2022.

2013

Q19. What do you understand by ‘The String of Pearls’? How does it impact India? Briefly outline the steps taken by India to counter this. (200 words). 10 Marks

2017

Q9. ‘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. (150 words) 10 Marks

4.) GEO-POLITICAL TUSSLE IN INDO-PACIFIC

CHINA’S TWO-OCEAN STRATEGY

China’s “two-ocean” strategy—referring to the Pacific and Indian oceans— was conceived by the Communist Party of China in the 2000s and aims to achieve the People’s Liberation Army (PLA)’s strategic objective of naval power projection. It is aimed at redistributing the balance of power in the Indo-Pacific region in its favor by expanding its naval operations from the South China Sea and Western Pacific into the Indian Ocean, where it seeks to conduct “far seas operations”.

Robert D. Kaplan suggested this idea in “China’s Two-Ocean Strategy,” his famous chapter of the multi-author report “China’s Arrival: A Strategic Framework for a Global Relationship”, published in 2009 by the Center for a New American Security. Since the Indian Ocean is considered to be part of the “far seas”, it provides conditions for the PLA’s navy to navigate and operate in a deep-water region. The “two-ocean” strategy is a major backbone of the power-projection plans of China.

The countermoves by the US through its Indo-Pacific strategy have compelled China to push the two-ocean strategy through its Belt and Road Initiative (BRI) infrastructure projects, especially the sea-based portion of the initiative, known as the Maritime Silk Road.

D) INDIAN OCEAN REGION- STRING OF PEARLS AND NECKLACE OF DIAMOND

- It is important to note that phrases such as China’s One Belt One Road initiative, India’s Look East/Act East Policy and SAGAR (Security and Growth for All in the Region) doctrine, etc., have been officially announced/promulgated to describe specific policies/strategies of the respective governments.
- However, some popular phrases in strategic discourse such as China’s ‘string of pearls’ ‘in the Indian Ocean or India’ ‘necklace of diamonds’ strategy are not officially promulgated strategies of the government, but **these are the interpretation of respective government policies by commentators.**

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- The geopolitical competition for strategic influence in the Indo-Pacific region between India and China has progressively been intensifying. India's 'Act East policy' and the Chinese efforts to extend its strategic influence in the IOR have brought pressure and influence on each other's traditional sphere of strategic interest. As a result, the Indian Ocean has emerged as a key intersection zone of Indian and Chinese strategic interests.
- In 2004, US defense contractor Booz Allen Hamilton, in a report titled 'Energy Futures in Asia', had used the term "**String of Pearls**" to describe China's strategy to expand its naval presence throughout the Indian Ocean Region (IOR) through built-up of civil maritime infrastructure. Since then, there has been much speculation and debate surrounding the validity, extent and potential intentions behind the concept. At the same time, Chinese officials have consistently denounced "the so-called string of pearls construct" as a motivated distortion of their regular economic engagements.
- The String of Pearls is a strategy deployed by China, by building a network of commercial and military bases and ports in many countries. This strategy has been deployed by China to protect its trade interests, as a major chunk of its trade passes through the Indian Ocean and various choke points like Strait of Hormuz, Strait of Malacca and Lombok Strait.



China has also reportedly established a maritime reconnaissance and electronic intelligence station on Myanmar's Great Coco Island in the Bay of Bengal, about 300 kilometers south of Myanmar's mainland, and on Little Coco Island in the Alexandra Channel between the Indian Ocean and the Andaman Islands.

- China is expanding its footprint in the Indian Ocean through its '**Debt Trap Diplomacy**' and '**String of Pearls Strategy**'. Ever since MSR's inception, China managed to build its first overseas military base in Djibouti and ports like Gwadar in Pakistan, Lamu in Kenya, Maputo in Mozambique,

Hambantota and Colombo in Sri-Lanka, Chittagong in Bangladesh, Kyaukpyu in Myanmar to name a few.

- Apart from ports, China has managed to increase its influence by heavy investments, for example, in the east African states alone, China has been involved in nearly 600 projects. **A country that had no substantial presence or influence in Indian Ocean Region (IOR) in the 20th century has over the last decade increased its presence substantially.** This is a great concern for India since it looks at IOR as its backyard.
- There is rising incidence of Chinese intelligence ship sightings in the IOR. Chinese Dongdiao class intelligence-gathering ships – known earlier to stalk US, Australian and Japanese warships in the Western Pacific – are now operating in the waters of the Eastern Indian Ocean, keeping an eye on India's naval movements.

Yuan Wang - 5 incident

The most recent controversy began with the docking of a Chinese research vessel, the Yuan Wang 5, at the strategically significant Hambantota Port in southern Sri Lanka on August 16, 2022.

The Chinese military research vessel was originally supposed to arrive at the Sri Lankan port on August 11 but Sri Lankan officials had not cleared it due to “security concerns raised by India.”. China was later granted permission on August 13 2022 “on condition that it will keep the Automatic Identification System (AIS) switched on within the Exclusive Economic Zone (EEZ) of Sri Lanka and no scientific research to be conducted in Sri Lankan waters.

The nature of the Chinese vessel added to the controversy, with China stating that it is a research vessel on scientific missions, whereas the U.S. Department of Defense said that the ship is “under the command” of the People’s Liberation Army, with capabilities to track satellites and missile launches. **India suspects that its spaceport in Sriharikota, its missile test range in Odisha, as well as several other sensitive facilities are within the tracking range of Yuan Wang 5. It has also been noted that the ship could also be used to survey the ocean which would help the Chinese in planning submarine operations in the region.**

The docking of the ship is being seen in the context of China's security challenges to India and its neighbourhood and the competition and challenges it brings to the broader Indo-Pacific region. India considers South Asia its strategic backyard where China has made considerable inroads. Therefore, its continued and increasing presence in the region challenges India's clout in the region. This is why the presence of a potentially espionage vessel in the immediate neighbourhood is a concern to India.

In view of strategic experts **this episode is being seen as an embarrassment of India** as Sri Lanka violated Indian concerns and sensitivities despite India being its biggest backer in its worst economic crisis. India's clout in the country is still not as much as that of China. This is why Chinese pressure to allow the ship's

visit prevailed over the Indian prodding to not allow it. Moreover, it has also been reported that China's international clout also outdid India. Sri Lanka is looking for a bailout from the International Monetary Fund (IMF) and China reportedly threatened it if ship was not allowed.

There is also **the possibility of Sri Lanka playing the "China Card"** and balancing the two regional powers — India and China. Countries such as Sri Lanka and Nepal have often used the prospect of getting closer with China —India's principal rival— to level up their place in their dealings with India.

Chinese Ambassador in Sri Lanka Qi Zhenhong, in an article published in the Sri Lanka Guardian, attacked India for Sri Lanka's initial rejection of the Chinese request to dock the ship in Hambantota and linked it with Nancy Pelosi's recent visit to Taiwan. The Indian High Commission in Sri Lanka criticized remarks of Chinese Ambassador as a violation of basic diplomatic etiquette which may be a personal trait or reflecting a larger national attitude of China.

Responses by India to counter China's rise in IOR

- The phrase 'necklace of diamonds' was first mentioned by India's former Foreign Secretary Lalit Mansingh while speaking at a think tank in August 2011 on 'India's Regional Strategic Priorities'. He had argued that "India is doing everything it is supposed to do in terms of protecting its interests. To the doctrine of the String of Pearls, India has its own doctrine, the Necklace of Diamonds. Just as the Chinese are building port facilities, we are tying up naval cooperation with almost all the major powers of the Indian Ocean region." Even though commentators often use 'necklace of diamonds 'to describe India's strategic approach to counter China's growing influence in the IOR, it has not found any mention in the Government of India's official discourse.
- In response to China's strategy, India has started working on the 'Necklace of Diamonds' strategy. This strategy aims at garlanding China or in simple words, the counter encirclement strategy. India is expanding its naval bases and is also improving relations with strategically placed countries to counter China's strategies. Important initiatives undertaken in this regard are as follows-
- Iran -India is developing Chabahar port in Iran, opening a new land-sea route to Central Asian countries by-passing Pakistan. It is strategically located close to the Chinese Gwadar Port in Pakistan and is close to the Strait of Hormuz. Chabahar gives India a strategic position since it overlooks the Gulf of Oman, a very strategic oil supply route.
- Indonesia –, India got the military access to Sabang Port which is located right at the entrance of Malacca Strait. This strait is one of the world's famous choke point. A large chunk of trade and crude oil passes on to China through this region. The Strait is China's strategic Achilles' Heel – better known

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as its Malacca Dilemma – through which pass over 80% of Beijing’s oil and hydrocarbon imports from West Asia.



- ✓ **Myanmar** – India built a deep-water port in Sittwe in 2016.
- ✓ **Bangladesh** – India would help Bangladesh modernize Sea Port in Mongla. India can also use the Chittagong port in Bangladesh.
- ✓ **Oman** – India has signed agreements to access strategically located Naval facilities of Oman at Duqm. This facility is close to the Strait of Hormuz. The port facilitates India’s crude imports from the Persian Gulf. In addition to this, Indian facility is located right between the two important Chinese pearls-- Djibouti in Africa and Gwadar in Pakistan.
- ✓ **Singapore** – India has signed an agreement to access Changi Naval Base of Singapore, which is strategically located close to the Strait of Malacca. The agreement has provided direct access to this base to the Indian Navy. While sailing through the South China Sea, the Indian Navy can refuel and rearm its ships through this base.
- ✓ **Assumption Island, Seychelles**: In 2015, India and Seychelles agreed upon the development of the naval base in this region. This gives the military access to India. This base is of strategic importance to India as China desperately wants to increase its presence in the African continent through the maritime silk route.

- Apart from getting direct access to the strategically placed naval bases, India is also enhancing strategic relations with other nations to garland China:
 - ✓ **Mongolia:** Prime Minister Modi is the first Indian Prime Minister to visit this country. Both the countries have agreed and will collaborate to develop a bilateral air corridor using India's credit line.
 - ✓ **Japan:** India and Japan have jointly declared to build the Asia-Africa Growth Corridor (AAGC). Acquisition and Cross-Servicing Agreement (ACSA) will allow access to each other's provision of supplies and services during the bilateral exercises and training, UN Peacekeeping Operations, and other Humanitarian activities.
 - ✓ **Vietnam:** India is maintaining good relations with Vietnam. India and Vietnam had upgraded their ties to the level of Comprehensive Strategic Partnership (CSP) in 2016 and India's \$100 million defence Line of Credit to Vietnam has been utilised for naval equipment. India has been training Vietnamese military personnel and also helping them with maintenance of some defence products. Vietnam is also interested in purchasing the Brahmos missile jointly produced by India and Russia.
 - ✓ **Philippines:** In 2017, during the visit of Prime Minister Narendra Modi to the Philippines, the two countries had signed a Memorandum of Understanding on defence industry and logistics cooperation which provides a "framework for enhancing and strengthening cooperation in logistics support and services and in the development, production and procurement of defence materials." In 2022, Philippines signed a \$374.96 million deal with BrahMos Aerospace Pvt. Ltd. for the supply of shore based anti-ship variant of the BrahMos supersonic cruise missiles.
 - ✓ BrahMos is a joint venture between DRDO and Russia's NPOMashinostroyeniya and the missile derives its name from Brahmaputra and Moskva rivers. The missile is capable of being launched from land, sea, sub-sea and air against surface and sea-based targets and has been long inducted by the Indian armed forces.
 - ✓ **Central Asia:** in 2015, Prime Minister Modi visited all the 5 countries of Central Asia in one go and becomes the first Indian Prime Minister to do this. Since then, trade with Central Asian countries has doubled after his visit. In 2022, PM Modi hosted first India – Central Asia Summit.
 - ✓ **LEMOA with the United States-** India and USA had signed the Logistic Exchange Memorandum of Agreement (LEMOA) in 2016. LEMOA basically makes countries eligible to have access to US bases across the world for multiple purposes. Indian Navy can now have access to atolls like Diego Garcia, in the middle part of Indian Ocean, currently operating by the US Navy.
- **SAGAR-** In 2015, India unveiled its strategic vision for the Indian Ocean i.e., **Security and Growth for All in the Region (SAGAR)**. It is an increasing recognition of the increasing importance of

maritime security, maritime commons and cooperation. Through SAGAR, India seeks to deepen economic and security cooperation with its maritime neighbors and assist in building their maritime security capabilities. For this, **India would cooperate on the exchange of information, coastal surveillance, building of infrastructure and strengthening their capabilities.** Further, India seeks to safeguard its national interests and ensure Indian Ocean region to become inclusive, collaborative and respect international law. **SAGAR provides a mechanism for India to expand strategic partnerships with other IOR littorals in Asia and Africa.**

- **Modernizing India's Naval Power:** India is modernizing its naval power it has completed its Nuclear Triad by commissioning INS Arihant and has inducted INS Vikramaditya, in Navy in 2013. Further it is indigenously building another aircraft carrier INS Vikrant.
- Thus, India is trying to balance China's rise in IOR through multiple policy interventions which include building bilateral and multiple regional alliances and Asia-Africa Growth Corridor building, naval infrastructure and naval capacity.

II) PACIFIC OCEAN- SOUTH CHINA SEA (SCS) DISPUTE

- The territorial and maritime disputes along the South China Sea (SCS) remain unresolved and continue to impede the path to peace and security in the Indo-Pacific region.

Importance of SCS

- About **a third of all the world's maritime trade goes through the South China Sea** carrying trillions of dollars of trade which makes it a significant geopolitical water body. Half of all oil and gas tankers from the Middle East sail into it on their way to China, Japan, the U.S., and elsewhere.
- The location of the Sea also makes it militarily strategic, valuable for national security.
- The Sea itself is rich in fish, Oil and natural gas reserves which are estimated at 11 billion barrels of untapped oil and 190 trillion cubic feet of natural gas.

Competing claims

- Beginning in the 1970s, these conflicts have involved China and countries of Southeast Asia, primarily Vietnam, Indonesia, Malaysia, Taiwan, Brunei, and the Philippines: these countries claim that China has been encroaching on their sovereign territories and Exclusive Economic Zones (EEZs) with its aggressive land reclamation and island-building activities.
- **China, Vietnam and the Philippines are the most active claimants.** These disputes include:
 - ✓ Paracels: claimed by China, Taiwan, Vietnam

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- ✓ Spratlys: claimed by China, Taiwan, Vietnam, Brunei, Malaysia, Philippines
- ✓ The Scarborough Shoal: claimed by Philippines, China and Taiwan.
- ✓ Almost all the South China Sea, its land features, and resources: claimed by China by its nine-dash line.



F

This map shows the South China Sea, surrounding nations, and the “nine dash line,” which indicates the extent of China’s claims of control over these waters.

Previous Year Question

2014

Q16. 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. (200 Words) 12.5 Marks

- China claims it occupied South China Sea islands in ancient times. It progressively asserted its claim over entire SCS through following steps-

- ✓ In 2009, China presented the “nine dash line” for the first time at an international conference asserting its indisputable sovereignty over the islands in the South China Sea and the adjacent waters. When connected, the dashes form a U that encloses most of the South China Sea.
 - ✓ In 2012, China asserted its “nine dash line” by trying to take Scarborough Shoal as its territory.
 - ✓ China added a tenth dash in 2013 to include Taiwan.
 - ✓ Earlier China drove out Vietnamese troops from the western Paracels in 1974. By the late 1980s, China controlled all of the Paracels . China built oil-drilling rigs in waters near the Paracels that Vietnam still claimed. In the Spratlys,
 - ✓ China won the 1988 Battle of Johnson Reef where about 70 Vietnamese were killed.
 - ✓ China began building artificial islands in the 1990s and initially claimed these were for civilian (non-military) purposes. As the reclamation of land speeded up, China has constructed ports, military installations, and airstrips—particularly in the Paracel and Spratly Islands. China has militarized Woody Island by deploying fighter jets, cruise missiles, and a radar system.
- China maintains **that these territories are an integral part of its “core interests”**, taking an uncompromising stance on the question of sovereignty and its determination to protect the domain militarily.
- **The disputes draw China and the U.S. into a potential confrontation.** The chief U.S. national interest is **freedom of navigation**: the unrestricted passage of commercial ships as well as military ships and aircraft through and over the South China Sea and securing sea lines of communication (SLOCs). **The U.S. totally rejects China’s “nine dash line” as a threat to freedom of navigation.** The U.S. has been challenging China’s claims of sovereignty over the South China Sea by “freedom of navigation operations” (FONOPS). The U.S. flies surveillance aircraft over Chinese artificial islands and sails Navy warships close to Chinese occupied islands and reefs. The Chinese complain that the U.S. is using FONOPS as a pretext to curb China’s rise as a great power.
- In 2013, the Philippines took China to the Permanent Court of Arbitration at The Hague authorized by the UN Convention on the Law of the Sea (UNCLOS). **In its judgment in 2016, the court ruled that China’s “nine dash line” was illegal under the Convention on the Law of the Sea.** The Philippines won the decision, but the Convention provides no way to enforce it.

- The Chinese called the court decision “illegitimate.” and ignored it. After the arbitration-court ruling, China speeded up building and militarizing its seven artificial islands in the Spratlys. Mischief Reef and two others have airbases.
- A negotiated settlement of the South China Sea dispute is not likely in the near future. A draft of the “Code of Conduct” was recently approved. But it did not mention the arbitration-court decision.

Changing Indian position

- India, while not a South China Sea littoral state, has always emphasized **the need to ensure freedom of navigation and overflight in the South China Sea**. India has economic, diplomatic and strategic interests in the vital waters of the SCS which are as follows-
 - ✓ **Nearly 55 percent of India’s trade with the Indo-Pacific region pass through these waters**
 - ✓ For India, its economic security rests on assured supply of energy and safe and secure trading routes in the region, including the Straits of Malacca. It has high stakes in keeping the sea lanes open in the SCS.
 - ✓ India also has stakes in the region’s natural resources particularly in the oil-rich continental shelf of the coast of Vietnam. India’s Oil and Natural Gas Corporation (ONGC) has signed several agreements with Hanoi to explore fossil fuels in the region. While China has always objected to India’s oil exploration activities in the Vietnamese waters in the SCS, India reaffirmed its intent to pursue such activities.
- For long, **New Delhi had a neutral stance in the SCS disputes**, refraining from even making official statements that could provoke China’s anger. What India has done is to encourage the competing nations to establish a code of conduct that would ensure “freedom of navigation” and “access to resources”.
- Analysts say it was the Galwan clash in the Himalayas that led **New Delhi to shift from a defensive strategic posture towards greater maritime assertiveness**. After the Galwan clash, India shifted gears with a renewed sense of purpose **by devoting additional military assets to the maritime sphere and deepening robust relationships with strategic partners to meet the Chinese challenge** – not just in the Indian Ocean but further away in the South China Sea and the Western Pacific.
- In view of experts, the traditional clear distinctions between the Indian Ocean and the Pacific are beginning to blur. India is now looking beyond the Strait of Malacca to include the South China Sea in its national security calculus. **Today India is taking a more vocal stand, declaring the South**

China Sea as a global common wherein all disputes should be settled in accordance with international law.

- India's step to send a warship to the South China Sea (SCS) following the clash in the Galwan Valley in the middle of 2020 proved a point — that it is prepared to link security in the Himalayas to the SCS, which it had erstwhile regarded as a secondary area of interest. The Indian Navy's intention in buzzing the Chinese was to simply convey the uncertainty of the latter's position in the SCS and to leverage it for negotiations on the border. The incident highlights how India's Himalayan border tensions with China could have big repercussions thousands of kilometers away in the seas of Asia.

Steps taken by India

1) Strengthening Navy

- India is planning to strengthen maritime infrastructure in its Andaman and Nicobar Islands, as well as building a \$1.3bn deep-water port on Great Nicobar Island. It is also strengthening defense co-operation with Washington. India is modernizing its naval power it has completed its Nuclear Triad by commissioning INS Arihant and has inducted INS Vikramaditya, in Navy in 2013. Further it is indigenously building another aircraft carrier INS Vikrant.

3) Reviving QUAD

- India has promoted alliance system in the Indo-Pacific via the “Quad” group of nations – Australia, India, Japan, and the United States – all of whom perceive Chinese naval expansion and a possible Sino-centric world order with alarm. The high seas are seen as legitimate areas for the Indian Navy to be interoperable and integrated with navies of foreign partners to roll back the Chinese People's Liberation Army Navy (PLAN).
- In view of experts, Quad has raised China's fears of a larger encirclement from maritime democracies in the Indo-Pacific. The Quad's prospective containment of China is both diplomatic and physical. China may have converted the SCS into a Chinese lake, but it remains surrounded by oceans dominated by the navies of the Quad members. The Quad's greatest threat to China is the containment of the PLA-Navy in the SCS. The Indian Navy can play a serious role in such a containment strategy west of Malacca.
- In the recent QUAD summit in May 2022, Quad joint statement emphasized on-
 - ✓ “Free, open and inclusive Indo-Pacific region,”

- ✓ **the maintenance of freedom of navigation and overflight**
- ✓ Their strong resolve to maintain the peace and stability in the region.
- ✓ the centrepiece of the international order is international law, including the UN Charter, UNCLOS, respect for sovereignty and territorial integrity of all states.
- ✓ to meet challenges to the **maritime rules-based order**, including in the East and South China Seas.
- ✓ all countries must seek peaceful resolution of disputes in accordance with international law
- ✓ **strongly opposed any coercive, provocative or unilateral actions** that seek to change the status quo and increase tensions
- ✓ the dangerous use of coast guard vessels and maritime militia, and efforts to disrupt other countries' offshore resource exploitation activities.”
- All these are clear references to Beijing's aggressive behaviour in the Indo-Pacific.
- Quad leaders also launched a major new initiative for the Indo-Pacific that allows partner countries to monitor the waters on their shores and help ensure peace and stability in the region. **The Indo-Pacific Maritime Domain Awareness (IPMDA)** is a **satellite-based maritime security system** which will build a faster, wider, and more accurate maritime picture of near-real-time activities in the waters of its partners. It will allow tracking of 'dark shipping' and other tactical-level activities as well as improve partners' ability to respond to climate and humanitarian events and to protect their fisheries, which are vital to many Indo-Pacific economies
- "Dark ships" are vessels with their Automatic Identification System (AIS) - a transponder system - switched off so as not to be detectable. IPMDA will enable these countries to monitor illegal fishing even when the boats have turned off the transponders which are typically used to track vessels. Several countries in the Indo-Pacific region have complained about China's vast fishing fleet, saying its vessels often violate their exclusive economic zones and cause environmental damage and economic losses. Chinese trawler fleets are seen as responsible for most of **Illegal, unreported, and unregulated fishing (IUUF)** in the Indo-Pacific region.
- **The Indian Navy's Information Fusion Centre-Indian Ocean Region (IFC- IOR)** was established as part of the government's SAGAR Framework for maritime co-operation. It will play a key role in a Quad initiative against illegal fishing.

3) Necklace of Diamond Strategy (Explained above)

4) Maritime Diplomacy & Naval exercises

- **Malabar exercises**, which began in 1992 as a bilateral affair between India and the U.S., were expanded into a quadrilateral format by making Japan a permanent participant in 2015 and inviting Australia on board in 2020. **Its location alternate yearly between the Indian Ocean and the Pacific Ocean.** Paralleling the revival in 2017 of the Quad as a diplomatic forum, the four member countries, which share serious security concerns about Chinese behavior, have also regularized the military dimension of interoperability and preparedness for naval combat through Malabar.
- The 25th edition of the Malabar joint military exercises among navies of the Quad off the U.S. territory of Guam from August 26 to 29, 2021 was one manifestation of the intensifying Indian agenda of halting China in the Indo-Pacific and placing counterbalancing limits on Chinese expansionism.
- In view of experts, Malabar exercises were India's most visible 'show of flag' naval presence east of the Malacca Strait." **If China is penetrating the Indian Ocean with frigates and submarines, India is signaling it can do a tit-for-tat in China's maritime backyard, not singly but in concert with the Quad and other partners.**
- In April 2021, India and its Quad partners tag-teamed with France in a **five-nation La Perouse naval exercise in the Bay of Bengal.** Rattled by the prospect of losing control over its far-flung oceanic territories in Asia to the fast-approaching Chinese juggernaut, Paris has engaged in defense diplomacy with New Delhi and Canberra, in particular, with a clear cut "Indo-Pacific outlook."
- In June 2021, the Indian Navy joined a **trilateral naval exercise of France, Italy, and Spain in the Gulf of Aden** with the aim of upholding "shared values as partner navies in ensuring freedom of seas and commitment to an open, inclusive and a rules-based international order."
- The announcement of a formal **France-Australia-India trilateral format**, with defense cooperation on the cards, is a promising trend that overlaps with the Quad but also makes the "Quad plus" a practical reality.

5) Act East Policy

- India's Act East Policy **aimed at balancing China's growing influence over the South East Asian region.** China's rise has created economic and military pressure on the smaller states in the Indo-Pacific. **India has provided economic, military, and diplomatic support to the ASEAN states.**
- India conducts extensive military exercises in the region especially with the navies of Vietnam, Indonesia, Singapore, and Thailand. India has launched **trilateral naval games called SITMEX** with

Singapore and Thailand since 2019, wherein all three navies have carried out drills in the Andaman Sea, which is adjacent to the Malacca Straits. The Indian Navy is also enhancing **bilateral exercises with Indonesia, Vietnam, and the Philippines** – all of whom are struggling to ward off China's relentless aggression over maritime territorial disputes.

- To Vietnam and Myanmar, India has provided military training and equipment; Singapore's armed forces regularly train in India. India maintains intense diplomatic engagement at the level of the ASEAN+6 forum, the ASEAN Regional Forum (ARF), and the ASEAN Defence Ministers Meeting (ADMM).

Analysis

- The fact that India has shed past inhibitions and taken **co-ownership of the Indo-Pacific** (despite Beijing's strong criticism of it as an American plot to divide Asians and stoke geopolitical competition and alliance confrontation) shows how far India has come as a result of the ferocious Chinese assertiveness against it. By ramping up maritime diplomacy in the Indo-Pacific, India is demonstrating that it can neutralize Chinese pressure on land at the LAC and apply countervailing pressure in the high seas.
- In the long run, how well India wards off China in the oceans will be a key determinant of how successful New Delhi is in defending its land borders.

5) TRADE DEFICIT

- India and China enjoy robust economic ties which have progressively increased over the years. China is among the top five trading partners of India. It has been hailed as **among the biggest positive drivers of a relationship** that is often beset with difficult political problems.
- The **different comparative advantages of the two countries provide grounds for strong economic exchange**. Although China's economy is three times as large as India's, its manufacturing sector is five times that of India's. **Chinese exports to India thus consist primarily of manufactured goods**, especially various types of machinery. Conversely, India has some of the world's largest reserves of iron ore, bauxite, and manganese, and **its exports to China consist primarily of raw materials** to feed that country's expanding steel and automotive sectors.

Measures taken after standoff in Eastern Ladakh

- After standoff in Eastern Ladakh, the Government of India strongly responded to these developments by taking firm steps to downsize the country's economic relationship with its largest trade partner.

India's refused to join the China-dominated Regional Comprehensive Economic Partnership (RCEP).

- Chinese companies have been **blocked from participating in road and highway construction projects in India, supplying equipment to Indian telecom service providers, and participating in 5G telecom trials.** The Union Power Ministry imposed a de facto ban on the import of power equipment from China citing cybersecurity concerns. The government also asked BSNL and MTNL, to exclude Chinese telecom equipment firms including Huawei and ZTE from its network upgrading process.
- The government also modified FDI rules making the Centre's approval a must for any FDI in Indian firms from neighbouring countries. This step was aimed at preventing opportunistic takeovers of domestic firms by Chinese companies during the pandemic. In December 2021 India imposed anti-dumping duties on five Chinese products, including certain aluminum goods and chemicals. Anti-dumping duties have been imposed for five years to protect local manufacturers.
- The Centre also blocked social media app TikTok and 58 other Chinese apps in India, calling them “prejudicial” to India’s sovereignty, integrity and national security. Other apps that were banned include We Chat, Alibaba’s UC Browser, Club Factory, and PUBG mobile.
- Citizens’ groups complemented the government’s efforts by calling for a boycott of Chinese products. All these developments seemed to resonate well with **Atmanirbhar Bharat Abhiyan and the call “vocal for local”.** The government initiated several measures aimed at decoupling from China and reducing the high level of dependence of several key sectors like pharmaceuticals and electronics on the “factory of the world”.
- In its wider responses **to reducing strategic economic dependence on China**, India is collaborating with Japan and Australia in promoting **the Resilient Supply Chain Initiative (RSCI)** for reshoring production away from China. It is also a part of a 5G club along with several major global democracies working on alternatives to Chinese 5G telecom technology.
- The motivation behind these efforts is **New Delhi’s desire to demonstrate to Beijing that economic dependence is not going to get in the way of India’s responses to China’s provocations on the border.** India is not the only country wary of an assertive China. Its decision to take economic actions to curb China’s alleged belligerence has resonated with the U.S., Japan, Australia, the U.K., and several countries from Europe.

Latest trade data

- However, less than a year and a half following the announcements and the initiatives of the government to decouple from China, India’s trade links with its northern neighbour have increased like never before. **China emerged as India’s second largest trading partner after USA in the year 2021-22.**

- India's total trade with China was \$115.42 billion in the 2021. India's imports from China rose to \$94.16 billion in calendar year 2021, up from imports worth \$86.4 billion in 2020-21.
- The sharp uptick in imports has pushed India's trade deficit with China to \$69.4 billion in 2021, up from \$45.9 billion in 2020 and \$56.8 billion in 2019.
- India's exports to China grew to \$21.25 billion in calendar year 2021, marginally up from exports worth \$21.18 billion in 2020-21 (Covid year). Raw material exports constitute a significant portion of India's outbound trade with China. Among raw materials iron ore, organic chemicals and cotton figure significantly. Other key exports to China include iron and steel, seafood and engineering good
- **The widening trade deficit was \$72.91 billion in 2021-22. India's imports from China is now nearly four times its exports in value terms,** is a cause for concern, too, alongside the fact that India's export basket comprises mainly primary goods while imports from China are dominated by value added items.
- Despite India's efforts to reduce dependence on Chinese imports amid an increased policy emphasis on self-reliance and the continuing tension along the border, the country's bilateral trade with China has grown.
- Some of India's key imports from China include
 - ✓ Smartphones, components for smartphones and automobiles, telecom equipment, plastic and metallic goods.
 - ✓ Active pharmaceutical ingredients (APIs), and other chemicals.

Active Pharmaceutical Ingredients (APIs)

Active Pharmaceutical Ingredients are the active ingredients contained in a medicine. **API is the most important raw material in the production of medicines.** It is that part of the medicine that produces the intended therapeutic effects. For example, in a painkiller, the active ingredient relieves pain. **In the drug Crocin, the API is paracetamol.** Only a small amount of the API is required to produce the effect and so the medicine contains only the required amount of the API.

Despite being a major provider of drugs globally, Indian companies today are increasingly reliant on Chinese imports for APIs. In the early 90s, the country was self-reliant on APIs, but the Chinese have been able to capture the API market in the country owing to their cheaper products. Indian manufacturers have gradually stopped manufacturing APIs because of this. China's Hubei province is the hub of the API manufacturing industry. **Currently, around 68% of the Indian API demand is met by Chinese imports.** During the COVID-19 pandemic, India's ability to meet the global demand for medicines was affected because of the inability to import APIs from China.

Analysis

- In view of experts, China's deeply embedded global supply chains, its undeniable economic recovery after the shock of COVID-19, its significance for global economic recovery, and its presence in the Indian infrastructure, manufacturing, digital and real estate sectors indicate that **decoupling may not be an easy option, despite fears over China's weaponisation of commercial relations.**
- Despite the Indian government's restrictions on Chinese companies last year, **the exemptions given to multilateral agencies** like the Asian Development Bank (ADB), the Asian Infrastructure and Investment Bank and the World Bank from procurement restrictions still provide Chinese companies access to infrastructure projects in India. **As a member of multilateral financial institutions, India cannot easily discriminate against Chinese companies without violating the rules of these institutions.**
- Also shutting out competitive Chinese companies from infrastructure projects may **result in pushing up the price of investments and hurting the Indian economy rather than giving it real advantages**
- The level of bilateral trade in 2021 highlights the point that India now has **a two-way dependence on its neighbour; China is the largest source of India's imports and the third largest destination of its exports**, only a notch below the UAE.
- Boosting India's imports from China were **two major product groups, namely electronic goods, including consumer electronics and telecommunication products, and active pharmaceutical ingredients.** This implies that India's dependence on China in two strategic areas has continued unabated.
- Over the past two years, the Government of India has initiated significant measures to shore up the country's manufacturing sector. With imports from China increasing to record levels, the government and industry would have to carefully consider next steps that they must take in unison to address India's China-dependence syndrome.
- So, India **should seek a greater access to the Chinese market** and there has to be an "evenness and balancing" of the country's huge trade deficit with China for the two nations to be able to move together on the path of progress. Another solution is the need to **increase India's domestic competitiveness** by removing infrastructure bottlenecks through accelerated infrastructural development. India has launched its **Sagarmala project** to speed up modernization of its ports along with their better connectivity with hinterland.

6) RIVER WATER SHARING

- Trans-border Rivers flowing from China to India fall into two main groups:
 - 1) **The Brahmaputra River System** on the Eastern side consisting of river Siang (mainstream of river Brahmaputra) and its tributaries i.e., Subansiri and Lohit..
 - 2) **The Indus River System** on the Western side consists of river Indus and the river Sutlej.
- There are **no institutionalized mechanisms** (water sharing agreements) on water cooperation between India and China, both countries have signed only MoU's for sharing Hydrological Information of the River Brahmaputra and River Sutlej / Langqen Zangbo.
- Moreover, both countries have developed ELM (Expert Level Mechanism) to cooperate in emergency management (e.g., flood), trans- border Rivers issues etc. Besides above measures, continuous diplomatic engagement plays a key role in sustained communication for data sharing and other developments in the river systems.
- Beijing's plans for the Brahmaputra include two kinds of projects-
 - 1) The first involves the **construction of hydro-electric power projects** on the river and
 - 2) the other, more ambitious project, **envisages the diversion of its waters to the arid north**.
- The \$1.5 billion Zangmu Hydropower Station project, China maintains, maintains is run-of-the-river projects that involve no storage or diversion and that they will not affect the river's downstream flow into northeast India. Besides the Zangmu power station, the Chinese government has approved other hydropower projects along the Brahmaputra including at Dagu, Jiacha and Jiexu. These projects are in the upper and middle reaches of the river.
- Recently China has given the go-ahead for the construction of the first downstream dam on the lower reaches of the river Yarlung Zangbo in Tibet at the Great Bend in Medog county. Here, the river falls spectacularly over a 2,000 metre-drop and turns sharply to flow across the border into the Indian State of Arunachal Pradesh. It is 30 km away from the India-China border along the Arunachal Pradesh. The new dam could help generate up to 60 gigawatts of power, three times that of central China's Three Gorges Dam, which has the largest installed hydropower capacity in the world now.

WATER POWER

1 DAGU
640 MW

2 JIEXU

3 ZANGMU
510 MW

4 JIACHA
320 MW



India's concerns over river Brahmaputra

- 1) **Volume and quality of water:** Experts have highlighted that even Run-of-the-river projects will significantly reduce the availability of water in the North-Eastern region and increase the siltation levels. (Run-of-the-river hydroelectric systems are hydroelectric systems that harvest the energy from flowing water to generate electricity). More worrying than China's construction of hydropower dams on the Brahmaputra is the **proposed northward diversion of its waters** at the Great Bend. This diversion would result in a significant drop in the river's water level as it enters India. It will have a serious impact on agriculture and fishing in the downstream areas as the salinity of water will increase.
- 2) **Absence of transparency in developments:** Chinese infrastructural developments in the Tibetan region have not been transparent. E.g. - Road developments near the India-Tibet border etc. In fact, China has been damming most international rivers flowing out of Tibet, whose fragile ecosystem is already threatened by global warming. Brahmaputra is not the only river that has contentious projects being built on it by China: **Salween (involving Myanmar and Thailand) and Mekong (involving Cambodia and Vietnam)** are two other big rivers where similar disputes exist.

- 3) **Potential use as political leverage in border disputes:** The control over joint water resources can be used as a political tool by China. For example, China stopped sharing of hydrological data on Brahmaputra during the Doklam standoff. (But it was sharing the same with Bangladesh.)
- 4) **National Security implication:** The question of availability of water can turn into a National Security issue as it directly affects the existence of a large section of people.
- 5) **Environmental Impact:** Several concerns emerge such as increased pollution in the river (Siang, which is Brahmaputra's main artery recently turned blackish grey as it entered India), potential impact of climate change, threat to biodiversity in the region and altering the monsoonal patterns of the region. The Brahmaputra is a veritable lifeline of India's northeast and in Bangladesh and a core part of the cultural life here. Due to these projects, Brahmaputra may lose much of the silt which makes the soil of northeastern India fertile.
- 6) **Increased disaster vulnerability:** Artificially controlling and consequent sudden releases of the flow of water increases the probability of floods especially in lower riparian areas of India and Bangladesh.
- 7) **Seismological impact-** All of the hydro power stations mentioned above, particularly the area surrounding the Great Bend, are situated in **an earthquake prone region** and very close to the geological fault line where the Indian Plate collides with the Eurasian Plate. In event of any major earthquake in the region, any damage to the proposed dams would result in unimaginable devastation in downstream areas. Moreover, China plans to build this infrastructure by using **small nuclear explosions**, which will not only impact the seismic balance of the region but also will have radioactive fallout (affecting agriculture and water quality).

What should India do?

- Despite calls for greater transparency and consultation, India is also racing to construct hydropower dams on the Brahmaputra River. Under this legal concept of **the doctrine of prior appropriation**, the first country to use these resources has a claim over them before any other country. In practice, however, this idea is a non-starter in India. Of these 25 projects, only a single one has been completed so far. On an average, it takes India 10 years to build a dam of even a modest size; China takes roughly three years. India is also considering building a 10 gigawatts (GW) hydropower project in the Dibang valley in Arunachal Pradesh, to mitigate the adverse impact of the Chinese dam.
- So, India must **adopt a robust approach to secure its interest**, as China pursues aggressive projects on river Brahmaputra. India should try and build international consensus against Chinese activities. India can bank on its image as a responsible Upper riparian state and try to persuade other lower riparian states like Bangladesh, ASEAN countries etc. to build a regional consensus for countering potential excesses from China.

- For China and India, the **UN Convention on the Law of the Non-Navigational Uses of International Watercourses** provides a good opening for dialogue. The UN Convention on the Law of the Non-Navigational Uses of International Watercourses provides for establishment of joint mechanisms or commissions, adopting measures like regular exchange of data and information, laying down emphasis on prior notification of planned measures etc. In respect to dispute settlement, state parties under this Convention can opt for negotiation, or jointly seek request mediation or conciliation by a third party, or make use of institutions established by them, or agree to submit the dispute to arbitration or to the International Court of Justice.
- China's hydro-engineering projects and plans are a reminder that **Tibet is at the heart of the India-China divide**. Tibet ceased to be a political buffer when China annexed it nearly six decades ago. But Tibet can still become a political bridge between China and India. For that to happen, water has to become a source of cooperation, and not conflict.

Conclusion: Relationship of 3 C 's

- India and China have multiple disagreements and conflicts, but there are also many areas of cooperation. Unlike India-Pakistan, Sino-India relations have not been a zero-sum game. Competition and cooperation has moved on parallel tracks as reflected in recent informal summits and destabilizing border conflicts. India and China ties have been oscillating between 3 Cs of conflict, cooperation and competition.
- It is evident that both countries are cooperating in many ways, for instance BRICS, SCO, AIIB, terrorism, resisting protectionism, globalization and WTO crisis, climate change, one of India 's largest trading partner. However, there are profound disagreements as well, for instance **India's alignment with USA and Quad, India 's boycott of BRI, destabilizing border dispute, China-Pakistan nexus, China not supporting India's demand to become members of UNSC and NSG, huge trade deficit of around 69.5 billion dollars**.
- **Therefore, China is both a challenge and an opportunity. India must follow a Policy of Congagement (containment + engagement). Engage wherever possible and contain China wherever necessary.**
- Indian Foreign Minister S.Jaishankar recently remarked that the Asian century will be difficult if India and China don't come together. The expression "Asian Century" was coined by former Chinese leader Deng Xiaoping when he met with then Indian prime minister Rajiv Gandhi in 1988. **China backed S Jaishankar's 'Asian century' remark and called for improved ties with India.**

BY SUSHANT VERMA

UNITED NATIONS ORGANISATION (U.N.O)

- An international organization (sometimes called international governmental organizations or IGOs) is an institution with formal procedures and a membership comprising three or more states. International organizations are characterized by rules that seek to regulate the relations amongst member states and by a formal structure that implements and enforces these rules.
- The United Nations is, without doubt, the most important international organization created to date. Established through **the San Francisco Conference** (April–June 1945), it is the only truly global organization ever to be constructed, having a membership of 193 states. The principal aims of the UN, as spelled out by its founding Charter, are as follows:
 - ✓ To safeguard peace and security in order ‘to save succeeding generations from the scourge of war’
 - ✓ To ‘reaffirm faith in fundamental human rights’
 - ✓ To uphold respect for international law
 - ✓ To ‘promote social progress and better standards of life’

PRINCIPLES OF UN

- Article 2 of UN charter contains the principles on which UN is based. The Organization and its Members shall act in accordance with the following Principles-
 - ✓ UN is based on the principle of the **sovereign equality** of all its Members.
 - ✓ All Members shall fulfil the obligations in accordance with the UN Charter
 - ✓ All Members shall settle their international disputes by peaceful means
 - ✓ All Members shall refrain in their international relations from the threat or use of force
 - ✓ All Members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and
 - ✓ They shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.
 - ✓ The UN shall ensure that states which are not Members of the United Nations act in accordance with these Principles.
 - ✓ **the UN shall not intervene in matters which are essentially within the domestic jurisdiction** of any state but this principle shall not prejudice the application of enforcement measures under Chapter VII.

- However, the UN was not the first organization that was constructed to guarantee world peace; its predecessor, **the League of Nations**, had been founded at the Paris Peace Conference of 1919 with very similar goals, namely to enable collective security, to arbitrate over international disputes and to bring about disarmament. The League of Nations was inspired by US President Woodrow Wilson's Fourteen Points, established as the basis for long-term peace in post-WWI Europe. The League, nevertheless, suffered from major defects, which the later architects of the UN tried to take fully into account.

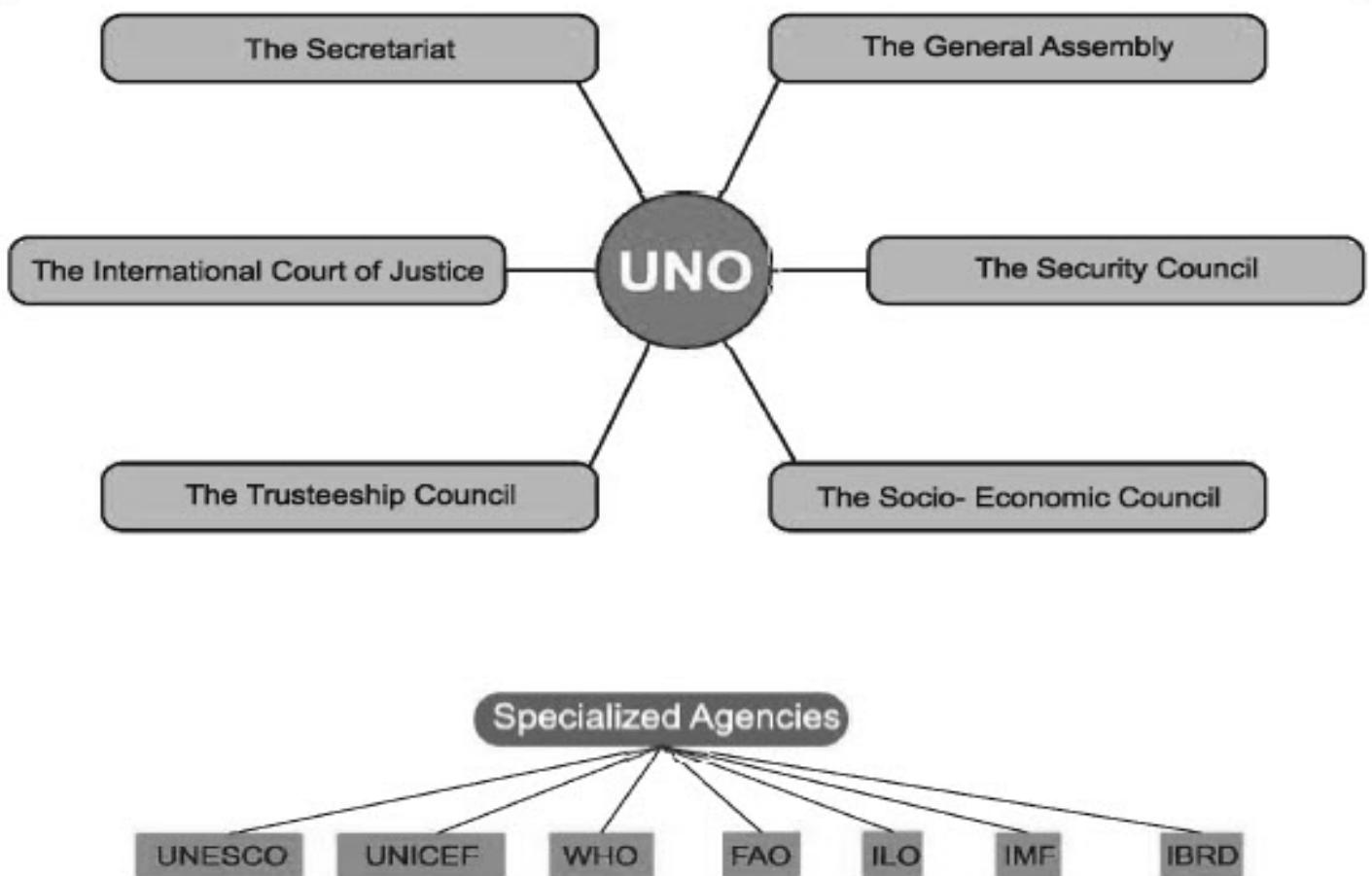
Collective security

Collective security is the theory or practice of states pledging to defend one another in order to deter aggression or to punish a transgressor if international order has been breached. **Its key idea is that aggression can best be resisted by united action taken by a number of states.** This is the only alternative to the insecurity and uncertainty of power politics. In other words, it is the idea or practice of common defence, in which a number of states pledge themselves to defend each other, **based on the principle of 'all for one and one for all'.**

- The basic blueprint for the new international organization was drawn up in August 1944 at Dumbarton Oaks, Washington DC, by delegates from the USA, the Soviet Union, China and the UK. The United Nations was established as the successor to the League of Nations when 50 states met in San Francisco to agree the terms of the UN Charter. The UN Charter was signed in San Francisco on 26 June 1945, with **the UN officially coming into existence on 24 October (since known as UN Day).**

STRUCTURE OF UNO

- The UN has six major organs
 - 1) The General Assembly.
 - 2) The Security Council.
 - 3) The Secretariat.
 - 4) The International Court of Justice.
 - 5) The Economic and Social Council.
 - 6) The Trusteeship Council



- The UN family also includes a range of specialized agencies, funds and programmes, including
 - ✓ the IMF,
 - ✓ the World Bank
 - ✓ the World Health Organization (WHO)
 - ✓ the UN Human Rights Council
 - ✓ the UN Educational, Scientific and Cultural Organization (UNESCO) and the
 - ✓ UN Children's Fund (UNICEF) etc.

1)THE SECURITY COUNCIL

- **The Security Council is the most significant UN body.** It is headquartered at the UN headquarters in New York City. This is charged with the maintenance of international peace and security, and so is responsible for the UN's role as negotiator, observer, peacekeeper and, ultimately, peace enforcer. The Council has the power to pass legally-binding resolutions to
 - ✓ suspend or expel members,

- ✓ impose economic sanctions and
- ✓ take military action to maintain or restore peace and security.
- The Security Council has 15 members. The Big Five (or P-5) – the USA, Russia, China, the UK and France – are permanent ‘veto powers. The non-permanent members are elected on a regional basis for a two-year term by the General Assembly by a two-thirds vote. It is not possible to be re-elected immediately after holding a seat. The council's **presidency rotates every month** among its 15 members.
- When the Charter of the United Nations was adopted in 1945, the Security Council had only five permanent and six non-permanent members, a total of eleven in all. In 1963, the General Assembly decided to expand the Security Council by creating four additional non-permanent seats; this reform came into force in 1965. **The Security Council has existed in its present format since 1966.**

Voting process in UNSC

Article 27 of UN Charter states that:

1. Each member of the Security Council shall have one vote.
2. Decisions of the Security Council on procedural matters shall be made by an affirmative vote of nine members.
3. Decisions of the Security Council on all other matters shall be made by an affirmative vote of nine members including the concurring votes of the permanent members. However, any member, whether permanent or nonpermanent, must abstain from voting in any decision concerning the peaceful settlement of a dispute to which it is a party.

- The five permanent members **enjoy the luxury of veto power**; meaning that they can block decisions made by other members of the Council. When a permanent member vetoes a vote, the Council resolution cannot be adopted, regardless of international support. Even if the other fourteen nations vote yes, a single veto will beat this overwhelming show of support.
- If a permanent member does not fully agree with a proposed resolution but does not wish to cast a veto, it may choose to abstain, thus allowing the resolution to be adopted if it obtains the required number of nine favourable votes. **Abstention of a permanent member does not amount to veto.**
- Although, the veto can elicit paralysis, it also serves a useful function. This function is known as the **concert function**. By instituting the veto, the **UN was virtually ensuring the participation of all the Great Powers**. The veto allows the permanent members to manage their interactions in regard to their interests. When they all agree, action can be taken. When they disagree, action can be blocked. **Areas of contention are therefore avoided and the Great Powers are separated, effectively averting direct confrontation.**

- When the Security Council considers a threat to international peace, it first explores ways to settle the dispute peacefully under the terms of **Chapter VI** of the UN Charter. It can do so by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means.
- The responsibilities and powers enshrined in **Chapter VII** of the Charter are central to the Security Council's ability to uphold international stability and peace by averting or ending conflicts. In the event of fighting, the Security Council tries to secure a ceasefire and may send a peacekeeping mission. The Council can also take measures to enforce its decisions under Chapter VII of the Charter, for instance through the imposition of economic sanctions, arms embargoes, or collective military action.
- The Council also makes recommendations to the General Assembly on the appointment of a new secretary-general and on the admission of new members to the UN.

2)THE GENERAL ASSEMBLY

- This is the main deliberative organ of the UN, **sometimes dubbed the ‘parliament of nations’**. The Assembly consists of all members of the UN, each of which has a single vote. The Assembly can do the following-
 - ✓ debate and pass resolutions on any matter covered by the Charter, and
 - ✓ has a specific responsibility to examine and approve the UN’s budget,
 - ✓ determine the members’ contributions, and
 - ✓ elect, in conjunction with the Security Council, the UN Secretary-General and the judges of the International Court of Justice.
- The General Assembly is made up of all UN member states, with one vote each. A two-thirds majority in the General Assembly is required for decisions on key issues such as
 - ✓ international peace and security,
 - ✓ the admission of new members, and
 - ✓ the UN budget.
- A simple majority is required for other matters. The decisions reached by the General Assembly have the status of recommendations, rather than binding decisions, so they cannot force action by any state. One of the few exceptions is the General Assembly’s Fifth Committee, which makes decisions on the budget that are binding on members. The General Assembly can consider any matter within the scope of the UN Charter.
- The Assembly neither has a legislative role nor does it oversee or scrutinize, in any meaningful sense, the Security Council or the Secretariat.
- In other words, the UN General Assembly (UNGA) can only make non-binding recommendations, which is another reason for ineffectiveness of the UN and another important issue of UN reform.

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Non-member states of UN

Two countries are not members of the U.N.:

- Palestine and
- the Holy See (Vatican City)

Both, however, are considered non-member States of the United Nations, which means they have permanent invitations to participate as observers of the General Assembly and are provided free access to documents of the United Nations. Non-member permanent observer status has been recognized as a matter of practice in the U.N. since 1946 when the Swiss Government was given the status by the Secretary-General.

More often than not, permanent observers later join the United Nations as full members when their independence has been recognized by more members and their governments and economy have stabilized.

3)THE SECRETARIAT

- This services the other principal organs of the UN and administers the programmes and policies laid down by them. Although its main activities are located in the UN's headquarters in New York, it has offices all over the world and a total staff of about 40,000.
- At its head is the Secretary-General, who functions as the public face of the UN as well as its chief administrative officer. He is appointed by the Assembly on the recommendation of the Security Council for a five-year, renewable term. The Secretary-General deals with a multifaceted bureaucracy staffed by civil servants from various states and cultures. It tries to maintain the UN's independence, often in a context of rivalry amongst P-5 states. Nevertheless, Secretaries-General have some capacity to influence the status and policy direction of the organization.
- António Guterres from Portugal was sworn in as the ninth secretary-general in January 2017. On the recommendation of the other bodies, the Secretariat also carries out a number of research functions and some quasi-management functions. Yet the role of the Secretariat remains primarily bureaucratic. The only exception is the power of the secretary-general, **under Article 99 of the Charter**, to bring situations that are likely to lead to a breakdown of international peace and security to the attention of the Security Council. This article was the legal basis for the remarkable expansion of the diplomatic role of the secretary-general, compared with its League predecessor.

4)ECONOMIC AND SOCIAL COUNCIL

- This consists of 54 members elected by the General Assembly. Its chief role is to coordinate the economic and social work of the UN and the UN family of organizations. This involves overseeing the activities of a large number of programmes, funds and specialized agencies. These include the so-called '**three sisters**' – the World Bank,

-the IMF and

-the WTO –

- This supervision also bodies such as the –
 - International Labour Organization (ILO),
 - the World Health Organization (WHO),
 - the United Nations Educational, Scientific and Cultural Organization (UNESCO) and
 - the United Nations Children's Fund (UNICEF).
- The expansion of the UN's economic and social institutions occurred largely along functionalist lines, bodies being created or further developed as specific economic and social problems emerged.
- The Economic and Social Council (ECOSOC), under the overall authority of the General Assembly, coordinates the economic and social work of the United Nations and the UN family of organizations. It also consults with non-governmental organizations (NGOs), thereby maintaining a vital link between the United Nations and civil society. ECOSOC's subsidiary bodies include Functional Commissions, such as the Commission on the Status of Women; Regional Commissions, such as the Economic Commission for Africa; and other bodies.
- The Economic and Social Council has been criticized, as it has become overshadowed by institutions such as the IMF and the World Bank which are lacking democratic processes, transparency, and accountability.

5)THE INTERNATIONAL COURT OF JUSTICE

- The International Court of Justice (ICJ) is the principal judicial organ of the United Nations (UN). It is also known as the World Court. It was established in June 1945 by the Charter of the United Nations and began work in April 1946.
- The seat of the Court is at the Peace Palace in The Hague (Netherlands). Of the six principal organs of the United Nations, it is the only one not located in New York (United States of America).
- The International Court of Justice is composed of 15 judges elected to nine-year terms of office by the United Nations General Assembly and the Security Council. The Court may not include more than one national of the same State. Moreover, the Court as a whole must represent the main forms of civilization and the principal legal systems of the world. These organs vote simultaneously but separately. In order to be elected, a candidate must receive an absolute majority of the votes in both bodies.
- In order to ensure a measure of continuity, one third of the Court is elected every three years. Judges are eligible for re-election. It is assisted by a Registry, its administrative organ. Its official languages are English and French.

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- Presently Justice Dalveer Bhandari is an Indian judge serving in the ICJ. He is the fourth judge to serve the ICJ after B.N Rau, Nagendra Singh and R.S.Pathak.
- The Court decides disputes between countries. Participation by states in a proceeding is voluntary, but if a state agrees to participate, it is obligated to comply with the Court's decision. The Court also provides **advisory opinions** to other UN organs and specialized agencies on request.
- The court's judgment is final and without appeal. The court itself has no powers of enforcement, but according to article 94 of the UN Charter, *if any party to a case fails to perform the obligations incumbent upon it under a judgment rendered by the Court, the other party may have recourse to the Security Council.* The Security Council, if it deems necessary, make recommendations or decide upon measures to be taken to give effect to the judgment. In general, however, enforcement is made possible because the court's decisions are viewed as legitimate by the international community.

Compulsory jurisdiction of ICJ

Each State which has recognized the compulsory jurisdiction of the Court has in principle the right to bring any one or more other States, which have accepted the same obligation, before the Court, by filing an application instituting proceeding with the Court. Conversely, it undertakes to appear before the Court should proceedings be instituted against it by one or more other such States.

The nature of legal disputes in relation to which such compulsory jurisdiction may be recognized are listed in Article 36, paragraphs 2-5, of the Statute, which are as follows-

- (a) the interpretation of a treaty;
- (b) any question of international law;
- (c) the existence of any fact which, if established, would constitute a breach of an international obligation;
- (d) the nature or extent of the reparation to be made for the breach of an international obligation.

Kulbhushan Jadhav case

India was involved in a case at the ICJ on six different occasions including 'Kulbhushan Jadhav case'. Pakistan was the opposite party on four of these six occasions.

The Vienna Convention on Consular Relations is an international treaty that defines consular relations between independent states. **Article 36** of the Vienna Convention states that foreign nationals who are **arrested or detained** in the host country must be given notice without delay of their right to have their embassy or consulate notified of that arrest. India and Pakistan are signatories to **Optional Protocol to Vienna Convention on Consular Relations concerning the Compulsory Settlement of Disputes**.

According to this protocol, all disputes relating to interpretation or application of this convention falls under compulsory jurisdiction of the ICJ.

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Kulbhushan Jadhav, an Indian national, was sentenced to death by a Pakistani military court on charges of espionage and terrorism in April 2017. India had challenged the verdict in the **International Court of Justice (ICJ)**, the top UN court. It accused Pakistan of **violating Vienna Convention on Consular Relations 1963** by failing to provide Jadhav with consular access despite repeated Indian requests. In its interim order in May 2017, the ICJ stayed Jadhav's death sentence until the ICJ's final judgment in the case. The Court upheld India's stand about non-grant of consular access to Kulbhushan Jadhav was a violation of the Vienna Convention.

On 17 July 2019 the International Court of Justice (ICJ) delivered its final verdict on the Kulbhushan Jadhav case. With a 15-1 majority decision in India's favour, the court found that Pakistan had breached its obligations under the 1963 Vienna Convention on Consular Relations (VCCR). The ICJ ruled that Pakistan must undertake an "effective review and reconsideration" of the conviction and sentence of Mr. Jadhav and also to grant consular access to India without further delay.

6)THE TRUSTEESHIP COUNCIL

- It was established to provide international supervision for 11 Trust Territories administered by seven member states, and to ensure that adequate steps were taken to prepare the territories for self-government or independence. By 1994, all the Trust Territories had attained self-government or independence, either as separate states or by joining neighbouring independent countries. The last to do so was the Trust Territory of the Pacific Islands, Palau, which had previously been administered by the United States.

SPECIALIZED AGENCIES OF UNO

- Specialized Agencies are legally independent international organizations with their own rules, membership, organs and financial resources, were brought into relationship with the United Nations through negotiated agreements.
- Some of the agencies existed before the First World War, some were associated with the League of Nations, others were created almost simultaneously with the United Nations and yet others were created by the United Nations itself to meet emerging needs.
- Given the diversity of their respective fields of action, history and experience, each agency has its own needs and concerns, not to speak of corporate culture. Some of these specialized agencies are as follows-

International Labour Organization (ILO)

The International Labour Organization (ILO) was founded in 1919, its Constitution forming part of the Treaty of Versailles. The ILO became the first specialised agency of the UN in 1946.

Food and Agriculture Organization (FAO)

The aim of the Food and Agriculture Organization, as defined in its Constitution, is to:

- ✓ raise levels of nutrition and standards of living;
- ✓ secure improvements in food production and distribution;
- ✓ better the conditions of rural people and;
- ✓ contribute toward an expanding world economy and ensure freedom from hunger.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

The UN Educational, Scientific and Cultural Organization (UNESCO) was established in 1945 to promote the aims set out in article 1, para. 3 of the UN Charter. Its purpose, as stated in article 1 of its Constitution, is to contribute to peace and security by promoting collaboration among nations through education, science and culture.

International Civil Aviation Organization (ICAO)

The Convention on International Civil Aviation, which provided for the establishment of the International Civil Aviation Organization (ICAO), was signed in Chicago in 1944. The Organization came into existence on 4 April 1947 after 26 states had ratified the Convention. Under article 44 of the Convention, the ICAO is charged with developing the principles and techniques of international air navigation, and fostering the planning and development of international air transport to ensure the safe and orderly growth of international civil aviation throughout the world.

World Health Organization (WHO)

Representatives of 61 states adopted the World Health Organization (WHO) Constitution in 1946. The Organization formally came into existence on 7 April 1948 and became a UN specialized agency on 10 July 1948. Article 1 of the Constitution defines the WHO's objective as "the attainment by all peoples of the highest possible level of health". The detailed functions are set out in article 2 of the Constitution.

International Telecommunication Union (ITU)

The International Telecommunication Union (ITU) was founded in 1865 in Paris as the International Telegraph Union. The 1932 Madrid Plenipotentiary Conference decided the current name, which came into

force on 1 January 1934. The ITU is an inter-governmental organization that brings together governments and industry to coordinate the establishment and operation of global telecommunication networks and services.

World Meteorological Organization (WMO)

The World Meteorological Organization (WMO) is the successor to the International Meteorological Organization, which was established in 1873. It formally came into existence in 1950 and became a UN specialised agency in 1951.

International Maritime Organization (IMO)

The International Maritime Organization (IMO) is the UN specialised agency responsible for the safety of life at sea, maritime security and the protection of the marine environment through prevention of sea pollution caused by ships. It facilitates cooperation among governments to achieve the highest practicable standards of maritime safety and security, and efficiency in navigation.

World Intellectual Property Organization (WIPO)

The World Intellectual Property Organization (WIPO) is dedicated to developing a balanced and accessible international intellectual property (IP) system that rewards creativity, stimulates innovation and contributes to economic development while safeguarding the public interest.

World Tourism Organization (UNWTO)

UNWTO is the UN's specialised agency in the field of tourism. It provides leadership and support to the tourism sector in the advancement of sustainable policies, practices and actions. Through the promotion and development of responsible, sustainable and universally accessible tourism, UNWTO endeavours to maximise tourism's contribution to socio-economic growth, job creation, development, environmental conservation, cultural enrichment and international understanding, while minimizing negative social or environmental impacts. It pays particular attention to the interests of developing countries.

Criticism

- The principal aim of the UN is ‘to maintain international peace and security’ (Article 1), with responsibility for this being vested in the Security Council. Indeed, the performance of the UN can largely be **judged in terms of the extent to which it has saved humankind from deadly military conflict.**
- This, nevertheless, is difficult to judge. On the one hand, the fact that the two world wars of the twentieth century have not been followed by **World War III has sometimes been seen as the supreme achievement of the UN.** It is as well as demonstrating a clear advance on the performance of the League of Nations). On the other hand, critics have argued that the absence of global war since 1945 has had little to do with the UN. It is more **a consequence of the ‘balance of terror’** that developed during the Cold War as a nuclear stalemate developed between the USA and the Soviet Union. Ultimately, how global and regional conflict would have developed and whether ‘cold’ wars would have become ‘hot’ ones in the absence of the UN, is an unanswerable question.
- The UN is **fundamentally flawed** because it was designed as a supranational body whose role is to police the international system. The UN therefore has all the drawbacks of a would-be world government –
 - ✓ a lack of legitimacy,
 - ✓ accountability and
 - ✓ democratic credentials.
- Not only does the UN interfere in the affairs of nation-states (as is demonstrated by its declining support for state sovereignty), but it also disrupts the workings of the balance-of-power system, thereby endangering peace and stability.
- It is, nevertheless, evident that **the UN has only had limited and intermittent success in establishing a system of collective security** that can displace a reliance on violent self-help.
- The capacity of the UN to enforce a system of collective security is **severely limited by the fact that it is essentially a creature of its members: it can do no more than its member states, and particularly the permanent members of the Security Council, permit.** As a result, its role has been confined essentially to providing mechanisms that facilitate the peaceful resolution of international conflicts. Even in this respect, however, its record has been patchy.
- During the Cold War, **the UN was routinely paralyzed by superpower rivalry** that led to deadlock in the Security Council, a consequence of the veto powers of its permanent members. The Cold War ensured that, on most issues, the USA and the Soviet Union (the P-2) adopted opposing positions, which prevented the Security Council from taking decisive action. The only occasion on which the

Security Council agreed on measures of military enforcement was in relation to **the Korean War in 1950**, but the circumstances surrounding this were exceptional. UN intervention in Korea was only possible because the Soviet Union had temporarily withdrawn from the Council, in protest against the exclusion of ‘Red China’ (the People’s Republic of China).

- It was also unable to prevent the Soviet invasions of Hungary (1956), Czechoslovakia (1968) and Afghanistan (1979), or to curtail the USA’s escalating military involvement in Vietnam during the 1960s and 1970s. Similarly, the UN had only a very limited influence on the succession of Arab–Israeli wars.
- **A further difficulty was that the UN was never able to develop an armed force of its own**, so that it has always had to rely on troops supplied by individual member states. This has meant that when the UN has authorized military action it has either been subcontracted, for example, to
 - ✓ US-led forces (Korean War and Gulf War) or
 - ✓ to regional bodies such as NATO (Kosovo) or the African Union (Darfur), or
 - ✓ it has been carried out by a multinational force of so-called ‘blue helmets’ or ‘blue berets’ contributed by member states.

Thus, one of the key conditions for an effective collective security system – the availability of permanent UN troops to enforce its will – has remained unfulfilled. Its impact on matters of peace and security was therefore strictly limited.

- Whereas the **Council is criticized for being poorly representative and dominated by great powers**, the Assembly, in a sense, is over-representative, a highly decentralized body that often serves as little more than a propaganda arena. This division between the two bodies became increasingly clear from the 1960s onwards as a result of the growing influence of newly independent, developing countries in the Assembly, and the effective retreat of the P-5 to the Council.
- The end of the Cold War, however, produced optimism about the capacity of an activist UN to preside over a ‘new world order’. **The UN’s intervention in the Gulf War of 1991**, being only the second time (after Korea) that the UN authorized large-scale military action, seemed to demonstrate a renewed capacity to fulfil its obligation of deterring aggression and maintaining peace.
- Also in a few short years, the number of **UN peacekeeping operations** had doubled, and the annual budget for peacekeeping had quadrupled. Since 1990, the Security Council has approved non-military enforcement measures on numerous occasions – for instance, in relation to Afghanistan, Angola, Ethiopia and Eritrea, Haiti, Iraq, Rwanda, Somalia, the former Yugoslavia and so on – and measures of military enforcement, usually linked to peacekeeping operations have become much more common.
- **The term ‘peacekeeping’ is not found in the UN Charter.** Nevertheless, over the years, peacekeeping has come to be the most significant way in which the UN has fulfilled its responsibility

to maintain international peace and security. Falling somewhere between the UN's commitment to resolve disputes peacefully through means such as negotiation and mediation (Chapter Six) and more forceful actions to maintain security (Chapter Seven), **peacekeeping was described by the second UN Secretary-General, Dag Hammarskjöld, as belonging to 'Chapter Six and a Half'.**

- However, early hopes for a UN-dominated 'new world order' were quickly disappointed. This was evident not only in sometimes high-profile peacekeeping failures, **as in Rwanda and the former Yugoslavia**. But most significantly it was in the USA's decision to go ahead with the invasion of Iraq in 2003, despite opposition from leading members of the Security Council.

Peacekeeping

Peacekeeping is defined by the UN as 'a way to help countries torn by conflict create conditions for sustainable peace'. It is therefore essentially a technique **designed to preserve the peace**, however fragile, where fighting has been halted, and **to assist in implementing agreements achieved by the peacemakers**. 'Traditional' or classical peacekeeping amounts to monitoring and observing the peace process in post-conflict situations, with peacekeepers being deployed after a ceasefire has been negotiated. It has no expectation of **fighting except in the case of self-defence**.

Peace-building

Peace-building is a long-term process of creating the necessary conditions for sustainable peace by **addressing the deep-rooted, structural causes of violent conflict** in a comprehensive manner. Strictly speaking, peacebuilding is a phase in the peace process that occurs after peace making and peacekeeping have been completed. However, these activities invariably overlap to a greater or lesser degree, meaning that peace-building resembles what is often called **multi-dimensional peacekeeping**.

Peacebuilding as long-term conflict resolution involves a wide range of strategies, economic, political and social as well as military. These include the following:

- ✓ economic reconstruction,
- ✓ repairing or improving the economic and social infrastructure,
- ✓ de-mining,
- ✓ the demobilization and retraining of former combatants,
- ✓ the reintegration of displaced peoples,
- ✓ establishing community organizations etc.

Although the military remain the backbone of most peacekeeping operations, the many faces of peacekeeping now include administrators and economists, police officers and legal experts, deminers and electoral observers, and human rights monitors and specialists in civil affairs and governance.

- Hopes for a more effective UN in the post-Cold War period were also dashed, largely by a declining willingness of states, freed from East–West tensions, to accept neutral, multilateral intervention, and by the eroding support, both financial and military, of the USA.
- Despite some genuine successes in peacekeeping (such as in Mozambique and El Salvador) and in peace-building (East Timor), the UN's reputation was badly damaged by its failure to prevent large-scale slaughter in **Rwanda and Bosnia in the mid-1990s**.
- The USA led 'coalition of the willing' invaded Iraq in March 2003 bypassing UNSC. The then UN Secretary-General, Kofi Annan, declared **explicitly that the invasion had not been sanctioned by the Security Council, and was not in accordance with the principles of the UN Charter**. It was a clear breach of international law. The Iraq War demonstrated how the **UN could be reduced to the role of a bystander** in a world dominated by a hegemonic USA. Nevertheless, although the bypassing of the UN dealt the organization a significant blow to its standing. Unilateral US action taken without UN authorization and against the opposition of key P-5 states undoubtedly weakened the USA's 'soft' power.
- The UN has also been subject to a variety of other criticisms-
 - ✓ It can be said that the UN has a lot to do but **it has too little money**, as it is in a permanent financial crisis due to the unwillingness of many members to pay their contributions on time. As long as the UN's budget remains tightly constrained, it cannot be effective.
 - ✓ Others claim that **it is little more than a debating society**, due to the fact that it can do no more than its member states, and particularly the P-5, allow it to do.
 - ✓ Further criticisms focus on the **complex and deeply bureaucratic nature of the organization itself, and its tendency towards inefficiency and mismanagement**. This was exposed not least by the 2003 Oil-for-Food scandal.

SIGNIFICANCE OF UN

- The United Nations will celebrate its 77th anniversary this year. **Its survival is its biggest success.**
- The United Nations is a genuinely global body that has a unique international character. On the basis of its founding Charter, the organization can take action, in theory, in an unlimited range of areas. The main achievements of the United Nations have been in the economic and social sectors.
- However, its key role is widely accepted to be the maintenance of international peace and security, particularly as carried out through the Security Council's ability to issue binding resolutions. This is backed up, at least in theory, by the ability to impose non-military and military sanctions in the event of non-compliance. **This makes the UN the primary source of international law.**
- For all its flaws and failures, one central fact must be borne in mind: the world is a safer place with the UN than it would be without it. Although the UN will never be able to prevent all wars and resolve all

conflicts, it provides an indispensable framework for cooperation, should the international community choose to use it. The UN serves, however imperfectly, to increase the chances that international conflict can be resolved without the resort to war and, if war breaks out, that military conflict will quickly lead to peace making and peace-building.

- **Most studies show that UN peacekeeping operations are more often successful than unsuccessful.** At an operational level, there are clearly functions that the UN is better at performing than any other body, including small-scale peacekeeping, the provision of humanitarian aid and the monitoring of elections. The shift towards **multidimensional peacekeeping** has also been beneficial.
- The UN did not fossilize around its initial mission, but it has, rather, **succeeded in adapting and redefining itself** in the light of new global challenges. Not only has the UN developed into the leading organization promoting economic and social development worldwide, but it has also **helped to shape the agenda as far as new global issues** are concerned, ranging from climate change and gender equality to population control and dealing with pandemics.
- In relation to human rights, **the UN has been highly successful in creating a detailed body of international human rights legislation**, and also in producing bodies that can observe and authoritatively report on adherence to global human rights norms. However, given the range of interests that operate in and through the UN, it has been less easy to ensure that these bodies act in a robust way. The much-criticized Commission on Human Rights may have been replaced by the Human Rights Council. But its unwillingness to criticize Sri Lanka in 2009 for the conduct of its civil war against the Tamil Tigers demonstrated, serious human rights violations can still escape sanction.
- The UN nevertheless continues **to exert significant ‘soft’ power, particularly in the developing world**, where it is viewed as the leading institution providing support for economic and social development. The UN remains the only international organization that approximates to a form of global governance, providing, at minimum, a framework through which the international community can address concerns ranging from
 - ✓ peace and security,
 - ✓ disarmament and non-proliferation
 - ✓ to environmental protection,
 - ✓ poverty reduction,
 - ✓ gender equality and
 - ✓ emergency relief.
- The principal vehicle responsible for global development policy is the UN Development Programme (UNDP), created in 1965. The UNDP has a presence in some 166 countries, working with them on their own solutions to global and national development challenges. It also helps developing countries attract and use aid effectively. **Annual Human Development Reports (HDRs)** focus the global

debate on key development issues, providing new measurement tools (such as the Human Development Index or HDI). By focusing on the notions of ‘human development’, the UNDP has also promoted **innovative thinking about poverty and deprivation**, moving away from a narrowly economic definition of poverty. The desire to reinvigorate the UN’s Development Programme led to the unveiling in 2000 of the Millennium Development Goals (MDGs) and subsequently to **Sustainable Development Goals (SDGs) in 2015. The UN has done more than any other organization or single state to alleviate the economic and social problems of developing countries.**

Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the **17 Sustainable Development Goals (SDGs)**, which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Some of these goals are-

- ✓ End poverty and hunger in all forms and ensure dignity and equality
- ✓ Protect our planet’s natural resources and climate for future generations
- ✓ Ensure prosperous and fulfilling lives in harmony with nature
- ✓ Foster peaceful, just and inclusive societies
- ✓ Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- In view of the UN’s unique role and moral authority, few would disagree with the view that if it did not exist it would need to be invented.

- Despite its imperfections, it is absurd to suggest that the UN is unreformable.

1) Reforming the UN Security Council

- Calls for the reform of the Security Council focus on two keys, if interrelated, issues:
 - 1) the veto powers of its permanent members, and
 - 2) their identity
- Permanent membership and the power to veto Council decisions means that the UN is dominated, as far as the core issue of peace and security is concerned, by great power politics. **Some UN members are clearly more equal than others.**
- **The requirement of unanimity amongst P-5 states** has also effectively neutered the UN as the basis for collective security, apart from exceptional circumstances (Korea and the Gulf War).
- Moreover, **the membership of P-5 is widely seen to be outdated**, reflecting the great powers of the immediate post-1945 period. If the Council is to have permanent members, few would challenge the right of the USA, China or Russia (at least in terms of its nuclear capability) to be among them, but **France and the UK have long ceased to be states of first-ranking status.**
- At different times, cases have been made out for the inclusion of Japan and Germany, in view of their economic strength, and, more recently, for emerging powers such as India, Brazil, Nigeria, Egypt and South Africa. The Council's present composition is no longer representative of a world that has seen 142 new countries join the United Nations since 1945.
- Certainly, **the existing membership reflects a regional imbalance**, with no representation for Africa or for Latin America among its permanent members. The case for a revised membership is that a more representative and up-to-date Council would enjoy wider support and influence, helping to make the UN a more effective peacemaker and peacekeeper.
- However, **the prospect of the reform of the Security Council is remote**, with the **veto being the major obstacle standing in the way**. Veto status could not be removed without the unanimous agreement of the P-5 states, and it is unlikely that any of them would voluntarily abandon their privileged position. Moreover, the continued existence of permanent veto powers is, anyway, a (possibly vital) way of ensuring that the UN retains the support of the world's leading states.
- The enlargement or change in membership of the P-5 is also difficult to bring about because
 - ✓ In the first place, it is highly likely to be opposed, and blocked, by existing P-5 states, especially the most vulnerable ones, France and the UK.
 - ✓ Other P-5 members may also fear the different configuration of interests and influences that a reformed Council might bring about.

- ✓ Furthermore, there is significant resistance outside the P-5 to the candidacy of particular would-be members. For example,
 - many European states oppose the inclusion of Germany;
 - South Africa opposes the inclusion of Nigeria and vice versa;
 - Argentina opposes the inclusion of Brazil,
 - China opposes candidature of Japan
 - Pakistan opposes inclusion of India and so on.
- ✓ Finally, a revised membership may require **the introduction of regular membership reviews**, as the distribution of global power is always changing.

G4 GROUP

- The G4 is a grouping of Brazil, Germany, India and Japan which are supporting each other's bids for permanent membership of the UNSC. Each of these four countries have figured among the elected non-permanent members of the council since the UN's establishment.
- The G4 nations traditionally meet on the sidelines of the annual high-level UN General Assembly session.
- In 2005, G4 drew a draft resolution for Security Council reform which included the following elements:
 - ✓ Adding **six new permanent members** to the Security Council (two seats each for Asia and Africa and one seat for the Western European and Others Group and the Latin American and Caribbean Group respectively)
 - ✓ Adding **four or five non-permanent members** to the Security Council (one seat each for Asia, Latin America and the Caribbean, eastern Europe and one or two seats for Africa)
 - ✓ Support Africa's goal to be fully represented in all decision-making organs of the UN particularly the Security Council.
 - ✓ Reforming working methods.
 - ✓ **to work towards launching text-based negotiations** without further delay in the Inter-Governmental Negotiations (IGN), on the basis of a single document, with a view to its adoption in the General Assembly.
- G4's bids are often opposed by Uniting for Consensus movement or the Coffee Club

UNITING FOR CONSENSUS

- Uniting for Consensus (UfC) is a movement, **nicknamed the Coffee Club**, that developed in the 1990s in opposition to the possible expansion of the United Nations Security Council. Under the leadership of Italy, it aims to counter the bids for permanent seats proposed by G4 nations. It is calling for a consensus before any decision is reached on the form and size of the Security Council.

- The prime movers of the club include Italy, Spain, Australia, Canada, South Korea, Argentina and Pakistan.
- Most members of the club oppose bigger regional powers grabbing permanent seats in the UN Security Council
 - ✓ Italy and Spain are opposed to Germany's bid
 - ✓ Pakistan is opposed to India's bid
 - ✓ Argentina is against Brazil's bid
 - ✓ Australia opposes Japan's.
 - ✓ Canada and South Korea are opposed to developing countries, often dependent on their aid, wielding more power than them at the UN.
- The Group Uniting for Consensus" (UFC) supports an extended Council of 25 members, with the addition at the level of non-permanent members and /or the introduction of a new category of members, the semi-permanent members.

L.69 Group

- The L.69 Group is a group of developing countries from Africa, Latin America and the Caribbean, Asia and the Pacific. They form a major bloc that is united by the common cause of achieving the lasting and comprehensive reform of the United Nations Security Council. The group currently has 42 countries as its members.

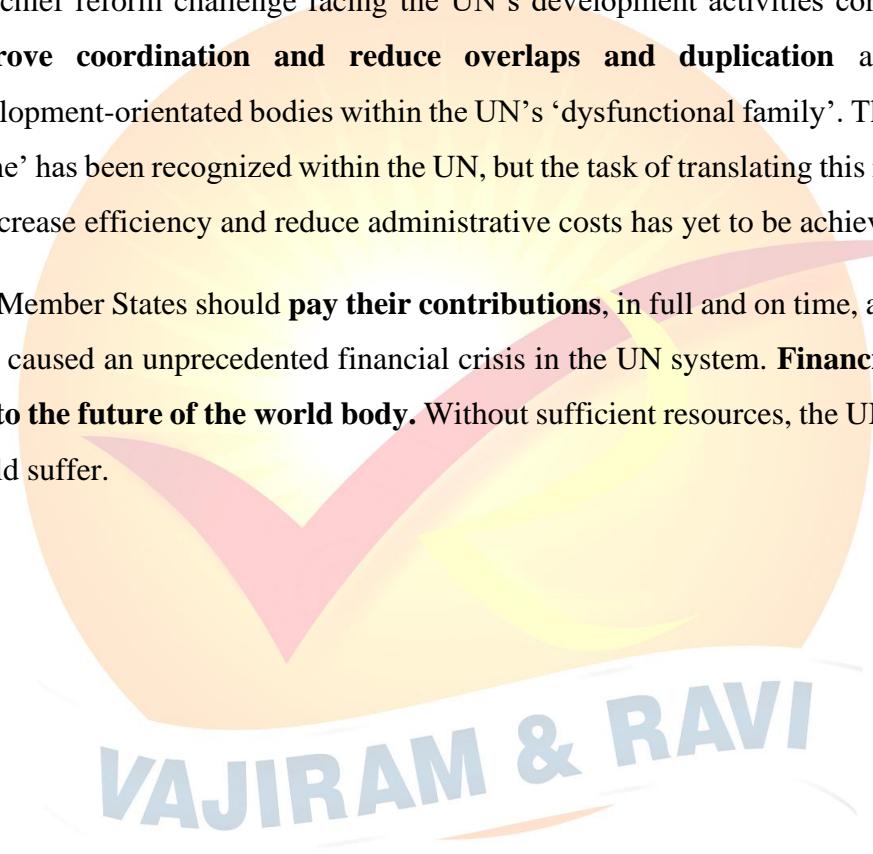
Intergovernmental Negotiations Framework (IGN)

This is composed of groups, working for reforms in the UN system. It articulates positions of different organisations vis-a-vis each other. The groups include G-4, CARICOM, African Union, Arab League, Ufc (Uniting for Consensus, also known as Coffee Club)

- The efforts for expansion of the UNSC and reforms were also made in the form of The General Assembly Task Force on Security Council Reform and 2005 Kofi Annan's Plan to expand to 24-member UNSC, with various combinations for equitable representation, but none of the initiatives has worked so far.
- Other important areas of reform are in **peace operations, development and human rights**. The operational and strategic approach to peacekeeping and the provision of humanitarian aid have both improved significantly in recent years, and further reforms could undoubtedly be introduced. For example,
 - ✓ UN agencies could be better coordinated;
 - ✓ the UN could confer legitimacy on international action, rather than always implementing action itself; and

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- ✓ relationships with regional organizations could be strengthened.
- ✓ The 2000 Brahimi Report on Peacekeeping made a major contribution to reviewing UN peace operations, and provided the backdrop for the creation of the UN Peacebuilding Commission in 2005.
- ✓ An area of particular concern has been the need for the UN to have a ‘rapid deployment capacity’, the ability to send peacekeepers to different corners of the globe at short notice with the resources to act swiftly and effectively. The absence of such a capacity has often meant that UN peacekeepers are deployed late and are called upon to police highly difficult situations.
- ✓ The chief reform challenge facing the UN’s development activities continues to be **how to improve coordination and reduce overlaps and duplication** amongst the several development-orientated bodies within the UN’s ‘dysfunctional family’. The goal of ‘delivering as one’ has been recognized within the UN, but the task of translating this into practice, in order to increase efficiency and reduce administrative costs has yet to be achieved.
- ✓ The Member States should **pay their contributions**, in full and on time, as delays in payments have caused an unprecedented financial crisis in the UN system. **Financial reforms hold the key to the future of the world body.** Without sufficient resources, the UN's activities and role would suffer.



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- India has the distinction of **being a founder member of the United Nations**. It was not independent at that time but was allowed by the United Kingdom to participate in the proceedings at San Francisco in 1945. The Indian delegation participated enthusiastically in the deliberations and became an active member of the new organization even when it was still a British colony.

Role of India in UN

- As a founding member of the United Nations, **India strongly supports the purposes and principles of the UN and has made significant contributions to implementing the goals of the Charter**, and the evolution of the UN's specialized programmes and agencies. India's deepening engagement with the United Nations is based on its steadfast commitment to multilateralism and dialogue as the key for achieving shared goals and addressing common challenges.
- India was instrumental in reorienting the UN from a security organization **to a developmental and promotional body**. India stayed away from the cold war polarizing politics of power and activated the General Assembly by the sheer force of its ideas. India's foreign policy in the early years of the United Nations took up challenges like
 - ✓ decolonisation,
 - ✓ apartheid,
 - ✓ human rights,
 - ✓ nuclear disarmament,
 - ✓ equity in the international economic order and
 - ✓ in North-South relations,
 - ✓ nonalignment,
 - ✓ South-South cooperation and democracy.
- It gave these ideas to the United Nations at a time when the Security Council was stuck in sterile debates and inaction. These became the guiding principles of the General Assembly and opened new vistas for the United Nations.
- India was one of the first countries **to raise its voice against European colonialism** and made the UN the platform for its campaign. In 1960, by which time there were sufficient numbers of countries from Asia and Africa, the UN General Assembly adopted a resolution on decolonisation, the 'Declaration on the Granting of Independence to Colonial Countries and Peoples'. The resolution declared that subjecting people to alien subjugation constitutes denial of human rights and is an impediment to attaining world peace.

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- India campaigned energetically **for banning nuclear testing and the elimination of nuclear weapons.**
- India's other big campaign in the United Nations was **against apartheid**. It launched this even before becoming independent. In 1946, it got the General Assembly to adopt a resolution against racial discrimination in South Africa. India continued the opposition to apartheid, leading to the imposition of sanctions against South Africa and Southern Rhodesia (now, Zimbabwe).
- India's status as a founding member of the Non-Aligned Movement and the Group of 77 cemented its position within the UN system as a leading advocate of the concerns and aspirations of developing countries and the creation of a more equitable international economic and political order. India was in the forefront of the UN taking the lead in **reforming the global economic order** and making development one of its goals. It was instrumental in the setting up of UNCTAD in 1964 for promoting trade and development. A declaration on setting up a new international economic order was adopted by the UNGA in 1974.
- Peacekeeping was a later innovation for the United Nations and India played a key role in its evolution, especially in the Congo mission from 1960 to 1964. **India has been the largest troop contributor to UN missions since inception.** It has provided about 240,000 personnel in 49 of the 71 UN peacekeeping operations so far. Currently, Indian personnel are participating in 9 out of 14 peacekeeping missions.



- India has been cautious in endorsing this aggressive concept of intervention in other countries to protect human rights, referred to variously as the Responsibility to Protect and humanitarian intervention. They went well beyond the security mechanism envisaged for the Security Council. **India had strong reservations on these military interventions because of their intrusive nature and the resort to force.**

- India has served in the UN Security Council eight times (1950-51, 1967-68, 1972-73, 1977-78, 1984-85, 1991-92 and 2011-12 and 2021-22). Mahatma Gandhi's ideas especially non-violence has deeply influenced the United Nations at the time of its inception. **In 2007, the United Nations declared 2 October, Mahatma's Gandhi's birthday, as the International day of non-violence.** In 2014, the UN General Assembly adopted a resolution commemorating **21 June as the International Yoga Day.** It recognizes the holistic benefits of this timeless practice and its inherent compatibility with the principles and values of the United Nations.
- **Terrorism** has become an important concern of the United Nations and India is in the forefront of this activity. India has been pressing for the adoption of a Comprehensive Convention on International Terrorism that can increase international cooperation and the effectiveness of the UN in combating cross border terrorism.
- India is also keen on the UN exercising responsibility in meeting **the global challenges of development, especially poverty eradication and climate change.** India is supportive of the UN efforts to promote the Sustainable Development Goals, as it was of the Millennium Development Goals earlier.

India and Reform of UNSC

- India strongly advocates the process of reform and restructuring of the UN to make it better equipped to effectively respond to the evolving needs of its membership, particularly developing countries. **The expansion of the Security Council and improvement of its working methods must be integral part of Security Council Reform.** Being a permanent member of the Security Council, India would assume the responsibility of international peace and security decision-making.
- India is eminently suited for permanent membership of the UN Security Council by any objective criteria, such as
 - ✓ Population- India constitutes 17% of the world's population
 - ✓ territorial size,
 - ✓ GDP,
 - ✓ economic potential,
 - ✓ civilizational legacy,
 - ✓ cultural diversity,
 - ✓ political system- India is the biggest democracy in the world
 - ✓ past and ongoing contributions to the activities of the UN—especially to UN peacekeeping operations.
- India's rising economic status has boosted Indian claims as well. India has been one of the fastest growing major economies in the world, and currently stands among the top 5 global economies.

Besides, India's status as de-facto **Nuclear Weapons State** also makes India a natural claimant as a permanent member. India has also developed a credible image as a responsible nuclear power based on its no first use policy.

- India sees itself carrying the necessary abilities, actual and potential, which entitles it to a permanent seat at the Council. **It would provide India the much-needed leverage to expand its geopolitical and geo-economic clout globally.** It would serve as a suitable counter-weight to increasing Chinese influence - an ever increasing strategic and security concern in India's immediate neighbourhood and beyond. Also, with regard to geo-political leadership role in Asia, India has always considered itself as a democratic alternative to authoritarian China.

Steps taken by India

- India has adopted a multi-pronged strategy. Towards this end, GOI has undertaken various initiatives aimed at building international support for India. The matter is consistently taken up during bilateral and multilateral meetings at all levels, including at the highest levels.
- Four out of the five permanent members (excluding China) of the United Nations Security Council (UNSC) have bilaterally expressed official affirmations of support for India's candidature to a permanent seat in an expanded UN Security Council.
- China has not openly supported India's bid for UNSC membership. China's stand is ambiguous and has always said that the decisions should be taken through "comprehensive consensus". India has been consistently taking up the issue of UNSC reforms with China.
- **India has called for the abolition of veto, however, till it exists, it needs to be provided to all members of the permanent category of the Security Council.**
- India is also working alongside other reform-oriented countries through its membership in **G-4 and the L.69 Group** for building support among the UN Member States for expansion in both permanent and non-permanent categories. India hopes that its continued leadership of various Global South forums such as G 77 and NAM would garner much needed numbers in the UNGA.

Challenges to India's bid

- **The status quo bias among P5 remains** the overriding obstacle to adding permanent seats. Whilst all permanent members accept the reform in principle, they have often fought popular reform proposals. Articles 108 and 109 of the UN Charter grant the P5 members veto over any amendments to the Charter, requiring them to approve any modifications to the UNSC veto power that they themselves hold. So even if one member of P5 doesn't agree, the UNSC cannot go ahead.
- **China is the only P5 member which has not outrightly supported India's UNSC bid.** Given India's bitter experience in the past when India's NSG membership was blocked by China, there is very little

reason to believe that China will agree to India becoming a veto-wielding permanent member of UNSC and thus rival China in global stature.

- An informal "coffee club", comprising 40-odd members states, has been instrumental in holding back reforms to the United Nations Security Council over the past several years. It includes India's regional rival Pakistan.
- Also, India lacks resources for multilateral diplomacy. India had one of the smallest missions among all of the major powers in UNSC. In 2019-21, India is only the 21st largest contributor to the UN regular budget behind Germany, Japan, Brazil and Italy.

Conclusion

- The lack of reforms can push **the credibility crisis of the UN** to a degree that it becomes unsustainable for the UN to function, or incidences of sidelining the UN increase manifold. Former UN Secretary-General Kofi Annan (2015) aptly said: "If the UN Security Council does not appoint new permanent members, then its primacy may be challenged by some of the new emerging countries."

