



IAS PARLIAMENT

Information is a Blessing

A Shankar IAS Academy Initiative

MAINSTORMING 2018

BILATERAL RELATIONS II

Shankar IAS Academy™

Door No 18, New Plot No 259 /109,
AL Block, 4th Avenue, Shanthi Colony,
Annanagar, Chennai - 600040.

MAINSTORMING – 2018

Bilateral Relations II

INDEX

1. INDIA AND ITS NEIGHBOURHOOD.....4	2.11 Indo - Russian Friendship..... 31
1.1 India's Conciliatory Neighborhood Policy 4	2.12 Indo-Russia Sochi Bilateral..... 33
1.2 Violating Cease Fire Agreement 5	2.13 India's Role in Korea 33
1.3 FATF Grey Lists Pakistan..... 5	2.14 Canadian PM's Visit..... 35
1.4 Fatalities of Shimla Agreement..... 6	2.15 Khalistan Movement..... 36
1.5 Subsiding Indo-Pak Tensions 7	2.16 French President Visits India..... 37
1.6 Geopolitical Realities Favor China 9	2.17 Indo-Israel-Palestine Relationship... 39
1.7 Significance of Regional Connectivity in Asia10	2.18 Indo-Iran Bilateral40
1.8 China's Expansion into the Arctic..... 11	2.19 India - Azerbaijan and NSTC 41
1.9 Wuhan Meet.....13	2.20 Commonwealth Meeting 42
1.10 India - China Ties: Two plus One Formula14	2.21 India's Africa Engagement 43
1.11 Myanmar Dam near Manipur15	2.22 India and China in Africa 44
1.12 Concerns with Rohingya16	2.23 Significance of UNCITRAL Deliberation..... 46
1.13 Religious Tensions in Sri Lanka16	
1.14 Maldives Declares Political Emergency.....18	3. INTERNATIONAL ISSUES 47
1.15 CPEC - The Way Ahead19	3.1 Cambridge Analytical..... 47
2. BILATERAL RELATIONS.....20	3.2 U.S Congressional Hearings..... 47
2.1 Realigning India's Foreign Policy 20	3.3 U.S Ruling on Digital Privacy48
2.2 Relook at India-US Nuclear Deal..... 20	3.4 Oxfam Scandal 49
2.3 Indo-US: COMCASA Agreement 22	3.5 The Brexit Challenge..... 50
2.4 Strain in the Indo-US ties..... 23	3.6 Windrush Saga – Britain's Crackdown on Immigrants 52
2.5 CAATS Act and Indo-U.S. Ties..... 24	3.7 Managing the Migrants - EU 53
2.6 India at SCO Summit..... 25	3.8 Ireland's Referendum against Ban on Abortion 54
2.7 Criticality of RCEP for India 27	3.9 Concerns in the Bonn Meet 54
2.8 International Solar Alliance 28	3.10 The Contested Case of Jerusalem 55
2.9 India - Seychelles Bilateral Meet 29	3.11 Israel's "Nation State Law" 57
2.10 Enhancing Indo - Japan Business Ties 30	



3.12	Ending Separation	58	3.22	U.S. Missiles Light Up Damascus	69
3.13	US Withdrawal from UNHRC	59	3.23	Ending the 'Great Game'	71
3.14	US's Tariff Increase on Imports	60	3.24	Korean Peace	72
3.15	USA and the Global Trade War	61	3.25	North Korea's Denuclearization	74
3.16	Outrage against Russian Electoral Meddling	62	3.26	Singapore Summit – Korean Detente	75
3.17	US and Iran nuclear deal - Implications	63	3.27	Uncertain Peace in Columbia	76
3.18	U.S.-Russia: Helsinki Summit	65	3.28	Boko Haram - Nigeria's Nightmare	77
3.19	Russia's Covert Operations	67	3.29	Ethiopia - Eritrea War Ends	78
3.20	Russia's S-400 Triumph	68	3.30	Significance of GDPR Compliance	79
3.21	Chemical Weapons and Nerve Agents	68	3.31	OPEC Meet	80

MAINSTORMING – 2018

Bilateral Relations II

1. INDIA AND ITS NEIGHBOURHOOD

1.1 India's Conciliatory Neighborhood Policy

What is the issue?

- The government's foreign policy moves over the past few months represent an unannounced but profound shift in its thinking about the neighbourhood.
- This assumes significance in the context of the upcoming parliamentary elections scheduled for next year.

What were the perceptible changes?

- **China** - The peaceful resolution of the Doklam standoff had facilitated the possibility for a rapprochement between the India and China.
- Mr. Modi's meeting with Chinese President Xi Jinping in Xiamen last year also enhanced the scope for positive posturing from both sides.
- Significantly, India hadn't opposed the construction of bunkers and helipads by the Chinese army at the border near the site of the Doklam standoff.
- While China has also stationed a permanent force to man the point, India has maintained that as long as it is within Chinese boundary, it doesn't worry it.
- India had also visibly toned down planned celebrations marking the anniversary of the Dalai Lama's arrival from Tibet.
- A flurry of high-level visits is also on the cards and a summit meeting between the topmost political brass is also being planned.
- The easing of tensions has given out the possibility for progress in resolving the tricky border issues, narrowing trade deficit and other polarising aspects.
- **Maldives** - The Maldivian government imposed an emergency and arrested judges and opposition leaders and suspended several MPs recently.
- Maldives President Abdulla is a close Chinese ally and any hard headed Indian intervention against him would've driven a wedge between India and China.
- In this context, despite demands from the Maldivian opposition, and the US, the Modi government largely remained aloof of the Maldivian crisis.
- **Nepal** – India had rough patch with Nepal's new PM K.P. Oli during his previous short stint at power due to his open engagements with China.
- This time too, Mr. Oli emerged with a comfortable majority and has asserted with confidence that he would step up engagement with China.
- Additionally, there was a perceptible anti-India rhetoric in his campaign and a clear sidelining of Indian concerns regarding the Madesh issue.
- But despite this confrontational position, India was quick to reach out to him immediately after his victory and had succeeded in making peace with him.
- He had recently visited India, which is in continuance with the tradition of Nepali PM making India their first foreign destination.
- India too had mellowed down its interventionist attitude and has proposed enhanced cooperation across sectors (hydel power, infrastructure, oil).
- **Pakistan** - It was recently revealed that the National Security Advisers (NSA) of both countries had always maintained channels of communication open.
- This is significant as the tensions that erupted in due to the Pathankot and Uri attacks was thought to have completely disrupted all communication lines.

- Additionally, another standoff that got triggered due to the mistreatment of each other's diplomats also seems to have been put to rest amicably.
- Others – In both Bhutan and Bangladesh, the incumbents are more positively inclined to India than the challengers (opposition).
- Both nations are facing election this year, the results of which will have significant bearing on relationships ahead.
- Nevertheless, India has maintained a consistent commitment towards them.

1.2 Violating India Pakistan Cease Fire Agreement

Why in news?

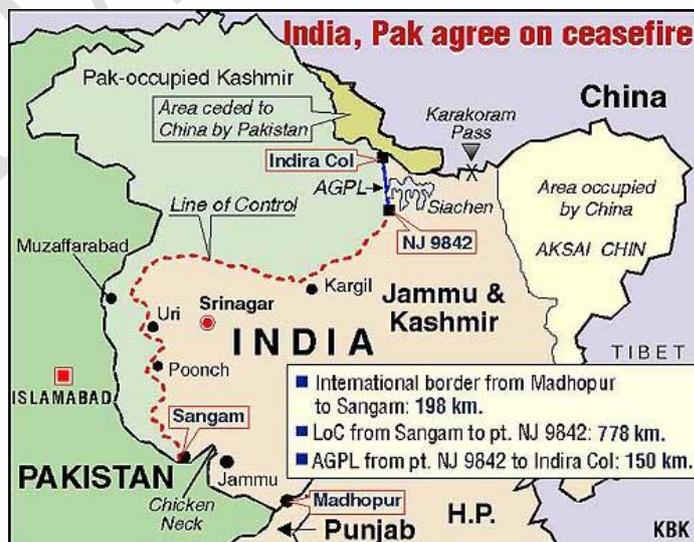
- Four Indian soldiers, including an Army Captain, were killed in the Bhimber Gali sector in cross-border firing.
- This has been a part of a series of violations of the cease fire agreement between India and Pakistan.

How did the cease fire agreement evolve?

- The 2003 cease fire agreement between India and Pakistan came just four years after the Kargil war, and soon after both the countries almost went to war following the December 13, 2001 terrorist attack on the Indian Parliament.
- Pakistan Prime Minister announced a unilateral ceasefire on the Line of Control.
- India accepted Pakistan's offer and suggested including the Siachen heights.
- The ceasefire was eventually extended to the International Boundary.
- It had resulted in a dramatic drop in military casualties, and thousands of border residents had been able to return home from temporary shelters on both sides.

What is the present scenario?

- The recent casualties are an extension of what has been unfolding along the International Boundary as well as the Line of Control for the past several months.
- The two countries are caught in a spiral of almost daily exchanges of fire along the border.
- 2017 has turned out to be the worst year since the commencement of the agreement, with at least 860 incidents of ceasefire violations recorded on the LoC alone.
- So there is a danger of political rhetoric acquiring its own momentum.
- January 2018 recorded the highest number of ceasefire violations in a month since 2003.
- Thousands of civilians have been forced to flee their border homes.



1.3 FATF Grey Lists Pakistan

What is the issue?

- Financial Action Task Force (FATF) has grey listed Pakistan for its alleged laxity in curtailing finances of terrorist groups within its soil and this will place Pakistan under international scrutiny to prove its compliance with FATF norms.

What is the objective?

- FATF acts as an 'international watchdog' on issues of money-laundering and financing of terrorism.



- It works on a peer reviewing model.
- It is empowered to curtail financing of UN-designated terrorist groups.
- It can publicly censor countries that are not abiding by its norms.
- Such censors would make it difficult for the concerned countries to source financial flows internationally and thereby constrain them economically.

Financial Action Task Force (FATF)

- The Financial Action Task Force (FATF) was set up in 1989 by the western G7 countries, with headquarters in Paris.
- FATF has 37 members that include all 5 permanent members of the Security Council, and other countries with economic influence.
- Two regional organisations, the Gulf Cooperation Council (GCC) and the European Commission (EC) are also its members.
- Saudi Arabia and Israel are “observer countries” (partial membership).
- India became a full member in 2010.

What are the guidelines?

- Pakistan will have to take steps to ensure that terror funding risks are properly identified and assessed.
- Also, it will have to ensure that supervision is applied on a risk-sensitive basis.
- Measures are to be taken to prevent financial institutions from indulging in money laundering and terror funding.
- It should take action against illegal financial operations, identify cash couriers and enforce controls on illicit movement of currency.
- It has been told to improve coordination between the provincial and federal authorities on combating terror funding.
- Enforcing effective prosecution and conviction of the designated persons, entities and their affiliates are specified.
- The FATF has also sought actions demonstrating effective implementation of targeted financial sanctions.

What is the issue with Pakistan?

- Pakistan is particularly vulnerable to pressures from FATF as multiple internationally designated terrorist groups operate from its soil.
- Notable among them are the Afghan Taliban, Haqqani Network, Lashkar-e-Taiba (LeT) and Jaish-e-Mohammed (JeM).
- Pakistan argues that it is doing its best to prevent terrorism emanating from its soil. However, it does not recognize India focused JeM and LeT as terrorists.
- These groups were publicly making calls for promoting unrest in India.
- Despite ample evidence proving their involvement in the Pathankot attack and the 26/11 Mumbai attack, Pakistan has been claiming that there is no conclusive proof for the same.

What are the America's Concerns?

- U.S. backed regime in Kabul is seeing increasing threats from the Taliban, which seems to be operating with Pakistani support.
- To save the regime, the U.S. recently augmented its troops in Afghanistan and is working to strengthen the Afghan armed forces.
- Additionally, the U.S. has cut defence and economic assistance to Pakistan for going soft on terrorists groups that operate from within Pakistani soil.
- In line with these developments, the US initiated moves at FATF to place Pakistan on the “grey list”
- Notably, the U.S. and its NATO allies are more focused on the groups invested in Afghanistan than the ones directed at India.

1.4 Fatalities of Shimla Agreement Faced by India

What is the issue?

- Shimla agreement was signed between India-Pakistan to maintain peace.
- The Shimla Agreement did not fully achieve any of India’s objectives.



What is Shimla agreement about?

- The Shimla Agreement signed by Prime Minister Indira Gandhi and President Zulfikar Ali Bhutto of Pakistan on 2nd July 1972.
- It seek to reverse the consequences of the 1971 war i.e. to bring about withdrawals of troops and an exchange of PoWs (Prisoner of Wars).
- It was a comprehensive blue print for good neighbourly relations between India and Pakistan.
- Under the Shimla Agreement both countries undertook to abjure conflict and confrontation which had marred relations in the past, and to work towards the establishment of durable peace, friendship and cooperation.

Guiding principles of the Shimla agreement

- A mutual commitment to the peaceful resolution of all issues through direct bilateral approaches.
- To build the foundations of a cooperative relationship with special focus on people to people contacts.
- To uphold the inviolability of the Line of Control in Jammu and Kashmir, was created as a key to durable peace.

What is India's response on the agreement?

- India has faithfully observed the Shimla Agreement in the conduct of its relations with Pakistan.
- India wanted to have a lasting solution to the Kashmir issue or, failing that, an agreement that would constrain Pakistan from involving third parties in discussions about the future of Kashmir.
- India hoped that the Shimla Agreement would allow for a new beginning in relations with Pakistan based upon Pakistan's acceptance of the new balance of power.
- India also left open the possibility of achieving both these objectives without pushing Pakistan to the wall and creating a revanchist anti-India regime.

What was Pakistan's response to the agreement?

- A humiliated Pakistan inevitably turn to the will to reverse territorial losses incurred by the partition and successive wars.
- India did not forced Pakistan to convert the ceasefire line in Kashmir into the international boundary when Pakistani President Zulfikar Ali Bhutto ruled out this option.
- Pakistan accepted the term Line of Control (LoC) instead, thus delinking it from UN resolutions and highlighting that Kashmir was a purely bilateral affair.

What are the fatalities faced by India in this regard?

- After the agreement India was inclined to return the POWs but was constrained from doing so.
- This is because they had surrendered to the joint India-Bangladesh command and could not be returned without the latter's concurrence.
- Dhaka made it clear that it would not return the POWs until Islamabad recognised Bangladesh, thus delaying the POWs' return until 1974.
- In 1977 Pakistan army took over the political administration, despite its soft line on Kashmir and the POWs, India was unable to prevent the military from taking power.
- Pakistan's acquisition of nuclear capability created a situation of deterrence negating India's superiority in conventional power and instated de facto military parity between the two countries.
- Deterrence also provided the shield for the Pakistani military to take Kargil war into Indian Kashmir through its proxies, the terrorist groups created and supported by the ISI.

1.5 Subsiding Indo-Pak Tensions

What is the issue?

- After weeks of an intense diplomatic stand-off, tensions seem to be easing between India and Pakistan, which were visible symbolic gestures.
- While the symbolism is positive, the countries need to address the important underlying issues to prevent a future crisis.



What are the recent symbolic gestures?

- Pakistan had recalled its High Commissioner to India due to mounting tensions, but he been returned in time to host the 'Pakistan National Day' reception in New Delhi.
- Responding positively, Indian government has stated that Minister of state for Agriculture Mr. Gajendra Singh Shekhawat would attend the reception.
- Also, Indian High Commissioner to Pakistan was in attendance at the military parade in Islamabad to mark the same occasion.
- Also, a sustained calmness has returned to the LoC which saw intense exchange of fire over the recent months.
- More significantly, despite the usual hard-line towed by military, the Pakistan's army chief, General Bajwa had indicated a desire to normalise ties with India.
- While these are signs from both sides that normalcy is returning, discussions for eliminating factors that precipitated the crisis is needed.
- Additionally, Pakistan should also work to curtail anti-India elements within its borders to further its outreach towards India.

What caused the diplomatic crisis?

- **Utilities** - The Pakistani authorities are said to have disrupted contractor who were working on the Indian diplomatic residential complex in Islamabad.
- India argues that its construction plans were duly authorised and that Pakistan was simply seeking trouble by intervening on trivial pretexts.
- Contrarily, Pakistan argues that while the Indian complex in Islamabad is in an advanced state of construction, Pakistani diplomatic complex in Delhi hasn't even been approved by authorities for long.
- **Club membership** - Pakistan has refused to admit Indian diplomats to the recreational clubs like the "Islamabad Club".
- This is said to be in retaliation to corresponding Indian clubs charging Pakistani diplomats exorbitant amounts for membership.
- Interesting, India's contention that the government cannot interfere with how private clubs manage their membership procedures hasn't cut any ice.
- Rather, Pakistan had called for a "Memorandum of Understanding" for reciprocal club memberships for each other's diplomats.
- **The backdrop** – In addition to the above, ceasefire violations along the LoC and the resultant political rhetoric intensified the diplomatic standoff.
- Consequently, a series of actions and counter-actions that amounted to harassment of each other's diplomatic personnels unfolded.
- These were violations of 'Vienna Convention of diplomatic protection – 1961' and it is also concerning that routine disagreements were allowed to escalate.

How should India and Pakistan treat spies?

- The Trend - India and Pakistan have claimed that they do not carry out espionage, despite operatives being caught on both sides.
- If an act of spying is established (or strongly suspected) in custody, then spies are subjected to the most inhumane forms of torture by the captors.
- Hence, captured spies routinely pretend ignorance, even though when released from custody, they return home and openly brag about their espionage.
- All countries involve in spying and to claim otherwise would be laughable, which hence mandates commissioning standard policy for dealing with spies.
- Way forward - While disrupting under-cover operatives is essential, torturing spies doesn't spell well for a humanitarian political setup.

- Hence an agreement on punitive action espionage or exchange of spies like the ones during the cold war could be co-opted.
- Hypernationalism and grandstanding can make professional handling of these issues difficult and hence a rationalistic approach is needed.

Are the communication networks functional?

- The state of communication between India and Pakistan is at its lowest ebb in more than a decade and these needs to be revived.
- Both countries have 'Director-General of Military Operations', who coordinate for easing border tensions, but they didn't meet recently despite constant ceasefire violations.
- Contacts between the respective High Commissions and the host governments have largely been through "summons, and stern warnings".
- Additionally, even planned high-level political engagements have been called off and even the discrete diplomatic initiatives have been a damper.
- Reviving engagements across domains is a high priority for sustaining peace.

1.6 Geopolitical Realities Favor China

What is the issue?

- PM Modi is scheduled to visit Beijing soon for the "Shanghai Cooperation Organisation" (SCO) summit.
- More importantly, an informal bilateral with China (on the sidelines) is on the agenda, which assumes significance in the current global geo-political context.

What is the emerging geopolitical context in the international arena?

- In the backdrop of turbulence in global politics and some domestic concerns about India "softening" its China policy, PM Modi is slated to visit China.
- Confrontation - Tensions between major international players has been mounting with the "US (and allies) vs. Russia" standoff arguably getting worse.
- Both countries have been confronting each other through proxies in major conflict zones like Ukraine, Syria and Afghanistan.
- The U.S.-French-British missile strikes in Syria were a significant flare up although it has now emerged that the Russians were intimated in advance.
- This prompt intimation helped in moving out people and equipment in time.
- But there is always a serious risk of miscalculation at the local level that might spark off a direct confrontation between the major powers.
- US Sanctions - The U.S. has passed a new law called "Countering America's Adversaries through Sanctions Act" (CAATSA).
- This empowers the US President to impose sanctions on any company/entity which has business ties with a country that is already facing US sanctions.
- Significantly, US had recently widened its sanctions ambit by cracking down on Russian multinationals whose stocks are internationally traded.
- China's Detente - While the U.S. has been increasing pressure on Russia, it has strikingly started soft peddling its dealing with China.
- Notably, India is being asked sternly to make efforts to address its trade surplus of about \$25 billion with the U.S. repeatedly.
- But on the contrary, China holds a humongous \$375 billion trade surplus with the US, which is now being meekly requested to addressing this issue.
- More at odds is the fact that 2017 alone saw China enhance its trade surplus with the US by about \$28 billion.
- Agreements - USA's decision to withdraw from the Trans-Pacific Partnership (TPP), has effectively benefited China in the "Pacific Rim".



- This has given China more leverage in negotiating the “Regional Comprehensive Economic Partnership” (RCEP) to its advantage.
- Notably, RCEP is being envisioned as a trade block comprising of the “ASEAN + six” countries of which India is also a part.
- Unpredictability – Uncertainty prevailing in the seemingly impulsive U.S. foreign policy is driving even its closest allies to hedge their options.
- Japanese PM Abe and Mr. Xi are to exchange visits soon, which is a significant development for the countries that were at the brink of war some 5 years ago.
- Japan (like India) is also concerned about China’s global assertiveness and the geopolitical implications of its “Belt and Road Initiative” (BRI).
- Yet, Mr. Abe seems to have seen merit in engaging with China as US is has been very inconsistent in its commitment to the region.
- China on the other hand derives a positive from the fact that a longstanding stated close US ally is open to engaging with it on significant domains.

What are the implications for India?

- The escalation of the US Russia acrimony could put India under intense pressure, which could prove detrimental in sustaining its defence arsenal.
- Russia has already upgraded its defence ties Pakistan and China, and it could become bilaterally catastrophic for India to disengage with Russia.
- Chinese Outreach - As the Russia-China axis has strengthened lately, it is prudent for India to engage now China to hedge its diplomatic manoeuvres.
- Additionally, it is also a positive that, the US policy focus is presently engaged elsewhere, and that the Chinese frontier is seeing a worldwide easing.
- Core Interests - A softening stand towards China doesn’t mean that India will have to compromise on its core economic and strategic interests.
- We can’t overlook China’s foray into the Indian neighbourhood, the border skirmishes, and the China-Pak Economic Corridor (CPEC).
- But we can seek to cooperate on other areas despite these thorny issues with, which could eventually help in resolving these core concerns too.
- While asymmetries in relationships are inevitable, it is the responsibility of the policymakers to address them – which is often better when done discreetly.
- Public Outreach - The course of India-China relations in the past couple of years had created a politicised narrative of bilateral frictions.
- CPEC, Doklam, NSG, BRI and confrontations at the UNSC have all been areas led to the build-up of a strong anti-China opinion among the Indian masses.
- There is hence a public disconnect to India’s current political outreach towards China, which needs to be addressed through people-to-people engagements.
- The geopolitical reality demands India to maintain an equidistant engagement will all major powers for the time being.

1.7 Significance of Regional Connectivity in Asia

What is the issue?

- India recently declined to endorse China’s Belt and Road Initiative (BRI).
- But Regional connectivity projects between India and China will benefit south Asian region.

What are regional connectivity developments in Asia?

- **Indo-Myanmar- Thailand Trilateral Highway** - India, Thailand and Myanmar are working on about 1,400km long highway that would link India with Southeast Asia by land.



- This highway will give a boost to trade, business, health, education and tourism ties among the three countries.
- **China Pakistan Economic Corridor (CPEC)** - It is a collection of infrastructure projects that are currently under construction throughout Pakistan.
- **Belt and Road Initiative (BRI)** – It is a development strategy proposed by China, focuses on connectivity and cooperation between Eurasian countries.
- **Bangladesh-Bhutan-India-Nepal (BBIN)** – It is a motor vehicles agreement which has seen a positive development recently.
- It proved the ambition of establishing physical connectivity among the smaller states of South Asia through India can eventually be realised.

What is the significance of regional connectivity in Asia?

- Poor connectivity is the major reason why intra-regional trade is among the lowest in South Asia.
- South Asia, with its 1.8 billion population, is only capable of conducting around 5% intraregional trade as connectivity remains a constant barrier.
- Non-tariff barriers (NTBs) continue to plague the region and addressing infrastructure deficits can do away with 80% of the NTBs.
- Thus Connectivity can significantly improve people-to-people interaction leading to better understanding, greater tolerance and closer diplomatic relations in the region.

What are the concerns with regional connectivity in Asia?

- States in South and Southeast Asia are involved in multiple regional initiatives led by India and China but are unable to get the benefit due to their slow progress.
- The South Asian Association for Regional Cooperation remains moribund with little hope of it becoming functional in the near future.
- The Bay of Bengal too remains among the least integrated regions in spite of having immense potential of enhancing trade through utilisation of its ports and waterways.
- The India-led Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) involving Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand, has made little progress.
- Thus many smaller states are losing out and having to pay the price of missed economic opportunities due to the actions of the two Asian giants.

What are the measures needed to be taken to address such issues?

- If the BRI, BIMSTEC and BBIN were developed through coordination and consultation led by the two Asian giants, the projects under the schemes can be implemented more efficiently.
- With the minimum required cooperation in pursuing regional initiatives, India and China can significantly enhance trade, investment and connectivity in the region.
- India-China has an opportunity to forge a pragmatic understanding on the efficacy of regional initiatives through **greater communication, enhanced cooperation and better coordination.**

1.8 China's Expansion into the Arctic

Why in news?

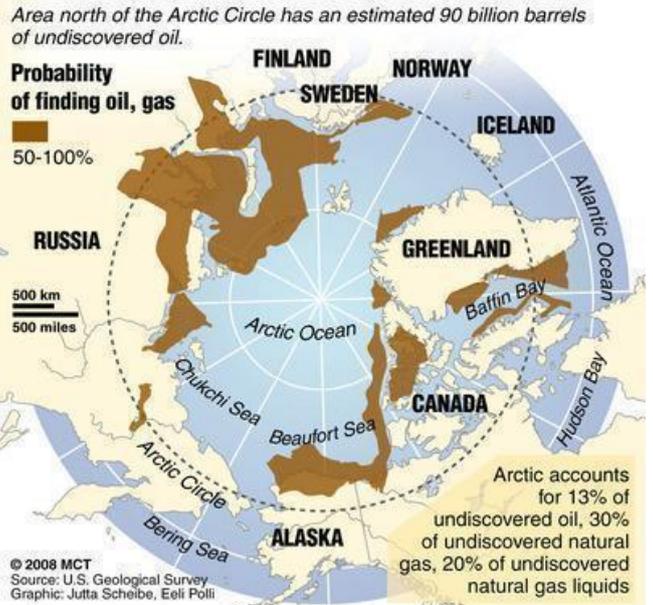
- In a recently released white paper, China announced that it would develop a Polar Silk Road (PSR).

What is the development in the Arctic region?

- **Climate Change** - The unintended consequences of climate change are contributing to the transition of the arctic region.
- Melting some of the thick sheets of ice of the Arctic Ocean due to rising temperature is exposing and making usable, some of the hitherto blocked up potential.
- **Navigation** - That, in turn, is opening channels through which ice-breaking ships can pass.

- The ‘northeast passage’ of the region will open up towards Europe while the ‘northwest passage’ will head towards the U.S. and Canada.
- **Resources** - It is estimated that beneath the layers of ice, highly prized reservoirs of minerals exist.
- The Arctic is said to possess 30% of the world’s undiscovered natural gas and 13% of its undiscovered oil reserves.

Oil and gas in the Arctic



What is China looking for?

- **Exploration** - China’s 360-degree hunt for resources and new trade routes is taking new turns.
- The new development in the Arctic is reinforcing China’s interests in the region.
- It has become unrelenting and undeterred by obstacles posed by geography, politics or technology.
- **Projects** - The Polar Silk Road (PSR) and Belt and Road Initiative (BRI) initiatives aim at industrialising Eurasia.
- This is aimed through massive infrastructural development and network of trans-continental connectivity.
- China is also focusing on cyber-connectivity.
- This is displayed by its embrace of the digital economy, demonstrated by the rise of the global e-commerce giant Alibaba, or Wechat.
- Talks are on in Chinese government to build a 10,500 km fibre-optic undersea link across the Arctic Circle.
- The enterprise, called the Northeast Passage Cable Project, will provide China a new high-speed digital traffic link.
- The proposal also involves Finland, Japan, Russia and Norway as partners in this undertaking.
- China will get increasingly connected with European financial and data hubs.
- Long term Planning - Beijing’s forays in the Arctic are a result of its long-term planning for deeper engagement with the Arctic.
- China has invested in Iceland following the 2008 financial crisis.
- Eight years later, Chinese company Shenghe Resources purchased 12.5% of Greenland Minerals and Energy.
- China has also signalled its interest in two Iceland ports, as well as Norway’s Arctic Kirkenes port.

What is Russia’s role in this regard?

- Among its littoral countries, Russia claims the largest slice of the Arctic Ocean.
- Coupled with its massive mineral reserves in Siberia, Russia is fast becoming China’s chief natural-resource ally.
- Russia is thus seen as a key to China’s success in the Arctic.
- The state-owned China Development Bank is set to invest in the Russian energy company Novatek which is heading the Arctic LNG II project.
- The deal would provide China access to the Arctic’s liquefied natural gas.



- Significantly, the agreement would open up areas within Russia's Exclusive Economic Zone in the Arctic where the Chinese can carry out explorations.

1.9 Wuhan Meet

Why in news?

Indian PM Modi and Chinese President Xi Jinping had an informal meet recently in the Chinese city of Wuhan.

How has the Wuhan meet proceeded?

- The current Wuhan meet seems largely informal and unstructured, and both the premiers were accompanied only by their translators the entire time.
- Press statements issued denote that both leaders held discussions that were wide in their scope, and covered "bilateral, regional and global issues".
- An understanding had been reached to strengthen communication lines between both militaries to avoid Doklam like standoff in the future.
- Indo-China bilateral trade currently stands at \$84 billion per annum and India faces a massive trade deficit of about \$52 billion with China.
- The leaders have pledged to better balance this deficit by enhancing China's import of Indian goods in key sectors like agriculture and pharmaceuticals.
- An attempt has been made to address the international irritants in the relationship like
- China's blocking of "India's NSG membership bid" and "terror designation for Pakistan-based groups".
- India's opposition to China's Belt and Road Initiative (BRI) and tacit pampering of the Tibet issue.
- Additionally, Mr. Modi and Mr. Xi discussed a joint project in Afghanistan, which is a very significant step for the entire south Asian region.

Wuhan

- Wuhan is the capital city of Hubei Province in central China.
- It has been a major industrial city for a long time.
- The 1911 Republican revolution started there.
- An informal summit would normally take place in a place other than Beijing or Shanghai, and Wuhan was a natural choice.

What was China's possible motive?

- India by itself may not be a serious problem for China.
- But China regards India as a potential ally of the US and Japan against China.
- The border is in control of the Chinese if they wish to exercise it.
- It's because they are on higher slopes and have more troops there.
- But arresting India's potential drift towards the US and its allies is in China's interest.
- Being informal, no documentary evidence was required for any agreements of great significance.
- So an informal summit was a low-cost, high-benefit option for China.



What do post summit statements suggest?

- Statements made by Xi Jinping after the summit, clearly indicate the above motives.
- Strategic perspective - He emphasised that India and China should look at their relations from a strategic perspective.
- This is clearly in mention of India's increasingly closer ties with the US.
- Further, compared to India, China takes Japan more seriously.
- There is possibility for a clash in the East China and South China Seas.

- Japan and India, by themselves would not worry China.
- But the combined might of the US and Japan would be a serious blow to the Chinese.
- Economy - Economic development also appeared in the post-summit statements.
- The Chinese do not think they need India for its development.
- However, deeper economic relations with India could be viewed as a means to an end.
- A means to ensure that India does not drift off into a US-Japan-India strategic triangle.
- Civilisation - Xi also stressed on a deeper and wider exchange between the two great civilisations.
- Generally, to talk about India's civilisation is a good diplomacy.

How does it benefit India?

- Until the 2019 elections, the government in power would prefer to avoid any border threats.
- This is particularly in relation with problems with Pakistan.
- India used the summit as a kind of assurance from the Chinese.
- It is to ensure that China, as Pakistan's benefactor, did not interfere on the border.

What does the summit mean for Pakistan?

- Post-summit statements suggested that India and China should pursue "a joint economic project" in Afghanistan.
- India cannot take up its Afghanistan projects all alone.
- This would invite attacks from the Taliban, supported by Pakistani military.
- But the Taliban would not attack joint China-India projects.
- This is because the Pakistanis would not allow that to happen.
- Pakistan is too indebted to China, and China has its own interests in Pakistan.
- China is building a port there, and there is a China-Pakistan economic corridor, serving Chinese interests.

1.10 India - China Ties: Two plus One Formula

What is the issue?

- India-China ties have been on the upswing in recent times.
- In this context, the proposed "2 plus 1" formula ("China & India" plus "another") could further enhance the overall regional prosperity.

How has Nepal been influencing Indo-China ties?

- Nepal's ties with India had come under severe strain in 2015 due to the border blockade that choked off critical supplies.
- At that time, Nepal and its political leadership started enhancing ties with China to counterbalance India and overcome the strain.
- In fact, Nepal was proving to be a new additional thorn in the Indo-China ties, which reached its nadir during the 2017 Doklam standoff.
- Nonetheless, Indo-China ties have been improving drastically after the Wuhan summit between PM Modi and Chinese President Xi in April 2018.
- In this backdrop, the ruling Marxist leadership in Nepal quickly grasped that playing the India versus China card wasn't feasible any further.
- On that note, they are currently displaying diplomatic prudence by maintaining cordial relations with both India and China.
- Also, a Chinese delegation that visited Nepal is said to have proposed the "2 plus 1 formula" for Indo-China-Nepal talks ahead.
- The Wuhan summit opened up lines of "strategic communications" between Indian and Chinese establishments.

- The arterial flow of information exchange has meant that India and China can be joint custodians rather than rivals in managing their neighbourhood.
- “2 plus 1” which has been currently proposed by China to deal with Nepal, can possibly be extend to other international engagements too.
- This would enable Beijing and New Delhi to engage with any third country jointly and thereby eliminate any likely abrasive competition between them.

1.11 Myanmar Dam near Manipur

What is the issue?

Myanmar is building a new dam, close to the border near Manipur.

What is the project?

- The dam, called Tuidimjang, is being built on the Twigem River which flows into Myanmar from Manipur.
- The dam is barely 100 metres from the zero line separating the two countries.
- International rules warrant border countries to check activities in No Man’s Land.
- This applies to a 150-metre strip on either side of the boundary line.



What are the concerns?

- Border villagers in Kengjoi subdivision of Manipur’s Chandel district are concerned of the project.
- The residents of Khangtung village recently reported to the district officials.
- Khangtung is inhabited by the Thadou tribe and is 137 km south of Manipur capital Imphal.
- The villagers, dependent on the river, are already facing water scarcity.
- Given the topography of the area, the new project could make it even more vulnerable.
- If the dam comes up, Khangtung and other Indian villages will be submerged.
- Villagers will have to be relocated and rehabilitated.
- This may have huge negative social, cultural and economic impact on the residents.

How are the internal dams in Manipur?

- **Mapithel** - Mapithel dam, initially known as Thoubal Multipurpose Project, aimed to produce 7.5MW of power. Irrigation and providing drinking water were also the objectives.
- Despite inking an understanding with the State government, the villagers were not facilitated with a proper relocation site.
- In June 2015, a tribal village named Chadong in Ukhrul district was submerged.
- **Khuga dam** - Taken up in 1980, the project lies south of Manipur’s Churachandpur town. Lying dormant until 2002, it led to a cost escalation from the initial Rs. 15 crore to more than Rs. 350 crore in 2009.
- The project sanction by the Planning Commission was said to have inherent flaws.
- Resultantly, the power component of 1.5MW incorporated in the initial design was scrapped despite near-completion of a powerhouse.
- **Tipaimukh** - It is a mega hydroelectric project proposed on river Barak in Manipur 35 years ago. Bangladesh is against this project, as Barak flows into it from Manipur through southern Assam.
- It feeds the Surma and Kushiara rivers in Bangladesh.

What do they imply?

- Many of the internal dams in Manipur are already facing varied controversies and limitations.
- A number of ecological, political and procedural aspects of the projects are causes of concern for the region.
- The dam by Myanmar, close to the border, is a new threat to the ecological and water sustainability of the region.
- The Chandel district officials are expected to survey the dam construction site to assess the condition.

1.12 Concerns with Rohingya Refugee Repatriation

What is the issue?

- Myanmar has claimed that it has begun repatriation of the Rohingya refugees.
- Bangladesh government has concerns over the measures taken by Myanmar government in this regard.

What is the status of Rohingya refugees?

- Facing persecution in Myanmar, Rohingyas have for years been fleeing to neighbouring countries, especially Bangladesh.
- UN reckons there were already 200,000 refugees in Bangladesh before the mass flight in August 2017, with about 700,000 refugees at present.
- Bangladesh has been at the forefront in aiding and providing food and shelter for the refugees and trying to create the conditions in Myanmar for their safe return.

What are the concerns with Myanmar's action on Rohingyas?

- Earlier this year, Myanmar and Bangladesh agreed to complete voluntary repatriation of the refugees in two years.
- Following this, Myanmar set up two reception centres and a temporary camp near the border in Rakhine to receive the first arrivals.
- Myanmar has also announced the repatriation of a Muslim family after they were scrutinized by immigration and health officials, were also provided with relief materials, but these measures are yet to be implemented absolutely.
- Bangladesh has rejected the repatriation claims of the Myanmar government, as there is no proof of the family's departure from Bangladesh nor arrival in Myanmar.
- Apart from this National Verification Cards (NVCs) which was announced as part of the Myanmar's effort to register Rohingyas only seen as a temporary measure instead of offering them citizenship.

What measures needs to be taken to resolve the concerns?

- Myanmar has to improve the conditions for voluntary, safe, dignified and sustainable return of refugees.
- Apart from physical infrastructure and logistical arrangements Myanmar has to recognise the rights of Rohingyas.
- International community also needs to put more pressure on Myanmar to take back their own people and ensure their safety.

1.13 Religious Tensions in Sri Lanka

Why in news?

- Sri Lanka declared an island-wide state of emergency.
- This was to curb growing anti-Muslim violence in the country's Central Province.

What is the situation in Sri Lanka?

- The violence, according to police sources, was triggered by the death of a 41-year-old man.
- He succumbed to injuries inflicted by a group of Muslim men, following a road rage incident.
- The suspects were arrested immediately after the incident and remanded; however, the incident triggered a series of anti-Muslim attacks.
- The violence is provoked reportedly by Sinhala-Buddhist extremist group.





- A series of arson attacks targeted dozens of mosques and Muslim-owned shops and homes in Kandy, located in the Central Province.
- Ampara is a district with a near equal population of Muslims and Sinhala-Buddhists.

What are the factors that precipitated the crisis?

- **Cultural** - Sinhalese see Muslims as 'others' who are a growing, united and an economically persevering group, with a strong mooring to religiosity.
- In contrast, Buddhists are liberal in religious practices and ethno-religious affiliations, which are resented by the Buddhist clergy.
- These fundamental differences and the keenness of Buddhist hardliners for cultural dominance get translated into hatred and even violence at times.
- **Geo Political** - The rise of Islamic State in the West Asia had seen an increase in radicalisation of Islamic youth in the eastern province.
- Some Islamic fundamentalists were also found to be running anti-Buddhist propaganda, which had caused a real security situation in the island.
- **Domestic** - Although unsubstantiated, fears of increasing Muslims populations had created a demographic scare among some sections.
- There are also allegations against Muslim politicians of being engaged in land acquisitions and the illegal resettlement of Muslims.
- A strong community bonding which helped further Muslims businesses has also created economic anxiety among the poorer Buddhist masses.

How did the Muslim political consciousness evolve?

- According to the 2011 Census, Muslims are slightly more than 9% of Sri Lanka's around 20 million population.
- On the other hand, Sinhala Buddhists comprises of 75% and Tamils 11%.
- The language of Sri Lanka's Muslims is Tamil.
- The majority of Muslims still live in the East which was part of the LTTE's (Liberation Tigers of Tamil Eelam) vision of Tamil separate State.
- Until 1990, the Muslims believed they had common cause with Tamil political aspirations.
- But in 1990, the Indian Peace Keeping Force's (IPKF) made departure from Sri Lanka.
- It led to a newly resurgent LTTE, which drove out nearly 100,000 Muslims.
- These Muslims moved from their northern citadel of Jaffna and other parts of northern Sri Lanka.
- The eviction took place overnight and people left behind their houses, lands, shops, and possessions.
- They became a new set of internally displaced people in Sri Lanka's conflict.
- That was when the Sri Lankan Muslim found a new political consciousness.

How did Buddhist-Muslim hatred evolve?

- Within a decade of its formation, the Sri Lanka Muslim Congress was seen by Sinhala political parties as a "kingmaker" party.
- It won seats in Parliament from the predominantly Muslim areas and the community was in the thick of national politics.
- It has always sided with the ruling party, and is even now part of the coalition government.
- Once the war against the LTTE was over, it was almost as if Sinhala-Buddhist extremism needed a new enemy.
- Muslims have emerged as that enemy.
- The rise of Islamist terrorism provided a convenient handle with which to demonise the community.
- Sri Lanka's Buddhist extremism has found an ally in Myanmar's hardline Buddhist monks.

- Both countries practise the Theravada variant of Buddhism.
- Extremist Buddhists in Sri Lanka have clearly taken inspiration from the anti-Rohingya movement in Myanmar.

Why was Emergency declared?

- There were concerns of mishandling of the whole situation.
- The police and the Special Task Force were accused of a delayed and inadequate response.
- The Sri Lankan government was criticised for “pandering to extremist forces” in the Sinhala majority community.
- The move to declare emergency is seen as a “confidence-building measure”.
- The emergency allows the government to deploy the army in case of any violent clashes.
- Procedurally, the emergency will lapse in two weeks unless the parliament votes to extend it.

1.14 Maldives Declares Political Emergency

What is the issue?

- While the Supreme Court has ordered the release of many jailed opposition leaders, Maldives government has openly refused to comply.
- Contrarily, it has declared a state of emergency for 15 days, and government forces have also taken over the Supreme Court complex.

What were the fallouts?

- The recently political storm started by the Supreme Court’s surprise verdict to release some opposition leaders has been spiralling out of control.
- The government has been openly refusing to comply and has started repressive action against opposing voices.
- **Emergency** - President Abdulla’s Yameen declared a state of emergency in Maldives, which is the 2nd such declaration since he came to power in 2013.
- The 1st was in 2015, when an alleged attempt on Yameen’s life seemed to have warranted such a declaration.
- The president has clarified that while certain rights will be restricted, general movements, services and businesses will not be affected.
- **Gayoom’s Arrest** – Former President Moumoon Abdul Gayoom, who reigned for 30 years till democracy was established in 2008, was also arrested.
- Notably, 80 year old Gayoom is the half brother of Yameen and of late, he has openly sided with the dissenting opposition for toppling the government.
- Also, troops stormed the Supreme Court premises and taken procession.
- **Parliament Suspended** - The President is required to inform the Parliament about the declaration of emergency within two days.
- But to circumvent this, Yameen has suspended the parliament indefinitely.
- Notably, as the Supreme Court had also restored 12 MPs who had defected from Mr. Yameen's party, the majority is effectively with the opposition.
- This thereby increases the vulnerability of the president to be subjected to impeachment in the 85-member parliament.

What are the options for India?

- **Histroic Perspective** - India has committed itself to the principle of “non-intervention” in the internal affairs of other countries.
- It is also strongly against external strings in its domestic politics and has regularly criticised western powers for interventions in developing countries.
- But despite this, India has made multiple interventions in its neighbourhood when pressing concerns have called for such action.



- The Bangladesh liberation of 1971, Sri Lankan intervention in the late 1980s, and more recently, in shaping the Nepali constitution are some examples.
- **Maldivian Case** - When the former president Nasheed was ousted from office in a coup in 2012, India had backed him strongly.
- But the subsequent rise of Nasheed's nemesis and the current president Yameen, India was forced to recalibrate its stands.
- This was partly due to Yameen's strong Islamic diplomacy with the Arab world and his ties with China which is backed by high-profile infrastructure projects.
- **Current Situation** - Yameen is currently looking towards China to secure his position, despite mounting international pressure.
- Hence, India has the option to either remain neutral or put its weight delicately behind the opposition to rally for a regime change.
- While the former is the safer option, an intervention can be beneficial but would inherently invite the ire of China and holds with it the risk of failure.
- India needs to make its move after weighing all the stakes involved.

1.15 CPEC - The Way Ahead

What is the issue?

- China-Pakistan Economic Corridor (CPEC) is a thorn in India-Pakistan relations, and needs to be resolved soon.
- Beyond mere symbolic opposition, India needs to evolve a concrete counter narrative to garner the deserved International support for its view.

What is the problem with CPEC?

- The Belt and Road Initiative (BRI) is China's ambitious project for increasing connectivity and economic cooperation within Eurasia.
- Since its announcement in 2013, the BRI has been positively received by many countries covered within its ambit.
- But India has been averse to the idea on multiple grounds of which, the CPEC (which is within BRI's ambit) is the primary factor.
- Notably, the even recent informal meet between the Indian PM and the Chinese President at Wuhan (China) failed to resolve this issue.
- As "CPEC passes through Pakistan-occupied Kashmir" (India claims PoK as its own territory), India sees this as an affront on its sovereignty.

What are the larger implications?

- PoK is an emotional issue for India, and China's push for CPEC is being seen as an act of deliberately disregarding its territorial claims.
- At a broader level, if China invests heavily in the region, it risks becoming another party to the troubling Indo-Pak bilateral dispute.
- Also, if CPEC gets functional, it will establish a fully functional China-Pakistan axis, which would hamper India's larger interests in South Asia.
- Additionally, if CPEC proves to be an economic success, Pakistan's claim over Pok might become more legitimate.

What is the way ahead?

- There is no clarity on whether India has any road map to take the conversation on PoK forward.
- But no country can afford to not register a protest against a project that is likely to undermine its sovereignty.
- CPEC will indeed remain a stress point not just in the India-Pakistan relationship but also in the India-China relationship.
- At this juncture, it is hence important for India to evolve a comprehensive outlook to confront CPEC.



- If such thinking hasn't caught up, then there is a risk that India's claims might become irrelevant amidst other nations.

2. BILATERAL RELATIONS

2.1 Realigning India's Foreign Policy

What is the issue?

- The emerging multipolar world is becoming complicated for the binary choices and easy solutions.
- It is high time that India realigns its foreign policy, and its recent moves are indicative of this.

What is the emerging scenario?

- The world is facing power shifts, uncertainty and competition over geopolitical ideas and political models.
- India is at a unique geographical position at the rimland of Eurasia and at the mouth of the Indo-Pacific.
- India has slightly drifted towards the U.S. for the past decade.
- However, it is now rediscovering a posture and policy for a multipolar world.
- It is also taking greater responsibility for its own future and destiny.
- India's foreign policy is likely to be driven by a dual attention.
- It is the balance of power and order building in the continental and maritime environment around the subcontinent.

What are the recent developments?

- India is altering its approach to the Indo-Pacific and building deeper links with continental Eurasia.
- This was evident with the recent Shanghai Cooperation Organisation (SCO) summit.
- Prime Minister Modi's speech at the Shangri-La Dialogue in Singapore signals an evolving foreign policy.
- **World order** - Relationships with Russia and the US are based on overlapping interests in international and Asian geopolitics.
- It is emphasized that India would project itself as an independent power and actor across Asia.
- India would not be part of a closed group of nations or aggregate Indian power in a bloc.
- It will however chart out its own course based on its own capacity and ideas.
- India would stand on the side of principles, and not behind one power or the other.
- This is seen to be a renewed emphasis on non-alignment.
- The preferences are referred to as the "strategic autonomy".
- **China** - India-China relations is a complicated one, having "many layers".
- China's rise has undoubtedly increased the demand and space for India to increase its region-wide engagement.
- However, stability in the relationship is important for India and the world.
- **Indo-pacific** - India's role in the vast Indo-Pacific is no longer envisaged as a China-centric one.
- India does not see the Indo-Pacific Region as a strategy or as a club of limited members.
- It is not a grouping that India seeks to dominate.
- India's engagement in the Indo-Pacific Region would rather be an inclusive one.
- It would entail pluralism, co-existence, open-ness and dialogue.
- India would prefer that the rules and norms should be based on the consent of all, not on the power of the few.

2.2 Relook at India-US Nuclear Deal

What is the issue?

- It's been nearly a decade since the memoranda of understanding on India-US civil nuclear deal was inked.



- It calls for a reassessment of the deal in the context of the newly emerged global realities over the years.

What is the deal on?

- The U.S.–India Civil Nuclear Agreement or Indo-US nuclear deal or the 123 Agreement was signed between US and India in 2005.
- Under the agreement, India agreed to separate its civilian and military nuclear activities.
- It also agreed to open up the civilian part to inspection by the International Atomic Energy Agency (IAEA).
- In return, the US offered to resume full nuclear trade i.e selling of reactors, Transfer of Technology, Uranium sale with India.
- The deal went through several complex stages including:
 - i. amendment of U.S. domestic law (Atomic Energy Act of 1954)
 - ii. civil-military nuclear Separation Plan in India
 - iii. India-IAEA safeguards agreement
- Around 3 years ago, during the then U.S. President Obama's visit, India-U.S. civil nuclear deal was announced.
- This finalised the agreement between India and the U.S. on supplier liability and tracking requirements.
- It enabled American companies to build nuclear power reactors in India.
- In 2016, during Indian PM's visit to US, 6 nuclear reactors were decided to be built in India by the American firm Westinghouse.
- Despite bilateral agreements, there is no sign yet of any contract between an American company and the Indian authorities.

What are the challenges?

- The U.S. sending the Westinghouse officials to India will reopen negotiations on the deal.
- Before deciding on a go ahead with the commercial contract, the Indian government should consider the following:
 - **Liability** - Westinghouse went into major cost overruns leading to a financial crisis.
 - It had to halt two of its reactors projects in the U.S, by when the construction was already 5 years over schedule.
 - Amidst this, the Westinghouse's new buyers have already diluted the arrangement in India.
 - They will not construct the nuclear power project in India, and will only supply reactors and components.
 - Even if the India-U.S. techno-commercial contract gets finalised in 2019, it would take nearly another 10 years to construct a reactor.
 - Given this, in case of a Fukushima-type nuclear accident in India, the liability that U.S. companies would carry is highly uncertain.
- **Trump effect** - Trump's US presidency has taken a sharp turn away from renewable energy.
- There are increased calls for mining, exporting and encouraging oil, gas, coal and shale trade into its foreign outreach.
- Notably, India recently, made orders for both oil and gas shipped from America.
- India may stand to lose Obama era support in financing renewable energy projects and facilitating India-U.S. nuclear deals.
- Also, the US has pulled out of the Paris climate change accord, coming as a shock for India.
- Notably, Obama administration had promised to help India reduce its dependence on fossil fuels on India's entry into Paris accord.
- **India's requirements** - India's own requirements from the India-U.S. civil nuclear deal have changed considerably.



- The Cabinet recently approved the 7,000 MW construction plan for 10 Indian-made pressurised heavy water reactors (PHWRs).
- With existing constructions and the current capacity of 6,780 MW, India hopes to have 14,600 MW of nuclear power by 2024.
- Besides the nuclear power plants, the Department of Atomic Energy is advocating PHWRs in more inland sites.
- This includes sites in Rajasthan, Haryana, Karnataka and Madhya Pradesh.
- It comes in the backdrop of concerns on too many nuclear projects in the southern coastline lying along tsunami and earthquake faultlines.
- India has also found much more comfort in its existing agreement with Russia's Atomstroyexport.
- This began with the Intergovernmental Agreement for Kudankulam 1 and 2 in 1988.
- It has kept a slow but steady pace in delivering reactors and operationalising power projects.
- **Cost** - Another issue relates to the cost that India is prepared to pay for nuclear energy through foreign collaborations.
- Indo-French negotiations for six 1,650 MW European Pressurised Reactors (EPRs) in Maharashtra's Jaitapur is delaying.
- This is notably over the differences between Department of Atomic Energy and the French company Areva (now handed over to EDF Energy company, UK).
- It pertains to arriving at the cost per unit.
- **Besides** - India must consider the shifts in the world nuclear industry before getting into negotiations with new companies.
- Many nuclear companies globally are facing with major losses over their nuclear businesses.
- As the pressure to lower nuclear power tariffs increases, nuclear safety requirements have become more stringent.
- More countries now see nuclear power as a "base-load" option.
- It is only preferred as a back-up option for unstable, but infinitely less costly and eco-friendly, solar and hydroelectric power options.
- All these signal that nuclear power is losing its primacy in the energy mix, which India must be aware of.

2.3 Indo-US: COMCASA Agreement

What is the issue?

- A U.S. team visited India recently to sort out difference regarding "Communications Compatibility and Security Agreement" (COMCASA).
- The agreement would facilitate transfer of high-end U.S. technology to India, but there is feared that it would compromise on India's defence secrecy.

What is the COMCASA?

- COMCASA is meant to provide a legal framework for the transfer of communication security equipment from the U.S. to India.
- This would facilitate "interoperability" between their forces and potentially with other militaries that use U.S. origin systems for secured data links.
- Importantly, the U.S. has already made some tweaks from its conventional template for agreements in this regard, for accommodating Indian concerns.
- Significance - COMCASA is said to be part of a set of 3 agreements that the U.S. considers vital for a functional military relationship.
- Previously, India and U.S. signed the "Logistics Exchange Memorandum of Agreement (LEMOA)", for mutual logistic assistance between their militaries.



- Negotiations on the third agreement, “Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation (BECA)”, have not yet begun.

Why is the U.S. pushing for COMCASA?

- U.S. officials state that India’s armed forces are currently dependent on less secure, commercially available communication systems for surveillance.
- These platforms are, therefore a hindrance in real time data sharing with friendly militaries, and seamless interoperability during joint missions.
- Hence, they argue, COMCASA will facilitate the Indian military to use of high-end secured communication equipment from the U.S.
- Additionally, COMCASA is also said to be imperative if India is to get the armed version of the Sea Guardian drones from the US.

What are the stakes?

- Benefits - U.S. granted India the status of “Major Defence Partner” during the Obama’s time, to facilitate transfer of high-end defence technology.
- Signing of the 3 foundational agreements would underline that status, besides making the transfer of American defence technology possible to India.
- Risks - New Delhi is believed to be concerned about intrusive access COMCASA would grant the U.S. to Indian military communication system.
- The violation of Indian sovereignty due to visits by US inspectors to Indian bases to inspect the COMCASA-safeguarded equipment weighs heavy.
- There is also a fear that a lot of Russian-origin and indigenous Indian military platforms may not be compatible with COMCASA.
- Also, such comprehensive agreements is politically risky for the ruling BJP as even the previous LEMOA (signed in 2016), created a political storm.

2.4 Strain in the Indo-US ties

What is the issue?

- In 2017, India and U.S. commissioned the “Finance and Defence Ministers 2+2 format for enhancing bilateral engagement.
- But a scheduled meet was called off recently and the format remains a non-starter, partly due to the straining of Indo-U.S. ties.

What are the stress points currently in the Indo-U.S. ties?

- U.S. administration recently enhanced sanctions against Russia and Iran in addition to pulling out from the Iranian Nuclear Deal.
- Further, Trump’s toughening stand against countries and entities conducting business with “Iran and Russia” directly affects India.
- India has, in turn, tightened its engagement with Russia, China and Iran, with PM Modi advocating a course of “strategic autonomy”.
- Indo-U.S. tensions have also been playing out amply in the context of bilateral trade, and even verbal exchanges are being exchanged.
- While their strategic relationship was recently upgraded to “major defence partnership”, there hasn’t been much progress here too.
- The 3 critical “foundational agreements”, which are ideal for enhancing defence ties and procurements haven’t moved ahead.

What are the perceptible changes in the U.S.-Pak equations?

- Recent months have seen a sharp betterment in Af-Pak relationship alongside an improvement in the U.S.-Pak ties.



- Multiple diplomatic visits by government officials of “U.S., Pakistan and Afghanistan” had been organised in successions.
- Additionally, the politically influential Pakistani military and the Afgani-Taliban have also been kept in the loop throughout.
- Concurrently, there has been a softening of U.S. line on Pakistan’s overall terror record, all of which seems to be clearly coordinated.
- The U.S. has asked Pakistan to act against all terror groups on its soil, but it seems focused just on groups targeting Afghanistan.
- More importantly, terror groups and operatives targeting India are being provided a free run and are even fighting elections in Pakistan.

Shangri-La Dialogue (SLD)

- SLD (or IISS - ‘Asia Security Summit’), is an inter-governmental security forum conducted by “International Institute for Strategic Studies” (IISS).
- IISS is an independent international think tank that intends to cultivate among policy makers of different countries, a sense of community.
- SLD is attended by high ranking government and military officials of 28 Asia-Pacific states and is held annually in Singapore’s Shangri-La Hotel since 2002.

What has been India’s reaction?

- On its part, the Modi government has openly asserted a clear change away from the pro-U.S. tilt of India’s foreign policy.
- In the recent “Shangri-La Dialogue”, Modi asserted ‘strategic autonomy’ in foreign affairs, indicating India’s growing independence from the U.S. block.
- Defying the U.S. rhetoric demanding reduction in engagements with Russia and Iran, bilateral were held with both of these countries recently.
- India has also promised to raise oil imports from Iran this year, and has committed to increase engagements on the Chabahar port project.
- In addition, India has been negotiating a \$5.5 billion deal with Russia for the S-400 Triumf missile systems, all of which is likely to attract U.S. ire.

How does the future look?

- U.S. has always pressured allies to limit their ties with countries that it considers a threat to the international order.
- But Trump administration has been going public with its ultimatum and deadlines, which is making it difficult for partners to comply.
- India’s present international engagements are likely to trigger U.S. sanctions unless the two countries reach a compromise soon.
- But political will to address these issues is clearly not there presently, as both governments are engrossed in their own calculus.
- Notably, there has been little Indo-U.S. political engagement lately and even the scheduled “Foreign & Defence Ministers” 2+2 dialogue has been postponed.

2.5 CAATS Act and Indo-U.S. Ties

Why in news?

U.S is set to exempt an Indian defence acquisition from Russia from CAATSA.

What is CAATSA Act and how does it affect India?

- “Countering America’s Adversaries through Sanctions Act (CAATSA)”, is a U.S. law that seeks to constrain its enemy powers economically.
- Through this law, U.S. imposes economic sanctions on its adversaries and all countries and firms dealing with its adversaries.
- Considering the economic might of the U.S., it would be a big challenge for any nation to overlook U.S. and continue its trade with other partners.
- U.S. has classified Iran and Russia (and North Korea) as adversary countries, but India has strong and critical trade ties with both these countries.



- Notably, Russia is India's major defence supplier for over 6 decades now, and Iran is India's second largest oil supplier.
- Hence, if India doesn't cut trade ties with Iran and Russia, CAATSA Act would've kicked in U.S. sanctions against India.
- This has put India in a tight spot as it can neither dare U.S. sanctions nor antagonize Iran and Russia (or forego supplies from them).

What is current status?

- Indian Argument - Indian delegation argued that Russian defence equipments were indispensable at the current point in time.
- Further, they argued curtailing defence ties with Russia would affect India's capabilities within the Quad Coalition which also has U.S.
- Notably, Quad is an Asia-Pacific security bloc that has Japan, Australia, India and the U.S. as members.
- Further, it was stressed that India has been reducing defence purchases from Russia over the years and simultaneously increasing purchases from the U.S.
- The result - The Congressional committee looking into the issue seems to have relented as the need for waivers to some countries was recognized.
- The committee has proposed amendments to CAATSA, in order to allow the President to waive sanctions in certain circumstances, for six months at a time.
- So, as long as the president signs waivers for India every six months, it can continue to engage in trade with countries like Russia.

What are the reasons behind this exemption?

- CAATSA impacts Indo-US ties, and dents the image of the US as a reliable partner at a time when it is projecting India as a key player in its Indo-Pacific strategy.
- US administration for countries like India has favoured relief, citing the "strategic opportunity" that India presents, and also the opportunity "to trade in arms with India".
- Indeed, the US defence industry sees India as a major market, Over the last decade, deals with India have grown from near zero to \$15 billion.
- Both in term of the number and value of contracts, the US is way ahead of other major suppliers.
- The CAATSA exemption also underlines the growing defence and security cooperation that has seen India sign a logistics pact with the US.
- Also US designated India as a Major Defence Partner, and both countries coming together on Indo-Pacific strategy, the newly resurrected Quad.
- It also marks an acceptance by the US of the point of principle that as a sovereign country, India cannot be dictated on its strategic interests by a third country.

2.6 India at SCO Summit

What is the issue?

- India is to attend the Shanghai Cooperation Organisation summit as a full member.

What are the recent geopolitical developments?

- Both India and Pakistan were admitted to the grouping last year.
- This was finalised at its summit in Astana, Kazakhstan.
- From then, world politics has undergone several tectonic shifts.
- The US has pulled out of the nuclear deal (or JCPOA) between the P-5+1 and Iran.
- US President and North Korean leader are scheduled to meet in Singapore.
- After the Doklam standoff, India and China have attempted to reset relations.
- An informal summit was arranged between Indian PM and Chinese President at Wuhan.
- The US has imposed sanctions on Russia under the Countering America's Adversaries through Sanctions Act (CAATSA).

- This notably affects Indian defence purchases from its strongest defence partner, Russia.
- The chemical attack in Salisbury has sharply escalated Russian-western tensions.
- It led to London and Moscow expelling each other's diplomats.
- The US has delivered a public rebuke to Pakistan for not cracking down on terrorists.
- It also suspended military assistance to Pakistan.
- Indian PM has made historic separate visits to Israel and Palestine, completing their de-hyphenation.
- The India-US-Japan-Australia quadrilateral has been revived.
- This is particularly against the backdrop of Chinese assertiveness in the Indo-Pacific.

What is the significance of the SCO summit?

- India has challenges to address and opportunities to harvest in the SCO summit.
- Pakistan - The summit provides an opportunity for the Indian and Pakistani leaders.
- They could meet informally on the sidelines of a multilateral event.
- The two sides are obliged to cooperate on issues of mutual interest without bringing in their bilateral disputes.
- Signing off on joint counter-terrorism exercises will be a new form of engagement between the two militaries.
- China - After the Wuhan meet, the SCO summit will provide another opportunity for cooperation.
- Russia - Russia has been India's staunchest supporter in the SCO.
- It has lobbied hard with Beijing for years to ensure India's entry into the grouping.
- India is clear that its relationship with Moscow would not be impacted by the West's approach towards it.
- Iran - Iran is an observer state that has applied for full SCO membership.
- India has a powerful strategic interest in Iran's Chabahar port.
- But India has been seeking to signal to US, the alignment of interests in Chabahar.

Why is SCO critical for India?

- **Significance** - The admission of India and Pakistan has expanded the geographical, demographic and economic profile of the SCO.
- SCO now has about half the world's population and a quarter of its GDP and its boundary extend southwards to the Indian Ocean.
- The SCO's relevance for India lies in geography, economics and geopolitics as its members occupies a huge landmass adjacent to India's neighbourhood.
- Central Asian SCO members border Afghanistan and a narrow strip of land separates southern Tajikistan from Pakistan-occupied Kashmir.
- **Logistics** - When you have complicated relations with your neighbours, it makes sense to strengthen relations with your neighbours' neighbours.
- With Pakistan joining the Organisation and Afghanistan and Iran knocking on the doors for membership, the logic of India's membership becomes stronger.
- Since the break-up of the Soviet Union, the optimal development of India's relations with Central Asian countries has been constrained severely.
- Factors like lack of overland access through Pakistan, Afghanistan and Iran, and politico-security concerns proved difficult to overcome.
- With new multimodal transport corridors now envisaged through Iran, there are again prospects of invigorating trade and investment links with this region.

What are the political equations within SCO?

- In the formative years of the SCO, Russia pushed strongly for India to join it, to somewhat balance China's economic dominance in Central Asia.
- China's own insecurities made them obstruct Indian entry into the grouping back then, which help it maintain its clout over the organisation.



- Currently, with China having grown confident with a strong economic might, it seems to have grown more inclined to accept Indian membership.
- Notably, the central Asian region is the hotbed for China's ambitious "Belt and Road Initiative" and Indian participation will help further this.
- Nonetheless, it has secured the simultaneous admission of Pakistan into the SCO as a counterbalance to India's motives.
- In this context, India too has managed to carve out a niche role for itself in the region alongside China and Russia through active diplomatic outreaches.
- Also, thus far, Indo-Pak equations within the forum have been pleasant, betraying naysayers who speculated turbulence due to the new entrants.

What are the aspects to lookout for India and Pakistan in SCO?

- Border Dispute - Russian President Putin has suggested that cooperation within SCO may pave the way for an India-Pakistan rapprochement.
- He also recalled that SCO membership had facilitated resolution of China's boundary disputes with Russia and Central Asian countries.
- While the circumstances are not comparable, and Indo-Pak disputes are not merely border related, the hope expressed is nonetheless a positive sign.
- Significantly, China made substantial concessions to settle its boundary disputes with Russia and Central Asia, in pursuit of larger strategic objectives.
- **Regional Anti-Terrorist Structure** - RATS as a principle organ of SCO, coordinates for security and stability, through intelligence-sharing.
- India and Pakistan, which exchange mutual recriminations in such matters, have to find ways of cooperating in the RATS.
- **Defence cooperation** - India has agreed to participate in the SCO's counter-terrorism military exercises in Russia later this year.
- Here, Indian and Pakistani troops will likely operate together, an event that has never occurred before.
- Reconciling Indian and Pakistani perspectives in the SCO's initiatives on Afghanistan would be yet another challenge.

2.7 Criticality of RCEP for India

What is the issue?

- Recently, U.S. President Trump caused the G-7 meet in Quebec to end with deep fissures within the Western alliance.
- In this context, India must re-examine its position on global and regional trade architecture swiftly to leverage its growth potential.

What is the significance of RCEP?

- Considering the evolving world trade dynamics, simply relying on WTO or on existing trade connections is clearly an ineffective approach.
- Hence, deals like "Regional Comprehensive Economic Partnership" (RCEP), could prove critical for countries.
- Notably, RCEP is considered a major economic integration plan involving "ASEAN-10, China, South Korea, Japan, Australia, New Zealand and India".
- Significantly, well trafficked trade routes pass through Southeast Asia, and the region's economies are growing and vibrant.
- The RCEP grouping is also diverse as it includes both commodity exporters such as Australia and Indonesia and services hubs such as Singapore.
- Yet, despite these obvious advantages, Indian officials have expressed doubts on whether the RCEP will actually be in India's interest.

- But, India needs to recognize that, if the RCEP deal proceeds without India, then, being left out would hit India's trade competitiveness in the region.

Should India go ahead with RCEP?

- The main concern for India about RCEP is the involvement of China, which already accounts for 60% of India's burgeoning trade deficit.
- While the fear of cheap Chinese imports is real, it shouldn't be allowed to cripple the entire trade negotiations.
- Rather, India must reserve its right to place emergency anti-dumping measures if excess influx tends to occur.
- Additionally, studies show that Indian exporters aren't taking full advantage of even the currently existing FTAs, which is a concern.
- Hence, better educating exporters and aiding them to access new markets that open up to them would be a better alternative than chucking trade deals.
- The rise of protectionism in U.S. (one of the few countries with which India has a trade surplus), implies that India needs to diversify its export markets.
- As other markets must be found, RCEP is no longer an optional for India, and hence shouldn't be overlooked.

2.8 International Solar Alliance

What is the issue?

- India and France co-hosted the first International Solar Alliance (ISA) summit in New Delhi recently.
- This is a significant event in defining India's place in the new global order.

What is India's role?

- India is a founding-member of the alliance.
- Besides, it plays a significant role in terms of being a host as well as a major contributor to the achievement of the target.
- The ISA is the first international body that will have a secretariat in India.
- India, with a target to produce 100 GW of solar energy by 2022, would account for a tenth of ISA's goal.
- India will also provide 500 training slots for ISA member-countries and start a solar tech mission to lead R&D.

Why is India's proposal unique?

- The basis for ISA is global equitable sustainable development.
- It suggests a 'third' way to the inequality and environmental damage characterising the current U.S. and China-led models.
- This vision follows from India's call for 'climate justice'.
- Notably, India's approach to climate justice reframes climate change as a social and not a physical problem.
- The shift fills the gap in the thrust of the 'Chinese dream' and 'America first' both of which ignore sustainable development.
- India is thus considered as a balancing factor in this regard, especially by countries in the South-east Asian region.
- This is also why China and the U.S. are seeking to work with India.

What are the implications?

- The inaugural International Solar Alliance (ISA) summit underlines India's place in the new world order.
- India has to take advantage of the transforming global trends.

International Solar Alliance

- The ISA was unveiled at the U.N. Climate Change Conference in Paris in 2015 by the Indian PM and the then French President.
- The idea is to form a coalition of solar resource-rich countries for addressing the identified gaps in their energy requirements through a common approach.
- ISA has set a target of 1 terawatt (TW) of solar energy by 2030.
- The ISA is open to 121 prospective member countries, most of them located between the Tropics of Cancer and Capricorn.
- So far, 65 countries have signed the ISA Framework Agreement.

- The challenge at this juncture is to push infrastructure, e-commerce, human capital and technology development.
- These are essential for India to position itself in the emerging global scenario, where economy, ecology and cyber space are defining the place.
- In the new world order, India should give primacy to rules that will chart a path for its own sustainable prosperity.
- This does not mean India should move away from multilateral groupings.
- But rather, in 2018, India will have to make hard choices.
- E.g. India should not reject collaboration in the Belt and Road Initiative (BRI), which is the framework for a new order.
- But existing political and economic order suggest that India should work with China to jointly set the new multilateral rules.
- The two sides, India and China, have just recognised sensitivity to each other's concerns, interests and aspirations.
- Also, as part of this dynamics, India must consider longer-term and not immediate interests in Regional Comprehensive Economic Partnership.
- This approach should reflect in other areas like the BRICS, Shanghai Cooperation Organisation, etc, for establishing non-hierarchical relations.
- In terms of maritime trade routes, India should organise platforms which include China and Japan.
- This is to allow for the development of Indian Ocean-centric rules of engagement.

2.9 India - Seychelles Bilateral Meet

Why in news?

Seychelles President Danny Faure recently visited India for a bilateral meet.

What are the major outcomes?

- Assumption Island - It is one of the 115 islands constituting Seychelles archipelago.
- India plans for building a naval base here.
- The National Assembly of Seychelles recently refused to ratify the naval base.
- Given the absence of parliamentary ratification, the future of the project remains uncertain.
- But both countries now agreed to ensure mutually beneficial steps in this regard.
- Security - India clarified that security and strategic cooperation with Seychelles will go ahead.
- It announced several initiatives for Seychelles.
- It includes a \$100 million Line of Credit (LoC) for purchase of defence hardware.
- India also gifted a Dornier aircraft to Seychelles.
- Developments - India is ready to finance 3 civilian infrastructure projects under Special Grant.
- India will send officials to Seychelles to support for projects that it decides for itself.
- Others - Both sides would intensify cooperation on hydrographical studies of the maritime region.
- They have declared exchange of necessary oceanic maps.
- In all, both sides sealed six agreements.
- One of the agreements will twin Panjim in Goa with Victoria of Seychelles.

What is the earlier agreement on Assumption Island?

- India signed a pact to develop Assumption Island, during PM Modi's visit to Seychelles in 2015.
- The Island is leased to India for the operation of a naval base and air strip by the Indian navy.
- The deal was to include 30-year access to the base.



- It includes permission to station Indian military personnel on the ground.
- It is being financed entirely by India.
- But Seychelles retains full ownership of the facilities and sovereign rights over the island.
- Seychelles would “suspend” the use of military facilities in case if India is at war.
- This is because it is not a military base.
- It is seen as a major strategic enhancement of India’s Indian Ocean Region naval capacities.
- This would give India a foot- hold in the western Indian Ocean.
- The agreement will enable India to help Seychelles build military infrastructure.
- The island has been at the centre of high profile maritime diplomacy between India and Seychelles.

2.10 Enhancing Indo - Japan Business Ties

What is the issue?

- Despite strong strategic government to government ties, India-Japan economic relationship remains far below the expected levels.
- While there are ample avenues to expand cooperation, cultural perceptions and are related incompatibilities have hindered progress.

What are the conditions that are ideal for enhancing Indo - Japan ties?

- India is a fast-growing economy and has a big young population, while Japan is economically rich and has an aging demography and declining population.
- India needs technical expertise and investments to develop its infrastructure, while Japan has capital to spare and know-how to share.
- They have a common strategic objective in countering Chinese hegemony in Asia, a goal that can be best met in collaboration.
- Also, both countries share cultural and religious ties, and are also sufficiently close for trade but far enough to avoid broader and other neighbourhood issues.
- Technically, these factors provide for the establishment of strong and robust economic ties, but this hasn’t happened.

What is the current status of economic ties?

- PM Narendra Modi and his Japanese counterpart Shinzo Abe have worked hard to upgrade ties, through high-profile visits and sealing multiple deals.
- Notably, Japanese has emerged as a prolific investor in India’s infrastructure sector - Japanese investments totalled \$4.7 billion in 2016-17.
- Japan currently ranks as the third largest investor in India and there are 1,369 Japanese companies and over 4,800 Japanese corporate offices active in India.
- Yet, the India-Japan economic relationship remains underwhelming both in relation to its potential, and to the ties that each nation shares with China.
- Notably, China received about five times more Japanese investment between 1996-2015 (\$116 billion) than India (\$24 billion).
- Japan-India two-way trade was merely \$13.48 billion in 2016-17, which is dwarfed in comparison to China-Japan trade (\$350 billion) or even India-China trade (\$84.44 billion).
- Additionally, the share of India-Japan trade in Japan’s total trade basket is barely 1% and it is a little over 2% of India’s trade with the rest of the world.
- Beyond the common issues like - poor infrastructure, and complex tax structures, there are other issues that plague Indo-japan business ventures.



What are the main reasons for this?

- The major problem is that it takes Japanese companies longer time to learn to localise their products for the Indian market.
- Pricing - Japanese tend to think that the most important element is the quality, so that there is minimal requirement for repairs and replacements.
- They fails to recognize that repairs aren't really a major concern for the Indian consumer as it is cheap due to abundant availability of technicians.
- Hence, cost at purchase is the critical factor than durability, which calls for companies to reduce manufacturing costs even if quality is lowered.
- Cultural bias - Japanese also tend to have a strong cultural bias against India and Japanese employees perceive an Indian posting as a de-promotion.
- While larger corporations have realised India's potential, small and medium enterprises continue to carry a biased attitude, which impedes business.
- Also, punctuality is akin to religion in Japan, whereas in India, time is more lax and this has immense implications for business.
- Risk - Japanese corporations are strongly risk averse which makes it difficult for them to cope in the freewheeling, jugglery environment of India.
- Flexibility and impromptu decision making are necessary skills to operate in India and Japanese businesses need to co-opt these to sustain in India.

What are the hopes ahead?

- Recently, collaboration between Japan's Panasonic and India's Tata Elxsi to develop smart solutions and products for the south Asian market was sealed.
- This is only possible because India has the capacity and skills for engineering designs that can match Japanese requirements.
- Hence, there are avenues to rope in more Indian companies to develop and design Japanese products, which could help in deepening business ties.
- But despite all these, "government to government ties" is far ahead of the "business to business ties" and closing this distance remains a tough ask.

2.11 Indo - Russian Friendship

What is the issue?

- India and Russia have enjoyed a historically strong relationship based on mutual trust and cooperation but there has been a deterioration in recent years.
- Considering the rise of an expansionist China in Asia, it is very important for India to revitalise its time tested partnership with Russia.

What has Russia's geopolitical outlook been realigning?

- Anti U.S. attitude - Moscow's policies are driven largely by relentless hostility towards the US and containing the western alliance led by US.
- This has literally driven Moscow into the arms of Beijing, and has resulting in a virtual Moscow-Beijing alliance to counter American hegemony.
- While this trend would clearly pit Russia into an orbit that is hostile to India, there have nevertheless been efforts by Delhi to strengthen ties with Moscow.
- Internationally, India and Russia work together in forums like BRICS, the Shanghai Cooperation Organization (SCO).
- Also, Russia-India-China (RIC) trilateral is another forum of cooperation that was initially promoted by Russia.
- Taliban Factor - Russian has joined with China and Pakistan calling for negotiations with Afghan Taliban, which will give legitimacy to the Taliban.



- This is ironic, given that approximately 14,000 Soviet soldiers were killed in action between 1979 and 1989 against the ISI-backed radical Afghan groups.
- While this will cement Russia into what is an anti-India pole, it will also weaken India's international rhetoric against terrorism.

How has Indo-Russian defence cooperation fared?

- The approximately 270 Russian Sukhoi-30 fighters are the main element of the IAF's strike and air defence potential.
- An aircraft carrier with MiG-29 aircrafts, a leased nuclear submarine, guided missile frigates and over 900 T-90 tanks are other important equipments.
- Multi-barrelled launchers, and the Indo-Russia collaborative development Brahmos missiles are currently vital defence arsenal.
- Light helicopters and S-400 Triumph air defence systems are recent additions to the vast amount of Russian equipment in our military.
- Russian defence exports to India in recent years account for 39% of its total exports and there are clear mutual interdependence in the trade.
- While there are some concerns about Russian recent defence sales to Pakistan, there isn't much market there due to Pakistan's financial limitations.

How has the Indo-Russian trade relations fared?

- While limited connectivity has constrained merchandise trade greatly, mutual cooperation in investments in the petrochemical sector has been significant.
- The recent \$12.9-billion deal for the acquisition of Essar Oil refinery by Russia's Rosneft, is one of the single biggest foreign investments in India.
- India's investments in Russia's oil and gas set is currently \$8 billion and is set to reach \$15 billion by 2020, as India is planning investments in Siberian Oil.
- Moreover, there are substantial prospects for increasing Russian supplies of coal, diamonds, LNG and fertilisers to India.
- There is also considerable potential for Russia and India to cooperate in executing projects in other countries such as Afghanistan and Vietnam.
- Significantly, Russia and India are presently cooperating in the construction of the first nuclear power plant in Bangladesh.

How significant is the China factor?

- Rise of China - Beijing is clearly rising as the sole dominant power centre in Asia, and is also fast narrowing its gap with the US on the global stage.
- This presents a serious challenge to India as increasing Chinese assertiveness in the Indian Ocean region has been ambitious and univocal.
- While the US and Japan acknowledge the vitality of India for the geo-political stability of Asia, Russia hasn't showed the same warmth.
- This could possibly be due to Moscow apprehensions about India's membership in alliances like Quad (US, Australia, Japan, India).
- Historic Factors - China's superior economic prowess gives it an advantage in negotiating with Russia, but there are historical distates between the two.
- Russia has a long border with China, and the latter's meteoric rise is perceived as a threat to Russia's Siberian region and Vladivostok.
- The former Soviet Union (Now Russia) had a rickety relationship with China and there were even significant border skirmishes in 1968-70s.
- Nonetheless, Moscow will continue to play second fiddle to China whenever it suits its interests and India needs to show dexterity to handle situations.



2.12 Indo-Russia Sochi Bilateral

What is the issue?

- Recently, the Indian PM and the Russian President met for an extended bilateral in Sochi in Russia.
- This is seen as an appropriate recalibration to arrest the degradation of diplomatic ties in recent years.

What issues are likely to have been discussed at Sochi?

- The Sochi visit was aimed at resetting and rebalancing bilateral ties that have weakened over the past few years.
- The special understanding between India and Russia has frayed, with India drifting closer to the U.S. and Russia to China.
- **Defence** - India currently has orders of over \$12 billion for Russian military hardware, which is pending delivery.
- A new US law (Countering America's Adversaries Through Sanctions Act) seeks to curtail trade with countries engaging its adversaries.
- Hence, Modi's visit was significant to assure Mr. Putin that India is committed to the purchases and won't be deterred by US pressure.
- **Regional** - Russia's recent military exercises and arms sales to Pakistan has got India cautious on Russia's changing outlook towards South Asia.
- Also, the increasing engagement of Russians with the Afghani Taliban is another point of concern from the Indian perspective.
- An outreach like Sochi would hence be beneficial to know each other's political foresight and extract concession in some areas to address stress points.
- **Global** - The global instability caused due to the US president Trump is another issue that necessitated increased Indo-Russia engagements.
- An outreach to Russia in the backdrop of such inconsistencies emanating from the US would also help in correcting the westward tilt in India's diplomacy.

What are the outcomes?

- The Sochi meet with Russia and the previously held Wuhan meet with China were both said to be informal in nature.
- These might have helped in dispelling apprehensions between countries, the post meet conferences have largely been devoid of significance.
- While such meets are needed to break the ice, a noticeable shift in foreign policy can't happen without sufficient transparency.
- Importantly, Indian and Russia have planned for greater cooperation in the Indo-Pacific region, a region where India is already involved with US.
- Notably, Quad (India, US, Japan, and Australia) is also envisioned as a security grouping for the Indo-Pacific region.

2.13 India's Role in Korea

What is the issue?

- The relationship between "North and South Korea" has evolved drastically past months from "complete hostility to strong cooperation".
- At this juncture, it is important to note that India did play a vital role in effectuating the "Armistice Agreement, 1953", that ended the Korean War.

What is the historic context?

- The beginning of the cold war saw the Soviet dispensation backing a communist regime in Korean peninsula's Northern region.
- But the US faction was backing a liberal government that eventually took control of the southern part of the peninsula.



- The inter-Korean war lasted for three years between 1950 and 1953, which was a proxy war between USSR and the US.
- Although a truce was reached in 1953 through the “Armistice Agreement”, both Korean regimes never officially ended the war till recently.
- The agreement divided the Korean peninsula into two along the 38th Parallel (latitude) and also provided for neutral international peace patrol.

What was India’s Role?

- India under Nehru was actively involved in negotiating peace in the Korean peninsula by engaging all the major stakeholders – US, USSR and China.
- **Diplomacy** - In late 1952, the Indian resolution on Korea was adopted at the UN with unanimous non-Soviet support.
- But India rightly recognized any deal without the Soviets will fail and immediately flung into action to get them on board, which happened in 1953.
- Ultimately, despite the rough international political climate, India succeeded in building consensus – which precipitated in the “Armistice Agreement”.
- **Effectuation** - One of the follow-up actions to the Armistice Agreement was the establishment of a Neutral Nations Repatriation Commission (NNRC).
- NNRC was to decide on the fate of over 20,000 prisoners of war from both sides and India was chosen as the Chair of the NNRC.
- NNRC also had “Poland and Czechoslovakia” representing the Communist bloc, and “Sweden and Switzerland” represented the Western world.
- A UN Command led by an Englishman and a Custodian Force from India (headed by Lt.Gen Thimayya) was also deployed in the inter-Korean border.
- NNRC’s tenure ended in early 1954, and the Indian forces were praised internationally for executing the tough stabilising operations successfully.
- **Indian Abode** - At the end of its work, the NNRC was left with over 80 prisoners of war who didn’t want to go to either of the Koreas.
- As an interim arrangement, Nehru decided to grant them abode in India until the UN directive on their request is pronounced.
- Although most settled in foreign destination like Latin America, some did stay back in India and lived their entire lives here.

What are the recent developments?

- Talks between US Secretary of State and his hosts in North Korea ended in accusations.
- This has impacted the American diplomacy on denuclearising the Korean Peninsula.
- America demands for a quick and comprehensive denuclearisation of North Korea.
- However, North Korea's agenda on political and military trust building is a challenge.
- On the other hand, South Korean President is particular of reconciliation between the two Koreas.
- Amidst this, Moon's visit to Delhi offers possibility for strengthening India’s role in the Korean Peninsula.

How did India become a part of this?

- War - Independent India played a significant role in the Korean Peninsula.
- This was especially in the immediate aftermath of the Second World War.
- India also maintained diplomatic relations with the North and South during the Cold War.
- Economy - With 1991 economic reforms, South Korea became an important participant in India’s economy.
- Russia and China also increased their collaboration with South Korea for economic gains.
- North Korea - Resultantly, the socialist North Korea was increasingly isolated.
- It looked for making up for the loss of its old communist allies.
- It thus started focussing on developing nuclear capability.



- Pakistan - Eventually, the Indian Subcontinent became a part of North Korea's strategy.
- North Korea's atomic quest found convergences with that of Pakistan.
- North Korea and Pakistan thus stepped up their nuclear and missile cooperation.
- Certainly, this strained the India's relationship with North Korea.

What could India's role now be?

- India is now in a position to develop a more strategic view of the Korean Peninsula.
- For, South Korean President is increasingly seeking reconciliation with the North there is much international scepticism about the prospects for this peace
- Given this, Indian support for reconciliation would be of great political value to South Korea.
- Importantly, it will align Delhi with the long-term interests of the Korean people.
- For, they had been the victims of troubles in the divided peninsula over the last 7 decades.

What are the possible challenges?

- The post-Cold War Asian landscape is shifting.
- The relations between major powers - US, Russia, China and Japan - are strained.
- This is a new challenge that Asia had not to deal with in decades.
- Meanwhile, prosperity brought by globalisation to Asia over the recent decades is under stress.
- Measures against free trade and open borders, by the Western leaders are contributing to this.

2.14 Khalistani Issue Clouds the Canadian PM's Visit

What is the issue?

- The Khalistan issue has become a big irritant in the India – Canada relations.
- Issues concerning this dominated the Canadian PM Justin Trudeau's recent visit to India, and it is in the interest of both countries to course correct.

How has the Indo-Canadian relations fared over the years?

- The previous decade saw Indo-Canada bilateral relationship going strong and co-operation across multiple sectors were established.
- This included agreements on - energy, trade, civil nuclear cooperation and a commitment from Canadian pension funds to invest in India.
- India and Canada have much in common as two pluralistic, diverse democracies with very strong people-to-people ties.
- Besides this, Indian Diaspora accounts for over 1.3 million in Canada, and an 100,000 Indian students pursue their studies there.
- Despite these overwhelming commonalities, as the recent visit of Mr. Trudeau showed, the relationship seems to be turning sour.

What has caused the Indo-Canadian tensions?

- Liberal Party shepherded a resolution recently in the Ontario provincial legislature calling the 1984 anti-Sikh violence "genocide".
- Canadian PM Justin Trudeau was even attended a rally in Toronto, which was organised by pro-Khalistani Sikh groups.
- Such attitudes of Canada's ruling dispensation didn't go down well with the Indian authorities who had expressed their apprehensions.
- Hence, tensions were simmering in the underneath, long before the Canadian PM's arrived for an eight-day state visit to India.
- Considering these, New Delhi had preferred to keep Mr Trudeau's state visit a shorter, formal and more business-like.
- But Ottawa opted for a five-city tour, with a bilateral meeting with Prime Minister Narendra Modi on the penultimate day.

What were the stress points during the visit?

- As a symbolic snub, a junior minister was delegated to welcome the Canadian PM, in clear contrast to how other heads of governments had been received.

- **Punjab CM** - The Indian government wanted Mr. Trudeau to reach out to the Punjab Chief Minister Amarinder Singh during the visit.
- Notably, this was to make up for the Canadian government's action in 2016, when it had snubbed Mr. Singh, when he had requested for an official visit.
- But as Mr. Trudeau's office did not confirm a meeting with the Punjab CM till after his arrival in India, this too accentuated the tensions.
- **Khalistani elements** - To India's annoyance, the Canadian delegation also had members suspected of sympathising with extremist Sikh groups.
- Notably, Mr. Japal Atwal, who was part of the Canadian delegation, is a suspected Khalistani and is said to have attempted assassinating an Indian minister in 1986.
- While the courts in India have acquitted him due to lack of evidence, his presence has caused severe embarrassment during the bilateral meet.
- **Overall** - Expect for the final meet with Mr. Modi, throughout the trip, the Canadian PM was unaccompanied by suitably ranked officials.
- Ottawa had been insensitive to Indian concerns all along, which seems to have forced the India to be this vocal about displeasure.
- Considering the criticality of the bilateral relationship, both sides could've handled the visit better.

2.15 Khalistan Movement

What is the issue?

An Indian-origin businessman with ties to the Khalistan movement has become the new thorn in the relationship between India and Canada.

What are the historical events responsible for Khalistan?

- **1947 Partition of India** - Independence of India was not a joyful event for Sikhs, partition left Sikhs in a lot of discontentment with regard to their traditional lands being lost to Pakistan.
- **Punjabi Suba movement** - A movement was initiated in 1955 under Akali Dal a Sikh dominated political party.
- It seek re-organisation of Punjab along linguist lines, seeking division of the state into Punjabi and non-Punjabi speaking areas.
- However, the division acquired communal overtones, with Sikhs voting for Punjabi as mother-tongue (even if they spoke Hindi) and Hindus voting for Hindi as mother-tongue (even if they spoke Punjabi).
- The State reorganisation commission made its recommendations and it rejected Akali Dals demand which seeks separate statehood.
- The movement resulted in trifurcation of Punjab into Punjab, Haryana and Himachal Pradesh.
- The disputes of Chandigarh and Sharing of waters of Ravi-Beas and Sutlej between the two states, Punjab and Haryana were the foundation on which the Khalistan dispute was created.

What was the course of Khalistan Movement?

- The Khalistan movement is a Sikh nationalist movement that wants to create an independent state for Sikh people, via armed struggle or political, inside the current North-Western Republic of India Such a state existed in Punjab from 1709 to 1849.
- The idea of Khalistan was an idea first created in 1940s, remained idle but was revived by an NRI seeking a separate homeland for Sikhs.
- In early 1980s, the movement had emerged as a major separatist movement, fed mostly by bias of Indian Government against Punjab in the case of Chandigarh and sharing of Ravi-Beas waters.
- There was intense political rivalry between Congress Party and the Akali Dal, Akali Dal was gradually gaining ground as the political representative of the Sikh community.
- Jarnail Singh Bhindranwale led the Khalistan as an extremist movement.



- He was initially used by Congress to counter Akali Dal but later he was inspired by the Khalistan ideology and turned against Indian government.
- The movement was fed on arms under the patronage of Pakistan's ISI who was seeking revenge for creation of Bangladesh.
- Bhindranwale emerged as the extremist voice of Sikhs, over-ruling the moderate voices of leaders declared himself as the protector and arbiter of Sikh rights and acquired arms.
- Demands for separate nation-hood for Punjab was carried out through violent protests and killings

What are the events which intensified Khalistan movement?

- Operation Blue star was conducted to capture Bhindrawale in Harmandir Sahib Complex, but the operation resulted in a strong anti-India sentiment.
- The then PM Indira Gandhi was seen as an enemy of the Sikhs and two Sikh guards of her killed her in 1984.
- Her killing was followed by wide-spread riots against the Sikhs across India.
- From early 1980s to early 1990s, Punjab went through a phase of wide-spread terrorism.
- Manifold extremist groups like the Khalistan Liberation Force, Khalistan Commando Force, Babbar Khalsa and umpteen others gained prominence and roamed around freely across Punjab.

What is present status of the movement?

- At the present, it is a dormant movement in India.
- It does not hold much traction in the urban or local populace of Punjab. .
- But the movement gets ideological support from Sikhs living in Canada, UK or USA.

2.16 French President Visits India

Why in news?

French President Emmanuel Macron recently visited India.

What are the major outcomes?

- The pioneering agreement for "India-France strategic partnership" was signed in 1998, and relationships have been in good shape since.
- Currently, a "Joint Vision Statement" on the Indian Ocean Region was issued, which clearly aimed at countering China's growing presence in the region.
- A "reciprocal logistics support" agreement (Defence) was also signed, which is an indication of the diversifying strategic partnerships for both countries.
- While multiple previous deadlines have slipped, a recommitment for starting the "Jaitapur nuclear power plant" has now been made.
- Commitments towards the "International Solar Alliance" (ISA) and joint ventures on climate change cooperation were reiterated.
- It also saw the signing of multiple bilateral deals and Memorandum of Understanding (MoU) to strengthen cooperation.
- The comprehensive 'Joint Statements' and stress on strategic cooperation in 'Indian Ocean Region' highlighted the growing importance of the relationship.

What is the historic evolution of the relationship?

- There were limits to bilateral cooperation during the cold war period as France was a NATO member.
- After the end of cold war, India-France Strategic Partnership was launched in 1998 to boost bilateral ties, and two eventful decades have passed since.
- Cooperation in diverse fields covering - defence, space, counter-terrorism, education, culture, economics, climate change, culture, urban development, science and technology have taken shape over the years.
- After India went nuclear in 1998, France was the first major power to open dialogue and display greater understanding of India's security compulsions.

- It was also the first P-5 country to support India's claim for a permanent seat in an expanded and reformed UN Security Council.

How has cooperation in the security domain evolved?

- Arms Trade - Cooperation began in the 1950s when India started sourcing high-end military hardware (aircrafts, helicopters) from France.
- An agreement for building six Scorpène submarines in India with French help was signed in 2005 and one has already been commissioned (INS Kalveri).
- The government-to-government agreement for 36 Rafale aircraft recently moved forward after prolonged negotiations.
- An ambitious offset target of 50% of the Rafale deal (25,000 crores approx) for reinvestment in India could possibly boost India's budding aerospace industry.
- Also, technology sharing and acquisitions of short range missiles and radar equipment were concluded recently.
- Working Partnership – “Strategic Dialogue” has been established, to enhance cooperation in defence, intelligence sharing and counter-terrorism.
- MoUs were signed for reciprocal logistics support to each other's armed forces, and exchange and reciprocal protection of classified information.
- Terror strikes in recent years have enlarged the scope of counter-terrorism cooperation to include cyber security and discussions on de-radicalisation.
- Joint exercises between the air forces and the armies were instituted in 2003 and 2011, respectively and joint naval exercise “Varuna” dates back to 1983.
- Indian Ocean Region - There has been a growing convergence of interests in maritime cooperation in this region due to the expansionist Chinese foray.
- Also, French overseas territories in the Indian and the Pacific Oceans provide it with the second largest exclusive economic zone globally.
- Notably, France has long maintained bases in Reunion Islands and Djibouti and established one in Abu Dhabi in 2009.

What are the other aspects of mutual cooperation?

- Space - French assistance for the construction of “Sriharikota Launch Site” in 1960 marked the beginning of ties and both are now big players in the sector.
- Currently, many Joint missions for space awareness, earth observation with applications in meteorology, oceanography and cartography are undertaken.
- Inter-planetary exploration and space transportation systems are cutting edge science and technology areas that have also been identified.
- Energy - An agreement was for building six pressurised nuclear reactors with a capacity of 9.6 GW was sealed a decade ago, but little has progressed.
- The current bilateral has reiterated the commitment for the Jaitapur nuclear power plant in Maharashtra, and it is hoped that there will be progress.
- Climate change and renewable energy resources (particularly solar), has also emerged as an important sector in the bilateral cooperation.
- The multilateral initiative “International Solar Alliance” (ISA) was launched on the sidelines of Paris Climate Talks and currently has 61 members.
- Urban Development - Planning, construction and management of services like housing, transport, water, and sanitation is also a domain of convergence.
- Under the Smart City Mission, France has tied up with the corporations of Chandigarh, Nagpur and Pondicherry for various projects.
- For a wider partnership, strengthening business-to-business and people-to-people relationships is essential and this needs to be facilitated.

- Trade - While bilateral trade has grown in recent years, it currently stands at merely \$10 billion, which provides ample scope for trade enhancement.
- Private sector seems to have recognized this as agreements worth \$16 billion were signed at the recently held business summit.
- Notably, more than 1000 French companies operate in India and 100s of Indian enterprises have sprouted up in France in recent years.
- Also, while U.K. has traditionally been the entry point for most Indian companies to E.U. markets, Mr. Macron has now pitched France as a suitable alternative entry destination in the post-Brexit scenario.
- Educational - Currently about 2,500 Indians go to France annually to pursue higher education, compared to more than 250,000 from China.
- By 2020, France has envisioned to host 10,000 Indian students and agreements for mutual recognition of academic degrees is also in the pipeline.
- Tourism - France has a target to attract 1 million Indian tourists and India on has aimed for 335,000 French tourists by 2020.
- These targets are modest considering that France has an intake of 80 million tourists and India takes 9 million annually.
- These numbers should be viewed in the present context where Indo-French direct people to people contact is current very low.

2.17 Indo-Israel-Palestine Relationship

What is the issue?

- Israel-Palestine conflict is a long standing one in which India has taken different stands for years.
- Present Indian Administration is taking a pragmatic approach through a diplomatic relationship between both nations.

What is the conflict between Israel-Palestine?

- Brutal European anti-Semitism in 19th century convinced the Jewish people could never survive outside of a country of their own which made an emphasis on Zionism.
- Zionism is Israel's national ideology and it believe Judaism is a nationality as well as a religion, and that Jews deserve their own state in their ancestral homeland, Israel.
- Palestinians are the Arab population who hails from the land which is under Israel, are against the Zionism ideology.
- Arabs often see Zionism as a species of colonialism and racism aimed at appropriating Palestinian land and systematically excluding the Palestinians that remain.
- Due to this Palestinians wants the territory as Palestine to be established as a state by that name on all or part of the same land.



What are recent incidents in Israel-Palestine conflict?

- The west bank and Gaza strip of the Israel is claimed by the Palestinians, and Tel Aviv is being the capital of Israel as of now.
- But in December 2017, US administration introduced a proposal for making Jerusalem (a holy place of Jews, Muslims and Christians) as the capital of Israel.
- This proposal was opposed by many nations by introducing a resolution in UN.
- India also signed against US moves amidst of maintaining a good ties with Israel.

What was India's stand on Palestine so far?

- In 1950s India ultimately accepted Israel as a country following the lead given by two Muslim-majority countries, Turkey and Iran.

- In 1953, Israel opened a consulate in Mumbai, but didn't had a diplomatic presence in New Delhi.
- On the other hand, India in 1975 became the first non-Arab country to recognise Yasser Arafat's Palestine Liberation Organisation (PLO) as the sole legitimate representative of the Palestinian people, and permitted it have an independent office in New Delhi.
- In 1978, India raised its voice to protest against the injustice being meted out to Palestinians by the Zionist attempts.
- India's position on Palestine has been guided by the general consensus in the Arab world, the Non-Aligned Movement and the United Nations.

What is the present stand of India in the issue?

- India established full diplomatic relations with Israel in January 1992, over 40 years after it recognised that country.
- Since then, successive governments have followed a policy of strengthening the relationship with Israel, while maintaining diplomatic support for the Palestinian cause.
- But present Indian administration is expected to be tilted towards the Israel, as India elevates its strategic partnership with Israel in areas such as defence, security, agriculture, water management and innovation.
- At the same time with its vote in the UN Jerusalem, India has demonstrated the willingness and capability to follow its own geopolitical and pragmatic interests.

2.18 Indo-Iran Bilateral

What is the issue?

- Iranian President Hassan Rouhani recently concluded his bilateral visit to India on a successful note.
- The visit has underlined the criticality of the Indo-Iran engagement.

What were the highlights of the visit?

- **Qualitative Aspects** - The importance of bilateral ties and the strategic imperative for their growth were stressed in the joint statements issued.
- Discussions were held on enhancing bilateral trade, investment, and ease of doing business between the India and Iran.
- The constitution of an expert group to recommend "trade remedy measures" and a Double Taxation Avoidance Agreement (DTAA) was also contemplated.
- Mr. Rouhani endorsed India's bid for a permanent seat at the UN Security Council with the veto.
- The joint statement also had a toughly worded warning to the countries harbouring "sanctuaries for terrorism".
- **Quantitative Aspects** - India and Iran signed agreements and Memorandums of Understanding (MoUs) on a variety of issues.
- India was also awarded the contract to operate the "Shahid Beheshti Port terminal at Chabahar, after the project is completed.
- Significantly, no announcement was made on the Farzad-B gas field that India has expressed an interest in, but a follow up on the same is expected.

What are the significant trade concession give to Iran?

- Just before Mr. Rouhani's visit, India announced it would allow Indian investment in Iran to be done in rupee terms.
- Notably, this concession is presently enjoyed by only Bhutan and Nepal.
- This allows money lying in Indian banks to be repatriated as payment for Iranian imports, which is mostly oil.
- Till recently, these funds were been blocked because international banks had refused to trade with Iranian entities, fearing further US sanctions.
- In return, Iran extended the credit period for oil payments from India by issuing more generous guidelines.

What are the larger geo-political implications?

- The present Indo-Iran bonhomie is also in the larger geo-political context, considering that the US has been openly hostile to Iran lately.
- Trump administration has been taking a hard line against the Iranian nuclear deal and even called for its scrapping and re-imposition of sanctions.
- Also, USA has recently asked countries to keep a check on their investments in Iran as these might be supporting terrorism and unrest in the Middle East.
- It is hard to predict if the implications if Indian overtures to Iran would impact the Indo-US ties or the Indo-Israeli ties.
- But irrespective of this, Iran is a crucial energy supplier to India and a gateway to central Asia, which mandates a continued cordial relationship to last.

2.19 India - Azerbaijan and NSTC

What is the issue?

- India's External Affairs Minister recently made a visit to Azerbaijan.
- Improving logistics is a key for bilateral trade, and here is how NSTC (North South Transport Corridor) could play a significant role in this regard.

How is India-Azerbaijan relation?

- Azerbaijan is a strategically located, \$170-billion economy with substantial oil reserves.
- It however ranks low on India's diplomacy index.
- It supports Pakistan's claim on Kashmir, to the extent of calling for "reduction of Indian excesses in India occupied Kashmir".
- This is a cause of concern and needs focus.
- The period 2000-2010 saw a few senior ministers reaching out through various delegations and platforms to Azerbaijan.
- Despite these, it never really figured even in the second orbit of India's foreign policy outreach.

What is NSTC?

- North South Transport Corridor (NSTC) is a multi-modal network of ship, rail, and road routes.
- It is for facilitating freight movement between India, Iran, Afghanistan, Armenia, Azerbaijan and Russia.
- The objective of the corridor is to increase trade connectivity between major cities such as Mumbai, Moscow, Tehran, and Baku

How is the trade scenario?

- Bilateral trade between India and Azerbaijan has been rather different from political diplomacy.
- Trade between the two has shot up almost 10-fold from 2005 to 2017.
- This jump in bilateral trade coincided with the opening of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline to the Mediterranean port.
- Opened in 2007, this where Indian oil companies have been buying substantive quantities of crude oil from.
- ONGC Videsh is an investor in BTC.

What is the future potential?

- Naturally, the bilateral trade between the two countries has largely been hydrocarbon-centred.
- And India is a minor exporter of anything worthwhile (rice, beef and tea are some of the key items exported to Azerbaijan).
- Azerbaijan is looking to diversify and reduce its dependence on hydrocarbons.
- Three sectors that have substantial potential for bi-lateral trade are food processing, pharma and technology.

- In this backdrop, India can play an enabling role in partnering it for the same.

What is the significance?

- The route bypasses the Suez Canal and will ensure Indian products reach St. Petersburg in Russia in just 14 days.
- At present, this is a 42-day journey, skirting North Africa and Europe.
- Once the Iran-Azerbaijan leg of the NSTC is completed, Indian ports can be linked with Azerbaijan via Iran (Chabahar Port).
- It could provide a smoother logistics experience for suppliers.
- The new route could reduce distance and costs by 40% and 30% respectively.
- It could go a long way in reducing logistical complexity between India and Azerbaijan.



2.20 Commonwealth Heads of Government Meeting

Why in news?

- The Commonwealth Heads of Government Meeting (CHOGM) was held recently in London.

What is the Commonwealth grouping?

- It is a group of nations of mostly former British colonies.
- It is now a 53-nation grouping.
- The present Queen Elizabeth II is the head of CHOGM.

How was the latest summit perceived?

- The meeting came with hopes of a “re-energised Commonwealth”.
- The summit was held in the U.K., the founder State, after 32 years.
- Besides, Queen Elizabeth II attended the summit.
- She has skipped the meeting often in the last few years owing to her health.
- Also, the present meet took place amidst Britain’s exit from the EU.
- All these led to hopes of reviving the grouping as Commonwealth 2.0.
- India - Mr. Modi was the first Indian PM to attend CHOGM in a decade.
- Some of the earlier summits were skipped over bilateral differences.
- It was widely expected that India would step up to play a leadership role.
- It was seen to be helping chart a future course for the Commonwealth.
- Prince Charles’s visit to Delhi to invite Indian PM bolstered that belief.

Were the expectations met?

- The outcome of the meet was largely against the expectations.
- CHOGM again failed to make a case for its relevance in the 21st century.
- Head - It was announced that Prince Charles would ‘succeed’ his mother as the head of the Commonwealth.
- This has ignored calls by members for the position to be more democratically shared or rotated.

- China - There were statements on the Blue Charter on Ocean Governance and on the Commonwealth Connectivity Agenda for Trade and Investment.
- This could together counter China's Belt and Road Initiative.
- But there was little by way of a road map to achieve the goals.
- Immigration - Britain PM Theresa May apologised for her Home Office's threat to deport thousands of immigrants.
- They were brought as manual labour in the 1940s on the ship Empire Windrush from the Caribbean.
- But she failed to convince most members of the Commonwealth that Britain would reverse its present policies on immigration.
- Trade - The U.K.'s hard line on Indian "illegals" prevented the signing of a bilateral agreement on immigrant "returns" with India.
- This was in regard to return of illegal Indian migrants within a month of their being detected by authorities.
- This indicates that post-Brexit London is likely to welcome trade in goods from the Commonwealth, but not services.

2.21 India's Africa Engagement

What is the issue?

- Ahead of BRICS leaders' summit in South Africa, Indian PM made visits to Rwanda and Uganda.
- This is a reflection of the intensity and significance of India's engagement with Africa.

What is the significance?

- Rwanda - It is one of the Africa's fastest growing economies.
- After the end of its civil war, it is moving steadily on the path of recovery and national reconciliation.
- Rwanda President Paul Kagame is chair of the African Union (an intergovernmental organization of African states).
- About 3,000 Indian nationals and PIOs live in Rwanda.
- Rwanda's only sugar refinery, only modern textile mill, and a soap and cosmetic factory are all PIO-owned.
- India-Rwanda bilateral relations have been cordial and have grown steadily over the years.
- In 1999, Rwanda officially opened its mission in New Delhi and posted a charge d'affaires.
- In 2001, it appointed its first resident ambassador in New Delhi.
- India has taken a decision to open a diplomatic mission in Kigali, the capital of Rwanda.
- Uganda - In Uganda, India established its diplomatic presence in 1965.
- But the ties dates back to the era when trade began across the Indian Ocean.
- Eventually a number of Indians settled in East Africa, and many made Uganda their home.
- There are over 30,000 Indians/PIOs in the country.
- Uganda is currently chair of the East African Community.
- India - Africa - The visit of more than 40 leaders for the 3rd India-Africa Forum Summit in 2015 was a significant event in this regard.
- The present visit to African countries takes forward India's engagement with Africa.

What are the outcomes of the visit?

- India signed two loan agreements with Rwanda worth \$ 100 million each.
- It contributes for investments in agriculture and development of special economic zones.
- With both Rwanda and Uganda, India signed defence cooperation agreements.



What is China's role?

- Chinese President Xi Jinping is also making visits to some of the African States, including Rwanda.
- China gave a loan of \$126 million to build two roads.
- China began its outreach to Africa earlier than India.
- The first ministerial meeting of the Forum on China-Africa Cooperation (FOCAC) was held early in 2000.
- Africa, in many ways, has been a learning ground for China's international role.
- Some of it includes the following:
- China first took a proactive position on an internationally significant Sudan conflict
- It was in Mali that China sent its first combatant unit under the UN peacekeeping framework in 2013
- Djibouti will be the first location of the People's Liberation Army's overseas base
- China's role in the African continent is thus noteworthy as it showcases the future of Chinese power.

2.22 India and China in Africa

What is the issue?

- India and China are developing their engagements with Africa proactively.
- But they've adopted very different approaches to further their ties.

What are the recent trends in Africa's geo-political space?

- Africa's global outreach was once mainly towards the western world, but recently India, Japan and China have entered the picture.
- This is not only because African nations are reaching out to other partners, but also that the Asian countries are eagerly seeking opportunities in Africa.
- The Indian PM and the Chinese Premier are both currently on individual trips to some African countries currently, ahead of the upcoming BRICS Summit.
- Notably, the 10th BRICS Summit (Brazil, Russia, India, China, and South Africa) is slated to be held in South Africa.
- Indian Outreach - This is Mr. Modi's second trip to mainland Africa after his visit to Mozambique, South Africa, Tanzania and Kenya in 2016.
- In the last four years, there have been 23 outgoing visits to Africa by the President, the Vice President and the Prime Minister.
- Mr. Modi current tour saw him go to Uganda and Rwanda, and his visit to Rwanda (a rapidly growing economy) is the first ever by an Indian PM.
- Notably, during the visit of Rwandan president Paul Kagame to India last year, ties between the countries were elevated to the level of strategic partnership.
- Chinese Outreach - It Mr. Xi's currently visit is his first to Africa after being re-elected for a second term in March this year.
- Mr. Xi is scheduled to visit Senegal and Rwanda, and Mauritius.
- Significantly, this comes in the backdrop of the 1st "China-Africa Defence and Security Forum" which was held in Beijing recently.
- The forum was attended by many African defence ministers and army chiefs.

What is the present economic context?

- For India, bolstering economic ties with Africa is of paramount importance though trading patterns currently remains small overall.
- Africa exports raw materials and imports manufactured goods and India-Africa trade grew from \$11.9 billion (2006) to \$62.66 billion (2018).

- On the contrary, China is now Africa's largest trading partner with a \$166 billion in 2011, although there is immense potential for further expansion.
- Also, Indian private sector is yet to take full advantage of the investment climate in Africa, which could reap immense benefits.

How is India's approach to Africa different from China's?

- While trade and investments are only part of the story, Indian engagement lays emphasis on the long term ties.
- People Centric - Enhancing Africa's productive capacities, diversifying skills and knowledge, and investing in SMEs are on the cards.
- India's cross-border connectivity initiatives with Eastern African countries are a natural extension of its policy to enhance people-to-people ties.
- This, India feels, will increase investment-led trade and business opportunities, and strengthen bilateral partnerships.
- India is also seeking to reinvigorate its cultural links with East Africa under the rubric of Project 'Mausam', an initiative of the Ministry of Culture.
- The project seeks to revive lost linkages with the "Indian Ocean world" - East Africa, the Arabian Peninsula, the Indian subcontinent and Southeast Asia.
- Contrarily, China's approach is more traditional — resource-extraction, infrastructure development and elite-level wealth creation.
- **Connectivity** - India's African cross-border connectivity initiatives has three primary forms:
 - Maritime-port connectivity under the government's "Security and Growth for All in the Region" (SAGAR) and the SagarMala initiative
 - Digital connectivity under the Pan African e-Network project on tele-education and tele-medicine (launched in 2004)
 - Air connectivity through direct flights between Indian and African cities.
- In contrast, China's focus is solely on big ticket investments that will provide strategic control to it for enhancing its economic might.
- **Joint Initiatives** - India, Japan and many African nations have also launched a trilateral initiative, the Asia Africa Growth Corridor (AAGC).
 - This is to develop 'industrial corridors', 'institutional networks' for the growth of Asia and Africa, and to promote development cooperation.
 - The AAGC is a consultative initiative between three equal partners (India, Japan and Africa), which contrasts it to China's BRI.
 - Notably, BRI is structured more as a top-down, unilateral approach to secure and enhance China's economic and strategic interests.
 - In China's ambitious Belt and Road Initiative (BRI), East Africa and the Indian Ocean Region are key focus areas.

How are military ties in Africa shaping up?

- Africa features significantly in the security and geo-strategic considerations of both India and China.
- **India** - India's security and defence cooperation with Africa is mainly limited to anti-piracy operations off the coast of Somalia.
- Other aspects include - deployment of Indian forces to UN peacekeeping missions in Africa, and joint-naval patrolling of Western Indian Ocean.
- These engagements are mainly with Tanzania, Kenya, Mozambique, and the island nations of "Mauritius, Seychelles, Madagascar and Comoros".
- **China** - China supports Africa's military transformation by providing equipment, advanced technology, and independent capacity-building.



- The “China-Africa Defence and Security Forum” is an important development in this context as it promises to be a major ideation forum.

2.23 Significance of UNCITRAL Deliberation

Why in news?

- India is about to participate in the deliberations at the United Nations Commission on International Trade Law (UNCITRAL).

What is the UNCITRAL deliberations about?

- Commercial disputes are resolved not only through courts and arbitration but also through mediation.
- The deliberations will consider how these settlement agreements in disputes in international commercial transactions will be implemented by courts in different countries.
- UNCITRAL has formulated principles on which countries should recognise and enforce mediation agreements arising from cross-border disputes.
- Once formalised, countries will have a consistent framework for enforcing mediation agreements made in other countries.

How UNCITRAL draft convention works?

- The convention will link laws adopted by countries to recognise domestic mediation and extend them beyond their boundaries.
- It defines mediation as a “process whereby parties attempt to reach an amicable settlement of their dispute with the assistance of a third person (the mediator).
- Courts of a country before which a mediated settlement agreement is brought must ensure implementation of the terms of settlement.
- The courts will allow a party to a settlement agreement to rely on this agreement as a defence in cases filed on the basis of disputes already settled by the agreement.
- When the settlement agreement comes up before the court for implementation or enforcement, the court will review it on the basis of certain conditions.
- Once the agreement has been reviewed, the court must enforce the agreement on the terms agreed, Courts can decline enforcement only on these conditions.
- The importance of the draft convention is in the identification of these conditions after careful deliberation.
- Mediated settlement agreements typically don’t need court assistance for enforcement since the terms of settlement have been chosen and determined by the parties.

What are the existing concerns to India in dispute resolution?

- India has lost substantial earnings as a result of international disputes being taken for resolution outside the country.
- International transactions involve the application of different laws, by virtue of the persons from different countries being involved, or their undertaking a business in a third country.
- Due to this there are various policy gap on outcomes from the mediation process involving cross-border disputes.

How this draft convention will resolve India’s issues?

- Strengthening the dispute resolution policies will encourage dispute resolution in India.
- By this definitive legal framework businesses will be encouraged to consider mediation in managing and resolving disputes that arise in their commercial transactions.
- This convention comes the certainty that settlement agreements through mediation will be acknowledged as a resolution of the dispute, and will be respected and enforced.
- The convention is opportune to India and will facilitate legal reform to ease dispute resolution.



3. INTERNATIONAL ISSUES

3.1 Cambridge Analytica's Facebook Scandal

Why in news?

- A global data analytics company is in spotlight for involving in a data scandal during US election.

What was the scandal about?

- The UK based company has involved in a data breach of more than 55 million Facebook users during the US president's election.
- This had created a shock across the globe as the scandal revealed how democracy is struggling to come to terms with complex technological developments.
- As of now there are no clear details about the exact nature of this scandal, what laws were violated, who is responsible.
- It is also not entirely clear whether such similar violations have not happened in the past.

How such breaches are being a threat to the democracy?

- In recent times many tech companies uses their ability to attract clients depending on their ability to socially engineer electoral outcomes.
- In computer science parlance, it is a kind of confidence trick that gets you to divulge information.
- It is that the voters think they are getting what they want, but all the time it is the clients who are getting out of the voters what they want.
- The democracy increasingly becoming such a confidence trick, merely with an effect of social engineering that a good combination of surveillance and data extraction.
- This lead to the concern than Voters is manufactured instead of exercising their sovereignty.
- By which both state surveillance and private power are a challenge for democracy.

What is the implication for India?

- In India like other developing nations the technology players are given free pass and there is a debate about their credibility in recent times.
- India's information architecture has a handful of large private players who can exercise near monopoly power, with very little accountability.
- Indian citizens are much concerned about the government's data collection initiatives like Aadhaar but not cautious about the privacy of the data which are being compromised with the private players ranging from Selfies to CCTV footages.

What measures needs to be taken?

- Various safeguards against contracting of data needs to be brought in by tech companies.
- Both the public and private sector need to be transparent and accountable about their data collection protection, and its monetisation mechanism
- Regulatory architectures must ensure that the collection of data, the use and profiting from data, do not subvert the ideals of citizenship.

3.2 U.S Congressional Hearings

What is the issue?

In the wake of Cambridge Analytica issue, Facebook CEO Mark Zuckerberg's congressional testimony gains significance.

What is a US congressional hearing?

- A congressional hearing involves members of the two houses, the Senate and the House of Representatives.
- They collect and analyse information on various matters of interest to the polity and the country.
- The legislative hearings are to do with policy measures.

- The oversight hearings, on the other hand, monitor government programmes.
- Besides, Congress holds investigative hearings into suspected wrongdoings by public officials and by private citizens.
- More recently, the senate intelligence committee held hearings on alleged Russian meddling in the 2016 presidential elections.
- The congressional hearings are conducted by committees.

What are these Committees all about?

- **Committee** - A committee is usually a panel of chamber members.
- It is tasked with developing legislation, holding hearings and conducting oversight.
- Each committee has its own jurisdiction.
- Depending on the type of committee, they are either elected by the chamber, or appointed by the Speaker.
- The system is similar to the Indian parliamentary committees but far more powerful.
- **Structure** - There are 20 active Standing Committees in the House of Representatives and 16 in the Senate.
- There are also six joint committees.
- In addition, the House has a Permanent Select Committee on Intelligence.
- The Senate has four Special committees, including one on intelligence.
- Committees, on occasions, have joint hearings, like they did for Zuckerberg's testimony.
- **Composition** - A committee could typically have between a dozen and 40 members.
- Every committee has an all-powerful chair drawn from the majority party in the chamber.
- The chair decides which proposals the committee will consider first, and which can be pushed back. This is usually a political decision.
- The minority party appoints a shadow chair.

How is the Indian parliamentary committee system?

- **Nature** - The Indian system is modelled on the British parliamentary committee system.
- However, unlike the US and British systems, India does not have a system of public hearings.
- Also, in India, all proceedings are closed to the media.
- **Committees** - There are two kinds of committees in India.
- The Standing committees include financial committees, department committees, business advisory committees, etc.
- The ad hoc committees are appointed for a specific purpose when needed.
- One type of ad hoc committee is the joint parliamentary committee.
- The most high-profile of the JPCs have been investigative in nature.
- E.g. the JPC on Bofors, Harshad Mehta Stock Exchange scam, and the 2G spectrum case.
- The JPCs have summoned and questioned experts, government officials and others.
- Refusing summon from a JPC constitutes contempt.

3.3 U.S Ruling on Digital Privacy

What is the issue?

- A recent U.S. Supreme Court ruling has imposed limits on the ability of police to obtain cellphone data.

What is the ruling?

- It is related to law enforcers collecting location data of a tracked suspect, from cellphone companies.

- The 5-4 ruling sets a higher legal hurdle than previously existed under federal law.
- The court said police need a court-approved warrant to get the data.
- Police now obtain such data without a warrant, from wireless carriers.
- The court said this would amount to an unreasonable search and seizure under the U.S. Constitution's Fourth Amendment.
- The ruling made exceptions for emergencies like bomb threats and child abductions.

What is the significance?

- Digital data can provide a detailed and intrusive overview of private affairs.
- US court ruling throws light on the way this aspect of modern technology is being used all over the world.
- It comes as a major victory for digital privacy advocates.
- The new decision has implications for all kinds of personal information held by third parties.
- This includes email and text messages, Internet searches, and bank and credit card records.

How does this work in India?

- Central and state law enforcement agencies gain access to cellphone location data.
- Service providers, once asked, provide them with call data records.
- Apart from helping in investigation of cell phone thefts, this also helps police crack criminal cases.
- However, accessing such information is subject to certain permissions.
- The nodal officer of a service provider should be asked in written for call data records.
- Notably, only an officer of SP rank - DCP rank in a commissionerate - can write.
- There are instances where policemen illegally obtaining records have been sent to jail.

3.4 Oxfam Scandal

What is the issue?

- Oxfam International is following an opaque mechanism in regulating its employers involved in Haiti scandal.
- Due to this agency faces an uncertain future for its International support and funding.

What is Oxfam International?

- Oxfam is a confederation of 20 independent charitable organizations around the world.
- It is based in UK but it has its operation across 90 countries.
- Oxfam international releases **global inequality report** annually.
- Around the globe, Oxfam works to find practical, innovative ways for people to lift themselves out of poverty and thrive.
- Oxfam works with partner organizations and alongside vulnerable women and men to end the injustices that cause poverty.



What was the role of Oxfam in Haiti?

- In 2010, A 7.1 magnitude earthquake devastated the island of Haiti, killing over 220,000 and injuring over 30,000.
- During this disaster billions of dollars of aid poured in, with international aid organisations playing a pivotal role in the recovery and relief effort.

- Among those to take a lead role was Oxfam, the Oxford-based charity, which had a ₹629 crore fund for its relief efforts in the country.

What are the scandals of Oxfam?

- During the relief operations in Haiti many employees of Oxfam has indulged in sexual abuse on women and children as young as 14.
- It also emerged that one of the alleged perpetrators had faced allegations while working in Chad for Oxfam, but had still been assigned to Haiti following the earthquake
- Moreover, some of the men were able to get jobs at other organisations in contact with vulnerable people.
- UK's Charity Commission had failed to report incidents of sexual exploitation and abuse and that the scale of abuse was likely to be far wider than was being reported to Oxfam.

What are the challenges in taking actions on Oxfam?

- Recently Britain's charity regulator the Charity Commission opened a statutory inquiry into Oxfam.
- This includes concerns that the charity had not "fully and frankly" disclosed materials about the allegations at the time.
- Oxfam has a "strong policy framework" for protecting staff and beneficiaries from sexual exploitation and abuse.
- The Oxfam aid is being used by the beneficial nations to expand their trade and national interests, so they are hesitant to take any action against the charity.
- The Charity Commission and government departments of UK are not even ready to any disciplinary action against the organisation even within their territory.
- The charity is strongly backed by UK's political forces and no international proceedings has been initiated against the organisation.
- Thus it is hard to confront the issue of sexual abuse and exploitation across the aid sector in Britain and beyond.

3.5 The Brexit Challenge

What is the issue?

- While the Brexit Referendum (2016) narrowly went in favour of pro-leave camp, calls for a re-poll on the issue have only grown stronger with time.
- Nonetheless, the Conservative government under PM Teresa May has categorically stated that it would fulfil the mandate in favour of leave.

How does the current internal churn in the British society look?

- Despite 2 years since the Brexit vote, Britain remains as divided as ever, over the issue of leaving the EU.
- Demonstrations demanding a reconsideration of the issue and a new referendum have been aplenty on the streets of U.K.
- Contrarily, there have also been mobilisations by pro-leave lobby albeit in smaller numbers as things are already moving in their favour.
- Those asking for re-poll state that many issues were not properly understood and recognized by the electorate during the 2016 referendum.
- Additionally, the "leave campaigners of 2016" have also not been successful in pushing significant aspects of their promised agenda as part of the deal.
- Significantly, promises on bettering National Health Service (NHS) and peacefully resolving the "Northern Ireland" question haven't been addressed.



- Also, Indian Brits are said to have majorly voted pro-leave in the belief that UK outside EU would be more conducive for migrants from India.
- But as immigration laws are only tightening and show no signs of easing in the near future, they are most likely to reconsider their choice in case of a re-poll.

How is the political situation evolving?

- Initially, those concerned about the direction of Brexit policy were pushing for greater parliamentary accountability on the issue.
- Currently, both main UK parties have committed to exiting EU, albeit under very different post-Brexit agendas.
- Labour Party seeks to remain within EU Customs Union (like Turkey – a non EU member), while the Conservative Party is envisioning a cleaner break.
- Notably, despite the civil chaos and the multiple court battles, the Conservative government has asserted grit in setting Brexit in motion.
- Recently, legislation in this regard has also been passed in the British parliament by a slim majority.

How the Irish question playing out?

- What - Ireland is an island to the west of Britain and has two major regions (north and south) with distinct demographic features.
- “Protestant majority Northern Ireland” (a U.K. territory) and “Catholic majority Irish Republic” (an independent country in the south), have had serious ethnic tensions within and between them.
- Numerous agreements and EU’s integrated markets system has thus far been a significant influence in resolving these tense and violent trends.
- As U.K. plans to exit EU, the Irish question has come to haunt all concerned governments as there is palpable fear that a new era of violence might start.
- Challenges - Hard borders would detach the minorities on both parts of Ireland and add to their insecurity, and hence is not desired.
- But as Irish Republic is an EU member, a porous border with it would mean a porous border with EU, which is not wanted by the pro-leave group in U.K.
- Some have suggested a porous border between the Ireland and another semi-border between Northern Ireland and UK to ensure a compromise.
- But DUP (the major party in Northern Ireland and a Conservative ally), has strongly opposed any borders between UK and Northern Ireland.

What are the other significant aspects of Brexit?

- Economic - Many business groups have expressed concerns due to the prevalent uncertainty, and new investments have almost reached nil presently.
- Even some are speculating exiting UK if no economic deal is reached with the EU in the post-Brexit scenario.
- Political - Serious allegations of campaign violations by pro-leave groups (in the run-up to 2016 referendum) have also cropped up lately.
- All these have strengthened calls for a re-poll, but there have also been voices that have vouched that another polarising campaign would bring little good.
- Accountability - The British government has been doing reasonably well for accommodating diverse voices within its fold to push Brexit forward.
- There are but considerable dissent, and criticism on austerity cuts and on the compromises being made with the EU.

What is the U.K. government’s proposal in the post-Brexit scenario?

- “Free Trade Area” is one where there are no tariffs (or quotas) on specified goods and services from one country entering another.
- For now, all EU members are part of an integrated market (two levels above ‘free trade zones’), and EU has “Free Trade Agreements” with some blocks.

- Challenge - Leaving the EU without a proper deal will cut off U.K. from the single market and Customs Union and impose barriers to trade with Europe.
- To offset this loss in market access, U.K. has to move swiftly to establish “Free Trade Arrangements” with other countries.
- But negotiations to establish such arrangements can take years, thereby proving a nightmare for U.K. officials.
- Alternative - To minimise the impact of losing markets, the May government is considering a toned down “customs partnership arrangement”.
- This hybrid model, unlike a full “customs union membership”, envisions dual tariffs depending on the destination of the good under consideration.
- Under this, U.K. proposes to collect E.U. mandated tariff (on EU’s behalf) for goods destined to EU via U.K.
- This model moots a separate set of tariffs for goods destined for U.K.’s local markets, which is likely to be lower than those for EU markets.

How are the proposals being perceived?

- The hybrid customs model has been criticised by hard line members who prefer a clean break with the EU with minimal market relations.
- Also, the various envisioned models are currently very complex and lack clarity.
- More importantly, the EU might not agree to the complex U.K. proposals, which in any case would not be ready by the 2020 Brexit deadline.
- While the EU will be looking to seal a deal as early as October 2019, U.K. is hinging its hopes for extending the deadline due to possible mutual losses.
- Nonetheless, the prevalent political uncertainty regarding Brexit and the stability of the “May government” will affect U.K. more than the EU.

3.6 Windrush Saga – Britain’s Crackdown on Immigrants

What is the issue?

- The UK government has now started a crackdown on Windrush Britons (Caribbean Natives), in their campaign for tightening immigration.
- This episode has again highlighted the fallout of xenophobic attitudes that is catching up across the 1st world.

What are the Windrush Generation being subjected to?

- About half a million people (Windrush Generation) were shipped from the Caribbean islands to the U.K. since late 1940s, to meet the labour shortfall.
- The name “Windrush” has been coined after one of the many vessels that ferried them to UK in the 1960s and 70s, to offset the shortage of labour in UK.
- Under pressure from Brexit hardliners, the UK is now hard pressed to meet stringent annual net immigration curbs and deportation of illegal migrants.
- The Windrush Caribbean Brits (and their children) have now fallen victims to this immigration curbs, and risk deportation despite having lived in UK for long.
- Notably, the Windrush Caribbeans aren’t illegal migrants but are now in the line of fire for lack of sufficient documentation indicating their legality.
- They are asked to provide proof of residence in UK that predates 1971 (which is the cut-off), which isn’t available with most of them.
- Inability to furnish such evidence is leading to job losses, threat of deportation, withdrawal of welfare benefits and even denial of critical medical care.
- All these are proving to be enormously traumatic for the concerned families who are now being alienated in the country where they’ve lived for long.

What are the implications for UK?



- As the UK is exiting the EU, it currently is hoping to negotiate trade deals with the countries in the British Commonwealth to offset the loss of markets.
- But the “Windrush Saga” has created discomfort within the commonwealth, as the Caribbean Countries are a part of it (as they were British Colonies).
- While the current crackdown has targeted the Caribbeans, there is palpable fear that others across the commonwealth will follow suit.
- Notably, there are considerable populations of Indians, Pakistanis, Bangladeshis and West Africans in UK.
- The anxiety is high as the UK government’s approach doesn’t seem to differentiate between systemic shortcoming and real frivolous immigrations.
- British PM May’s cautious apology for the same (claiming that Windrush Saga was a mere aberration) amounted to too little too late.

What is the larger learning?

- Windrush controversy has typified the inability of governments to manage the political fallout from the current phase of globalisation and liberalisation.
- This is especially true of the EU, which has enshrined the free movement of people as a fundamental principle.
- Notably, EU’s 2004 expansion into the countries of the erstwhile Soviet Union afforded nations in Western Europe cheap immigrant labour.
- But the process gave a fillip to xenophobic parties of the extreme right across the region, threatening to halt immigration.
- It is this factor that precipitated Brexit in 2016, which narrowly won the vote despite the mainstream parties largely opposing a breakaway from EU.

3.7 Managing the Migrants - EU

What is the issue?

- Italy recently refused docking permission for a ship that rescued around 600 migrants.
- This is only yet another instance in EU countries' continuing problem of migrants' entry.

What is Italy's stance?

- Italy’s Interior Minister refused to grant docking permission for MV Aquarius, a ship that had rescued migrants.
- The ship was finally allowed to dock at Valencia, Spain.
- This was only after food had run out and the UN refugee body had made appeals.
- More than 600,000 migrants have arrived in Italy from Africa in recent years.
- Italy wants to deport 500,000 of them, and fix the migrant resettlement system.
- It also wants to build migrant reception centres in Africa.
- Italy is particular about doing away with the Dublin Regulation.
- Under this, refugees must apply for asylum in the EU country where they first landed.

What is the concern in EU?

- More than 1.8 million migrants have come to Europe since 2014.
- These have been mostly from West Asia and Africa.
- The temporary migrant resettlement system was brought in 2015.
- It was formulated to distribute migrants across the European Union.
- However, it failed when many countries refused to meet their quotas.
- Migrant inflows have fallen since their peak in 2015-16.
- However, some countries have each accepted 12,000-15,500 migrants in the recent year alone.

- Treatment of migrants and related policies are major challenges before EU countries.
- This has now become a contentious electoral issue across Europe.
- The right-wing populists are capitalising on an anti-migrant sentiment.
- Migration is top of the agenda in the present European Council meeting in Brussels.

How does it impact the German government?

- More than 1.6 million migrants have made their way to Germany since 2015.
- Most of them arrived when Chancellor Angela Merkel suspended EU migration rules in 2015.
- This was to accept migrants stranded in other countries.
- It was politically criticised, and had an impact on the elections last year.
- It now threatens the existence of the coalition government headed by Ms. Merkel's party.
- There are differences among the members in allowing migrants registered in other countries to enter Germany.

3.8 Ireland's Referendum against Ban on Abortion

Why in news?

Ireland recently passed a referendum to remove the constitutional ban on abortion.

What is the significance of this referendum?

- The people of Ireland voted for this referendum even when a new law was proposed to be passed by the year end, when a woman died after abortion was denied on grounds of constitutional ban.
- This referendum is seen as a continuation of the quiet revolution taking place for past 2 decades against the invincible Church.
- Ireland had a long stronghold of Catholic conservatism, and due to various issues, it is moving leftward.

What is the brief history of Ireland?

- After Ireland threw off Britain's yoke in 1922 and became a republic, Church became most influential and established its own quasi colonial hold over the state and the people.
- The President of Ireland in those early decades aligned closely with Archbishop of Dublin, who intervened aggressively in matters of law and policymaking.
- On issues of specific concern to women, the Irish constitution took a deeply conservative tone due to interferences from the Church.
- It recognised family as "a moral institution" and "fundamental unit of society", and said that without the woman's "life within the home... common good cannot be achieved".
- The contradictions between worldview of the Church and the ideals of a modern society appeared with the economic liberalisation of the 1960s, when women in large numbers joined the workforce.
- Over the next couple of decades, equal pay was introduced, and Ireland's traditional large families started to get smaller.
- An economic downturn in the 1980s triggered a wave of emigration, exposing communities to a range of social and sexual freedoms.
- Henceforth, quite a few resolutions, amendments have been made to instil more freedom to the people, which were initially against the rules made by the Church.

3.9 Concerns in the Bonn Meet

Why in news?

A meeting was held in Bonn, Germany to finalise the operational guidelines for implementation of Paris Agreement.

What was the highlights of Bonn Meeting?

- The Bonn meeting was mainly held to decide on a consistent framework for countries to define and measure their own commitments.

- Proposals for monitoring actions, accountability and transparency of the framework were discussed.
- Another interim meeting has been proposed ahead of Conference of Parties (COP)-24 due to insufficient progress towards goals in the Bonn meet.

What were the concerns in the Bonn meeting?

- The main roadblock in the Bonn meeting was on the issue of Nationally Determined Contributions (NDCs) in the rulebook.
- While the developing countries wanted the rulebook to include mitigation targets, adaptation and means of implementing NDCs, The developed nations preferred it to be limited to mitigation and reduction of greenhouse gases.
- The means of implementation of NDCs for poor countries were about financial support and technology transfer.
- It became contentious as the funds has to be provided by developed nations.
- Previous agreements on funding were not taken up instead discussion on finance veered towards increasing number of donors, reducing number of beneficiaries, etc.
- Another concern was the issue related to loss and damage (L&D) for providing assistance to poor countries that experience severe impacts from climate change.
- There was no progress on the funds for supporting L&D, even though the suffering countries contributed very little to the greenhouse gases responsible for the warming and its effects.
- Disagreement between the participants on all significant issues led to the roadblock at Bonn meet and thus guidelines for implementation of PA were not concluded.

3.10 The Contested Case of Jerusalem

What is the issue?

- Recently, the US recognized Jerusalem as the capital of Israel despite its keenly contested status in the Israeli-Palestine dispute.
- This resulted in intense protests by Palestinians at the Israel-Palestine border along Gaza Strip, which was crushed brutally by Israeli forces.

Why did the current situation arise?

- **Ground Situation** - Jerusalem has been completely under Israeli control since 1967, and Israelis consider that the city as their eternal capital.
- Notably, Israeli PM Benjamin Netanyahu has his office in the city, and it is the seat of Israel's Parliament and Supreme Court.
- But almost all other countries see Jerusalem as a disputed city, and its final status is to be decided based on the outcomes of Israel-palestine peace.
- **Change** - In December 2017, US President Trump broke away from the long standing US policy to recognise Jerusalem as the capital of Israel.
- Subsequently, the US embassy was shifted to Jerusalem on the 70th anniversary of Israel's founding in 1948.
- This change in status quo has angered Palastinians, which is what led to the current wave of protests and counter responses.
- **Crack Down** - Palestinian Protesters rushed en-masses towards the Gaza border and seemingly intended to cross over into Israel.
- They were advancing based on call by Islamic clearics to charge on Jerusalem or martyr in that endeavour.
- Sadly, the crack down on protests by Israeli border forces was particularly harsh and resulted in the death of over 60 people.



- In this backdrop, the Hamas Militia that currently wields power in Gaza has given a war cry against Israel and vouched aggression.
- **Map:** Palestine is presently confined to two disjoint landmasses namely “Gaza Strip and West Bank”. They are separated by Israeli Territory.

How did Jerusalem become a hotly contested territory?

- The city of Jerusalem is holy to Christians, Muslims and Jews.
- “The Temple Mount” in the city is the holiest site in Jewish religion and Jews from across the world come to pray Western Wall of the Biblical temple.
- “Al-Aqsa mosque”, which is Islam’s 3rd holiest site after Mecca and Medina is also located within the city.
- “Church of the Holy Sepulchre” in Jerusalem is thought to be the site of Jesus Christ’s Resurrection, thereby making it holy for Christians too.
- **Partition War** - In 1947, United Nations approved the division of British-ruled Palestine into separate Jewish and Arab states.
- Given the unique religious holiness of the city, Jerusalem was proposed as a territory that was to be governed by a ‘Special International Regime’.
- But the Arabs rejected the UN plan in its entirety and attacked Israel the day after it was created in 1948, but were defeated in the endeavour.
- Consequently, Israel took control of West Jerusalem, and Israelis declared Jerusalem as an inseparable part of the state of Israel.
- But in the conflict, East Jerusalem, which has the Old City and all the holy sites came under Jordanian occupation (Pro-Arab forces).

How did Israel take over the entire Jerusalem?

- Gamal Abdel Nasser of Egypt announced in 1967 that he would close the Strait of Tiran, which was critical for Israel’s access to Red Sea.
- Consequently, Israel attacked Egypt, which began the fiercely fought 1967 Arab-Israeli war, with entire Arab world on Egypt’s side.
- Despite Israel coming under attack on all sides from Syria, Jordan and Egypt, it took only 6 days for Israel to decimate its enemies comprehensively.
- At the end, Israel snatched the Gaza Strip and Sinai from Egypt, West Bank and East Jerusalem from Jordan, and Golan Heights from Syria.
- The victory fired the Israeli morale immensely and the takeover of east-Jerusalem facilitated Jews from praying at the Western Wall (Temple Mount).



What has been the situation since?

- Subsequent Jewish polity reinforced that the idea of Jerusalem is at the heart of the Israeli identity, through outreach programs to its citizenry.
- An Israeli law in 1980 declared the entire city of Jerusalem as the capital of Israel, thereby virtually annexing an occupied territory.
- Peace between Israel and Palestine were negotiated with Norwegian mediation and the Oslo Accords were signed in 1993.
- While these accords created a Palestinian Authority for the West Bank and Gaza Strip, it did not address the status of Jerusalem.
- **International status** - Palestinians see Jerusalem as their capital city, but the UN recognizes only East Jerusalem as Palestinian territory.



- Notably, this is according to the 1947 border that was proposed by the UN in the partition deed for British ruled Palestine.
- Contrarily, hardliner Jewish nationalists have vowed to retain their current occupation of the entire Jerusalem as Israel's capital forever.
- US president Trump's recognition of Israeli claim over Jerusalem will weaken the Palestinian perspective.
- But given the intense sentimental value associated with the city, it will nevertheless remain contested for the foreseeable future.

3.11 Israel's "Nation State Law"

What is the issue?

- Israel's right-wing government has piloted a "Nation State" law.
- The law is perceived as a clear attempt to legitimise the prevalent apartheid against Arabs and also undermine any peace process with Palestine.

What is the law about?

- The law lays down that "Israel is the historic homeland of the Jewish people and they have an exclusive right to national self-determination in it".
- While there are 1.8 million Arabs within Israel (20% of the population), the law seeks to strip Arabic off the national language status it currently enjoys.
- It has declared Jerusalem, "whole and united" as its capital, which is implicitly antithetic to any rational solution to the Israel-Palestine conflict.
- It also vows to "promote and encourage" the establishment and consolidation of Jewish settlements on occupied Palestine land (in the West Bank).
- Further, in what is rather symbolic, this law is set to become one of Israel's powerful "Basic Laws" that will have constitutional status.
- Hence, it can be said that, the law is the realisation of the dream of Israeli far-right groups that strongly vouched for the ethno-religious character of Israel.

What is the political situation within Israel?

- The supporters of the Bill say it is aimed to boost Israel's Jewish identity and will not discriminate against minorities.
- But strong protests by Opposition lawmakers and the Arab masses had erupted, while the bill was passed in the parliament.
- Arab MPs have called the legislation racist and a form of apartheid aimed at creating two systems within one country.
- In reality, within Israel and on the occupied 'West bank', the Arab community is already facing severe discrimination in opportunities are rights.
- While the current Israeli government's anti-minority politics is no secret, the law is seen as one that legitimises and institutionalises discrimination.
- By providing exclusive right to national self-determination only to the Jewish people and by downgrading Arabic's status, the law sends a clear message.
- Importantly, it seems to want to undo the concept of equality that the independence declaration of Israel promised to all its inhabitants.

What are the implications?

- Palestinians sees eastern Jerusalem as the future capital of their nation, but the current law asserts Israeli authority over the whole of Jerusalem.
- This assertion and the expansion of Jewish settlements within Palestine's West Bank are likely to dissuade any form of genuine peace initiative.
- Hence, the law further erodes the credibility of Israel's professed support of an independent Palestinian state and its commitment to the two-nation theory.



- Israel has recently passed another law that sought to place limits on Arabs living under its authority to access Israel's High Court.
- Another law bans individual who are seeking "political action against Israeli state or prosecution of Israeli soldiers" abroad from entering school premises.
- All these laws together allow the Israeli state to institutionalise discrimination, deepen illegal settlements in Palestinian land and stifle free speech against it.

3.12 Ending Separation of Immigrant Families - US

Why in news?

- Trump has signed an executive order to end separation of immigrant families on the US-Mexico border.

What was the separation policy?

- This was part of Trump administration's "zero-tolerance" approach to dealing with undocumented migrants.
- This has led to heartening scenes of young children being torn from their parents and being held in cage like detention centres.
- Video and audio footages of these actions have already generated a storm and even unnerved even Trump's ardent supporters.
- Almost all senators (including from Trump's party), some major religious leaders have opposed the forced separation of kids from parents.
- The United Nations went one step further to state that these actions might amount to "psychological torture".

What is the legal backing for this?

- There is no single U.S. law requiring families to be separated.
- But there are loopholes in legislations leaving way for two legal provisions:
 - a law against "improper entry by aliens" at the border
 - a decree known as the Flores settlement
- The first law makes it impossible to suddenly deport certain vulnerable categories of migrants.
- These include families, asylum-seekers and unaccompanied minors.
- To overcome this, Bush and Obama administrations adopted the policy of "catch and release".
- Under this, migrants would be released from custody pending their deportation case adjudication.
- Family separation was unnecessary at that time.
- But under the zero-tolerance approach, all undocumented migrants are charged in criminal courts.
- Here, the Flores settlement applies.
- This is because it limits to 20 days the length of time migrant children may be held in immigration detention.

Why is the policy reversed now?

- While their parents face charges, the children are transferred to a different location.
- Separation leads to devastating consequences for the families.
- They remain in the custody of Customs and Border Protection personnel.
- Recently, disturbing images and videos of struggling children have emerged.
- In particular, there was a disturbing audio allegedly of crying children at one such unit.
- There was widespread protest about the ethics of using children to discourage further undocumented border crossings.

What is the present order?

- The order does not end the "zero tolerance" policy.
- It still calls for criminal prosecution of immigrants crossing the border illegally.

- However, now the illegal immigrant families would be detained together.
- It also moves parents with children to the front of the line for immigration proceedings.

What are the concerns?

- There are mixed reactions to the executive order, with significant concerns being highlighted.
- The President's Executive Order seeks to replace one form of child abuse with another.
- It may pave the way for the long-term incarceration of families in prison-like conditions.
- Instead of protecting traumatised children, it may place them in more disturbing conditions.
- It may indeed be a continuation of violation of children's human rights.

3.13 US Withdrawal from UNHRC

Why in news?

The United States has recently withdrawn from the United Nations Human Rights Council.

How has US's HRC membership been?

- Under President Obama, the US was elected for a maximum of 2 consecutive terms by the UNGA.
- After a year off, it was re-elected in 2016 for the third term.
- The US is half-way through a three-year term.
- It would now be the first member to withdraw from the council.

What is the rationale?

- Israel - The council recently voted to probe killings in Gaza and accused Israel of using excessive force.
- The US and Australia cast the only "no" votes.
- US's current move comes as a response to the alleged bias of UNHRC against Israel.
- The disproportionate focus and unending hostility are cited as proof for the Council's political bias.
- Immigrants - It is also a response to the intense criticism against US for detaining children at the US-Mexico border.
- UN human rights chief called on Washington to halt its "unconscionable" separation policy.
- Council - Trump administration had long threatened to quit if council reforms were not undertaken.
- The US perceives the council's membership as disrespect for the most basic rights.
- The US wants to make it easier to expel member states with poor rights records.
- Currently, two-thirds majority of UN General Assembly is needed to suspend a member state.
- US expressed dissatisfaction at Russia, China, Cuba and Egypt for thwarting US efforts to reform the council.
- The US has maintained that the withdrawal was not any retreat from its human rights commitments.

What are the implications?

- Agreements - Washington's withdrawal is the latest US rejection of multilateral engagement.
- The earlier ones are withdrawal from the Paris climate agreement and Iran nuclear deal.
- Reforms - HRC reform discussions are going on, with engagement by states and human rights organisations.
- It thus shows US's impatience to stay on course a multilateral process.
- Rights - It signals that US is not making human rights a priority in its foreign policy.
- By giving up its role at the HRC, it reduces its ability to influence the human rights agenda.
- Global - Withdrawal would make it more difficult to advance human rights priorities around the world.
- It could bolster countries such as Cuba, Russia, Egypt and Pakistan.

- These countries resist UN's authority citing it as interference in their sovereign issues.
- Many countries are now advocating withdrawal.

3.14 US's Tariff Increase on Imports

Why in news?

- The US President Trump has imposed heavy tariffs on steel and aluminium imported from all countries except Canada and Mexico.

What is the new tariff plan?

- Trump has recently signed two proclamations on levying increased import duties.
- They impose a 25% tariff on steel and a 10% tariff on aluminium imported from all countries except Canada and Mexico.
- The tariffs will take effect in 15 days.

Why is US tariff decision questionable?

- The US has used the national security clause of the Trade Expansion Act to increase duty.
- The US is both an exporter and importer of these items.
- Notably, it meets 70% of its requirements from the domestic sources.
- So there is no obvious threat to national security from imports as claimed by the US.

How is tariff decision and US's WTO commitments related?

- **Bound Duty** - The WTO makes member countries notify the bound duty (the ceiling duty) for each product.
- A country cannot increase its import duty for a product above this level.
- In fact, the actual import for a product takes place at the applied duty, which is generally lower than the bound duty.
- The difference between the bound and applied duty is called 'water' in trade language.
- US's commitments - For the US, the 'water' is less than 1% on most items.
- So, if the applied duty on a product in the US is 3%, the country can increase it up to 4% and not higher than that.
- This low 'water' is the suo moto commitment taken by the US at the WTO.
- This was taken with the conviction that low import duties are a must for national development.
- Since the US cannot increase duties under this, it has used the WTO security exception for the present duty increase.
- Clearly, the decision of choosing a low water policy by the earlier US governments has restricted Trump's policy options.
- He had earlier expressed his dissatisfaction with the trade deals and reasoned it for US's trade deficit.
- Other Countries - The EU, Japan, and most other developed countries have also chosen for less than 2% water.
- However, most of the developing countries did not agree with the US on this then.
- They chose to retain high water for most products, so as to raise the applied duty up to the level of bound duty when needed.
- As a result, if India raises duty on steel from 10% to, say, 20%, it does not violate the WTO law, as the bound duty on steel is 40% for India.

What are the implications?

- Cost - Trump's decision has domestic and trade costs. A 25% duty on steel will increase the domestic steel price by 5%.
- This could lead to an increase in the input cost for some industries, further leading to high cost of their products for consumers.

- This may create inflationary pressure, leading to high-interest rates and dollar appreciation.
- This may have negative impact on both the economy and exports.
- Industries - Many steel and aluminium user industries may not compete at higher costs.
- They may have to shut down, leading to job losses.
- China - The largest supplier of steel and steel products to the US is China and not Canada or Mexico as widely reported.
- China could retaliate by making import restrictions from the US, which may become disadvantageous for the US firms.
- It has already started investigations into the billion dollar imports of the grain sorghum from the US.
- China could also dump some of the \$4 trillion US Treasury bonds it holds, creating disruption in the US market.
- Other Countries - The affected countries are already talking about taking retaliatory measures.
- Countries may also take the US to dispute settlement at the WTO.
- The duty decision is potential of further weakening the multilateral trade architecture.
- Steel Sector - The US duty on steel and aluminium also mean that the global surplus would have to be dumped in some other countries at a lower price.
- The steel sector already plagued with excess capacity would face more turmoil.

What are the implications for India?

- The protectionist measure by the US and potential counter-measures by other countries might hurt the steel industry globally.
- This might put downward pressure on steel and aluminium prices.
- This is a cause of worry for Indian metal companies as manufacturers have to look for newer markets.
- Indian metal producers with exposure to Europe and the United States already warned of increased costs and lower sales.
- This might affect the recent recovery in the volume growth and profitability of metal producers.
- A downward pressure on the stock price of metal companies would also make it tough to raise fresh equity capital for debt-repayment or capacity expansion.

3.15 USA and the Global Trade War

What is the issue?

- US administration is taking various protectionist moves which has serious implications on global trade.

What are the recent protectionist moves of USA?

- USA is emphasising on domestic manufacturing and trade deficit by overlooking the transformation of the U.S. economy in recent decades.
- US administration is taking various protectionist moves under 'America First' policy.
- Recently US announced a 25% duty on steel and 10% on aluminium, and the tariffs will be effective soon.
- US invoked a rarely used national security clause in a law in support of the tariffs that fall foul of international trade treaties.
- U.S. had also initiated a special inquiry into Chinese trade and investment practices for potential intellectual property rights violations.

What is the stand of USA in this regard?

- The annual global trade of the U.S. is worth around \$5 trillion and the country ends with an annual deficit upwards of \$500 billion.
- US administration believes that this deficit is proof that all its trading partners are unfair to America.



- It also believes that manufacturing decline in the U.S. has weakened the country and pauperised its working class.
- Present US administration is implement policies to reduce the deficit and revive manufacturing.
- With other countries planning retaliatory measures, the prospect of a global trade war looms large, but US administration believes it may be good for America.
- It justifies its stand by stating when US is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win.

What will be the consequences of USA's moves?

- The U.S. exported more and more of services and imported more and more of goods, due to recent moves that equilibrium is under threat.
- The European Commission may increase tariffs on American goods such as Bourbon whiskey, Levi's jeans, Florida orange juice and peanut butter.
- American agriculture produce, aircraft and medical equipment could face pressure in the global market.
- America's own industries that use steel and aluminium as raw materials could take a hit.
- There are also concerns that USA's measure may trigger a global slowdown.
- A more intense trade war is going to be in intellectual property, and US has threatened to open that front soon, such that the U.S. is acting swiftly on Intellectual Property theft.

What are the implications for India?

- India found a mention in several remarks made by US administration on trade in recent weeks.
- It believes that Indian tariffs are high and has threatened to impose reciprocal tariffs on Indian goods.
- The U.S. has been critical of India's intellectual property rights standards and this year's report may take a harsher position.
- Thus Stakes might be high for India in USA's trade war.

3.16 Outrage against Russian Electoral Meddling

What is the issue?

- There is a palpable moral outrage in U.S. against the alleged Russian meddling in the 2016 Presidential elections.
- Significantly, the outraged seem oblivious of the multiple U.S. sponsored electoral sabotages worldwide.

Does the current moral outrage stand rational scrutiny?

- U.S. President Trump and the Russian President Vladimir Putin recently met for a bilateral at Helsinki (Finland), which went well.
- Intelligence - During the summit, Mr. Trump voiced that he didn't believe that Russia had any role in the 2016 electoral meddling.
- As this was despite U.S. intelligence reports, there was widespread discontent within the U.S., and Mr. Trump had to retract his statement.
- In this context, the false intelligence reports that caused the 2003 Iraqi war against Saddam Hussain seem conveniently forgotten.
- Diplomacy - Usual joint press conference between big powers see global issues, like disarmament, conflicts in Syria and Ukraine being discussed.
- But reporters at Helsinki had posed questions on the election meddling, which was clearly out of context and politically polarising.
- In this context, it was prudent of Mr. Trump to have sounded positive of his Russian counterpart, as accusations would've doomed the summit.
- Although, Mr. Trump could've sidestepped those questions (or rather just not had a summit currently), his responses were nonetheless decent enough.



Why is the moral outrage against “Russia Gate” hypocritical?

- Those outraged at the Russian role in sabotaging a democratic mandate within the U.S., claim ignorance to the various U.S. meddling activities elsewhere.
- Notably, on various occasions, U.S. has influenced electoral outcomes and has even toppled democratically elected popular governments through its agents.
- Significantly, during the 1996 Russian presidential elections, Clinton administration worked for the victory of incumbent “Boris Yeltsin”.
- Hefty IMF loans and a delegation of political consultants were dispatched to Russia just months before the election to defeat the resurgent Communists.
- Notably, U.S. officials seemingly didn’t even deny this meddling, as they were invested in the belief that they were spreading democracy through their acts.
- Starting from the 1948 Italian elections, documented evidence of significant U.S. meddling has been found in about 81 elections worldwide till 2000.
- In Italy, U.S. support had managed to sustain “Christian Democrats” in power from 1948-1994 and effectively stopped the advance of Communists.
- Significantly, organisations like the CIA are alleged to have had dedicated branches within it to influence electoral outcomes elsewhere by all means.
- Also, democratically elected leaders like Mosaddegh in Iran, Jacobo Árbenz in Guatemala or Allende in Chile have been overthrown by U.S. propped agents.

How should the Russian meddling be viewed?

- Election meddling is nothing new to USSR/Russia, which is said to have intervened at least 36 times in overseas elections between 1946 and 2000.
- Even now, U.S. government sponsors several agencies such as the “National Endowment for Democracy” (NED) to influence foreign elections.
- Notably, NED granted \$23,000 in 2006 to a political adversary of Mr. Putin and two years ago \$6.8 million to anti-Putin organisations in Russia.
- Significantly, rather than allowing foreign populations to freely exercise their will, these interventions were designed to advance U.S. policy objectives.
- Considering these historic precedence, it is important for all to view the current events in the broader context of real politicking.
- Nonetheless, recognising the long history of states meddling in elections does not mean that it should be accepted much less condoned.

Is the outrage against Trump’s Russian outreach political?

- Trump has initiated a trade war with China, European Union, Canada, Mexico, and India – a policy that appeals to his supporters.
- Although his logic that such an approach will generate more local jobs in the U.S. is spurious, he seems invested in his agenda.
- Trump views that a Russian detente as a significant aspect of his trade policy, although it is likely to undermining the long held U.S. policy on Russia.
- He also decries the need to muscle U.S. into central Asian politics (contrary to the bipartisan view), which is causing the political churn against Trump.

3.17 US and Iran nuclear deal - Implications

What is the issue?

- The United States has pulled out of the Iran nuclear deal.

- It is imperative at this juncture to look at the possible global implications and for India in particular.

What is the deal about?

- It is officially called the Joint Comprehensive Plan of Action (JCPOA).
- It was signed between Iran and the P5, plus Germany and the EU in 2015.
- P5 is the 5 permanent members of the UNSC (US, China, France, Russia, and UK).
- The deal aimed at curbing Iran's nuclear programme.
- Under the deal:
 - i. most of Iran's enriched uranium was shipped out of the country
 - ii. a heavy water facility was rendered inoperable
 - iii. operational nuclear facilities were brought under international inspection
- In return, the deal involved lifting of international sanctions on Iran.

What are US's present concerns?

- Trump administration says the deal did not target Iran's ballistic missile programme.
- It does not focus on Iran's nuclear activities beyond 2025.
- It also leaves Iran's role in conflicts in Yemen and Syria.
- It is said that the 'one-sided deal' did not bring calm and peace to the region.

What are the strategic reasons behind?

- Iran has been compliant with the provisions of the deal.
- The deal is largely a successful one.
- So the actual concern for US is Iran's re-accommodation in the global economic mainstream.
- This is as well the concern for US's closest allies in West Asia, Israel and Saudi Arabia.
- Iran's rising economic profile would embolden it to increase its regional presence.
- This would pose a strategic threat to the interests of the U.S.-Saudi-Israel axis.

What are the global implications of the decision?

- The US has created a crisis in an already unstable region.
- It doesn't necessarily trigger an immediate collapse of the agreement.
- The UK, Germany, China, France and Russia still remain committed to the agreement.
- But it is to be seen if Europe and other powers will stick together or change under US pressure.
- If they deviate from their positions, West Asia will be a lot more dangerous.
- Iran is cautious, saying it would engage diplomatically with the remaining signatories.
- Notably, the challenges will emerge not only for Europe, once US sanctions are in place.
- Other nations with strong trade ties with Iran, including India, would also face the impact.

What is India's stance?

- India has been a proactive votary of the international rules-based order.
- It has been extremely supportive of the Iran nuclear deal.
- India recognises Iran's right to peaceful uses of nuclear energy.
- On the other hand, it also highlights the international community's interest.
- It has thus maintained that the Iranian nuclear issue should be resolved peacefully.

What are the implications for India?

- **Energy** - Until 2010-11, Iran was India's second-largest oil supplier after Saudi Arabia.
- But it slipped in subsequent years as international sanctions hit Iran.
- It is now India's third-largest supplier after Iraq and Saudi Arabia.
- But following the 2015 deal, the supplies rose considerably.
- A disruption to this trend may affect India's energy trade.
- India and Iran have strategic interests in keeping the relationship sustainable.
- But it should be insulated from the impact of sanctions.
- **Chabahar port** - Chabahar port is both a financial and a strategic investment for India.
- The engagement between India and Iran on Chabahar has gathered momentum.
- The work is expected to be completed soon.
- Possible American sanctions could hit infrastructure development in Chabahar.
- This could affect the pace of development and cause a delay.
- However, India may still have options if other signatories stick with the JCPOA.
- **West Asia** - Trump's move would mean US engaging with Iran's regional rivals Saudi Arabia and Israel.
- This could destabilise the region where over 8 million Indian migrants live and work.
- Military tensions in West Asia have forced India to evacuate its nationals in the past.
- However, India's capacity to do so is limited.
- **India-US relationship** - In Trump's administration, the US has been hard on Pakistan.
- But has asked India to be more proactive in the Indo-Pacific, with an eye on China.
- However, India has been wary of committing too much on the Indo-Pacific strategy.
- The India-US-Japan-Australia 'Quad' is also in the nascent stage.
- Moreover, uncertainties exist over the relationship with Russia.
- Amidst these, the Iran situation will test the durability of the "strategic partnership" between India and US.
- **NSG** - India is aspiring to join the Nuclear Suppliers Group (NSG).
- Given this, it has to make a clearer articulation of commitment to JCPOA.
- This will help with the Europeans, especially the French, who are backing India's NSG membership bid.

3.18 U.S.-Russia: Helsinki Summit

What is the issue?

- U.S. President Trump recently met with his Russian counterpart Vladimir Putin at Helsinki in Finland for a bilateral.
- While it was a historic opportunity of sorts, its outcomes are uncertain.

What is the context in which the Helsinki summit took place?

- A tense cold war was fought between the blocs led by the U.S. and Russia (Soviet Union) for over 5 decades, which polarised the entire world.
- While tensions of the cold war have presently subdued, the recent summit nonetheless was an important for both the countries.
- It was an opportunity to discuss areas of shared interest, find ways to dial down mutual tensions and work together to address global issues.
- Notably, the past few years have seen a significant spike in Russia's international confrontations with the west and the U.S.



- Despite these tensions, the threat posed by nuclear weapons and intercontinental ballistic missiles, were discussed at the Helsinki summit.
- But it's not clear whether the talks will lead to any significant change in policies due to the lack of consistency in Mr. Trump's approach.

Did the events of the 2016 U.S. presidential elections affect the summit?

- Trump openly called for bettering ties with Russia in his campaigns, and some of his campaign aides also established contacts with Russians.
- In that backdrop, allegations were rife that Russia had deployed hackers to prop up Trump's chances in the elections and weaken his opponents.
- After the elections, an inquiry was set up to probe the case, and recently, 12 Russian intelligence officials were indicted by the U.S. justice department.
- Due to the mounting evidence, Trump had earlier stated that, "while Russians might have hacked emails, it didn't influence the election results".
- Hence, even before the summit began, there were concerns that the alleged Russia interference in the presidential elections could cloud the meet.
- After the summit Trump had stated that he believes in Mr. Putin's assertion that Russia had no role in the electoral meddling.
- This u-turn implicitly means that Trump has accepted Mr. Putin's version over the one stated by the U.S. intelligence, which has caused an uproar.
- Mr. Trump could have certainly managed the summit better by addressing genuine concerns in the U.S. over allegations of Russia's election meddling.

Why is Russian engagement essential?

- The resolving the civil war in Syria, and the saving the "Iranian nuclear deal", are important areas that require Russia-US cooperation.
- Arms Race - Cold war triggered the massive expansion of the nuclear and other arsenal of both the US and USSR (Russia), which was a scary trend.
- In this context, "Strategic Arms Reduction Treaty" (START) was signed as a mutually declared disarmament treaty between the U.S. and Russia in 1991.
- This was subsequently renewed as "New START" in 2010 to further the cause and this renewed deal is set to expire by 2021.
- While Russia has displayed willingness to renew it, high-level talks between the U.S. and Russia are needed to seal the agreement.
- Ukraine Crisis - Ukraine was one of the republics within the USSR during the cold war days, and has remained a strong ally of Russia ever since till 2013.
- While it was planning to sign an association agreement with the European Union in 2013, Russia sternly objected to it, leading to tensions.
- Russia subsequently annexed "Crimea" (Russian speaking province in Ukraine) by force and declared its sovereignty over it with people's support.
- Currently, the issue remains unresolved and the various approaches adopted by the international community have come a cropper.

What is the way ahead?

- Many of Russia's rough actions were internationally condemned and several economic sanctions were imposed as a pressure tactic.
- Although, these made the Russian economy stumble for breath, Russia's international ambitions have only grown stronger and more aggressive.
- Hence, as isolating Russia is proving to be fruitless and abrasive, the international community needs start engaging Russia to smoothen things.

- Russia, in turn, will have to shed its rogue attitude and be more open to address the bitterness of the past in order to build a better future.

3.19 Russia's Murderous Covert Operations

What is the issue?

- Recently, a former Russia agent Mr. Sergei Skripal (now living in exile in U.K.) was attacked by unknown persons with a poisonous nerve agent.
- The attack is suspected to have a high-profile Russian government involvement and has hence resulted in tensions.

Who is Sergei Skripal?

- Mr. Skripal is a former Army Colonel who was part of the Russian army's intelligence wing and then worked in the Russian Foreign Ministry in Moscow.
- Skripal was a double agent, who betrayed fellow army veterans, and provided information to Britain that considerably damaged Russian intelligence.
- He was arrested in Moscow in December 2004 for spying for Britain, and sentenced to 13 years in prison in August 2006.
- In July 2010, a spy swap was facilitated, which freed Mr. Skripal and exiled him to UK, where he has been living quietly since.
- He and his daughter were recently attacked with a poisonous nerve agent, and the act is suspected to be a Russian state sponsored one.
- This violates the "Cold War era espionage etiquette" of not disturbing pardoned spies and could also potentially escalate Russia - U.K. tensions.

What gives credence to the suspicion?

- The nerve agent used belongs to a family of deadly substances called Novichok, which is believed to have been developed by the Soviets in the 1970s.
- Additionally, number of high-profile deaths linked to Russia has taken place in Britain and also Russia has had a history of murdering betrayers.
- Several other high-profile defectors currently live in the UK and there have already been instances of similar high profile attacks on them.
- 1978 - Bulgarian dissident Georgi Markov (erstwhile USSR) was poisoned and killed in London with a pellet containing ricin.
- 2006 - Alexander Litvinenko was a former officer of Russia's Federal Security Service and fierce critic of President Vladimir Putin.
- He died due to radioactive polonium poisoning of his tea, but identified his killer as Russian MP Andrei Lugovoi (former KGB officer).
- 2012 - Alexander Perepilichny was a Russian businessman and whistleblower who died while jogging near London under suspicious circumstances.
- An enquiry into his death is under way.
- 2013 - Boris Berezovsky is an exiled Russian billionaire was found hanging in his apartment in Berkshire in southeast England.

How have the countries reacted thus far?

- UK - Reactions to most previous attacks was muted for the fear of escalating tensions with Russia and thereby losing out on massive Russian investments.
- But the current episode has stirred a hornet's nest as there has been a clear and targeted string of attacks that has been going on unabated.
- British PM Teresa May gave out a strongly worded statement and has called for stringent actions if the Russians don't cooperate in the case.



- Russia - The Kremlin spokesman denied that his country had any role in the Skripal incident or the other previous murders.
- Russia has maintained that the crime had taken place in British territory and that they have knowledge of the act to support an investigation.
- Further, the spokesperson condemned the British PM's speech as irresponsible and unnecessarily provocative.

3.20 Russia's S-400 Triumph

Why in news?

S-400 Triumph is in the middle of an ongoing stand-off between Russia and Western nations

What is S-400 Triumph

- S-400 Triumph is one of the world's most advanced air defence systems.
- The system is a large complex of radars, control systems and different types of missiles.
- It can simultaneously track numerous incoming objects in a radius of a few hundred kilometres.
- The objects may include all kinds of aircraft, missiles and UAVs.
- It can employ appropriate missile systems to launch the counter attack and to neutralise the objects.
- The system is potential of ensuring a high success rate.

How did it evolve?

- S-400 traces its origins to the demands of the Cold War period.
- It was an effort to find a credible counter to the threat from missiles and incoming enemy aircraft.
- The development of S-400 started towards the end of the Soviet Union in the 1980s.
- It was disrupted by the collapse of the Communist bloc in 1991.

What is the recent development?

- The acquisition of S-400 by countries has taken centre stage in the American diplomacy regarding Russia.
- U.S. believes that S-400 could access sensitive U.S. military technologies in service with the potential buyers.
- Russia has also deployed at least two S-400 systems in Syria.
- This is of much concern to observers who fear the system could contribute to a global conflict breaking out in Syria.
- Among the countries under pressure from the U.S. to not buy this weapon are India and Turkey.

3.21 Chemical Weapons and Nerve Agents

What is the issue?

- Nerve gas is allegedly used in ongoing Syria attack.
- It is imperative at this juncture to look into the status of chemical weapons, particularly nerve agents or nerve gases.

What are chemical weapons?

- It is a toxic chemical in a delivery system such as bomb or artillery.
- Anything specifically designed for use in direct connection with the release of a chemical agent to cause death or harm is a chemical weapon.
- Each component of a chemical weapon is a chemical weapon, whether assembled or not, stored together or separately.
- E.g. choking agents - chlorine, phosgene, diphosgene and chloropicrin. Fluid builds up in lungs, choking victim.
- Blister agents - sulphur mustard, nitrogen mustard, phosgene oxime, Lewisite. Burns skin, mucous membranes and eyes; causes large blisters on exposed skin; blisters windpipe and lungs.

- Blood agents - Cyanide destroys ability of blood tissues to utilise oxygen, causing them to 'starve' and strangling the heart.
- Examples include hydrogen cyanide, cyanogen chloride, Arsine, VX.

What is CWC?

- The Chemical Weapons Convention (CWC) is a consortium of 192 countries as signatories.
- It seeks to limit the availability of chemicals that can be used as tools of mass destruction.
- However, it allows member states to retain rights to use some of these chemicals for peaceful purposes such as riot control.
- Teargas shells, for example, are frequently used for riot control.
- How is chemical weapons possession status?
- Of the 192 CWC signatories, Albania, India, Iraq, Libya, Russia, Syria, and the US declared possession of chemical weapons.
- Of these, Albania, India, Libya, Russia and Syria declared completion of destruction of chemical weapons.
- Notably, by January 2016 the destruction of all chemical weapons declared by Syria has been completed.
- Despite these, there have been continuous instances of chemical weapons attacks in Syria.

What are nerve gases?

- Nerve gases are among the most lethal form of chemical weapons.
- They notably have no use other than in chemical warfare.
- The CWC lists chemicals under various degrees of manufacturing restriction.
- Under this, the nerve gases are among the most restricted.

How do nerve gases work?

- Nerve gas weakens the mechanism within the body responsible for the conduction of nerve impulses.
- Acetylcholinesterase is a compound that catalyses the breakdown of the neurotransmitter acetylcholine.
- Nerve gas prevents acetylcholinesterase from performing its normal function of breaking down acetylcholine.
- It leads to the muscles going into a state of uncontrolled contraction, a sign of paralysis or a seizure-like state.
- Death usually happens because paralysis extends to the cardiac and respiratory muscles.
- Other symptoms could include dilation of pupils, sweating and gastrointestinal pain etc.
- Nerve agents can also be absorbed through the skin.

What is Novichok?

- As restrictions on weapons are based on chemical formulae, newer molecules can bypass restrictions.
- Countries thus started to develop newer weapons to bypass the restrictions.
- This naturally led to the emergence of nerve agents and that is how Novichok evolved.
- Novichok is said to be 5-8 times more lethal than VX nerve agent.
- Also, its effects are rapid, usually within 30 seconds to 2 minutes.

3.22 U.S. Missiles Light Up Damascus

What is the issue?

- U.S. has recently launched missiles against select locations in the Syrian capital Damascus – which risks escalating the conflict.
- Significantly, this was in response to the alleged chemical attack by the Syrian government forces against its own citizens in rebel held territories.



What was the attack about?

- U.S. president Donald Trump had threatened the Syrian government with the threat of military action if chemical weapons were used.
- In mid 2017, when there was a suspected chemical attack in Idlib province, the U.S. had fired 59 cruise missiles at a government airbase.
- Despite this, the government forces allegedly carried out another chemical attack recently on rebel control “Douma region” near Damascus.
- Consequently, the US in alliance with UK and France decided to launch an attack against selected targets to punish the Assad regime.
- Over 100 missiles were fired at three regime facilities to completely destroy Syria’s chemical weapons program.
- After the attack, the US has stated that its mission was a success and that it doesn’t intend to follow up with further attacks.

Was the protocol followed?

- While the use of chemical agents against civilians deserves harsh punishment, the manner in which the U.S. and its allies have acted raises serious questions.
- Significantly, Organisation for Prohibition of Chemical Weapons (OPCW) hasn’t even begun its investigation on the alleged chemical attack on Douma.
- The proper procedure would’ve been to wait for OPCW (inter-governmental watchdog) to probe the veracity of the alleged chemical attack.
- The US and its allies should’ve then approached the UN Security Council with requisite evidence and sought an approval for an assault.
- But contrarily, the US alliance seems to have acted merely on the basis of inputs from their intelligence agencies (which is a breach international law).

What are the risks?

- While Mr. Trump has already trumpeted that the US mission was a success, the statement seems to lack solid grounds.
- Notably, the previous US attack was also intended to dissuade Syria from using chemical weapons – which clearly has failed.
- Hence, if the Syrian regime was to resort to another chemical misadventure, the US would be forced to intervene again with more might.
- Such actions might drive the US more into the viscous Syrian entanglement and increase the risk of a direct conflict with Russian troops there.
- In fact, Russia has been strongly and consistently positioning itself behind Assad and the Syrian regime, which is a major worry.

What is the way ahead?

- The war is already 7 years old and more than 4 lakh people have died.
- There is no dispute that Mr. Assad is presiding over a monstrous military machine that has used brute force against his own people.
- But the Syrian maze is so complex that a sudden collapse of the regime would push the country into further chaos and make things worse.
- Significantly, more bombs and missiles would put the millions who currently live in the relatively stable regime held territories under risk.
- It is high-time that the West shifts from unilateral and coercive military action to aggressive multilateral diplomacy to end the unfolding misery.
- The only way out is for Russia and US to get to the negotiating tables for immediately stopping the violence and negotiating a long-lasting peace.

3.23 Ending the 'Great Game' in Afghanistan

What is the issue?

- A recent IS attack in Kabul and Taliban's new announcement have signalled an increased security challenge for Afghanistan.
- At this juncture, global and regional powers must desist from playing the 'Great Game' and build peace.

What is the recent IS attack?

- A bomb attack took place in Kabul at a voter registration centre, killing more than 50.
- It carries a doubly dangerous message from the Islamic State.
- One, it was the group's attack on Afghanistan's fragile democratic process.
- It implies that elections next year could face more violence.
- Two, a majority of the victims were Shias.
- This highlights the sectarian turn in the conflict.

What is the Taliban threat?

- Taliban has rejected Afghan President Ghani's offer of talks "without preconditions".
- Moreover, Taliban has announced its new "spring offensive".
- It includes the targeting of American forces in Afghanistan.

Have the earlier efforts paid results?

- Last year, the U.S. announced a new 'South Asia policy' for Afghanistan.
- It was officially welcomed by both New Delhi and Kabul.
- It was hailed as a game-changer for the region.
- But now the policy itself seems uncertain.
- The U.S. administration has taken some steps on Pakistani funding of terrorism.
- This is particularly across the Durand Line (border between Pakistan and Afghanistan).
- However, it has clearly not yielded calm on the ground.
- Continuous wave of terrorist violence has lashed Kabul and other cities.
- The Afghan forces control just a little over half the territory today.
- It is down from nearly three-fourths in 2015.
- The U.S. policies guiding Afghanistan are not making much headway.
- This is the same with Kabul's efforts to protect its own people.

What is the concern with the approach?

- Growing U.S.-Russia tensions are creating space for proxies for both on Afghan soil.
- The attacks by al-Qaeda and IS-related terror groups have their roots in the larger war between Iran and the Arab world.
- Tensions between India and Pakistan cast a shadow over Afghanistan.
- China, to secure itself from Islamist groups, is trying to build a rival military base in Afghanistan.
- Clearly, countries are motivated not only by peace in Afghanistan but by other interests too.
- Efforts have been made for bilateral and multilateral peace talks in recent months.
- But each one has amounted to too piecemeal an effort.

What could possibly be done?

- There is a need to stop the 'Great Game' by countries for influence in Afghanistan.

- It is necessary for both US and Afghanistan to take a more hard-headed, realistic view.
- It must be acknowledged that the current situation is a danger to all.
- Defeating terrorism in Afghanistan needs every stakeholder to put aside the differences and build peace.

3.24 Korean Peace - A Comprehensive Analysis

What is the issue?

- North Korea has lately been engaged in a string of diplomatic engagements to resolve the nuclear standoff in the Korean peninsula.
- While this is a positive, the other stakeholders will have to adopt a pragmatic approach to negotiations in order to achieve sustain peace.

What is the historic perspective to the Korean crisis?

- History - The Korean War (1950-53) split the Korean peninsula into the North and South Korea along the 38th parallel latitude.
- The North was communist dictatorship backed by USSR, while the South flourished into a vibrant democracy that is part of the US security alliance.
- After the fall of USSR and re-unification of East and West Germany, the North Korean regime got isolated internationally and saw a threat to its survival.
- Notably, both the North and South Korean governments claim to be the official representatives of the entire of Korea and do not recognize each other.
- Survival - While China is North Korea's strongest ally, despite pressure from Pyongyang, Beijing recognized South Korea in 1992.
- South Korea has now developed into a strong economic power and has become one of China's biggest trade partner and investment destination.
- All these factors have made North Korean leadership increasingly insecure as an US assisted South Korean annexation of North loomed large.
- While both Koreas have a stated official policy for reunification, neither seems ready to accept the political leadership of the other.
- Consequently, North Korea took refuge in developing nuclear weapons for securing its political survival since 2006.



What caused the recent tensions?

- Weapons Program - North has conducted 6 nuclear tests thus far and the latest one in Sept 2017 is said to be 6 times as powerful as Hiroshima bomb.
- The current North Korean supreme leader Kim Jong Un took over from his father Kim Jong Il in 2011 and has since accelerated the weapons mission.
- While his father conducted 16 missile launch tests during his 16 year rule till 2011, the current leader in his 7 years rule has conducted 80 launches.
- The last test in Nov 2017 successfully demonstrated the "Hwasong-15 missile", which has a 12,000 km range, and has the entire US territory within its reach.
- Diplomatic Standoff - The Weapons program got the whole world concerned and multiple sanctions were passed in the UN.
- These effectively cut-off all international ties of North Korea except China which continued to trade defying sanctions (although largely unofficially).
- Notably, China too got concerned due to

- Due to North's continued intimidations, Mr. Trump had threatened the Mr. Kim with a furious attack like never before in human history.

What are the evolving diplomatic engagements?

- Despite the harsh rhetoric of the other stakeholders, South Korean president Mr. Moon had been padding a softer approach towards Pyongyang all along.
- Consequently, in Jan 2018, Mr. Kim had spelt out his willingness to negotiate a solution, which set of a new diplomatic breakthrough.
- North Korea participated in the recent Winter Olympic Games hosted by South Korea in Feb, and also Mr. Kim's sister led a delegation to the South Korea.
- Kim has also paused his weapons program and he recently travelled to Beijing for a short diplomatic meet with the Chinese premier Mr. Xi Jinping.
- A South Korean delegation also visited Pyongyang, and Mr. Kim is said to have conveyed his willingness to denuclearise if negotiations are successful.
- Additionally, North and South Korean leadership is touted to meet in April at the "Peace House in Panmunjom" for furthering the warmth.
- Also, the North Korean and US leadership are expected to meet sometime in May, which is touted to be the most significant part of the engagement.

What are the expectations of various stakeholders?

- South Korea – South wants to restore peace in the peninsula by sustaining this dialogue and furthering the cause of reunification.
- It would also like to be kept in loop with any US decision regarding the North to ensure that its interests aren't compromised.
- Notably, despite the multi-power geopolitics in the Korean peninsula, the current initiatives are solely powered by the North and South Korea.
- North Korea - The North has been effectively isolated from the world due to sanctions, and it would like all sanctions to be lifted to help its economy.
- It would also want to ensure its regime survival and its concerns regarding the massive US troop presence in South Korea also needs to be addressed.
- While the desire for reunification is strong in both the Koreas, current engagements can increase the chances of a mutual and peaceful unification.
- China - It hopes that the peace process will result in denuclearisation of its neighbourhood and withdrawal of the US troop and arms from South Korea.
- While the reunification of the Koreas isn't to China's liking, the possibility of that happening anytime soon is low and isn't concern for Beijing currently.
- USA - For the US, it is treaty obligated to protect South Korea in addition to its assumed role of being the "world saviour".
- Additionally, it would want to curtail Beijing's increasing clout in the region, which demands an increased engagement in region's conflicts.
- But there are multiple hardliners in the Trump administration, who might vouch for unrealistic expectations and thwart a deal, which is a genuine risk.
- Others – Japan is also a key member in the Korean neighbourhood, and has been advocating a hard-line on North Korea for long.
- Notably, it's also part of the US military alliance and fears that a pro-North Korean shift by US would weaken its case vis-a-vis China.
- Additionally, Russia was an erstwhile player in the region during the Soviet era and has been asserting itself worldwide again under Mr. Putin.
- It may want to engage and has to be satiated through suitable dialogues.



3.25 North Korea's Denuclearization

What is the issue?

- North Korea's upcoming meet with the US is expected to give a shape to its denuclearisation plan.
- With its effort to gain the trust of world nations and remove the sanctions, a look at the means and probabilities become essential.

What is the recent meet on?

- North Korean leader Kim Jong-un and South Korean President Moon Jae-in met for the first time recently.
- They have pledged to ensure peace, prosperity and unification of the Korean peninsula.
- North Korea has already pledged to close one of its nuclear test sites.

What is the complexity?

- Differences between the two leaders on the question of denuclearisation are evident.
- South Korea emphasised that complete denuclearisation was essential for peace.
- However, North Korea did not make its stance clear on this front.
- There was a clear indication of the need for equality between the two, during the talks.
- However, this equality is hard to be materialised in terms of nuclear security in the short term.

How have denuclearisations been?

- Denuclearisation is a key to the whole process, as it means different things to different people.
- For the U.S., the models are Iraq, Libya and the former republics of the Soviet Union.
- They all surrendered their nuclear assets in return for peace and normalisation.
- But North Korea seems to be opting for a different model.

What is North Korea's possible plan?

- Recognition - It much resembles the Indian model nuclear deal.
- Under this, it gets recognised as a “technologically advanced responsible state”.
- On the basis of this, it in turn gets certain strategic assurances.
- It is an effort to legitimise the nuclear arsenal and earn recognition as a responsible state.
- Credibility - India arrived at the nuclear deal with the US by pointing to the direct nuclear threat from China and in turn from Pakistan.
- Mr. Kim has gone further by suspending all missile tests and taking steps to shut down a nuclear test site.
- This is much in line with earlier US 's demand to India to sign the Comprehensive Nuclear-Test-Ban Treaty to avoid sanctions.
- Relations with US - Kim is also likely to use the Indian model to bargain for normal relations with the U.S.
- This may be on the basis of guarantees such as:
 1. minimum deterrence
 2. non-first use
 3. no tests
 4. commitment to nuclear disarmament in keeping with global developments, etc

Why is this model uncertain for North Korea?

- Trust and confidence in India as a responsible state and various other factors were behind the historic nuclear deal.
- Unlike India, the track followed by the earlier North Korean leaders and the present one appeared in disorder.



- This is ever since North Korea sought to leave the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) regime.
- The posture was of threat and arrogance rather than peace or reconciliation.
- It is now inclined to negotiate its way into removing sanctions and shaping its future.
- But the U.S. would be far more reluctant to make any concessions to North Korea without an agreement on denuclearisation.
- The forthcoming negotiations will prove whether the Indian model will help North Korea in restoring peace.
- Some amount of domestic reform at home, in terms of civil liberties, would help North Korea make its case better.

3.26 Singapore Summit – Korean Detente

What is the issue?

- U.S. president Trump and North Korean leader Kim have stunned the world by pulling off a summit at Singapore despite intense tensions a while ago.
- Presently, there are clear indications that the looming detente might seal a permanent peace in the Korean peninsula.

What were the recent flare-ups?

- Till recently, North Korea kept stepping up its weapons program through nuclear tests and also enhanced its missile capacity.
- Notably, with Hwasong 14 missile (10,000 km range) in North Korea's arsenal, Kim was said to have the capability to strike even mainland U.S.A.
- In this backdrop, a missile attack by North Korea on Guam island of U.S.A in the Pacific Ocean was also rumoured.
- In 2017, the heightened rhetoric on both sides had led to growing concerns about the possibility of a nuclear war between North Korea and U.S.
- While the UN Security Council met repeatedly, and tightening economic sanctions on North Korea, Trump was also vociferous in his threats.

How did the thaw begin?

- Mr. Kim in his New Year's address appealed reconciling with South Korea, while also stating that North Korea had sufficient nuclear deterrence capacity.
- South Korea also hosted the Winter Olympics, which provided ample opportunities for building bonhomie between the two Koreas.
- Things moved smoothly thereafter and officials of the two Koreas crossed borders for high-profile meetings, which proved fruitful.
- Kim also indicated continued restraint on testing and willingness to discuss denuclearisation of the Korean peninsula if regime safety was guaranteed.
- While the U.S. was kept in the loop throughout, there seemed to be considerable resistance from the Trump administration for any conciliation.
- A summit was planned but it was then called off unilaterally by the U.S., but persistent efforts from North Korea finally led to restarting of the summit.
- Notably, previous attempts by the U.S. to negotiate North Korea to give up its nuclear program and arms failed despite consistent negotiations.

Why is the current peace effort unique?

- Since the previous negotiations, the capabilities of North Korea has grown multiple times, while has lead to increased anxieties in its neighbourhood.
- While Kim's administration seeks regime legitimacy and security, the other stakeholders seek safety and peace.

- In this context, it is in everybody's interest to help in the success of the proposed deal, thereby making things clear.
- While the joint statement after Singapore summit was shy on detail, it carries immense potential for the future of the Korean Peninsula.
- Notably, North Korea has announced stoppage of any kind of testing and has even promised a complete elimination of its nuclear arsenal permanently.
- There is hence real promise of ending the Korean conflict between the North and South Korea – which is currently still held by the 1953 truce.
- U.S. has also called off any joint military exercise in the Korean region and lifting of economic sanctions on North Korea is also under consideration.

3.27 Uncertain Peace in Columbia

What is the issue?

- The Columbian leftist militant group FARC had entered into a peace accord with the government of President Juan Manuel Santos in 2016.
- While further negotiations are already on a wobbly path, results of the recent parliamentary elections have complicated matters further.

What are the political developments in Columbia?

- FARC (Revolutionary Armed Forces of Colombia) was an armed leftist militia that was involved in a protracted civil war with the Columbian government.
- **Peace** - The rebels reached an understanding (accord) with the Columbian government in 2016 to surrender arms and demilitarize permanently.
- Colombia's presidential election is due in May 2018, which is critical for the fragile peace accord with FARC that ended a 50 year civil war.
- Also, President Santos was awarded the Nobel Peace Prize in 2017 for having piloted the peace initiative despite political pressures.
- Notably, Mr. Santos has been implementing the accord in bits and pieces despite strong right-wing opposition led by former President Álvaro Uribe.
- **The Setback** - Parliamentary elections in Columbia were held this month and the results have presented a clear setback to peace-backers.
- In the parliamentary vote, Mr. Uribe's Democratic Centre Party has emerged as the largest bloc in the Senate with 19 seats.
- Also, two other right-wing parties, Radical Change and Conservative Party, finished second and third with 16 and 15 seats, respectively.
- While the anti-accord parties haven't managed a clear majority, they now account for 50 of the 102 seats, implying that they do enjoy popular support.
- The ruling Social Party of Mr. Santos's won just 14 seats and FARC which contested polls for the 1st time couldn't even muster 1% of the votes.
- But FARC will still get an assured representation in parliament as agreed in the disputed accord.

How has the Peace Accord worked thus far?

- Though the implementation of the peace accord thus far has been patchy, major strides were made in demilitarisation and disbanding of the FARC.
- Also, there are clear indications that FARC is transitioning into a genuine political force that has completely shunned violence.
- The accord also granted protect to mainstreamed FARC leaders and vouched to prevent right-wing militias from targeting its members and sympathisers.
- Yet, several left-wing activists and trade union leaders have been assassinated by right-wing militia groups, thereby hindering effective reconciliation.

- Also, such trends are making it harder to get other currently armed insurgents to give up militancy as they fear rightist attacks.

What is the way ahead?

- As the verdict of the parliamentary elections show, the pro accord forces will have to strengthen public support for their efforts in order to sustain it
- It needs to be recognized that the memories of the civil war are still quite raw among many and genuine reconciliatory efforts are needed.
- Dedicated steps to overcome the urban-rural disconnect and economic disparity is needed for a permanently reigning in violence.

3.28 Boko Haram - Nigeria's Nightmare

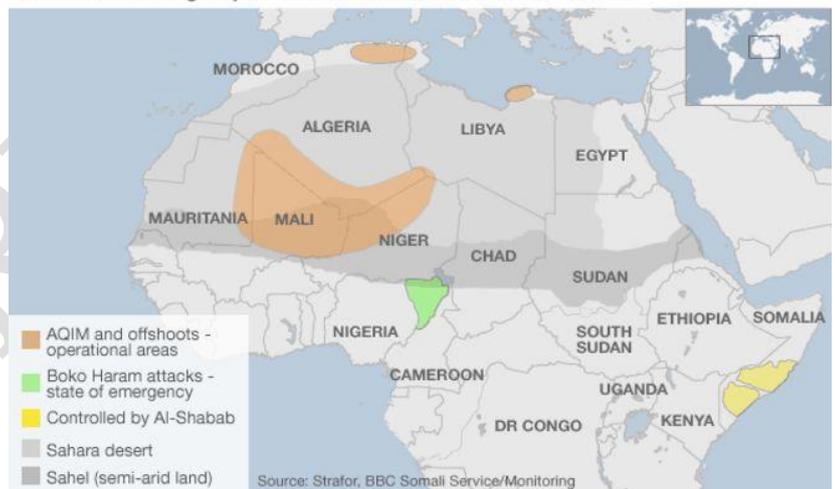
What is the issue?

- 'Boko Haram' (a terrorist organisation in Nigeria) had recently attacked a couple of villages in northern Nigeria and killed more than a dozen people.
- The group also engages in regularly kidnapping school girls from the disturbed north-eastern towns of Nigeria – which is proving to be agonising.

What is the history of Boko Haram's Rise?

- Cultural Riots - The 2002 'Miss World pageant' was initially planned to be organised in the Nigerian capital city of Abuja.
- But the event was shifted to London due to security concerns arising out of religious tensions against the event.
- The pretext was that 'many Nigerian Muslims saw the event as an affront to their culture and perception of feminine modesty'.
- Large-scale rioting and violence was particularly intense in the northern towns and more than 200 people were killed.
- While the Boko Haram existed since the 1990s, it was during these riots that it gained prominence under the leadership of radical cleric 'Mohammed Yusuf'.
- Based mainly based in northeast Nigeria, the group is also active in the neighbouring countries of Chad, Niger and Cameroon.
- Ideology - In the "Hausa language" that is commonly spoken in northeast Nigeria, Boko Haram literally means "Western education is forbidden".
- The group despises anything that may be considered Western, including the established norms of liberal democracy.
- As a consequence, it considers the Nigerian state an enemy, and wants an Islamic state governed by the Quranic principles and Shariat.
- Significantly, in 2015, Boko Haram had pledged its allegiance to the ISIS.

Islamist militant groups and their areas of influence in Africa



How notorious has the group been?

- Boko Haram had frequently staged armed attacks and bombings since its early days, but it was only in 2009 that the international community took notice.
- Violence - In July 2009, Boko Haram carried out a spate of attacks on churches and government infrastructure and killed scores of policemen.

- Hundreds of civilians and more than 700 terrorists are said to have died in the clashes that followed between security forces and Boko Haram.
- While several top leaders including the organisation's founder 'Yusuf' were said to have been assassinated, the group soon found a new leader in 'Shekau'.
- In 2014 alone, Boko Haram was responsible for 6,644 deaths, which is even higher than Islamic State's (IS) 6,073 during the same period.
- Kidnapping - UNICEF has recently stated that "Boko Haram" had kidnapped more than 1,000 children since 2013 and abductions continue unabated.
- Notably, the statement comes almost 4 years after 276 girls were kidnapped from a boarding school in a north-eastern town in Nigeria.
- More recently, in February this year, it was reported that nearly 110 girls were missing following an attack by the group in another north-east Nigerian town.

What are the factors responsible for Boko Haram's rise?

- Rise of Boko Haram is partly due to the failure of the Nigerian government to improve the socio-economic conditions of the people in north-east Nigeria.
- While the north-east has historically suffered discrimination, discovery of oil in the south and the subsequent progress there has aggravated the situation.
- Notably, the north was under the rule of 'Muslim Emeritus' under British protectorate – much like our pre-independent princely states.
- While the Muslim majority north held on to its conservatism, the Christian majority south was under direct British rule and embraced western education.
- Hence, the south had progressed academically and managed better earning potential while the north had a large chunk of illiterate population.
- These demographic factors hence provide for a ripe ground that supports Boko Haram's ideological propaganda and recruitment strategy.

3.29 Ethiopia - Eritrea War Ends

What is the issue?

- Ethiopia and Eritrea have recently announced the end of the deadly "20-year war" between them, which killed over 80,000 people.
- The future looks bright, with both countries announcing the resumption of trade, diplomatic, and travel ties between them.

What is the history of the conflict?

- Eritrea broke from its federation with Ethiopia in April 1993.
- It became an independent country located strategically at the mouth of the Red Sea on the Horn of Africa, bordering crucial shipping lanes.
- War - In 1999, war broke out between the two countries over the control of Badme, a border town of no apparent significance.
- Massive displacements of population followed, families were torn apart, and the local trading economy was utterly destroyed.
- Detente - In 2000, "Agreement on Cessation of Hostilities" was signed, and later a Boundary Commission was established to settle the dispute.
- The Commission gave its ruling in 2002, awarding Badme to Eritrea, but Ethiopia demanded certain pre-conditions to accept the ruling.
- In this backdrop, Badme continued to remain under Ethiopian control and there was an effective stalemate with intermittent border clashes.
- Peace - Ethiopia's ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) had recently indicated its desire to end hostilities with Eritrea.



- From then on, things have moved rapidly and Ethiopia has also announced that it would fully comply with the peace agreement of 2000.

What is the likely impact of peace?

- Ethiopia is landlocked, and through the years of the war with Eritrea, it has been dependent heavily on Djibouti for access to the sea.
- The current peace deal will likely give Ethiopia access to Eritrean ports, which will help in counter balancing the dependence on Djibouti.
- For Eritrea too, peace is likely to work to its benefit, as it can divert scarce resources away from the military to other productive avenues.
- Notably, the government of President Afwerki in Eritrea has also come under international pressure for its authoritarian streak and violent means.
- Accepting peace would ease international pressure and also solve the 2015-16 refugee crisis that was precipitated due to Eritrean regime's oppressive ways.

3.30 Significance of GDPR Compliance

Why in news?

The European Union has declared the deadline for the compliance of General Data Protection Regulation (GDPR)

How GDPR works?

- **Definition of Data and Entities** - Any company offering back-end services to companies operating in the EU or elsewhere, if they are receiving EU resident data, may fall within the definition of a processor under the GDPR.
- Under GDPR a data controller will have to provide consent terms that are clearly distinguishable.
- The GDPR also requires data collectors to provide information on the 'who' and 'how.'
- Individuals will also have the right to have personal data deleted under certain conditions.
- **Stronger obligations** - Under GDPR, data breaches have to be reported within 72 hours and failure to comply with the new laws could result in a fine up to 4% of global turnover or maximum amount of fine 20 million Euros.
- It mandates the concept of 'privacy by design and default' and creates categories of data privacy compliance that never existed earlier.
- **Higher Autonomy** - The GDPR has global implications as it applies to those outside the E.U. who either monitor the behaviour of EU residents or sell goods and services to them.
- By which it empowers EU statutory authorities to impose heavy administrative fines and to impose bans on data processing, ordering rectification, restriction or erasure of data and suspending transfers to certain countries.

How GDPR differs from Indian IT laws?

- Under India's existing data protection regime, only one legislation, the Information Technology Act, 2000 (the IT Act) has attempted to deal with data protection in a comprehensive manner.
- The IT Rules 2011 under the IT Act seek to address data privacy issues.
- However, the granularity of detail at which the GDPR addresses data protection compliance is hard to compare to the approach taken by the IT-RS Rules.
- The GDPR commits five detailed provisions to the essentiality of lawful consent for processing data and factors to determine whether consent was lawfully obtained.

GDPR

- The GDPR redefines the understanding of the individual's relationship with their personal data.
- It relates to an identifiable living individual and includes names, email IDs, ID card numbers, physical and IP addresses.
- This law grants the citizen substantial rights in his/her interaction with
 1. **Data controllers** - Those who determine why and how data is collected such as a government or private news website.
 2. **Data processors** - Those who process the data on behalf of controllers, such as an Indian IT firm to which an E.U. firm has outsourced its data analytics.

- The language of the GDPR indicates that consent is interwoven through most of its important provisions, making it a key foundation of GDPR compliance.
- Thus there are certain aspects of the GDPR which are not reflected anywhere in the IT-RS, such as the adoption of a rights-based approach to data privacy.

Why GDPR is relevant to India?

- The GDPR is being adopted at a time where SC recognised the concept of informational privacy and noted that legislation should be enacted to ensure enforceability against non-State actors (private entities).
- From this perspective, GDPR compliance may be considered an opportunity for Indian companies to achieve early compliance with a potential Indian data privacy legislation.

3.31 OPEC Meet

Why in news?

- The Organization of the Petroleum Exporting Countries (OPEC) met recently in Vienna.

What was the mandate?

- OPEC members agreed in 2016 to a historic deal to cut output by 1.2 million barrels a day.
- This was to end a supply surplus, and raise the price of oil.
- Following this there was a dip in productions.
- It was further worsened by outages in countries such as Venezuela and Libya.
- The production cut contributed to the steep rise in oil prices.
- Emerging markets such as India have been affected by the rising cost of oil imports.
- The OPEC meet was thus aimed at arriving at an agreement to increase oil output.

What is the outcome of the meet?

- OPEC agreed to increase its daily output to address the problem of rising crude oil prices.
- Saudi Arabia announced that the cartel's output would be increased by about a million barrels a day.
- However, the group's official statement did not mention any solid numbers.
- It said that the OPEC countries would strive to adjust production levels.
- There is thus lack of any clear commitment from OPEC to raise production.
- This suggests that the threat of a supply shock still continues.

What are the implications?

- Iran has been opposed to raising OPEC output as it would lower the prices.
- Iran is thus set to suffer a marginal loss as it lacks spare capacity to ramp up production.
- It works in favour of its rival, Saudi Arabia.
- The present deal could help the Saudis appease major oil consumers to some extent.
- Saudi can recover from the impact of lower prices by capturing market share.
- It is to be seen if all this politicking will bring a stable reduction in global oil prices.

* * * * *