



IAS PARLIAMENT
Information is a Blessing
A Shankar IAS Academy Initiative

GIST OF IDSA

AUGUST 2018



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

I N D E X

IDSA – AUGUST 2018

1. Options on NRC	3
2. Pakistan Elections and India	5
3. India-Pakistan Trade Ties.....	6
4. Economic Status of Iran	7
5. Mid-Term Review of the 13th Defence Five Year Plan	8
6. Changing Impact of Military	9
7. Revitalising African Relations	11
8. India's Opportunity over China's Vulnerability.....	12

IDSA – AUGUST 2018

OPTIONS ON NRC

1. OPTIONS ON NRC

Why in news?

- Recently the second draft of the National Register of Citizens (NRC) in Assam has been published.

What is National Register of Citizens?

- In India Assam is the only state that had prepared an NRC.
- The Register is meant to establish the credentials of a bona fide citizen as distinguished from a foreigner.
- This is to detect Bangladeshi migrants who may have illegally entered Assam after the midnight of March 24, 1971.

What is the updated NRC about?

- Of the 3.29 crore persons who applied for the inclusion of their names in the NRC, 2.89 crore have been included as citizens, leaving out around 40 lakh persons.
- This draft of the NRC is however not final and people can still appeal against the non-inclusion of their names in the NRC.
- The final list of the NRC containing the names of all Indian citizens in Assam is expected to be published by December 2018 after disposing off all claims and objections in final registers at various levels.

What are the reactions on the recent document?

- The exclusion of some 40 lakhs names from the second draft of the NRC has generated mixed reactions.
- Some political leaders have criticised the NRC updation, referring to it as an exercise that will make the Bengali speaking people “refugees in their own country”.
- Others have welcomed the NRC, terming it as the right of the people of Assam and essential for national security.
- Many others have raised doubts about the manner in which the entire process has been conducted and even accused the NRC team of deliberate malfeasance.

What is the significance of NRC?

- An updated NRC is likely to put an end to speculations and provide a verified dataset to carry out meaningful debates and implement calibrated policy measures.
- The publication of an updated NRC is expected to deter future migrants from Bangladesh from entering Assam illegally.
- The publication of the draft NRC has already created a perception that staying in Assam without valid

documentation will attract detention/jail term and deportation.

- More importantly, illegal migrants may find it even more difficult to procure Indian identity documents and avail all the rights and benefits due to all Indian citizens.
- The inclusion of their names in the NRC will provide respite to all those Bengali speaking people in Assam who have been, hitherto, suspected as being Bangladeshis.

What are few challenges before NRC?

- Persons whose names do not feature in the final draft of the NRC are apprehensive that they will be declared as foreigners, sent to detention centres and finally deported.
- However, the fact remains that the publication of the final draft of the NRC in Assam does not settle the issue of who is a citizen and who is not.
- It is only after one of these Foreigners Tribunals declares someone a foreigner that the government can detain and deport him or her.
- But this entire process could be a long drawn one as the disposal of lakhs of cases is likely to take years to complete.
- The real test for the Union government will come only if substantial numbers of persons are finally declared as foreigners by these Tribunals, because it does not have a clear policy on how to deal with them.

What are the options before the government?

- **Deportation of Illegal migrants -** Government could deport illegal migrants to Bangladesh.
- This course of action is, however, a non-starter given that Bangladesh till date has refused to even acknowledge that its citizens have migrated illegally into India, let alone expressing any indication that it would consider taking them back.
- But an attempt would not only damage bilateral relations but also sully the country's image internationally.
- **Allow illegal migrants to reside -** India can allow illegal migrants to stay in the country on humanitarian grounds, but after stripping them of all citizenship rights.
- The government can grant them a modified version of work permit and let them stay on as guest workers, albeit in different states.
- But this option is likely to create a new problem, in the absence of Bangladesh acknowledging that these lakhs of people are its citizens who have migrated to India, granting them work permits will render them stateless and cause a large-scale humanitarian crisis.
- **Granting Indian citizenship -** This can be considered after a process of naturalisation.

- Such an option would not be welcomed by the people of Assam who are at present protesting against the Citizenship Amendment Bill of 2016, which proposes to grant citizenship to all refugees (except Muslims) who have fled religious persecution in their home countries.

2. PAKISTAN ELECTIONS AND INDIA

Why in news?

- Pakistan Tehreek-e-Insaf (PTI) has emerged as a single largest party in the Pakistan assembly polls.

What are the election results highlights?

- Pakistan Tehreek-e-Insaf (PTI) led by Imran Khan has emerged as the single largest party with 115 out of the 270 seats of the national assembly for which polling was held.
- The Pakistan Muslim League Nawaz Sharif (PML[N]) came a distant second with 64 seats, and the Pakistan Peoples Party (PPP) stood third with 43 seats.
- The remaining seats are shared by smaller regional and fundamentalist parties as well as by independents.
- With support from some smaller groups/parties, Imran Khan is expected to form the government.

What were the concern with elections?

- A look at the country's political landscape would indicate that unlike in most other countries democracy

has not been able to flourish in Pakistan.

- The elections have also exposed the weakness of democratic institutions in Pakistan.
- Judiciary, media, legislature, election commission, National Accountability Bureau (NAB) etc. have all displayed vulnerability to manipulation.
- Use of strong arm tactics to coerce and subjugate any institution not towing the line has been resorted to on the pretext of national interest.
- The polling percentage has remained stuck at around 53 per cent despite much greater exposure to media and technology.
- Additionally, the participation of fundamentalists and extremists in the elections is an equally disturbing trend.

What are the challenges before the Pakistan administration?

- The army has emerged stronger post the elections, Continuation of its indirect rule enables it to exercise authority without accountability.
- The ability to pull the rug from under the feet of a recalcitrant civilian political leadership has been retained.
- With that as the backdrop to the rise of Imran Khan to power, a question that is inevitable from every Indian is how his ascent will affect Indo-Pak relations.
- It is the army which has controlled Pakistan's India policy, in this

scenario the government may even fall and its leaders sent to jail, the possibility of some stubborn leaders being assassinated also exists.

What are the expectations in Indo-Pak ties?

- It would be fair to assume that Indo-Pak relations will follow a similar pattern during Imran Khan's tenure as Prime minister.
- Pakistan's economic, diplomatic, moral and military support to the proxy war in J&K is likely to continue, perhaps with increased intensity.
- Closer coordination with China would be resorted to in dealing with India both at the regional and international levels and the development of CPEC may be speeded up.
- There would be an increased possibility of using the communal card to stir up trouble in different parts of India.

3. INDIA-PAKISTAN TRADE TIES

Why in news?

- The new Pakistan administration wants the proper trade relations between India.

What is the status of India-Pak trade ties?

- Pakistan's annual trade deficit, which was \$20.435 billion in 2013, has been rising steadily.
- The deficit has been driven by the rising import bill of capital goods,

petroleum products, and food products, and a steep fall in exports.

- The external balance of payments position is expected to be one of the top concerns for the Pak government.
- Trade between Indo-Pak jumped nearly three-and-a-half times between 2000-01 and 2005-06 (from \$251 million to \$869 million per annum).
- But progress was slower in the decade that followed, with volumes rising a little over three times.
- In 2016-17, "new exports" accounted for only 12% of India's total exports to Pakistan.

What are the existing Policy bottlenecks in Indo-Pak trade?

- **Most Favoured Nation** -Article 1 of the General Agreement on Tariffs and Trade (GATT), 1994, requires every WTO member country to accord Most Favoured Nation (MFN) status to all other member countries.
- India accorded Pakistan MFN status in 1996; a Pakistani cabinet decision of November 2, 2011 to reciprocate this, however, remains unimplemented.
- **Classifying Imports** - In 2012, Pakistan substituted a "Positive List" of a more than 1,950 tariff lines permitted for import from India, by a "Negative List" of 1,209 lines that could not be imported.
- India announced a 30% reduction in its SAFTA Sensitive list for Non-Least Developed Countries (NLDCs),

including Pakistan, allowing for peak tariff on 264 items to be cut to 5% within three years.

- **Land route trade** - Through the Wagah-Attari land route near Punjab only 137 items are allowed currently, and the roadmap to address this has remained unimplemented.
- In 2014, both nations reaffirmed their commitment to expedite normal trading relations, and to provide Non-Discriminatory Market Access (NDMA) on a reciprocal basis.
- While both governments have facilitated a degree of industry outreach in recent years, progress on the ground has been subdued.

What are areas which needs to be explored?

- **For Pakistan** -An influential grouping of businesses in Pakistan has recently sought a moratorium on new trade agreements, and renegotiation of the trade agreement with China.
- The 100-Day Economic Agenda of the Pakistan Business Council (PBC) has urged the new administration to increase trade with immediate neighbours such as India, Iran and Afghanistan.
- Obstacles in the way of normalising India-Pakistan trade relations, including weak logistics and customs processing, visa and travel restrictions needs to be addressed.
- **For India** -While India's electricity diplomacy with Bangladesh has

broken new ground, a similar initiative with Pakistan continues to hang fire.

- Under a proposal that was actively discussed until early 2015, Pakistan wanted to hook up a portion of Lahore with the Indian side, enabling the capital of its Punjab province to draw electricity from the Indian grid.
- The idea then was to transfer 250-300 MW from India as a short-term fix for Pakistan's power crisis, and there is potential to revive it yet.

4. ECONOMIC STATUS OF IRAN

Why in news?

- Iran's economy is in deep trouble after the withdrawal of US from JCPOA.

What is JCPOA?

- The Joint Comprehensive Plan of Action (JCPOA) is an agreement with five annexes reached by Iran and the P5+1 (China France, Germany, Russia, the United Kingdom, and the United States) in 2015.
- Iran's compliance with the nuclear-related provisions of the JCPOA will be verified by the International Atomic Energy Agency (IAEA) according to certain requirements set forth in the agreement.
- Recently United States had withdrawn from the JCPOA and reinstate U.S. nuclear sanctions on the Iranian regime. Click [here](#) to know more.

What are the existing economic concerns in Iran?

- In the last six months, Iran's currency has lost almost 60 per cent of its value vis-a-vis the US dollar.

- This apart, the Iranian private sector has long been starved of investment, its banking system is crippled by bad loans and record levels of unemployment mean a third of under-30-year-olds are out of work.
- At the end of last year, similar economic protests roiled Iran and spread to some 75 cities and towns, becoming the largest demonstrations in the country since its 2009 disputed presidential election.
- Due to this there are protests spiralled out of control in few parts of the nation with people openly criticising both Rouhani and Supreme Leader Ayatollah Ali Khamenei.

What is the way forward?

- The Iranian's are a worried lot with the draconian sanctions ahead and USA hopes that this economic and diplomatic arm-twisting will force Tehran to negotiate a new deal.
- The only hope that Iran can cling on to is support from the EU and China, the initial signs of support from the EU, however, are very confusing though.
- China has issued encouraging statements for Iran by rejecting any unilateral US decision on the JCPOA and insists that China shall continue investing in Iran.
- Whatever be the outcome of the EU or Chinese support, it's unlikely that the Iranian populace has infinite patience in being dealt a raw hand yet again.

5. MID-TERM REVIEW OF THE 13TH DEFENCE FIVE YEAR PLAN

Why in news?

- The Mid-Term Review of the 13th Defence Five Year Plan has been recently submitted in Lok Sabha.

What is the brief history of defence planning?

- The defence planning process has been historically linked to the national five year planning process, which began in 1951.
- The period of subsequent defence plans was synchronised with Five Year Plans of the Planning Commission from the 4th Plan onwards, that is, 1969–74.
- Service Headquarters (HQ) began drawing up the first 15-year perspective plan from 1979 and the concept of Long Term Integrated Perspective Plan (LTIPP) was introduced in 2001.
- The existing planning process is based on the 15 year LTIPP, the five year Services Capital Acquisition Plan (SCAP) also called the 'Defence Five Year Plan', and the Annual Acquisition Plan (AAP), which is in fact a two-year roll-on plan.

What is government's recent plan?

- Union government decided to discontinue with the Five Year Plans after the end of the 12th Plan and classify expenditure into 'plan' and

'non-plan' components and NITI Aayog was tasked to do the following.

- The three-year time frame from 2017-18 to 2019-20 will be used to align financial resources during the 14th Finance Commission award period. This document is to be called 'action plan'.
- The above-mentioned National Development Agenda was to go beyond the traditional area of 'Plan' and cover aspects such as 'internal security' and 'defence'.
- The Ministry of Finance will be kept in the loop about the requirements of the Defence Forces in the coming years.
- It ensures a multi-year commitment of resources to policies and is, therefore, important for expenditure prioritisation and for fostering government performance over the medium term.

What are the challenges with the plan?

- When the 13th plan was being prepared, taking the highest figures for each year, the total funding visibility for the first three years of the plan was Rs 917342 crore.
- To expect the double of this amount during the remaining two years was unrealistic optimism, to say the least.
- It abundantly clear that one-third of government's capital expenditure is spent on defence and that the government cannot allocate more on this front.
- Defence Expenditure referred is only defence revenue and capital allocations, and does not include MoD (civil) and defence pensions.

What measures needs to be taken?

- Government had already established a Defence Planning Committee (DPC) headed by the NSA. Its mandate is to analyse and evaluate all relevant inputs relating to defence planning.
- These include the national defence and security priorities, foreign policy imperatives, relevant strategic and security-related doctrines, defence acquisition and infrastructure development plans.
- The DPC needs to activate the 'Plan and Capability Development' sub-committee immediately, decide its composition and task them to review the 13th Defence Plan.
- Thus defence planning and the maintenance of capability (done through the revenue budget) have to be holistically seen as part of the big picture of the national economic situation and expectation of the people.

6. CHANGING IMPACT OF MILITARY

What is the issue?

- India need military power of a different kind in which prowess at sea is a major.

What is the brief history of Indian defence forces?

- All three wings of India's armed forces saw combat in the two World Wars, albeit under the British flag.
- In 1947, India had to cope with an incursion in the Kashmir valley, however, the two militaries did not face each other directly.

- The next confrontation came on northern borders of India in 1962, neither the Air Force nor the Navy came to combat in these conflicts, the former only as a transporter.
- The Cabinet then decided to enhance the Army's strength to 825,000 to cope with wars on both fronts and also approved enhancement in the force levels of the Air Force and the Navy.
- Even as this process began, came the war with Pakistan in 1965, this was the first occasion when both land and air forces engaged in combat and the Navies remained peripheral.
- It was only in 1971 that all three wings of the two armed forces faced each other in a war.
- The Kargil operation in 1999 was supported by the Air Force, retrieved the positions occupied by the adversary.

What lessons India has learnt from earlier conflicts?

- The five conflicts which is faced by Indian defence forces spotlights that all three of Pakistan's misadventures in 1948, 1965 and 1999, stemmed from the belief that India would not respond militarily.
- The War of 1971 falls in a different context as it was not Pakistan that took the initiative but India that achieved its desired objectives merging policy and military power with finesse.
- As for the Chinese intervention in 1962, they followed up with military action after three years of deliberately

created tension and succeeded in acquiring the territory claimed by them, in the process they also lowered India's stature internationally.

What is the present condition of defence priorities?

- All three countries namely India, Pakistan and China which involved conflicts are now nuclear weapon powers.
- While the capabilities of each may vary, their ability to inflict unacceptable casualties on the others needs little emphasising.
- China's primary goal now is to seek parity with the USA and to become a global super power.
- Such aspiration will certainly be set back decades should it engage in military conflict with us with no substantive benefit but with some inevitable penalties.
- India also seeks to become one of three or four major world powers and this goal can only get compromised should it seek military confrontation with Pakistan.
- Also, for both countries, continuing economic progress is vital to achieving their core strategic objectives.

What are strategic options before India?

- In the changed environment, military strength, in concert with diplomacy, is more suited to persuade rather than to punish with exceptions being one-sided scenarios.
- Also, maritime power has come to be seen as more suited to a nation's ability to further these goals since it

provides the ‘reach’ that land and air power just cannot.

- India is just about starting but has still to shed its continental fixation.
- India must recognise that ability to operate credibly in the Indo-Pacific is vital to our interests.
- For this, military power of a different kind is needed in which prowess at sea has to become a major, if not prime, determinant.

7. REVITALISING AFRICAN RELATIONS

What is the issue?

- Due to growing importance of Africa, India will go a long way towards revitalising relations with the continent.

What are growth priorities of India with Africa?

- **Rwanda** -India signed eight MoUs and other agreements for cooperation in trade, agriculture, defence, leather and dairy products, including two lines of credit valued at \$100 million each for the development of industrial parks and an agriculture irrigation scheme.
- Rwanda has moved ahead of India to become the third largest troop contributor to United Nations Peace Keeping operations
- **Uganda** - Uganda is estimated to have oil reserves of 6.5 billion barrels, which were discovered in 2006.
- As an energy deficit country, it is quite natural for India to be interested in energy cooperation with Uganda

and opportunities for expanding this cooperation in future do exist.

- Uganda is home to around 30,000 people of Indian origin, they account for 65 per cent of Uganda’s tax revenues.
- **South Africa** - India signed three MoUs for cooperation in the fields of space technology, agriculture and skills enhancement..
- India stressed efforts with regard to South-South Cooperation in Africa and called for multilateralism, international trade and a rule based global order that is free of terrorism and extremism.

What India can learn from African countries?

- Rwanda is one of the least corrupt countries in Africa, according to the Corruption Perception Index, 2017, Rwanda is the third least corrupt country in Africa, after Botswana and Seychelles.
- Globally ranked 45th on the index, Rwanda is way ahead of India, which is ranked 81st in the report.
- Hence there is a lot India can learn from Rwanda in the fight against corruption.
- Rwanda is one of the most pro-women countries in the world. According to the World Economic Forum, Global Gender Gap Report, Rwanda is among the top five countries with respect to gender equality.
- For example, Rwanda has one of the highest rates of female labour force participation in the world.

- Similarly, in terms of political representation, the country tops the global list of the highest number of female parliamentarians.

8. INDIA'S OPPORTUNITY OVER CHINA'S VULNERABILITY

Why in news?

- India has reportedly decided not to join the US-led counter to China's Belt and Road Initiative (BRI).

What is US-led Quad about?

- The US initiative, which is a trilateral one involving Japan and Australia, was launched at the first Indo-Pacific Business Forum meeting.
- It seeks to fund infrastructure projects in the region for which about USD 113 million has been earmarked.
- Recently India has opted to stay out of this initiative and thus maintain a fine balance between the US and China.
- Such an attempt to maintain a balance between China and the United States needs to be jettisoned since it is a confusing strategy that involves sitting on the fence and, at times, even appeasing the Chinese.

What are the vulnerabilities of china?

- Economically, the ongoing trade war between the US and China is expected to hurt China's growth.
- It is spending an enormous amount of money on the People's Armed Police (PAP), deployed to curb internal rebellion and dissent.

- China's expenditure on internal security is reportedly USD 196 billion, larger than the PLA's official budget.
- These rising internal vulnerabilities and external pressures have caused China to woo India, with the first such instance in the post-Doklam phase.
- USA's advocacy of an Indo-Pacific strategy are eroding China's geopolitical manoeuvrability.
- China's current vulnerability emanates from Trump's Indo-Pacific strategy, which challenges Xi's dream project, the BRI, with an estimated cost of USD 8 trillion.

What are the opportunities before India?

- To deal with vulnerability China is wooing India, At this juncture, India is a lesser contradiction, notwithstanding the 2017 Doklam crisis and New Delhi's refusal to endorse the BRI.
- In dealing with China, India should thus be aware of the former's deep insecurities and vulnerabilities.
- It should shape its China policy from such 'knowing' and not from a superficial analysis of the immediate global circumstances.
- India should reconsider joining the US-led counter to the BRI, albeit after scrupulous negotiations that both uphold its foreign policy interests. Thus India could take advantage of the vulnerabilities in the Chinese system and gain an upper hand in the asymmetric power equation that has developed vis-a-vis China.