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IDSA JULY 2020

1. CHINESE APP BAN & WTO RULE VIOLATION

Why in news?

China has pointed to WTO rules violation in India's decision to ban Chinese apps ban.

What is India's rationale behind Chinese app ban?

- Recently, the Indian government announced it would block 59 widely used apps most linked to Chinese companies.
- The Ministry of Electronics and Information Technology (MeitY), invoked Information Technology (IT) Act, 2000 to cite the concerns regarding both data security and national sovereignty associated with these apps.
- Though the government has proposed this ban from the perspective of data security and privacy, the action seems to form a part of the retaliatory strategy against Chinese incursions in Ladakh.
- Given that India's digital economy is one of the largest markets in the world, such a ban will certainly have an impact on the valuations of Chinese companies.
- However, such a move is likely to have an impact on the India-China border dispute.

What are the associated issues in the banning the apps?

- Issue of Data Privacy is not alone limited to Chinese origin Apps, Indian administration banned apps on reports of stealing and transmitting users data in an unauthorized manner to servers which have locations outside India.
- However, data privacy and data security concerns are not limited only to Chinese apps.
- The apps that were banned were very popular in India and the move to block them comes after these apps had already amassed hundreds of millions of users in India.
- The ban on Chinese mobile apps is a relatively soft target, as India remains reliant on Chinese products in several critical and strategically sensitive sectors.
- From semiconductors and active pharmaceutical ingredients to the telecom sector, Chinese vendors are involved not only in India's 4G network but in on-going 5G trials as well.
- Also, Chinese finance is presently essential to sustaining India's start-up economy.
- As many Indian Unicorns such as Paytm, Zomato, Byju's are having Chinese shareholders.



What is china's point on WTO rules violation?

- Chinese administration claimed that Indian government has the responsibility to protect the legitimate rights and interests of international investors in India, including Chinese businesses, in accordance with market principles.
- Though China has pointed to the World Trade Organization (WTO) rules violation, it is not clear whether it will approach WTO against the Indian apps ban.
- The prospect of China approaching WTO against India's apps ban appears minimal.
- Such a move could prove to be counterproductive for China, given the country's stringent censorship laws.
- In fact, China is known to be one of the most repressive countries when it comes to regulating the internet and other digital services, it is popularly known as the 'Great Firewall'.
- The potential basis for a WTO complaint against Indian apps ban could be that it discriminates against foreign firms and hence hinders the legitimate flow of goods and services.
- Non-discrimination is key to WTO law and policy. The two principal anti-discrimination obligations in both GATT and GATS are the Most-Favoured-Nation (MFN) treatment and the National Treatment (NT).

- While MFN treatment obligation prohibits a member from discriminating between and among other members, a national treatment obligation prohibits a member from discriminating against other members.
- In addition to this general anti-discrimination principles, GATS, which is more relevant in the context of India's apps ban, has some sector and mode-specific obligations including obligations of market access.
- Since the apps that India banned are via internet media, the case would likely fall under violation of trade in services.
- Therefore, if it comes to it, India may invoke some provisions of both general and security exceptions of GATS to defend the ban.

What measures needed?

- India's digital applications are governed by obsolete laws, which is unsuitable in the context of today's digital scenario.
- Information Technology Act, 2000 (20-year-old law) was designed for the business process outsourcing ecosystem, not for modern digital applications or platforms.
- Similarly, the Copyright Act, which provides incentives and protections for most of the content that sits at the heart of the digital economy, was last amended in 2012.



- Thus, there is a strong case to revise the key legislations and syncing them to change the digital environment.
- Data privacy and security remains to be major challenges emanating from the ongoing digital revolution. Thus, a data protection law is long overdue.
- In this context, the Indian parliament must expedite the enacting of the Personal Data Protection (PDP) Bill, 2019.
- India must speed up indigenization, research and development and frame-up a regulatory architecture to claim data sovereignty.

WTO Dispute Settlement

- WTO is a multilateral institution that regulates global trade.
- It serves as an essential forum for negotiating multilateral trade agreements and settling trade disputes among member states.
- The WTO agreements cover trade in both goods and services.
- While the General Agreement on Tariffs and Trade (GATT) covers goods trade, the General Agreement on Trade in Services (GATS) covers services trade.
- These two agreements deal with a range of topics including agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food sanitation regulations, intellectual property, and

much more.

- In addition, WTO has one of the most active international dispute settlement mechanisms that operates through panels and appellate bodies.
- If a member believes that another member is violating an agreement or a commitment made at WTO, then that member has the right to approach the dispute settlement body.

2. CHINA'S SOFT DIPLOMACY

What is the issue?

Amidst of COVID-19 pandemic, China is extending its soft power in the West Asian region.

What are the recent trends in Chinese diplomacy in west Asia?

- With the US revitalizing its domestic petroleum production through fracking and reducing dependency on the West Asian sources, it is likely to be a relatively less valuable customer than China.
- Beijing is one of the West Asian region's lead trade partners, it imports about 40 per cent of its crude oil from the region.
- Furthermore, China's Belt and Road Initiative (BRI) and the capacity to invest and build infrastructure in developing countries, including in the health and education sector, have heightened the expectations among countries of the region.



- West Asian countries have in general been supportive of China especially as it struggled to contain the spread of the virus.
- On several occasions, the BurjKhalifa tower in the United Arab Emirates (UAE) was lit up with China's national flag and the slogan "WuhanJiayou" (stay strong, Wuhan).
- Saudi Arabia, Qatar and Kuwait had initially donated medical supplies worth millions to China.
- In a surprising move, Turkey even ordered its local factories that normally manufactured clothing to produce antibacterial suits for supply to China.
- China has been helping the West Asian countries that have limited capacity to manufacture essential medical supplies.
- Iraq, Lebanon, Syria and Palestine have been provided ventilators, facemasks, swabs, test kits and protective gears for their doctors and paramedics.
- China has reportedly vowed to resist any attempts to cut off these exports.
- ties with Beijing to escape global economic isolation.
- Iran considers China as one of its few trade outlets and a powerful ally in the international community.
- Whereas for China, Tehran is singularly crucial for strengthening BRI in the region.
- Iran was one of the most affected country due to COVID-19.
- China expressed its support by supplying humanitarian goods and services, which assumes symbolic significance as the US attempts to bar Iran's request for a \$5 billion loan from the International Monetary Fund (IMF).
- China had also asked the US to ease sanctions on Iran, stating that they hamper Tehran's ability to respond to the humanitarian crisis within the country and also makes it difficult for the United Nations (UN) and other international relief organizations to deliver aid.
- **Turkey** -Given the tensions with the European Union (EU) and the US, and also to reduce its reliance on the North Atlantic Treaty Organization (NATO), Turkey has been looking for increased economic and political cooperation with other major powers like Russia and China.
- For Beijing, Turkey's strategic location renders it a vital component in BRI's global framework.

How China strengthens its roots in Iran, Iraq, Israel, Turkey?

- **Iran** -US withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and the subsequent adoption of a "maximum pressure" policy against Iran, has provided Tehran with an opportunity to strengthen its



- **Iraq** -In Iraq, which has the world's fifth-largest oil reserves and a strategic geopolitical location, China seems to have found the key as regards its aim to dominate trade across Asia and Europe.
- China has built a new Polymerase Chain Reaction (PCR) laboratory in Baghdad and has sent medical experts to the country to help contain the pandemic.
- **Israel** - It is a strong and technologically the most advanced country in the entire region.
- It remains a potential partner for China in areas like research and development, infrastructure projects, and science and technology.
- However, its stronger alliance with Washington limits its ties with Beijing despite cooperation on COVID-19.

What is the overtone of the China's west Asian diplomacy?

- Providing medical assistance especially to conflict-prone countries such as Iraq, Lebanon, Syria and Palestine is part of China's new soft diplomacy in the region, which is being heavily publicised by the Chinese state media's Arabic-language outlets active in the region.
- In this time of crisis, when the US is engaged in dealing with several domestic issues, it seems to have little time for its allies and partners.
- President Trump's public attitude towards America's traditional allies in

the region has not been entirely commensurate to their status.

- Meanwhile, China, with its deep pockets and alternative policy approaches, has been proactive in filling the space, challenging the American hegemony in world affairs.
- Beijing's non-interference policy is a bonus for the leaders in the region.
- China is also using the BRI ports and corridors to provide medical support to the countries in the region, China has touted this as the "Health Silk Road".
- Thus China's move is more or less a way to improve its global image and recast itself as a responsible actor at relatively low cost, rather than a sign of any deeper commitment towards the region.

3. DEEPENING INDO- S.KOREA TIES

What is the issue?

Convergence of India's Act East Policy (AEP) and South Korea's New Southern Policy (NSP) highlights an acceleration of economic and strategic relations between the two countries.

What is the brief history of Indo-S.Korean Relation?

- India played a crucial and decisive role in Korean affairs soon after the latter's independence in 1945.
- India's first foreign secretary, K P S Menon, served as Chairman of the



nine-member United Nations (UN) Commission that was set up in 1947 to oversee elections in Korea.

- During the Korean War (1950-53), the warring sides accepted a UN resolution sponsored by India calling for a ceasefire; one was declared on 27 July 1953.
- Bilateral relations between India and South Korea, officially known as the Republic of Korea, were established in 1962 and upgraded to Ambassador-level in 1973.
- An important visit by the then Indian President APJ Abdul Kalam at a critical juncture to Seoul in February 2006 opened the door for a more vibrant phase in India-South Korea relations.
- It resulted in the launching of a Joint Task Force to conclude a bilateral Comprehensive Economic Partnership Agreement (CEPA), which was operationalized on 1 January 2010.
- Both the countries signed the Civil Nuclear Energy Cooperation Agreement in 2011 during the then President PratibhaPatil's state visit to RoK.
- During Prime Minister Narendra Modi's visit to South Korea in 2015, the bilateral relationship was upgraded to 'special strategic partnership'.
- In a joint statement, PM Modi and President Park Geun-hye agreed to establish a '2+2' consultation

mechanism at Secretary/Vice Minister of Foreign Office and Defence Ministry.

How Democracy plays as a driving factor in diplomatic ties?

- One of the most unexplored areas of cooperation to strengthen the relationship between India and South Korea is democracy.
- A fundamental shortcoming of democracy in Asia is the lack of government-to-government cooperation on promoting democratic values.
- Further, in Asia, India and South Korea, as democracies, share common values and have been seen above convergent interests in the region.
- As middle-power democracies in Asia where there are growing and the collective threat from authoritarian China, democracy building and cooperation can be a critical platform.
- The region, which is already experiencing the evolution of a democratic bloc in the name of Indo-Pacific quadrilateral involving India, Japan, Australia, and the US, needs the support of other middle powers such as South Korea and Indonesia.
- Thus, there is a need for serious thinking and deliberation among the various stakeholders representing South Korea and India.



What is the connection between AEP & NSP?

- To reduce export dependence on China and United States and establish alternative trade structures in the region, South Korean President Moon Jae-in unveiled the 'New Southern Policy'.
- NSP aims to deepen relations with ASEAN and India.
- The 'New Southern Policy' emphasizes the "3P" community: People, Prosperity, and Peace.
- With a 'people first' mindset, the government hopes to increase trade with this region to establish symbiotic prosperity.
- Additionally, given the abnormal atmosphere on the Korean peninsula, the Republic of Korea hopes to build an alliance of nations to help promote communication in the region, keeping in mind the goal of attaining denuclearization on the peninsula and greater peace for the East Asian region as a whole.
- Similarly, since 2014, India has been seeking deeper involvement with its Eastern neighbors to reduce dependence on its Western counterparts, namely through the 'Act East Policy.'
- The focus of this policy can be simplified into the "3C's," Culture, Connectivity, and Commerce.
- India's close geographic proximity and cultural similarities with many of

these nations give it a huge advantage in conducting trade with them.

What lies ahead?

- The two countries are now working towards a new diplomatic mechanism in the 2+2 format.
- Once it is operationalized, South Korea would become the third country to hold such a dialogue with India, after Japan and the United States.
- As a part of Act East Policy India must further increase its outreach to Korean Peninsula for its own strategic interests and also to provide an alternative to bi-polarization in the region.
- Several new initiatives are being taken to foster closer people-to-people ties through youth exchange programmes, internships, and facilitation of tourism and business through simplified visa procedures.
- India needs to take advantage of this opportunity, South Korea can be a major economic partner in India's economic growth.
- Political will and new imagination in diverse areas such as cultural relations, building on people-to-people contacts, harnessing democracy and liberal values, and cementing civilizational connections will serve this purpose.



4. JAPAN'S DEFENCE WHITE PAPER

Why in news?

Japanese administration has indicated a move towards building up more deterrence in the form of pre-emptive capability.

What is the Defence policy of Japan?

- Japan had renounced war as a means of settling disputes after the end of World War-II.
- This conviction has since been strongly held and ingrained in Article 9 of the Japanese Constitution:
- Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes.
- In order to accomplish the aim of the preceding paragraph, land, sea and air forces, as well as other war potential, will never be maintained.
- The right of belligerency of the state will not be recognized.
- Post World War-II, the island nation of Japan has followed a spear and shield understanding with the United States (US) for its external defence.
- Wherein the Japanese Self-Defence Forces would act as the shield defending against or blunting the aggression and the US would provide the punitive offensive element against the aggressors to subvert the threat

completely or take it to its logical conclusion.

- The US has permanently stationed approximately 54,000 troops and several weapon systems, including naval and air force components, in Japan pursuant to the US-Japan Treaty of Mutual Cooperation and Security of 1960.
- Both nations observe the status of forces agreement for the US Forces stationed in Japan.

What is Japan's plan on expanding military capabilities?

- Japan has already ordered US\$ 1.7 billion worth of missiles from the US.
- The cost of maintaining the US forces and the missile system is borne by both countries; however, the Japanese share has been increasing over the years.
- US has provided a layered ballistic missile shield comprising ship-based Aegis missile system and the Patriot Advanced Capability-3 (PAC-3) land-based missile system (for their short-range interception).
- Further augmentation to the ballistic missile shield with Aegis Ashore missile system (land-based version of the Aegis missile system) has been on the cards with increasing missile threat.



What are the reasons behind Japan's military planning?

- Since the 1990s, there has been a growing debate in Japan about the efficacy of the abovementioned security arrangement with the US, particularly in view of increased proliferation and blatant development of nuclear weapons and ballistic missiles by its traditional rivals, North Korea and China.
- Japan also has some conflict of interest with Russia over territorial issues and the relations between them are not all that cordial with the occasional show of military overtures and a separate mention of the fact in Japan's defence white paper of 2020.
- One of the main causes of concern for Japan has been the rising belligerence, assertiveness, and confrontational attitude of China over South China Sea islands (claimed by both the nations).
- China also often subtly brandishes its missile arsenal of which it is estimated to have sizeable numbers in intermediate-range categories.
- The enhanced capability of the North Korean missiles makes early detection and interception more difficult, thereby posing new challenges for information gathering, early warning, and interception preparedness of Japan.
- A section of the political leadership in Japan has been of the view that with

the advancing offensive capability of the adversaries, sole reliance on the US missile shield is not enough and the nation needs to acquire a pre-emptive strike capability.

- The current missile shield does not offer credible protection against highly advanced hypersonic missiles/weapons (high speed and manoeuvring), low trajectory missiles (with short flight times) and cruise category of missiles (both terrestrial and air-launched).
- The present consideration is to acquire a pre-emptive strike capability to hit the ballistic missiles sites when the attack against Japan appears imminent to prevent the missile launches.

What are the prospects for India?

- As the threat of China to a rule-based international order is enhanced, the Quad grouping of the US, India, Japan and Australia is seen as a robust response to this.
- The Japan Defence White Paper (JDWP) does not mention the Quad directly, but cooperation with its members is high in its reckoning of the Free and Open Indo Pacific.
- India is mentioned only in the context of defence cooperation and exchanges under the 2+2 dialogue.
- The JDWP states: "The Indo-Pacific region is the core of the world's vitality, supporting more than half the world's population."



- It is important to establish this region as a free and open global commons to secure peace and prosperity in the region as a whole.”
- For this role, Japan seeks to improve its production of military weaponry and naval assets.
- Grasping the changing dynamics of Japan’s military policy, India ought to attract non-lethal manufacturing of defence-related electronics, components, space equipment and cyber security collaboration with Tokyo. The technology partnerships and FDI should be based on a model with new-dedicated technology-led clusters, perhaps in the defence corridors.
- Japan’s limitations are high costs, inflexible procedures and being risk-averse, and it should be engaged to create a partnership based on an economic model leading to a value chain unique to India and Japan.
- After the Dissolution of the Soviet Union, Russia inherited its close relationship with India which resulted in both nations sharing a special relationship.
- Russia and India both term this relationship as a "special and privileged strategic partnership".
- Traditionally, the Indo-Russian strategic partnership has been built on five major components namely
 1. Politics,
 2. Defence,
 3. Civil nuclear energy,
 4. Anti-terrorism co-operation and
 5. Space.
- The powerful IRIGC (India-Russia Intergovernmental Commission) is the main body that conducts affairs at the governmental level between both countries.
- Both countries are members of many international bodies where they collaborate closely on matters of shared national interest.
- Important examples include the UN, BRICS, G20 and SCO.

5. REVAMPING INDIA- RUSSIA TIES

Why in news?

Recently, Indian Defence minister visited Russia to commemorate World War II Victory Day.

What is the account of Indo-Russian relations?

- During the Cold War, India and the Soviet Union (USSR) had a strong strategic, military, economic and diplomatic relationship.

What are recent developments in Indo-Russian ties?

- In recent times economic component has grown in importance, with both countries setting a target of reaching US\$30 billion in bilateral trade by 2025, from about US\$9.4 billion in the year 2017.



- In order to meet this goal, both countries are looking to develop a free trade agreement
- Russia has stated publicly that it supports India receiving a permanent seat on the United Nations Security Council.
- In addition, Russia has expressed interest in joining SAARC with observer status in which India is a founding member.

What is account of Russia-China partnership?

- In the post-Cold War era, economic relations have formed the “new strategic basis” for Russia-China relations.
- China is Russia’s biggest trading partner and the largest Asian investor in Russia.
- China sees Russia as a powerhouse of raw material and a growing market for its consumer goods.
- Dissatisfaction with American policy has grown in both Russia and China, which propelled a closer partnership between the two countries.
- The Western countries’ approach towards Russia after the annexation of Crimea through harsh sanctions in 2014 brought it much closer to China.
- For China, whose policies aimed at European markets via the One Belt-One Road project, Russia is natural strategic partners as the maritime routes are under assertive control of the United States.

- Russia’s decided to sell the latest military technology (like S-400 surface to air missiles and SU-35 fighter jets) to China and an invitation to participate in its largest military drill.
- Also, the political and economic rapprochement is taking place between Russia and China in a number of fields: energy, arms production, trade-in national currencies and strategic projects in transport and supporting infrastructure.

What are the challenges in India- Russia relations?

- Though India and Russia share a long history of strategic and economic cooperation, the post-Cold war Russia and China strategic convergence remains a foreign policy issue for India.
- Apart from growing Russia-China quasi-alliance, in recent times there has been a divergence in India-Russia relationship.
- Russia is reaching out to Pakistan for defence equipment sales, despite Indian reservations.
- Further, more differences may crop up, as is evident in Russia’s support to the Taliban in Afghanistan.

What are opportunities for India?

- Many foreign policy experts are of the opinion, India should not fear the closeness in Russia-China ties, as it is



of temporary nature and a result of the current geopolitical setup.

- Russia is seeking to regain its status as a great power, therefore it will continue to view China as a potential strategic adversary of the future.
- A more problematic area for Russia-China cooperation is that of the Eurasian Economic Union.
- Economic integration in Eurasia was originally pursued by Russia with no immediate concern and/or interest for China.
- However, it is becoming clear that China has developed strong interests in this region.
- While each country has pursued independent projects in Central Asia, they will both struggle for domination in the region.
- China does not recognize Crimea as part of Russia, and Russia takes a neutral stance on China's claims in the South China Sea.
- Given strategic convergence between Russia and China, it is important that India draw up strategies that protect its national interests.
- India can promote mutually beneficial trilateral cooperation between Russia, China and India that could contribute towards the reduction of mistrust and suspicion between India and China.
- In this context, the Shanghai Cooperation Organization and RIC trilateral forum must be leveraged.

- After all there is a need for India to develop closer ties not only with Russia but also with the United States, this could balance any moves towards a strategic partnership between China and Russia.

6. STRATEGIC IMPORTANCE OF ANDAMAN AND NICOBAR ISLANDS

What is the issue?

Increasing threats from china implies that India needs to strengthen its military presence at the Andaman and Nicobar Islands (ANI).

How important is ANI for India in terms of Defence?

- The ten degree channel (that separates the Andaman Islands and Nicobar Islands from each other in the Bay of Bengal) through which majority of trade passes from South China Sea and Pacific to Indian Ocean is between North and South Nicobar Islands.
- Due to presence of islands in Indian Ocean, India is part of many maritime regional groupings.
- Andaman and Nicobar Islands act as a buffer zone between India and rest of the nations present in Indian Ocean Region (IOR).
- Through these islands, India is able to defend its vital stakes in IOR.
- Andaman and Nicobar Command is the first and only Tri-Service theatre

command of the Indian Armed Forces, based at Port Blair.

- It was created in 2001 to safeguard India's strategic interests in Southeast Asia and the Strait of Malacca by increasing rapid deployment of military assets in the islands.
- It is commanded by a three star officer from Navy, under whom officers and men from all three services (Navy, Air Force, Army) work.
- It conducts bi-annual coordinated patrols (CORPATs) with the navies of Thailand and Indonesia, the annual SIMBEX maritime exercise with Singapore, and the biennial Milan multilateral naval exercise.



- ANI could become an important element of India's "Act East Policy" of engaging with countries in the region east of India.
- ANI can play a crucial role in India's Third Fleet and the trans-shipment hub at Car Nicobar, rivalling the ports of Singapore or Colombo.
- As Andaman and Nicobar is the only Tri-Command structure in India, development of military infrastructure at ANI is a key requirement in India's security strategy.

What the challenges are in involved?

- Military infrastructure projects could devastate the fragile ecology of the ANI. Already many islands are facing significant damage from the climate crisis.
- Also, to establish a credible Aerial and Naval presence in an ethnographically extremely sensitive region presents complex challenges.
- When India first began developing the ANI in the mid-1980s, countries like Malaysia and Indonesia feared that India would use its military facilities in the ANI to dominate its region, and project power east of Malacca.
- Hence, it is not uncommon for India to be vilified as the 'Big Brother' by many of its neighbors in South Asia and South-East Asia.
- Therefore, a section of India's diplomatic community has opposed militarizing the ANI, arguing that turning ANI into a strategic-military

What are the opportunities in militarizing ANI?

- Andaman and Nicobar chain of islands could be used as a basis for Indian maritime power projection into the Indo-Pacific and even beyond into the south-west Pacific.



garrison would militarize the littoral states and disrupt Indian Ocean as a zone of peace.

7. RETURNING OF PEACE IN NORTH-EAST

Why in news?

Almost all major insurgent groups in the Northeast have abjured violence and are engaged in peace talks with the Government of India.

What is the background of ethnic insurgency in North-East India?

- Ethnic insurgency is one of the most significant challenges that India has faced in the Northeast.
- Starting with the Naga insurgency in 1956, various ethnic groups including the Meiteis, Mizos, Tripuris and Assamese have successively risen to assert their distinct identities and political aspirations.
- Past efforts by the government to negotiate peace with insurgent groups and accommodate their aspirations within the constitutional framework of the Indian Union failed to usher in lasting peace due to three main reasons.
- Peace accords with dominant tribal groups often triggered insecurities among the minor tribes, which, in turn, took up arms to protect and promote their interests.
- At the root of all conflict in the region is the issue of identity. Insurgencies

in the Northeast have been of three types:

1. Separatist insurgencies demanding independence.
2. Autonomist insurgencies asserting sub-regional aspirations.
3. Intra-ethnic conflicts among dominant and smaller tribal groups.

What is the present situation of North-East Insurgency?

- While these numerous insurgencies led to large-scale violence that peaked during the 1980s and the 1990s, the situation began improving at the turn of the century.
- During the last 20 years, the level and intensity of violence have steadily declined.
- Whereas the number of violent incidents stood at 1297 in 2009, it declined by nearly six times to 223 in 2019.
- Similarly, the number of people killed – insurgents, security personnel and civilians, have also declined by nearly eight times, from 877 in 2009 to 71 in 2018.
- States such as Sikkim, Mizoram and Tripura have become entirely free of insurgent violence.

What are recent developments in North east peace deals?

- Since the beginning of the year, the Northeast has witnessed several



positive developments which seem to harbinger peace in the region.

- The decades-old Bodo insurgency came to an end with the signing of a Memorandum of Settlement (MoS) by the National Democratic Front of Bodoland (NDFB) in January 2020 and complete disbandment of its armed cadres two months later in March.
- Numerous cadres belonging to eight different militant outfits including the United Liberation Front of Assam-Independent (ULFA-I), the NDFB, the Kamtapur Liberation Organisation (KLO) and the Rabha National Liberation Front (RNLF) surrendered in Assam.
- This trend of insurgent groups abjuring violence and participating in peace parleys was witnessed last year as well when the National Socialist Council of Nagalim - Khango (NSCN-Khango) re-entered into a ceasefire agreement with the Union government and participated in the Naga peace talks.
- In fact, during the past few years, violence levels in the Northeast have reduced with many insurgent groups either entering into ceasefire agreements with the government or signing peace accords and subsequently disbanding themselves.

What are the underlying reasons behind the change?

- Four main factors have contributed to compelling the various insurgent groups to give up violence and engage in peace talks.
- **Loss of safe sanctuaries** - Safe havens in Bhutan, Bangladesh and Myanmar had long helped the insurgent groups to regroup, recuperate and train as well as forge fraternal links with each other.
- The tide turned against the insurgent groups as New Delhi constructively engaged the neighbors, sensitizing them of India's security concerns, and as they promised not to allow their territories to be used for anti-India activities.
- **Sustained counter-insurgency operations** - It is carried out by the Indian security forces, which not only led to the killing of several insurgents including senior cadres but also the arrest and surrender of a substantial number of insurgents.
- **Appeals by civil society groups to shun violence** - Concerted appeals by the civic groups, church groups, mothers' associations, literary societies, etc. to the insurgent groups to shun violence and embrace peace have also played a role in breaking the vicious cycle of violence in the region.
- **Large-scale migration of youth** from the Northeast to the rest of India has also probably played a role in



reducing the recruitment pool for the insurgent groups.

8. REDEFINING INDIA'S DEFENCE ARCHITECTURE

What is the issue?

Indian defence preparedness is facing challenges such as the absence of a clearly enunciated National Security Strategy (NSS).

What are major shortcomings in India's national security architecture?

- **Powerless National Security Council (NSC)** – It was set up in 1998 almost never meets, primarily because it is an advisory body, with the Cabinet Committee on Security being the executive body.
- If the NSC is to be made more useful, the government's allocation of business rules should be amended to give more powers to the NSC and its subordinate organizations, such as the Strategic Policy Group.
- **Role of National Security Adviser** - Even though the NSA plays a vital role in national security, he has no legal powers as per the government's allocation of business rules.
- The C. Pant Task Force in the late 1990s had recommended the creation of an NSA with the rank of a Cabinet Minister.
- Over the years, the NSA's powers have increased, even though he is not accountable to Parliament.
- The institution of the NSA today requires more accountability and legal formality.
- **Issues with Committee on Security** - Indian defence planning has been retrospective instead of proactive.
- This is because the Cabinet Committee on Security (CCS) meets as often as necessary to review any emerging situations.
- However, the National Security Council (NSC), whose charter involves the evolution of an integrated NSS and the provision of guidance for long-term defence planning, seldom meets.
- Further, the only time a serious security review was undertaken in the recent past was after the Kargil Conflict of 1999.
- **Delayed Defence Acquisition**- Despite the much-trumpeted reform in procurement Defence Reforms process, the acquisition of new weapons and equipment by the armed forces is still mired in bureaucratic red tape.
- Due to this, annual defence budgets remain unutilized and continue to lapse back to the Ministry of Finance (MoF) at the end of the financial year.
- **Manpower Cost** -The hefty rise in manpower cost and dwindling share of procurement, stores and R&D has led some to voice concerns on the sustainability of India's defence modernization, serviceability of existing arms in the inventory,



infrastructure upgradation and viability of the Make in India initiative in defence manufacturing.

- **Issue with Defence Research and Development**-There is a dichotomy between the time-consuming quest for technological self-reliance and the desire of the services to import arms and equipment based on immediate operational exigencies.
- Disconnect in the interface between R&D, production agencies and users remains unresolved.
- Thus, 'make' or 'buy' decisions are still contentious and DRDO projects continue to be delayed with consequent cost overruns.
- **Difficulty in Attracting Foreign Investments**- Foreign Investments (FDI) remains crucial for infusion of cutting edge technology. However, there are several issues which hamper the inflow of defence-related FDI in India.
- For example, issues related to land acquisition, labour laws, regulatory cholesterol, the conflict between the Ministry of Defence and the Department for Promotion of Industry and Internal Trade) regarding computation methodology of FDI.

What is the issue in calculating defence expenditure?

- Though the global military expenditure represents 2.2 per cent of the world output by SIPRI, there is no common and internationally

acceptable definition of what constitutes defence or military expenditure.

- Ideally, any expenditure incurred on the military or external defence of a country should constitute as the defence expenditure.
- Simple as it may sound, governments, military alliances and think tanks differ significantly on the definitional aspects.
- National governments often provide a narrow definition of defence expenditure for a variety of reasons.
- Such narrow definitions do not count all the monies spent on defence.
- For some, hiding true defence expenditure is part of a larger strategy to project a benign face to the outside world.
- For some others, it is a matter of accounting practice.
- For them, the expenditure which is accounted for by their defence departments/ministries is treated as defence expenditure.
- Countries like India and the UK fall into this category.
- Even for these countries, the entire amount spent through their defence ministries is not necessarily counted as official defence expenditure.
- For instance, it was a long-held convention for the Indian Ministry of Defence (MoD) to treat a part of its budget as official defence budget. Pensions and civil expenses of the



MoD and affiliated organisations were outside the purview of official expenditure.

- In recent years, however, the MoD has started treating its entire budget as defence budget.

What measures are needed?

- **Comprehensive NSS** - A National Security Strategy or Policy (NSS or NSP) is a key framework for a country to meet the basic needs and security concerns of citizens, and address external and internal threats to the country.
- Human security involves basing the understanding of security on the needs of citizens, not just those of the government/State.
- India needs to formulate a comprehensive NSS, inclusive of internal security so that all the stakeholders are aware of what is expected of them.
- Along with it, there is a requirement to establish a permanent National Security Commission mandated by an act of parliament to oversee the development of military and non-military capacities for national security.
- **Defence Reforms Under Atma-NirbharAbhiyan** - Government has done well by announcing a slew of reforms under Atma-NirbharAbhiyan, these help in attracting FDI, streamlining time-bound defence

procurement, and boosting domestic participation in the defence sector.

- Under Atma-NirbharAbhiyan following can be done
 1. Raising the sectoral cap of foreign direct investment (FDI) (automatic approval) from the existing 49% to 74%.
 2. A negative list for the import of defence equipment in India.
 3. A separate capital budget for indigenous weapons procurement.
 4. Corporatization of the Ordnance Factory Board (OFB), and
 5. Reforming defence procurement.
- **Applying Hooda Strategy** - Gen. Hooda's National security strategy document defines security in an out-of-the box and inclusive manner.
- On the issue of military jointmanship, it recommends that "the three services should undertake a comprehensive review of their current and future force structures to transform the army, navy and air force into an integrated warfighting force."
- It argues that it would take "a cultural change in the way the DRDO is currently operating" to improve domestic defence production.
- **Defending Terrorists through alternative policies** - Serious efforts are required for countering radicalization, rather than killing the terrorists.
- There is a need to initiate structured programmes that bring together civil



society members, family groups, educationists, religious teachers and even surrendered terrorists in an effort to roll back radicalization.

- **Increasing the Retirement Age** - Chief of Defence Staff (CDS) General BipinRawat has put forth the idea of increasing the retirement age of some categories of armed forces personnel to 58 years, so as to save on the pension cost.
- The Indian Army, which accounts for over 85 per cent of the total uniformed personnel of the three forces, is apparently toying with 'Tour of Duty' concept to reduce its pay and pensionary cost.
- The MoD has also taken certain concrete steps in recent years to reduce its salary budget.
- **Rationalizing Defence Spending** - Considering that defence preparedness is of the highest priority, there is a need to augment defence spending in the short to medium term.
- This could be done either through the additional mobilization of resources (preferably the tax revenue) or through higher deficit financing and/or squeezing resources meant for development.
- Any substantial increase in the budget in the long-term, however, needs to be fiscally prudent, so as to avoid ramifications on the wider economy.

Stockholm International Peace Research Institute

- It is an Independent think tank dedicated to research into conflict, armaments, arms control and disarmament.
- It was established in 1966 at Stockholm (Sweden).
- It provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the interested public.
- SIPRI's database on military expenditure particularly stands out because of its definitional clarity, transparency in collection and reporting of data and global coverage.
- SIPRI includes both the current and capital expenditure on four major heads:
 - (a) The armed forces, including peacekeeping forces.
 - (b) Defence ministries and other government agencies engaged in defence projects.
 - (c) Paramilitary forces, when judged to be trained and equipped for military operations;
 - (d) Military space activities.