INTERNATIONAL RELATIONS
2015
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1. KALADAN PROJECT - INDIA AND MYANMAR.

What are the advantages and disadvantages of Kaladan Multi-Modal Transit Transport Project for India?

- The Kaladan Multi Modal Transit Transport Project was jointly identified by the India and Myanmar to create a multi-modal mode of transport for shipment of cargo from the eastern ports of India to Myanmar as well as to the North-Eastern part of India through Myanmar.
- The Kaladan Multi-Modal Transit Transport Project is a project that it will connect the eastern Indian seaport of Kolkata with Sittwe seaport in Myanmar by sea and it will then link Sittwe seaport to Paletwa in Myanmar via Kaladan river boat route then from Paletwa on to Lawngtlai in Mizoram in India by road transport, from where the Nh-54 passes, which is part of larger East-West corridor connecting Northeast India with rest of India.
- The project includes construction of an integrated port and inland water transport (IWT) terminal at Sittwe, development of a navigational channel along river Kaladan in Myanmar from Sittwe to Paletwa, and construction of a highway transshipment terminal at Paletwa.
- This apart, the project also envisages construction of six IWT barges each of 300 tonnes capacity - for transportation of cargo between Sittwe and Paletwa.

1.1. ADVANTAGES

(a) Strengthen the country’s economic, political and security influence in Southeast Asian countries. Can act as a counter-balance to China’s growing influence in the Bay of Bengal.
(b) Provides landlocked Northeastern region an access to the sea and an opportunity to develop economic linkages with Southeast Asia. With the operationalization of the Sittwe port, generally food-deficient North Eastern states and Mizoram in particular, will get sufficient quantities of rice from Myanmar.
(c) Reduces the distance between Kolkata and the North Eastern states substantially and providing with a shorter and faster transportation route between mainland India and the Northeast Region. The distance between Kolkata port and Sittwe port is roughly 539 kms and products from Lawngtlai would have to travel only 650 kms against the current route of Aizawl-Silchar-Siliguri-Kolkata that is approximately 1,700 kms long. This may pave the way for economic integration of the region with Southeast Asia and rest of India.
(d) Potential of bringing economic opportunities for locals on either side of the border, thus reduce the level of food insecurity.
(e) Generate employment for the local people where unemployment rate is high right from construction stage. Provide small to medium scale business opportunities for locals.
(f) It also provides a strategic link to the North East, thereby reducing pressure on the Siliguri Corridor.
(g) In the absence of an alternate route, the development of this project not only serves the economic, commercial and strategic interests of India, but also contributes to the development of Myanmar, and its economic integration with India.

1.2. DISADVANTAGES

(a) Project would bring irreparable ecological damage, as well as apprehension in the minds of locals of losing their livelihood from the river.
(b) This may render the border between India and Myanmar more porous and thus subject to greater insurgency and migration.
(c) The huge economic cost.
(d) Neglect of direct routes may further isolate the North-eastern part away from the mainland India.

1.3. IMPLICATIONS FOR INDIA

What are economic, political, cultural and strategic implications of this project on India?

1. Economic-The project will help in the development of the North-eastern region thanks to increased connectivity and scope for infrastructure projects in the North-east.
2. Political-The government will be able to carry out talks with insurgent groups from a position of strengths. The Siliguri corridor will not be the only link to the North east.
3. Strategic- India will be able to ramp up economic, diplomatic and military engagement with Myanmar. Myanmar can thus help in the integration of India with ASEAN in accordance with the ‘Look East Policy’.
4. Cultural- People to People links between India and Myanmar which are already strong due to historical ties will improve.

2. INDIA GERMANY RELATIONS

- Bilateral relations between Germany and India are based on a sound foundation of mutual respect, understanding and support. The cooperation between both countries covers a wide range of areas from political action and growing economic exchange to landmark cultural events. It is complementary as India and Germany both contribute their particular and unique strengths to this truly strategic partnership.
- The relationship, based on common values of democracy and rule of law has gained significantly in strength in the 1990s following India’s economic liberalization and the end of Cold War. The strategic partnership between India and Germany gained light with both cooperating closely on the issue of UNSC expansion within the framework of G-4 (Brazil, Japan, Germany India).

2.1. HISTORICAL BACKGROUND

- The history of Indo-German political relations goes back to the late nineteenth century, when the ‘Imperial German Consulate’ (Kaiserlich Deutsches General Konsulat) started operating from Calcutta (now Kolkata).
• As one of the first countries, India diplomatically acknowledged and accepted the Federal Republic of Germany (West occupied Western Germany) after the end of the Second World War in 1945. The diplomatic recognition of Germany by the Indian government smoothened the way for a long lasting and continuous relationship for over 60 years up to the present day.
• Thus, in 1951, the Indian Union and Germany decided to establish economic relationships to gear up their partnership. With that in mind, the Indian Prime Minister Jawaharlal Nehru made his first visit to post-war Germany and its first Chancellor Konrad Adenauer (Christian Democratic Union – CDU) in the same year.
• Also, Germany established its Consulate General in Bombay (now Mumbai) in 1951, leading to the establishment of a full-fledged Embassy in New Delhi in 1952.

2.2. INDIA GERMANY STRATEGIC RELATIONS

• Germany and India maintain a strategic partnership. Back in May 2000 both countries adopted the ‘Agenda for the Indo-German Partnership in the 21st Century’. This includes regular meetings of both Heads of Government as well as annual meetings of the Foreign Ministers, if possible. It also substantiated their mutual interest in the expansion of the economic and technological sector, as well as for Science and Culture.
• In addition to the adopted agenda, a “Joint Statement” was ratified in 2006, underpinning the importance of the strategic bilateral relation and intensifying the relations between the two states.
• The first Intergovernmental Consultations (IGC) were held in New Delhi in May 2011. The two countries discussed several bilateral and global issues of interest viz. Strategic Dialogue, Foreign Office Consultations, Joint Commission on Industrial and Economic Cooperation, Defense Committee Dialogue and Joint Working Group on Counter- Terrorism.
• Four important MoUs in the field of vocational education and science & technology were signed. Chancellor Merkel was awarded the Jawaharlal Nehru Award for International Understanding for the year 2009, during the visit.
• The Second Round of Intergovernmental Consultations took place in Berlin on 11th April, 2013- 10 MoUs in the field of vocational education and training, railways, S&T and renewable energy were signed on the sidelines of Second IGC. Besides China and Israel, India is one of the first countries outside the European Union, with whom Germany has established such a close partnership.

Importance of India-Germany Relations:

India has large workforce waiting to be assimilated in labor market, but India lacks skilled manpower and opportunities after skilling, while Germany’s population is ageing and it needs workforce to keep its economy going and also can provide skill training in India.

With more than $20 billion of bilateral trade and as the seventh-largest investor in India, Germany is keen on concluding the stalled India-EU FTA negotiations which India has been negotiating for long with EU.

Germany can be a valuable partner for: ‘Make in India’, railway modernization, renewable energy, Clean Ganga and skill development.

Germany is one of the most productive collaborators in joint scientific projects for Indian researchers. IIT Madras was set up with German help. And most German universities provide free education even to foreigners.

Germany’s engineering competencies and India’s strengths in information technology create significant synergies for collaboration in innovation. Germany and India agreed to explore new collaboration under the ‘Digital India’ initiative. Both sides aim at building business collaborations through innovation in the area of Industry 4.0 and the ‘Internet of Things’. Germany and India will strengthen their cooperation in facilitating research and commercialization of technologies in Indian heavy industries.
Germany can bring investment in smart cities and projects of high-speed trains and also be helpful due to its experience in the medium and small enterprises.

As strategic partners since 2000, both countries have worked closely in matters related to trade, investment, energy, development cooperation, UNSC expansion etc.

2.3. GERMAN ECONOMY

- Germany - the fifth largest economy in the world in PPP terms and Europe’s largest - is a leading exporter of machinery, vehicles, chemicals, and household equipment and benefits from a highly skilled labor force.
- German economy contracted by 5.1% in 2009 but grew by 3.6% in 2010, and 3.1% in 2011. The recovery was attributable primarily to rebounding manufacturing orders and exports - increasingly outside the Euro Zone. The worsening euro-zone financial crisis and the financial burden it places on Germany as well as falling demand for German exports has made domestic demand a more significant driver of Germany’s economic expansion.

2.4. TABULAR DATA ON ECONOMIC RELATIONS

<table>
<thead>
<tr>
<th>Indo-German Bilateral Trade in</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 (Jan-June)</th>
</tr>
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<tbody>
<tr>
<td>Total Trade</td>
<td>17.37</td>
<td>16.10</td>
<td>15.96</td>
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<td>Indian Exports</td>
<td>6.99</td>
<td>6.91</td>
<td>7.03</td>
<td>3.91</td>
</tr>
<tr>
<td>Indian Imports</td>
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<td>9.91</td>
<td>8.92</td>
<td>4.91</td>
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<tr>
<td>Balance of Trade</td>
<td>-3.39</td>
<td>-2.28</td>
<td>-1.89</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Major Indian Exports to Germany: Textile, Textile and Metal products, Electro technology, leather and leather goods, food and beverages, machinery, auto-components, gems and jewellery, Rubber products

Major Indian Imports from Germany: Machinery, Biotechnology, Metal and Metal products, Chemicals, Auto Components, Measurement and Control equipments, plastics medical technology, pharmaceutical, paper and printing material.

(Source: Federal statistical Office, Wiesbaden)

- Germany is India’s most important trading partner within the European Union and the sixth most important trading partner in worldwide comparison. Since the beginning of the Indian reform policy in 1990, the bilateral trade volume has risen from 2.7 billion Euro to 16 billion Euro in 2014.
- Germany is the 8th largest foreign direct investor in India since 2000. German FDI in India during the period 1991-February 2015, was valued at US$ 8.25 billion. German FDI in India in 2014 was to the tune of US$ 1.15 billion. Indian investments in Germany have also shown a remarkable increase in the last few years and have invested over US $ 6 billion in Germany, mainly through M&As.
- In the first 7 months of 2015, the bilateral trade volume compared to the previous year rose by 13 %. German exports rose by 17.5%, while imports from India rose by 8.1%. The German trade surplus of around 1.9 billion Euro in 2014 is based on a high demand for German capital goods. These are machinery that amount to a third of German exports to India, as well as electronic technology, metal ware, chemicals, automobiles and automotive parts. Indian exports to Germany consist mainly of textiles, chemicals, electronic technology, metal ware, leather and food.
2.5. INDIAN PM VISIT TO GERMANY (APRIL 2015)

- The two nations agreed to take proactive steps to advance collaboration in the areas of manufacturing, skill development, urban development, environment, railways (modernisation of railway infrastructure, high speed trains, etc.), cleaning of rivers, language and science & technology.
- **Manufacturing:** it was decided to utilise the momentum generated by India’s participation in the Hannover Messe 2015 to foster stronger ties between business and industry on both sides in order to support India’s Make in India initiative.
- Following the completion of the Ganga Scoping Mission in October 2014 by Germany, both nations will develop cooperation on Ganga River rejuvenation strategies, capacity support for urban sanitation, setting up of standards, approaches to industrial pollution and innovative financial models. Both the sides also agreed upon the establishment of two working groups in areas of water and waste management.
- In the field of **Renewable Energy**, Germany agreed to support India’s proposed objective of 175GW of renewable energy by 2022 through technical and financial support for developing comprehensive solar rooftop and green energy corridor projects in India.
- Besides, the two nations also agreed to strengthen their efforts towards carrying on negotiations for an ambitious EU-India Free Trade Agreement with a view to its early conclusion.

2.6. THIRD INDIA GERMANY INTER-GOVERNMENTAL CONSULTATIONS (IGC) IN NEW DELHI (OCTOBER 05, 2015)

Both the Indian PM and German Chancellor agreed to steer the Strategic Partnership between India and Germany into a new phase by building on their growing convergence on foreign and security issues and on the complementarities between the two economies.

**KEY HIGHLIGHTS**

- Both leaders underlined their **strong support to upholding the sovereign equality of all States as well as respect for their territorial integrity**. They reiterated their full support for ongoing efforts to find a **diplomatic solution to the conflict in eastern Ukraine**.
- Both sides underlined the importance of **freedom of navigation in international waters**, the right of passage and other maritime rights in accordance with accepted principles of international law, including the UN Convention on the Law of the Sea.
- India and Germany emphasized their commitment to the reconstruction of a **stable and peaceful Afghanistan**.
- India and Germany agreed to strengthen their cooperation on migration issues, bilaterally and internationally. Bearing in mind that Germany will be co-chairing the Global Forum on Migration and Development (GFMD) in 2017/18, they emphasized the role of international organizations and forums like the GFMD as facilitating actors in finding common answers to pressing migration issues.
- Germany and India welcomed the Joint Comprehensive Plan of Action reached by the E3/EU+3 and Iran on 14 July 2015 in Vienna, which marks an important step towards resolving the nuclear issue with Iran.
- India and Germany stressed their full commitment to IAEA’s Safeguards and Germany welcomed India’s ratification of an Additional Protocol to its Safeguards Agreement. Both sides agreed to hold regular consultations on disarmament and non-proliferation.
- Both the countries welcomed the historic adoption of the **2030 Agenda for Sustainable Development and expressed their commitment to implementing the Sustainable Development Goals**. Both leaders expressed their full support to France for reaching an ambitious, comprehensive and equitable climate agreement at COP 21 in Paris later this year.
Both sides took positive note of the resumption of negotiations for amending the existing **Double Taxation Avoidance Agreement** including the Article on Exchange of Information to enhance the elimination of double taxation and to foster financial transparency.

Both welcomed the agreement on **teaching of the German language** as an additional foreign language in KendriyaVidyalayas in conformity with the National Education Policy of India as well as the facilitation of teaching of modern Indian languages in German educational institutions.

Both leaders underscored the intention to cooperate closely as regards the protection of cultural goods and the fight against illicit **trafficking in cultural property**. The Indian side expressed deep appreciation for the gesture of goodwill from the Federal Republic of Germany and the State of Baden-Wuerttemberg in making possible the return of the statue of Durga-Mahishamardini to India.

### 2.7. INDO-GERMAN PARTNERSHIP ON CLIMATE CHANGE

- The **Climate and Renewables Alliance** between India and Germany intensify cooperation on climate and energy technology issues, including within the already existing Indo-German Energy Forum.
- **Indo-German Climate and Renewable Alliance**, is a partnership to harness technology, innovation and finance in order to make affordable, clean and renewable energy accessible to all and foster climate change mitigation efforts.
- It includes: (1)Next generation solar technology; (2) Renewable energy storage; (3) Climate-friendly space cooling technologies; (4) Super-efficient appliances and buildings; (5) Zero emission passenger and freight vehicles; (6) Energy-efficient rail and water infrastructure; (7) Off shore wind.
- It welcomed India’s aim to consistently increase efficiency gains in the use of electricity by 2030.
- Germany welcomes India’s submission of its intended nationally determined contribution to the Paris Agreement.
- India appreciates Germany’s ambitious mitigation efforts, including its goal to have at least 80% of electricity consumption from renewable sources by 2050 compared to 27% today.
- The implementation of the **Green Energy Corridors Partnership** with an overall German commitment of 1.15 billion euros in the last two years is also progressing well.
- Both countries welcomed the memorandum of understanding on an Indo-German Solar Energy Partnership based on concessional loans in the range of 1 billion euros over the next five years.

### 2.8. PERMANENT SEAT IN UNSC

- India and Germany seek a permanent seat with veto powers at the United Nations Security Council and have joined with Japan and Brazil to coordinate their efforts via the G4 collective.
- At the UN General Assembly summit in New York in September 2015, the P5 members of the UNSC dismissed any notion of dilution of their power at the UN’s high-table and severely undermined efforts by G4 nations to gain access to the exclusive club.
- While India maintains that it will continue to demand a permanent seat within a reformed UNSC with powers identical to the P5 nations, it has signalled that strengthening of bilateral economic and political ties with neighbouring countries is the immediate priority. Prevailing consensus within the United Nations that Europe is already over-represented within the UN Security Council, juxtaposed with long-established opposition from within Europe to the German candidature, constitute indomitable obstacles which confront Germany.
- A reality-check of geopolitical power of G4 nations at the 2015 UN General Assembly and Asian geopolitical compulsions have influenced India’s choice to refocus on strategic bilateral engagements with France and UK who are UNSC P5 member States.
- German influence on the global stage is subject to accommodation by France and UK who are key global security actors.
• Restrictions imposed through the 1990 Treaty on the Final Settlement with Respect to Germany effectively subordinates Germany to the Four Powers (USA, UK, France & Russia).

2.9. CULTURAL RELATIONS

• India and Germany have a long tradition of academic and cultural exchanges.
• German scholarly tradition has played a key role in introducing Indian art, culture, literature and philosophy to the wider world.
• India and Germany marked 60 years of establishment of diplomatic relations through ‘Year of Germany in India’ in 2011-12 and ‘Days of India’ in Germany in 2012-13.
• The Tagore Centre, set up by Indian Council for Cultural Relations (ICCR) in Berlin in 1994, regularly organizes programmes to showcase the Indian heritage and diversity of its culture, through a broad spectrum of dance, music, literary events, films, talks, seminars and exhibition events.

2.10. INDIAN DIASPORA

There are about 1,43,000 persons of Indian origin in Germany including Indian passport holders and Persons of Indian Origin. The Indian diaspora mainly comprises of technocrats, businessmen/traders and nurses. There are a number of Indian organizations and associations active on business/cultural front, cementing ties between India and Germany at the people-to-people level.

3. INDIA’S NUCLEAR CONUNDRUM

3.1. COMPREHENSIVE NUCLEAR TEST BAN TREATY

The Comprehensive Nuclear-Test-Ban Treaty (CTBT) is a multilateral treaty by which states agree to ban all nuclear explosions in all environments, for military or civilian purposes. It was adopted by the United Nations General Assembly on 10 September 1996 but it has not entered into force due to the non-ratification of eight specific states.

• The CTBT with its 183 signatories and 164 ratifications is one of the most widely supported arms-control treaties.
• The CTBT has yet to become global law due to its demanding entry into force clause, which requires the signature and ratification of all 44 countries listed as nuclear technology capable.
• At present, eight of those countries are yet to join: India, Pakistan and North Korea are the only non-signatories from this list.

Q. What are India’s Objections to CTBT? What benefits can India accrue if it signs CTBT?

3.2. INDIA’S OBJECTIONS TO CTBT

• India’s objection to the CTBT is that as with the earlier nuclear treaties, it divides the world permanently into nuclear “haves and have-nots”.
• CTBT only deals with horizontal proliferation not vertical proliferation (refers to the upgrading and further development of more sophisticated weapons by the existing nuclear powers by simulation). India called for a treaty that banned all types of nuclear weapons tests.
Nuclear weapon states have already acquired sophistication before signing treaty that is discriminatory against India.
India’s security concerns are not addressed.
No time frame mentioned to dismantle existing nuclear weapons.
CTBT is silent on complete nuclear disarmament. India is "committed to working towards a CTBT that will promote the goal of total nuclear disarmament”.

3.2.1. IMPLICATIONS OF INDIA SIGNING CTBT

Following advantage India can derive by signing CTBT:

- India can gain admission into the institutions governing the global nuclear order, which essentially means membership of strategic export control cartels such as Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR), Australia Group and the Wassenaar Arrangement.
- Signing the CTBT would also make India’s claim for a UNSC seat stronger.
- Once India signs the CTBT, some of the other hold-out states are likely to follow, such as Pakistan, China and USA.
- It may end nuclear race in Asia.
- To respond to global developments in nuclear disarmament and arms control as a responsible stakeholder in the non-proliferation regime.
- India will get information from International Monitoring System (IMS) of the Comprehensive Nuclear-Test-Ban Treaty Organisation’s (CTBTO). While scanning the globe for signs of a nuclear test, this monitoring system produces data that have many spin-off applications, from disaster early warning to scientific research on the Earth’s inner structures, climate change or meteors, to name just a few of the potential uses.

3.3. INDIA ROLE IN NUCLEAR DISARMAMENT

India position is very clear and consistent about complete nuclear disarmament,

- Prime Minister Jawaharlal Nehru’s famous initiative in 1954 for a “standstill agreement” on nuclear testing.
- Nehru played an important role in building international momentum for the 1963 Limited Test Ban Treaty, which India joined.
- Rajiv Gandhi’s impassioned plea to the U.N. General Assembly in 1988 for phased nuclear disarmament.
- India played a key role in the negotiations to establish the International Atomic Energy Agency (IAEA) and actively participated in the negotiations on the NPT, but decided not to sign when it became clear that it would become an unequal treaty.

3.4. CAN INDIA JOIN THE NUCLEAR SUPPLIERS GROUP?

In 2008, the NSG exempted India from the requirement adopted by the NSG in 1992 banning nuclear cooperation with any state that had not accepted IAEA (International Atomic Energy Agency) comprehensive safeguards. That move allowed India to engage in nuclear trade with NSG members.

India received the NSG waiver after some tough negotiations. India got its exemption on the basis of certain non-proliferation commitments to which it agreed under the India-US Civilian Nuclear Agreement. They include:

- Separating its civilian and military nuclear facilities in a phased manner;
- Placing civil nuclear facilities under IAEA safeguards;
- Signing and adhering to the IAEA’s Additional Protocol;
- Continuing its unilateral moratorium on nuclear testing;
- Working with the United States for the conclusion of the Fissile Material Cut-off Treaty (FMCT);
• Refraining from the transfer of enrichment and reprocessing technology to states that do not have them and supporting international efforts to limit their spread;
• Introducing comprehensive export control legislation to secure nuclear material; and
• Adhering to the Missile Technology Control Regime (MTCR) and NSG guidelines.

NSG members were divided into three groups, according to their national policies towards the waiver.

The first group of countries, motivated by mercantile interests, strongly supported the exemption.

The second group was “like-minded” countries, small states with a strong nonproliferation stance. The like-minded countries wanted to include conditions in the waiver such as a clause that would restate the desire of the Group for universal membership in the NPT.

The third group of countries, which came out in favor of the exemption were not enthusiastic.

3.5. INDIA DESERVES NSG MEMBERSHIP

• By declaring a voluntary moratorium on further underground nuclear tests India has effectively acted in sense and spirit of NPT/CTBT provisions. By steering its program only as a minimum deterrence and pledging NFU (No First Use) unless faced with an attack of weapons of mass destruction (WMD), India has established itself as a responsible nuclear state.
• India’s nuclear doctrine is unique. It is non-offensive, non-proliferative and only for deterrence unlike that of many Western powers.
• It has acquired high-level expertise in safe utilization of nuclear technologies; mastered effective control of the associated consequences of its civilian usage and prepared to accept full-scale IAEA safeguards.
• India has already acquired high-level expertise in the peaceful use of nuclear energy in industry, power, agriculture and health care. India’s membership of the NSG shall not only benefit it but also encourage civil nuclear trade globally without compromising on world peace and harmony.

A legally binding nuclear testing moratorium, a “review” provision in case of India’s non-compliance with the non-proliferation commitments, and a provision denying the transfer of enrichment and reprocessing (ENR) technology, have been acting against it.

India insists that Washington take on the job of achieving a consensus in the NSG, just as the Bush administration did in the waiver negotiations. So, India’s membership to NSG looks like a distant dream at the moment.

3.6. IAEA ACKNOWLEDGES INDIA’S NEED FOR MORE AUTONOMY IN NUCLEAR REGULATIONS

• After completing a 12-day review of India’s nuclear safety standards, UN’S International Atomic Energy Agency said that India has a “strong commitment to safety” but the Atomic Energy Regulatory Board (AERB) needs more independence and separation from the government, for its efficient working.
• The IAEA’s review report was completed as its Director General Yukiya Amano visited Mumbai, Delhi and Rajasthan Atomic Power Station (RAPS). According to a release from the IAEA in Vienna, six preliminary suggestions were given at the end of the review which was accepted by the Indian agency.
• India currently operates 21 nuclear power plants with an installed capacity of 5780 MW.
• Global nuclear watchdog IAEA asked India to:
  • Ensure its atomic regulator’s independence to prevent an "undue influence”.
  • Come out with a national policy for radioactive waste management.
  • Promulgate a national policy and strategy for nuclear safety, and
  • Allow more on-site inspections at the nuclear power plants (NPPs) under international safeguards as a statement of the government's intent
3.7. THE PROBLEM AND THE NEED FOR REFORMS

- Currently, the AERB, established in 1983, is tasked with regulating the safety and security aspects of the country's civilian nuclear facilities. However, it is not an autonomous body as it depends on the Department of Atomic Energy (DAE) for all practical purposes.
- Critics say, it has been unable to perform its regulatory functions effectively. The demand for establishing a truly autonomous nuclear regulatory authority has been a long-standing one.
- In 1997, the Raja Ramanna Committee report had recommended that the Atomic Energy Act (1962) should be amended to enhance the effectiveness of the nuclear regulatory system in the country.
- To give more teeth to the AERB and ensure its independence, the Nuclear Safety Regulatory Authority (NSRA) Bill was first introduced in the Lok Sabha in 2011. The bill has now lapsed and will have to be reintroduced in the new Lok Sabha.

3.8. INDIA- AUSTRALIA NUCLEAR DEAL

- India and Australia signed the civil nuclear deal in September 2014, but Australia is unable to supply uranium to India because treaty has not been ratified by Australian parliament.
- Recently the parliamentary committee (Joint Standing committee on Treaties (JSCOT)) has released report about India- Australia nuclear deal.
- The parliamentary committee has “in principle” approved the nuclear deal.

3.8.1. RECOMMENDATIONS OF COMMITTEE

- It recommended that:
  - India be encouraged to sign the Nuclear Non-Proliferation Treaty (NPT),
  - To separate its civilian and military nuclear facilities further, and
  - Appoint an “independent national regulator” to oversee the movement of Uranium, also called Australia-Obligated Nuclear Material (AONM).

3.8.2. MAJOR ISSUE WITH DEAL

- Under Section 51(2) of the Australian safeguards law, it is mandatory for the government to account for all Australia-Obligated Nuclear Material (AONM), in terms of “location, quantities and intended use,” verified on an annual basis.
- India's position is that all imported nuclear material is subject to safeguards under the guidelines of the International Atomic Energy Agency and further bilateral intrusions are unnecessary.

3.9. TRADE

- The bilateral trade between India and Australia estimated at $15 billion.
- To strengthen bilateral trade and investment, both counties Prime Ministers agreed to conclude a Comprehensive Economic Cooperation Agreement (CEPA) by the end of the year.
- India–Australia both border the Indian Ocean and have a shared interest in the maintenance of freedom of navigation and trade.
4. INDIA-CHINA

4.1. MARITIME SILK ROUTE

What is China’s proposed “Maritime Silk Route project” and what will be its possible impact on India?

Beijing’s plan for a maritime infrastructure corridor in the broader Indo-Pacific region, first proposed by President Xi Jinping’s during his trip to Southeast Asia in October 2013, has attracted attention because of its potential to establish a Chinese foothold in the Indian Ocean. Needless to say, China’s outreach to India - inviting it to join the project - has generated much analytical curiosity.

- The first thing of interest about the MSR is that it was initially mooted as an ASEAN-centered project. The intention then was to enhance connectivity and cultural links in China’s strategic backyard—the South China Sea.
- Beijing later expanded the scope of the project to include the Indian Ocean, but in reaching out to Colombo and New Delhi, it found a willing partner only in the former. India has been ambivalent about the MSR and is yet to make up its mind on joining the project.
- The problem with the MSR, essentially, is the ‘opaque’ nature of its proposal. Outwardly, the project is about the development of massive maritime infrastructure and connectivity in the Indian Ocean and the Western Pacific. Beijing has been careful to project the MSR as an exclusively commercial venture, trying hard to dispel any impressions of it being a cover for maritime military bases. Surprisingly, however, China has released no details about the project, and this makes many countries doubt Beijing’s strategic intentions.
- The lack of specifics not only makes it hard to decipher the MSR’s real purpose, it gives credence to suspicions of geopolitical game play by China. Indeed, for a project being touted as a critical enabler of regional sea-connectivity, Chinese planners would have spent much time and effort developing the fine-print. The lack of firm plans, proposals and timelines then does lead to a suspicion that there may be something about the MSR that Beijing is hesitant to reveal quickly.
- The MSR’s essential rationale is the leveraging of Chinese soft-power. The aim apparently is to shore-up China’s image as a benevolent state. Beijing’s would also conceivably use the project’s commercial investments to establish its legitimate interests in the Indian Ocean. And while China can be expected to do everything in its power to force region states to join the project - including offering economic aid to potential partners - the bottom-line for it will be to make an offer to India that is hard to refuse.
- For India, it is instructive that the sales pitch of shared economic gains does not conceal the MSR’s real purpose: ensuring the security of sea lines of communications (SLOCs) in the Indian and Pacific oceans. Since African resources are China’s focus right now, the project could well be a surrogate for a giant Chinese SLOC running all the way from the East African coast, to the Southern coast of China – created, maintained and controlled by Beijing. In its ultimate form, therefore, the MSR could end up setting up Chinese logistical hubs in the Indian Ocean, linking up already existing string of pearls.
- India’s appreciation of the MSR must be based on an objective appraisal of these new realities. Even assuming the project delivers on its economic promise, it could well turn out to be detrimental to India’s geopolitical interests in the IOR.
As Beijing becomes more involved in building infrastructure in the Indian Ocean, it will play a larger part in the security and governance of the IOR, which could pose a challenge to India’s stature as a ‘security provider’ in the region and also adversely affecting New Delhi’s strategic purchase in its primary area of interest.

4.2. BRAMHAPUTRA DAM CONTROVERSY

Q. What is Brahmaputra dam controversy and what can be its impact on India?

The Zangmu Damisa gravity dam on the Brahmaputra River 9 km (5.6 mi) northwest of Gyaca in the Tibet (Autonomous region of China).
The purpose of the dam is hydroelectric power production using running water (river) technology. It is part of the Zangmu Hydropower Project and will support a 510 MW power station.
Construction of this dam began in 2009 and the first generator was commissioned in November 2014. It is commissioned on 13th OCT 2015.
It is the first dam on the Brahmaputra/YarlungZangbo River and has caused much controversy in India, which lies downstream.

The dam, considered to be the world's highest-altitude hydropower station and the largest of its kind, will produce 2.5 billion kilowatt-hours of electricity a year.
It will alleviate the electricity shortage in central Tibet and empower the development of the electricity-strapped region. It is also an important energy base in central Tibet.

4.2.1. INDIA’S RESPONSE TO THIS CONSTRUCTION

An Indian inter-ministerial expert group (IMEG) had advised the government in 2013 to intensify monitoring of river flows from upper to lower reaches of Brahmaputra in view of dangers posed by this dam.
IMEG had noted three dams, Jiexu, Zangmu and Jiacha, were within 25km of each other and just 550km from the Indian border.
China had agreed in 2013 to provide more flood data of the Brahmaputra from May to October instead of June to October as per river waters agreements.
China is building two other dams on the Yarlung Zangbo River, the Chinese name for Brahmaputra. These dams, 510 MW Gyatsa and 360 MW Zhongda, are in different stages of construction. Two more dams, Jiexu and Langzhen, are still on the drawing board.

It is believed that China’s completion of this project shows India’s failure.

4.2.2. IMPACT ON INDIA

China’s attempt to build infrastructure in Tibet and improve its connectivity with the Chinese mainland has been one of China’s major strategies, not only in terms of military preparedness but also to overcome the challenge of regional disparity.

China has been working on improving infrastructure and connectivity with the frontier states along its border. India, on the other hand, has been rather slow in developing its frontier states, with tardy development patterns.

A vast and densely populated region of North-east India that depends on water from Brahmaputra and its tributaries is feeling agitated over China’s ambitious efforts to redraw its water map. China’s reported plan to divert the Brahmaputra from its upper reaches is being seen as a direct affront to India and a violation of International norms of sharing river waters. Once the construction of dam is complete, the control on the water of Brahmaputra will be in the hands of China. As the Brahmaputra is the lifeline of North East India, the life and environment in the region will be adversely affected by this development. The term Brahmaputra means “son of brahma” and in the early days of Indus valley civilizations Brahmaputra River is the subject of faith and legends of Bharat.

If the situation continues unabated, it will have long term implications for India.

While the Chinese government has made it clear that it is in constant touch with the Indian authorities on the matter, it is intriguing why a robust consultative mechanism at both Track 1 and Track 1.5 involving China, India and Bangladesh has not been set up. India needs to keep in mind that it is not the only party involved in the Brahmaputra issue.

A comprehensive picture of the issue makes it evident that India is the middle riparian State, with China as the upper riparian and Bangladesh as the lower riparian State.

It is, therefore, rational for India to look for a trans-national solution to a trans-national development. This is important to ensure that at a later stage, water issues do not become an arm-twisting tool for China in dealing with the Indian states of the north-eastern region, especially Arunachal Pradesh.

China’s hydro-behavior with other neighbors may serve as a key to understand its approach on the Brahmaputra as well. Along the other two big rivers that pass through China to Southeast Asia, China has shown similar trends. On both the Lancang (upper Mekong) and Nu (upper Salween) rivers, China has carried on building dams and other associated activities without taking into account the interests and concerns of the lower riparian States.

5. INDIAN-SEYCHELLES

What is recent development in India-Seychelles relation?

India’s relationship with the Seychelles, a small Indian Ocean island state northeast of Madagascar with a population of around 90,000, is expanding. Amid growing perceptions in India that China is laying down a strategic framework around the Indian Ocean, New Delhi is making a new push to seal in its partnerships around this region.
The Union Cabinet chaired by the Prime Minister Shri Narendra Modi, on 7th October 2015 gave its ex-post facto approval to the protocol for cooperation in the field of blue economy which was signed between India and Seychelles during the visit of the President of Seychelles to India on August 26, 2015.

“Blue economy” is a term used by Indian Ocean states to refer to a range of ocean resource management and development programs. It is also the name of Seychelles’ sustainable development model.

President Michael of Seychelles was in India in August 2015. Michel’s visit to New Delhi comes five months after Indian Prime Minister Narendra Modi visited Seychelles on a broader tour of the Indian Ocean region (Modi also visited Sri Lanka and Mauritius).

During this visit a protocol was signed. This protocol lays down the modalities and mechanism of cooperation between the two parties for ocean studies as well as scientific exploration and exploitation of sea based resources, for sustainable development and economic purposes.

The cooperation will enhance India’s strategic cooperation in the field of blue economy; commercial benefits from export of human resources, expertise and technology and it will increase India’s access to ocean-based resources in cooperation with Seychelles.

Cooperation with Seychelles in blue economy will provide new data on ocean-based resources and also provide for sharing of expertise and technology developed by Indian scientists and research institutes.

It will also help domestic innovation in the field of ocean research and technology.

The notable outcomes of Michel’s visit to New Delhi were the conclusion of an information exchange pact, aimed at curbing tax evasion and promoting cooperation between Indian and Seychellois authorities.

The outcomes of Modi’s visit to Seychelles could also be mentioned such as gifting of dornier aircraft, Joint Working Group on Blue Economy etc.

6. INDIA-AFRICA FORUM

The success of the Indo-Africa Forum Summit as well as the future of India-Africa relations is depends on India’s ability to develop an attractive and sustainable approach to Africa through such platforms. Discuss.

6.1. BILATERAL RELATIONS

- The India-Africa Forum Summit (IAFS) is a celebration of the close partnership between Africa and India.
- It is an acknowledgement of our shared history as well as our future prospects. From both countries struggle against colonialism and apartheid, they have emerged to jointly accept the challenges of a globalizing world.
- Even as both combat with common threats - the threat from international terrorism; the scourge of poverty, disease, illiteracy and hunger; the challenge of climate change - and collectively promote the socio-economic advancement of all our people, it is believe that India and Africa traverse the same path, share the same values and cherish the same dreams.

6.2. INDO-AFRICA SUMMIT 2015

- New Delhi hosts representatives of fifty four countries from the continent for the third India Africa Forum Summit (IAFS) from 26-29 October, 2015.
- It is believed that this is the most spectacular diplomatic exercise hosted by India since the 1983 Non Aligned Movement (NAM) summit; this meeting provides opportunity for India to rejuvenate relations with the continent.
- While India’s relations with African countries go back a millennium, in 2008 India began a structured engagement with Africa through the India Africa Forum Summit process.
- The second summit in 2011 at Addis Ababa expanded this cooperation.
- The current summit (Indo-Africa summit 2015) is important in the context of the evolving development partnership, trade and investment ties and the scope for convergence on peace and security issues.
The participation and the format of the Summit have been decided in consultation with the African Union Commission and the permanent representatives of the member states. This is the beginning of a process.

- It is also agreed that the formal outcome documents of the Summit would be a Declaration and an Action Plan.
- The draft Action Plan is under preparation and a draft has been circulated by the AU Commission to the member states. The response of member states is awaited.
- The second document which will be a Declaration will address broader areas of cooperation and common views on regional and international issues including the fight against terrorism, climate change and WTO negotiations.
- After the Annual Summit meeting of the African Union, the officials on both sides will meet for further discussions on the draft Declaration and the draft Plan of Action.
- The areas on which both have agreed to focus in the Action Plan will include human resources and institutional capacity building and education, science & technology, agricultural productivity and food security, industrial growth including small & medium enterprises and minerals, development in the health sector, development of infrastructure, ICT and establishment of judicial system with police and defense establishments under civilian control, etc.

6.3. INDO-AFRICA PARTNERSHIP

- India has forged a development partnership with the African countries. This development partnership is unique as it is based on a consultative model and is driven by African needs.
- The focus of the development partnership is on human resource development and capacity building in Africa.
- India has extended development assistance worth $ 7.4 billion through lines of credit given by the Export Import bank. Of this $6.8 billion has been approved and about $3.5 billion, nearly half, has been disbursed. These lines of credit have led to the completion of 137 projects in 41 countries across Africa.
- Apart from this, India had also pledged to set up nearly 100 Indian Africa Training Institutes across the continent.
- However progress on this project has not been very satisfactory. Another area of engagement that could be added in the Partnership is that of renewable energy.
• Both India and the African countries share the problem of access to modern means of energy. A large part of rural India is devoid of modern means of clean energy.
• Similarly almost two-thirds of Africa does not have access to modern energy. As there is a global focus on use of energy resources that are clean and lead to sustainable development, India has been involved in projects related to renewable energy such as solar energy in Africa.
• In Mozambique India helped set up the first solar panel production factory in the country. Moreover, the Mozambican technicians involved in the production process were trained in India.

6.4. TRADE AND INVESTMENTS

• India’s growing synergy with Africa is evident from the recent trends in trade.
• The total trade was than $1 billion in 1990-1991 and has grown to $71 billion in 2014-15.
• South Africa remains the leading destination for India’s exports to Africa in 2014-15. Other major export destinations include Kenya, Egypt, Nigeria, Tanzania, Mozambique and Mauritius.
• India’s private sector has played a pivotal role in the expansion of trade relations. The chambers of industry such as the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) have, through regular trade conclaves, provided a platform for the corporate sectors of India and Africa to interact and forge business ties. As a result Indian investments in Africa have multiplied and are currently pegged at around $35 billion dollars.

6.5. SECURITY CONCERNS

• Africa like India has a long coast line and is concerned about the threats such as piracy, drug trafficking and security of sea lanes.
• In recent years India has deployed its Navy in the Gulf of Aden in the Indian Ocean region in a bid to deal with the piracy challenge.
• In most parts of Africa the navies and coast guards are not equipped to deal with this threat. Thus the possibilities of India-Africa maritime cooperation are immense.
• The African countries have developed the Africa Integrated Maritime Strategy 2050 that provides a roadmap to deal with the maritime security challenges and measures to develop the blue economy.
• This strategy blends well with the Modi governments focus on ocean governance and economy.

6.6. CHINA CARD IN INDO-AFRICA RELATIONS

Discuss the Sino-India involvement in Africa and increasing tilt of African leaders towards India.

• African continent is increasingly becoming the next theatre of global attraction and competition because of natural resources, demography and socio-economic development.
• To harness the opportunity various countries including China have made huge investments in the continent.
• This growing Sino-Indian involvement has been economically beneficial and has resulted in widespread investment and development, with African leaders welcoming the competition.
• Africa is now the latest front in an increasingly global competition between India and China for new markets, agricultural land and access to natural resources.
• While China’s aggressive economic approach has caused it to achieve more influence in Africa than any other country, its dominance is slowly being impeded by India’s growing involvement in the region.
• India has focussed on emphasising its cultural and historical ties to enhance the development of its trade relations with resource-rich countries like Zimbabwe, Ethiopia and Sudan.
• The success of India’s soft power strategy has been evident in countries like Sudan, where Indian corporations have attained near complete control of the local oil and natural gas industry.
• The same trend is occurring in Zimbabwe where China’s dominance in the energy and resource sectors is being challenged by private and state-owned Indian enterprises.
• The US$ 4 billion takeover of Zimbabwean steelmaker Zicosteel, by India’s Essar Group, was hailed by the Zimbabwean Government as the largest foreign direct investment deal in Zimbabwe in recent decades.
• However, the African nations are increasingly realizing that though Chinese investments are attractive, there are certain issues like:
  o Chinese companies instead of employing locals use Chinese workers.
  o It is also seen that these companies don’t pay much attention to environment protection.
  o Chinese loans come with strict conditions that only Chinese technology will be utilized.
• These concerns have mainly been raised by civil society; however, many governments have also started looking beyond China.
• India needs to harness this opportunity. India already enjoys the good will of African people due to historical ties and Indian company’s practices of employing local workers and skilling them. The recent Indo-Africa summit is major factor in increasing co-operation between both in various new dimensions.

7. NEPAL’S CONSTITUTION

Q. List the distinct features of the newly formed Nepalese constitution. Why is India unhappy with it?

7.1. FEATURES OF NEPALESE CONSTITUTION

After fall of Nepalese monarchy in 2008, Nepal has been finally been able to form its constitution reaching a consensus after long. The features of the Nepalese constitution can be listed as follows:

1) The new republic will be federal:
   a) Nepal has been divided into 7 states for administrative purpose, with only 2 states assigned to plain regions out of them.
   b) The Terai (Plain) region constitutes one-fifth of Nepal's landmass, but accounts for over half of the nation's population. The Madhesis have been fighting for equal representation in the country's political structure and the new constitution, according to them, has failed to meet their aspirations.
   c) The Tharu community, from the plains also feels they have been underrepresented in the new scheme of federalism.

(Only state 5 and 2 assigned to plain region, State number 2 being the contentious Madhes state)

2) The new Republic will be moderately secular
   a) The state will not follow any particular state religion
   b) But, it shall be a moderately secular state as the responsibility for protecting religious Hindu scriptures and practices will lie with the state.
   c) Also right to atheism and religious conversion has been denied.
   d) It also makes cow sacred and National animal of Nepal.

3) Citizenship Clause:
   a) Nepalese women who marry foreigners cannot claim citizenship of Nepal for their children, while men on the other hand can.
b) This provision has potential of denying the citizenship to many Madhesis and Tharus of Nepal who share the bond of “Roti-Beti” (shared livelihood and relations) with India.
c) Also the citizens by descent alone can hold high positions like that of Prime minister, Chief Justice etc. denying access to citizens by naturalization and birth like Madhes and Tharus.

4) Autonomy to Provinces:
a) The new provinces will have fewer powers than originally envisaged - for instance their autonomy on provincial laws, banking and foreign aid will be limited.

5) Proportional Inclusion:
a) This clause provides reservation to many people from high and low caste both in the Parliament and other important services to states.
b) The women have been provided one third reservation in the parliament.

6) Other Features:
a) Nepal will be ruled according to constitutional presidency while prime minister is the executive head.
b) The parliament will have bicameral system of legislature.
c) Nepal will be a competitive multi-party democracy.
d) There will be total 550 members in Parliament.
e) Supreme Court will be in Central State. There will be High Court in each state while District Court will be in each District Headquarter.

7) International treaties with other Nations carried before the constitution was formed can be discontinued.

7.2. INDIAN CONCERN WITH NEPALESE CONSTITUTION

Q. Why is India unhappy with New Nepalese constitution?

1) Marginalisation of Terai (plain) people in Nepal: Cross border repercussions
a) The Madhesi are ethnically closer to India, they are often known to have across the border ties. Any turbulence in the community is bound to bring the disturbances in the bordering Indian lands also.
b) The protests and violence in the Madhes region may also affect the poll bound Bihar.
c) Madhes and Tharu people living close to Indian borders indulge in cross border marriages. The citizenship rights of Nepal may work against them and they may lose citizenship. In situation like this India might have to deal with major influx of refugees from Nepal.

2) Decision making may shift in favour of China and against Indian interests.
a) Constituency delimitation is also skewed against Madhes people. The Pahadi people who constitute half the population get 100 seats, while other half of Madhes and plain people get only 65 seats.
b) The Madhes parties are more in favor of better ties with India and Pro-India policies. The other parties majorly owe loyalty to Maoist ideology and thus favour Chinese influence in Nepal. Any deprivation to Madhes party may work against Indian interests.
c) Cross border triumph of Maoist ideology may also act as a fuel for Maoist insurgents in India.
3) India also against the principles of the constitution
   • The clause of proportional inclusion violates the clause of affirmative action by including forward castes of Pahadi region in it. This has been condemned by India.
4) If the international treaties held before the constitution can be revised or annulled, it might act against the India-Nepalese friendship agreement.

7.3. INDIA’S REACTION TO NEPALESE CONSTITUTION

Q. What has been India’s Reaction to the Nepalese Constitution? Do you think the reaction is correct on India’s part?

India has been disappointed by the new Nepalese constitution and it has vociferously expressed so through the official medium. India wants Nepal to make 7 amendments. These “amendments” have been conveyed to Nepal’s leadership by the Indian government through official channels Ranjit Rae, India’s ambassador to Nepal.

1) India has proposed certain amendments to Nepalese constitution. The proposed amendments are:

   * Article 63 (3) of the Interim Constitution provided electoral constituencies based on population, geography and special characteristics, “and in the case of Madhes on the basis of percentage of population”. Under this provision, Madhes, with more than 50 per cent of the population, got 50 per cent of seats in Parliament. The latter phrase has been omitted in Article 84 of the new Constitution. “It needs to be re-inserted so that Madhes continues to have electoral constituencies in proportion to its population.

   * In Article 21 of the Interim Constitution, it was mentioned that various groups would have “the right to participate in state structures on the basis of principles of proportional inclusion”. In the new Constitution (Article 42), the word “proportional” has been dropped — Delhi wants it re-inserted.

   * Article 283 of the Constitution states that only citizens by descent will be entitled to hold the posts of President, Vice-President, Prime Minister, Chief Justice, Speaker of Parliament, Chairperson of National Assembly, Head of Province, Chief Minister, Speaker of Provincial Assembly and Chief of Security Bodies. This clause is seen as discriminatory for the large number of Madhesis who have acquired citizenship by birth or naturalisation. Delhi says this should be amended to include citizenship by birth or naturalisation.

   * Article 86 of the new Constitution states that National Assembly will comprise 8 members from each of 7 States and 3 nominated members. Madhesi parties want representation in National Assembly to be based on population of the Provinces. This, Delhi says, should be done to address concerns.

   * Five disputed districts of Kanchanpur, Kailali, Sunsari, Jhapa and Morang: Based on the majority of the population, these districts or parts of them may be included in the neighbouring Madhes Provinces.

   * Article 154 of the Interim Constitution provided for delineation of electoral constituencies every 10 years. This has been increased to 20 years in Article 281 of the new Constitution. Echoing the Madhesi parties, India wants this restored to 10 years.

   * Article 11(6) states that a foreign woman married to a Nepali citizen may acquire naturalised citizenship of Nepal as provided for in a federal law. Madhesi parties want acquisition of naturalised citizenship to be automatic on application. This also finds favour with Delhi.

2) The blockade of the goods: In addition to this India has also taken certain punitive measures against Nepal. It has not been mentioned officially but India has actively shut down movement of all goods on the border, with suggestions that India’s check posts are insisting on cumbersome security checks that prevent routine cargo from crossing. This is important because the Himalayan country is heavily reliant on goods coming from India, with more than half of all of its imports coming from across the border.
JUDGING THE INDIAN REACTION

According to the former Foreign Secretary Nirupama Rao, India should not take a tough stand against Nepal which has just been through a massive earthquake and is still dealing with its massive toll of life and property.

Although India is denying any blockade for Nepal, it is having following repercussions for India Nepal Relations:

1) India is losing trust among Nepalese public. The Maoists in Nepal are using this as an opportunity to carry out anti-India propaganda.
2) In absence of Indian exports from India especially in the fuel and oil, Nepal is threatening to look forward to many other options like resorting to Road trade with China. This may ultimately hit long term India- Nepal trade.
3) The India- Nepal tension may accelerate into deadlock in SAARC, and may disrupt the fulfillment of trade, political interests and regional integration.
4) The political vacuum provided by India in Nepal may ultimately be filled by China, and this may further strengthen the resolve of the Maoist party and the other upper caste parties of Nepal, which are supported by China.
5) Also Nepal’s constitution has got a tacit consent of certain countries which find its standards acceptable. If India resorts to tough measures it may end up inviting international criticism.

Thus India should try to follow its principle of non-interference in the internal matters of a country and try to resolve the disputes amicable. India is known as a soft power and should retain its reputation. It should not lose trust among the public and international media due to its “Big Brother diplomacy”. Rather it should put its point forward with reasons, keeping International opinion in its favor and use its soft power and track II diplomacy to reach a solution.

8. INDIA’S LOOK WEST POLICY

Q. What are the main features of India’s Look West Policy? What are the areas of cooperation between India and West-Asia?

The foundations of successful outreach to West Asia were laid when India invited the King of Saudi Arabia to be the chief guest at the Republic Day Parade, in 2006. The declaration of strategic partnerships with Saudi Arabia in 2010 and with Oman in 2008 and the agreement on defense and security cooperation with Qatar in 2008 are some of the high points in India’s engagement with the region. This was followed by the then Prime Minister’s visit to Riyadh and the India-Saudi defense cooperation agreement signed in 2014.

Through the joint statement that he signed with UAE’s leadership, Prime Minister has unveiled India’s “Look West” Policy.

8.1. MAIN FEATURES OF INDIA’S “LOOK WEST POLICY” ARE:

- A Secular and Non-Aligned Policy: India’s policy towards the region will be shaped by its policy of non-alignment in the context of the region’s religious (Muslims and Jews) and sectarian (Shia-Sunni) conflicts. The UAE’s endorsement of terms like “multiculturalism” and “religious pluralism” in the joint statement suggests that the Emirati leadership values India’s own approach to these principles and views this approach as best suited to the region’s own governance systems.
- Diplomacy at various levels: Commitment to Diplomacy outlining closer government-to-government (G2G) relations draws attention to the vibrant business-to-business (B2B) and people-to-people (P2P) relationships.
- Move towards India’s Non-Ideological Policy: The seismic changes in the Middle East compelled India to revisit its Middle East policy that had been anchored on Arab socialism, secularism and Soviet friendship.
India not only had to co-habit with US domination but also engage rising conservatism in the region. In practical terms this meant devising a policy that was driven more by economic calculation than political rhetoric.

- **Major emphasis on Maritime Diplomacy:** The seas surrounding West Asia have assumed a major emphasis in Look West Policy due to energy and economic security they offer now for India.

### 8.2. REASONS FOR THE INDIA-WEST ASIA COOPERATION

#### 8.2.1. WEST-ASIA’S COMPULSIONS

- **GCC’s “Look East” policy**

  The new strategic partnership outlined by the UAE and India is the fact that it is defined not just by India’s “Look West” policy, based on its energy and financial needs, but that it is equally defined by the GCC’s “Look East” policy. Several factors have contributed to this fundamental shift in West Asian strategic thinking:

  o **First**, the **structural change in the global energy market** with West Asian oil and gas increasingly heading to South and East Asian markets rather than to the Trans-Atlantic markets.
  o **Second**, partly as a consequence of this change in flows and partly owing to the fiscal stress faced by the trans-Atlantic economies, West Asia is looking to India and other Asian powers to step in and offer **security guarantees** to the region. Many GCC states have welcomed **defense cooperation agreements** with India.
  o **Third**, in the wake of the Arab Spring and the mess in Egypt and Iraq, the Gulf States find **India and China to be more reliable** interlocutors than many western states.
  o **Fourth**, under pressure from **radical and extremist political forces within West Asia**, most states in the region have come to value the Indian principle of seeking and securing regional stability as an over-riding principle of regional security.

#### 8.2.2. INDIA’S COMPULSIONS TO HAVE BETTER RELATIONS WITH WEST ASIA

- **This initiative comes after Modi’s “neighborhood first” policy,** which is to enhance **regional security** in all the regions surrounding South-Asia in general and India in particular.
- **To counter Pakistan- China nexus** on the rise, where the duo is indulging in economic, defense, energy cooperation and strategic cooperation. India has to ensure that it maintains good relations with West Asia, which in neighbor to Both India and Pakistan. E.g. with Chabahar port’s strategic location in Gulf of Oman close to Pakistan, India can counter any security threats as well economically benefit from the cooperation.
- **Military cooperation:** Particular attention has been paid on military cooperation to deal with common security threats. The growing threats of Islamic extremism, terrorism and maritime piracy have become concerns for both India and the Gulf countries. There is a growing concern over the rise of criminal activities, money laundering and illegal arms trade between the two regions.
• **Support for India’s UNSC Membership**: India is looking forward to support from member countries of UN in order to get UNGA resolution passed in favor of reforms. West Asia’s support to India in this regard can be vital.

• **Seek support on International convention on terrorism in U.N**: West Asia and India have both been victims of terrorism, and fundamentalism since very long. West’s stand on terrorism and their efforts towards the cause have been full of hypocrisy and fraught with self-interest. In situation like this their best bet is to search for support amongst each-other.

• **Energy Security**: The West-Asian countries are an easy and reliable source of energy security. In order to ensure that the supply of oil and gas are constant and continuous, to keep the heavily energy dependent Indian economy running, good relations with West-Asia are inevitable. Gulf countries are already the main crude suppliers to India with Saudi Arabia at the top, followed by Iran and the UAE respectively.

• **Trade and investment**: Attracting Foreign Direct Investment from the cash rich Gulf region is also a priority for India. The Gulf countries have huge potential for investing in different sectors in India for mutual benefit.

• **Securing Sea Lanes**: India has vital strategic interest in the Arabian Sea-zone that includes the natural extensions like the Gulf and the Red Sea, with their respective choke points of the Strait of Hormuz and the Bab el Mandeb. India’s strategic interests involve fast-growing trade, energy security etc.

• **Fighting piracy**: The recent spurt in the piracy activities off the Gulf of Aden in the Indian Ocean has affected both India and the Gulf countries.

• **Protecting interests of diaspora**: Protecting the interest of the five million strong Indian diaspora has been an important element of India’s policy priorities in the Gulf.

### 8.3. INDIA-UAE JOINT STATEMENT

**Q. What constitutes UAE–India Joint Statement?**

Abu Dhabi, His Highness Crown Prince Mohamed Bin Zayed Al Nahyan and Prime Minister Narendra Modi agreed to seize this historic moment of opportunity and shared responsibility to chart a new course in their partnership for the 21st century which includes:

• Elevate the India-UAE relationship to a comprehensive strategic partnership.
• Coordinate efforts to counter radicalization and misuse of religion by groups and countries for inciting hatred, perpetrating and justifying terrorism or pursuing political aims.
• Denounce and oppose terrorism in all forms and manifestations.
• Enhance cooperation in counter-terrorism operations, intelligence sharing and capacity building.
• Work together for the adoption of India’s proposed Comprehensive convention on International Terrorism in the United Nations.
• Work together to control, regulate and share information on flow of funds.
• Strengthen cooperation in law enforcement, anti-money laundering, drug trafficking, other trans-national crimes, extradition arrangements, as well as police training.
• Promote cooperation in cyber security, including prevention on use of cyber for terrorism, radicalization and disturbing social harmony.
• Establish a dialogue between their National Security Advisors and National Security Councils.
• Cooperate to strengthen maritime security in the Gulf and the Indian Ocean region, which is vital for the security and prosperity of both countries.
• Promote collaboration and inter-operability for humanitarian assistance and evacuation in natural disasters and conflict situations.
• Strengthen defense relations.
• Cooperate in manufacture of defense equipment in India.
• Work together to promote peace, reconciliation, stability, inclusiveness and cooperation in the wider South Asia, Gulf and West Asia region.
• Support efforts for peaceful resolution of conflicts.
• Call on all nations to fully respect and sincerely implement their commitments to resolve disputes bilaterally and peacefully.
• Establish a Strategic Security Dialogue between the two governments.
• Facilitate participation of Indian companies in infrastructure development in UAE.
• Promote strategic partnership in the energy sector, including through UAE’s participation in India.
• Further promote trade between the two countries.
• Tap India’s expertise in Small and Medium Enterprises to create a vibrant industrial base in UAE, which could also be of benefit to Indian enterprises.
• Strengthen cooperation between UAE’s increasingly sophisticated educational institutions and India’s universities and higher research institutions.
• Promote cooperation in Space, including in joint development and launch of satellites. UAE’s plans to set up the West Asia’s first Space Research Centre at Al Ain and plans to launch a Mars Mission in 2021.
• Cooperate in peaceful uses of nuclear energy including in areas like safety, health, agriculture and science and technology.
• Prime Minister thanked UAE for its support for India’s candidature for permanent membership of a reformed United Nations Security Council.
• The finalization of the post-2015 Development Agenda with elimination of poverty by 2030 as its core objective was a welcome development.
• The International Conference on Climate Change in Paris in December 2015 should produce an effective agreement, which includes provision of means and technologies to developing countries to transition to clean energy.

8.4. INDIA’S ‘LOOK WEST’ MARITIME DIPLOMACY

The Indian Navy has embarked on program of sustained capacity building and security collaboration.

• Four Indian Naval ships – Trishul, Tabar, Deepak and Delhi – departed on a month-long deployment to the Arabian Gulf.
• After a three-day stop-over at Dubai (UAE) the ships branched out into two groups. INS Delhi and INS Trishul proceeded to Al-Jubail (Saudi Arabia) and Doha (Qatar) where they engaged in coordinated drills with host navies.
• Meanwhile, INS Tabar and INS Deepak reached Doha after a brief visit to Kuwait, whereupon the combined contingent of four ships proceeded to Muscat for a final stop-over before returning to Mumbai.
• Since 2008, the Indian Navy has been partnering regional maritime forces in anti-piracy duties, providing critical support and training to Gulf Cooperation Council (GCC) navies. Through defense cooperation memorandums and joint committees on defense cooperation, it has substantially enhanced its operational synergy with Arab Gulf navies – many of them members of the Indian Ocean Naval Symposium (IONS), an initiative pioneered by the Indian Navy.
• India- Oman strategic Cooperation: While India and Oman entered into a “strategic partnership” in 2008, naval cooperation has been on since 1993 in the form of a biennial exercise, Naseem Al-Bahr.
  o India has provided naval training and hydrographic support to Oman, while Omani ships have been regular visitors at Indian ports. More significantly, Oman has played a key role in sustaining India’s security efforts in the Gulf of Aden by offering berthing and replenishment facilities to Indian naval ships, and hosting a crucial Indian listening post in the Western Indian Ocean.
  o With a new super-port project at Duqm nearing completion, Oman is poised to transform the maritime geopolitics of the Arabian Sea.
• The GCC’s central concern still remains the security of energy shipments through regional chokepoints. With political tensions heightening the vulnerability of the Gulf’s vital waterways, the joint statement affirmed India’s commitment to strengthening maritime security in the Northern Indian Ocean.
9. RUSSIA-CHINA-PAKISTAN NEXUS: IMPLICATIONS FOR INDIA

9.1. CHINA – PAKISTAN ECONOMIC CORRIDOR (CPEC) PROJECT

China and Pakistan recently signed 20 more agreements to implement the ambitious China-Pakistan Economic Corridor (CPEC) project.

CPEC

- The agreements were signed at the CPEC Forum held at Karamay city in Xinjiang province bordering Pakistan-occupied Kashmir (PoK).
- This project will shorten the route for China’s energy imports from the Middle East by about 12,000 kms.
- The project includes building of highways, railways as well as pipelines. It is among the six economic corridors conceived under China’s Silk Road Economic Belt and 21st-Century Maritime Silk Road.
- In the Gilgit Baltistan segment, the CPEC project design includes a major expansion of the Karakoram Highway, establishing industrial parks in special economic zones, constructing hydropower projects, railway line and road building.
- The project also entails building hydropower projects and motorways/highways in the so-called Azad Jammu and Kashmir (AJK).

9.2. INDIA’S CONCERNS

- The corridor will run through India’s periphery, more significantly, Gilgit Baltistan, claimed by India as part of the erstwhile princely state of Jammu and Kashmir (J&K). India has conveyed its objections to China as it passes through disputed territory i.e. POK. However, China defends it as commercial project aimed at improving the lives of people.
- In due course, this geographical reality of the CPEC could potentially impinge upon India’s geopolitical calculations and pose a strategic challenge.
- The CPEC is considered a significant project that seeks to cement Sino-Pakistan bilateral ties and further consolidate their strategic ties, which may work against Indian Interest.

India has occasionally raised objections to Chinese infrastructure investment in the region.
9.3. PAKISTAN AND RUSSIA: BEGINNING OF FRIENDLY TIES

In the wake of India’s closeness to America, Pakistan has started forging its ties with Russia:

- Pakistan now hopes to finalize plans to buy three dozen Russian Mi-35 helicopters
- More closely coordinate efforts to counter terrorism and narcotics.
- Pakistan also wants Russian assistance to stabilize chronic energy shortages.
- Having earlier lifted its self-imposed arms embargo on Pakistan, in November 2014 Russia signed a landmark “military cooperation” agreement with Pakistan, which spoke about “exchanging information on politico-military issues, strengthening collaboration in the defense and counter-terrorism sectors, sharing similar views on developments in Afghanistan and doing business with each other.
- In addition, Russian state-owned firm Rostekh Corporation is planning to build a 680 mile gas pipeline in Pakistan in 2017 at an estimated cost of $2.5 billion.

9.3.1. WHAT CAUSED THESE FRIENDLY RELATIONS?

- Pakistan’s efforts to kindle ties with Moscow come as relations between the west and Russia continue to worsen, which may prompt it to look for new trading partners in Asia.
- Pakistanis are also worried the Indian army is moving toward dominance in the conventional arms race.

9.4. RUSSIA- CHINA WARMING TIES

9.4.1. SILK ROAD PROJECT

- The Chinese/Russian agreements cover eight specific projects, starting with the development of a high speed railway that will connect Moscow and Kazan (Tatarstan Republic), and will be extended to China, connecting the two countries via Kazakhstan.
- Eventually, the planners hope to link this project to Russia’s planned high speed railway to Europe.
- Also, China’s Jilii province has offered to build a cross-border high speed railway link between the two countries connecting with Russia’s major Pacific port city, Vladivostok.
- China has also proposed developing an economic corridor between Russia, Mongolia, and China, a plan likely to include the EAEU member states, the initial step in development of one of the major components of the Silk Road, the Eurasia Economic Corridor, a preferential trade zone stretching across the region.

9.4.2. RUSSIA’S NEW NAVAL DOCTRINE: FOCUS ON CHINA

- The Russians unveiled their new naval doctrine on board the frigate Admiral Gorshkov, and in the presence of President Vladimir Putin.
- Moscow’s naval doctrine that singles out China as its core partner in the Pacific, signaling Moscow and Beijing’s push towards countering the Japan backed “Asia Pivot” of the United States.
- The clearest signal that the Russians and the Chinese were factoring the reinforcement of the U.S.-Japan military alliance in the Pacific came on July 7 when it was announced that Moscow and Beijing would conduct joint military exercises in the Sea of Japan.

9.5. OBAMA’S ‘ASIA PIVOT’

- Military activity in the Pacific has been accelerating following President Barack Obama’s “Asia Pivot” or “Rebalance” doctrine, which has led Washington to position 60 per cent of its forces in the Pacific. In Beijing, the “Asia Pivot” doctrine is seen as a China-containment policy.
- India which is also a part of the U.S-Japan led Asia pivot scheme may also be strategically affected by the Russia-China alliance in Pacific, South-China sea and Indian Ocean.
9.6. RUSSIA, CHINA AND PAKISTAN: AN EMERGING NEW AXIS?

Q. What are the Reasons for the rise in the friendship between the Russia, China and Pakistan trinity?

- The mutual overtures between Russia and Pakistan are part of a greater shift in international relations. In Europe, Russia is embroiled in a showdown with the West over Ukraine, with Moscow’s military adventure in Crimea being followed by Western sanctions.
- It is important to note here that the Chinese economy is visibly slowing and this could lead to some internal turmoil, the Russian economy may very well see further contraction, while that of Pakistan, albeit showing signs of improvement, is external aid dependent and beset by internal security concerns. Aggression on the part of this triumvirate to deflect attention from internal problems cannot be ruled out.
- In the Asia-Pacific, China’s encroachments in the South China Sea has inflamed tensions with other Asia-Pacific countries allied with the U.S. These developments have forced Russia and China to look for allies, which explains the bonhomie between the two powers of late.
- With India having diversified its military suppliers to include countries like the U.S. and Israel, Russia no longer sees any impediment to establishing a strategic relationship with Pakistan.
- The China-Pakistan link is well known and is the most formidable leg of the Russia-China-Pakistan triangle. China has been a traditional ally of Pakistan and has historically supported it against its arch rival India both in terms of military equipment and diplomacy.

9.7. DECLINE IN INDO-RUSSIAN RELATIONS

Decline in Military trade with Russia

- After the Indo-U.S 123 agreement India’s defense engagement with its strategic partner, i.e. Russia declined.
- Except for the $11 Billion contract for joint design and development of fifth generation fighter aircrafts, there is nothing much on the cards in Indo-Russian defense deals.
- The recent upsurge in Sino-Russian military cooperation has also not gone unnoticed in India. By selling the advanced Su-35 fighter aircraft to China, Russia is potentially creating a conflict of interest for itself. With every sale of military equipment to China, Russian military hardware becomes less appealing in the Indian market.

India’s growing closeness to West

- Given Russia’s growing isolation from the West, and India’s growing closeness to the U.S. their relationship is bound to be challenged in many ways.

9.8. IMPLICATIONS FOR INDIA

- The Russia-Pakistan-China triumvirate is a reality in the offing and has a far greater convergence of security objectives in Asia than a similar Russia-China-India grouping (also subsumed within BRICS).
- The strategic ramifications will be for India as much as they will be the U.S. and other countries in the region. In the wake of any scuffle, economic or military it will not be a nation against a nation, but a loosely formed block against another block.
- India may also feel the heat of these alliances in the multilateral forums like Shanghai cooperation Organization (SCO).
- The two UNSC permanent members with veto powers may shatter India’s dreams of permanent membership to UNSC.
10. TRANS-PACIFIC PARTNERSHIP

Q. What is Trans-Pacific Partnership Agreement? How can it affect India?

The Trans-Pacific Partnership (TPP) is a proposed trade agreement among twelve Pacific Rim countries—Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US and Vietnam, which comprise 40% of the world’s gross domestic product (GDP). It concerns a variety of matters of economic policy, about which agreement was reached on 5 October 2015 after 7 years of negotiations. The TPP Agreement contains measures to lower trade barriers such as tariffs, and establish an investor-state dispute settlement mechanism.

10.1. GOALS OF THE AGREEMENT:

- promote economic growth
- support the creation and retention of jobs
- enhance innovation, productivity and competitiveness
- raise living standards; reduce poverty in our countries
- promote transparency, good governance, and
- enhanced labor and environmental protections

10.2. IMPLICATIONS FOR INDIA

The deal would have implications on India's foreign trade as it would break down tariffs on thousands of goods and establish uniform rules of commerce.

**POSITIVES**

1. The TPP agreement has been seen as a part of Washington’s scheme to counter Chinese economic aggression and “rebalance Asia”. India as a major economic regional power will have a major role to play in checking China’s overwhelming economic penetration as a part of the agreement.
2. India might gain in areas such as textile products, leather, light and heavy manufacturing, fish, dairy, meat/livestock etc., as India’s output would increase if it decides to join the TPP. These are crucial sectors for India because of their employment generation potential.
3. In a recent report "India's Rise: Toward Trade-Led Growth," C Fred Bergsten at the Peterson Institute for International Economics argued that if India joined the TPP it could expand its exports by more than $500 billion an year.
4. This agreement may also lead to the shift in the job creation from the developed countries to developing countries like India, especially in the service sector.
5. TPP also includes specific commitments on development and trade capacity building, to ensure that all Parties are able to meet the commitments in the Agreement and take full advantage of its benefit. The
agreement looks forward to enhance innovation, productivity and competitiveness; raise living standards, reduce poverty in our countries; and to promote transparency, good governance, and strong labor and environmental protections. It is only going to give an impetus to ongoing economic reforms in India and prepare Indian economy for Programs like “Make in India” and give India an edge in future competition.

6. The compliance with the agreement may **attract better foreign investment** and capital in Indian economy.

**NEGATIVES**

1. India’s skepticism over FTAs stems from the fact that it has not been able to take full advantage of them as much as its partner countries have. One reason for this could be that India has been slow on economic reforms, as a result of which **domestic industries are not efficient enough to compete** in the turfs of the partner countries.

2. The agreement can **erode existing preferences for Indian products** in established traditional markets such as the US and the European Union (EU), benefiting the partners to these agreements.

3. They are likely to develop a rules architecture which will place **greater burden of compliance on India’s manufacturing and services standards** for access to the markets of the participating countries.

4. India is also trying to negotiate a free trade agreement (FTA) with **European Union, but the European Union is trying to bring down India’s negotiating efforts** by pretending as if it is more interested in the TIPP(Transatlantic Trade and Investment Partnership) and Trans-Pacific Partnership, which it is now negotiating with the United States, so as to send a message to India that it has other trade partners which could be good alternative to India.

**10.3. STEPS TAKEN BY INDIA TOWARDS TPP**

- Although some American officials have stated that the US would welcome India’s participation in the TPP, India has not made any official statement on the issue suggesting such a move. It may be reasonable to expect that **it will take some time before India would be amenable to joining a trade agreement such as the TPP**, whose scope extends well beyond other trade agreements India has partnered in.

- Our commerce ministry says these challenges should be treated as an opportunity to respond strategically, and to persuade Indian industry to rise to the challenge of higher standards in both products and services, and the framework of rules.

- The ministry has begun the process of **sensitizing domestic business** to the new global realities and challenges posed by these mega trade deals, with a view to muster support for its negotiations in **Regional Comprehensive Economic Partnership** and with the EU. Indian businesses must recognize that the essence of such negotiations is give and take.

- India has to **make its industry more competitive** and open up to better governance and economic rule, if it wants to gain in agreements like TPP.

- While India has officially joined the Regional Comprehensive Economic Partnership (RCEP), another free trade agreement led by China, it is yet to join the TPP.

- India has a few issues to resolve, but staying away from TPP would not be a wise thing to do - geopolitically speaking. Also, India by virtue of it being the only BRICS country in the TPP might as well be some sort of a BRICS representative in the TPP. Of course, India’s joining the TPP could in a way signal siding with the US in this US-led TPP v/s China-led RCEP fight and might have China worried.

This no doubt is a tough call as in any negotiation, we need to give away some to get some. While RCEP and TPP may be competing among themselves, India can’t afford to choose one over the other, leading to a complete neglect of one of the groupings, especially due to the China factor which looms large over RCEP and the fact that, seen from India’s perspective, RCEP may be more about manufacturing sector and TPP about services.
10.4. WHAT CAN BE TPP’S IMPACT ON THE WORLD?

- **U.S rebalancing to Asia strategy:** The US administration under President Barack Obama seems to have prioritized the TPP as the economic component of its "rebalancing" to Asia strategy. China which is still not a part of the agreement, will have limited economic influence over world economy as this partnership brings together the countries which constitute 40% of the world economy.

- **TPP and its impact on ASEAN:** Some have suggested that the TPP would compete with existing and proposed free trade arrangements in Asia and pose a challenge to the economic unity between the ASEAN (Association of Southeast Asian Nations) states since some of them are members of the TPP and, moreover, the ASEAN itself is involved in negotiating a large trade agreement – the Regional Comprehensive Economic Partnership or the RCEP.

- **Asia-Pacific Region:** It is intended as a platform for regional economic integration and designed to include additional economies across the Asia-Pacific region. If successful this partnership agreement can contribute towards “North- South cooperation” and enhanced prosperity of the region.

- **Shift in World’s economic cooperation strategy:** Also the agreement spells a major shift in the economic strategies of the World economies. There has been a major shift towards regional cooperation rather than relying on the integration of World economies as was aspired by Bretton Woods institutions and was also spelled out in the Doha round.

- **A New Economic Cold war scenario:** The TPP itself covers about 40% of global GDP and nearly a third of world trade. The TTIP on the other hand is the biggest FTA ever covering as much as 30% of world trade. While on the other hand there is another Regional Free Trade agreement led by China called Regional Comprehensive Economic Partnership (RCEP). These agreements have become a major instrument of expanding one’s economic influence and limiting that of the other economic group. The entire scenario looks like return of the cold war but in the economic field.

11. UNSC REFORMS AND INDIA’S MEMBERSHIP

**Q. Why does India want reforms to United Nations Security Council? What are the grounds on which India is claiming permanent membership in UNSC?**

India believes that the United Nations (UN), especially the UN Security Council (UNSC), must reflect contemporary global realities.

To this end, the Government of India has been actively working along with other like-minded countries for building support among the UN membership for a meaningful restructuring and expansion of the UNSC.

**11.1. FOLLOWING ARE THE REASONS FOR THE NEED OF THE UNSC REFORMS:**

1. UNSC still reflects the geopolitical architecture of the Second World War. The world has undergone a major change in power relations since then.
2. Expanded only once in 1963 to add 4 non-permanent members.
3. Since then the membership of the United Nations has increased from 113 to 193 without any change in the composition of the UNSC.
4. United Nations General Assembly is a more representative and more important organ of United Nations, but it is always subordinated to UNSC decisions. Thus, the reforms should be brought in, to ensure UNGA’s say in security decisions in UN.
5. No permanent member from Africa, despite 75% of work of the UNSC focused on Africa.
6. In the recent past it has been unable to respond effectively to situations of international conflict e.g. UN Gen. Sec. Ban-Ki Moon himself acknowledged that UN had failed Syria.
7. Major Economic and Regional Powers of the world like Germany from Europe, Japan and India from East Asia and South Asia respectively, Brazil from Latin America are not in the Security Council.
8. In fact, there is no representation from the Latin America. The permanent UNSC membership of P5 today only portrays the big North-South divide in the decision making of security measures.
9. The major impact of the security decisions are faced by the developing world, hence there should be some representatives from the Developing countries also which should be given veto on security decisions.

11.2. INDIA’S CREDENTIALS TO CLAIM UNSC PERMANENT MEMBERSHIP

Moreover India wants its own permanent membership in the UNSC, on the basis of following credentials:

1. **Population**: second largest population in the world
2. **Territorial Size**: Seventh largest country in the world
3. **High GDP and huge economic potential**: The Economy of India is the seventh-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country classified as newly industrialized country, one of the G-20 major economies, a member of BRICS and a developing economy with approximately 7% average growth rate for the last two decades. India’s economy became the world’s fastest growing major economy from the last quarter of 2014, replacing the People’s Republic of China.
4. **Contributions to the activities of the UN**: It is second largest contributor to UN peacekeeping operations.
5. **Political system**: India is one of the biggest secular, democratic, republics in this world.

Given these entire attributes, India and many other southern countries consider India as a good candidate for the permanent membership of UNSC.

6. **Founding member and shared international Policy**: India was one of the founding members of United Nations. It not only shared the values and principles of the organization but also enriched it and made it more democratic by its International Policy efforts like NAM, Panchsheel, No-First Use of Nuclear weapon etc.

11.3. HURDLES FACED BY INDIA IN ATTAINING UNSC MEMBERSHIP

Q. What are the hurdles that India faces in attaining the permanent membership of UNSC? What steps has India taken to overcome these hurdles and meet its goal of UNSC reforms successfully?

Inspite of the fact that India is a strong contender for permanent membership of UNSC, it faces many hurdles in attaining this goal. They are as under:

1. **United States**: wants only a moderate expansion of UNSC, It has also not come out openly to support India’s permanent membership in UNSC, these were far from the promises they made at bilateral meetings.
2. **Russia**: While Russia doesn’t want any changes in the veto arrangement in UNSC. Without the veto power the permanent membership will be more than useless.
3. **United for Consensus Countries**: The UN group of countries called United for Consensus including Italy and Pakistan are against increasing the permanent membership of UNSC. They are instead banking for increase in the non-permanent members.
4. **The Veto of P5**: If, one of the P-5 countries decides to veto a resolution to accept the document, India’s hopes for a permanent seat in the near future will be in danger.
5. **China’s opposition to UNSC Reforms**: China as a regional power wants to remain unchallenged in UNSC, hence its opposition to UNSC expansion and India’s membership in it. The Chinese Ambassador wrote that China wants “small and medium-sized countries” to “take turns to serve in the Security Council.
6. **Many Other Nations are also claiming membership in UNSC**: 
• Arab Group—In favor of permanent UNSC membership for Arab states.
• C10/African Union—Campaigning for 2 permanent seats for African nations.

7. Veto of the UNSC Permanent members against resolution for Reform:
   • 2/3rd of the UNSC members including the permanent members must ratify the resolution for it to pass, after the 2/3rd of General Assembly passes it.
   • Even if the resolution is passed by UNGA, the misuse of Veto by the Permanent members can ruin India’s plans for UNSC reforms.

11.4. STEPS TAKEN BY INDIA TO OVERCOME THESE HURDLES

1. Resolution by UN General Assembly: The General Assembly adopted a resolution to discuss framework text as the basis of discussion on Security Council reforms. India has a major influence of the majority of the southern countries which form a majority in UNGA.
   • Procedure of the resolution- 2/3rd members of UNGA should vote in favour of the resolution proposing the UNSC reforms.
   • 2/3rd of the UNSC members including the permanent members must ratify the resolution for it to pass.
   • Even if the resolution is passed by UNGA, the Veto of the Permanent members can ruin the plans for UNSC reforms.

2. The G-4 Countries: The G-4 (India, Germany, Brazil and Japan) are trying to get a text-based negotiation going in the UN General Assembly continuing their multilateral diplomacy to build a democratically evolved global consensus on restructuring the UNSC. All of them are looking forward to permanent membership to UNSC and are supporting each other’s candidature for it.

3. India’s attempts at getting support from African nations:
   • 14 African Countries are part of L69 Group, which is in favour of UNSC reforms.
   • C10/African Union—In favor of 2 permanent seats in UNSC with the Veto powers assigned to them.
   • Africa and India share same concerns, i.e. not even a single representation from the African continent in the UNSC. In order to argue for reforms and to strengthen diplomatic ties, India hosted an India-Africa Forum meet in New Delhi.

4. Also gathering support from all over the World: Many countries support India’s bid of bringing reforms to the UNSC these include:
   • L69 (India and Brazil are members) -group of 43 countries which are in favor of increasing permanent membership in UNSC and retaining veto power for the new permanent members to UNSC.
   • CARICOM (Caribbean community and common market): Support group L69’s position.
   • Pacific SIDS (Small Island Developing States): In favor of increasing non-permanent members and non-permanent membership for small island states.

Although the road to permanent membership of UNSC is full of hurdles, India is a fit contender for the permanent membership, and UNSC should bring the much needed reforms in its structure.

12. SHANGHAI COOPERATION ORGANISATION

What is the structure and function of Shanghai Corporation Organization and why it is strategically important for India to be its member?

The Shanghai Cooperation Organisation or SCO or Shanghai Pact is a Eurasian political, economic and military organisation which was founded in 2001 in Shanghai by the leaders of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

These countries, except for Uzbekistan, had been members of the Shanghai Five, founded in 1996; after the inclusion of Uzbekistan in 2001, the members renamed the organisation.
12.1. STRUCTURE OF THE SHANGHAI COOPERATION ORGANISATION

- The Council of Heads of State is the top decision-making body in the SCO. This council meets at the SCO summits, which are held each year in one of the member states’ capital cities.
- The Council of Heads of Government is the second-highest council in the organisation. This council also holds annual summits, at which time members discuss issues of multilateral cooperation. The council also approves the organisation's budget.
- The Council of Foreign Ministers also holds regular meetings, where they discuss the current international situation and the SCO’s interaction with other international organisations.
- The Council of National Coordinators coordinates the multilateral cooperation of member states within the framework of the SCO’s charter.
- The Secretariat of the SCO is the primary executive body of the organisation. It serves to implement organisational decisions and decrees, drafts proposed documents (such as declarations and agendas), function as a document depository for the organisation, arrange specific activities within the SCO framework, and promote and disseminate information about the SCO. It is located in Beijing. The current SCO Secretary-General is Dmitry Fyodorovich Mezentsev of Russia.
- The Regional Anti-Terrorist Structure (RATS), headquartered in Tashkent, Uzbekistan, is a permanent organ of the SCO which serves to promote cooperation of member states against the three evils of terrorism, separatism and extremism. The Head of RATS is elected to a three-year term. Each member state also sends a permanent representative to RATS.

12.2. FUNCTIONS OF S.C.O.

1. Cooperation on security - To fight against terrorism, separatism and extremism. For this purpose Regional Anti-terrorism Structure (RATS) was established to fight cross-border drug crimes. Also it encompasses cyber warfare fight.
2. Military Co-operation - Increased military cooperation, intelligence sharing, and counter-terrorism. A number of SCO joint military exercises were held.
3. Economic cooperation - It covers the oil and gas sector, the exploration of new hydrocarbon reserves, and joint use of water resources. The creation of an Inter-bank SCO Council was also agreed upon in order to fund future joint projects.
4. Cultural cooperation - Cultural minister meet to promote culture.

12.3. GEOPOLITICAL IMPORTANCE OF S.C.O

1. It is important forum for the Eurasian region.
2. Control of the Eurasian landmass is the key to global domination and control of Central Asia is the key to control of the Eurasian landmass.
3. It will re-inject a dose of Cold War politics into the region. At its 2005 summit, for example, the SCO asked the United States to set a date for the eventual withdrawal of its troops from Afghanistan.
4. The SCO has amongst its member’s three largest energy producers in the world - Russia, Kazakhstan and Turkmenistan.
5. It is a forum counterbalancing the activities of the United States and NATO in Central Asia. It is important for fight against transnational terrorism. The Silk Road Economic Belt.
12.4. INDIA AND S.C.O.

India, in 2005, acquired the observer status in the SCO. Since then it has constructively participated in all SCO summit meetings thus showing its strong willingness to be meaningfully associated with this regional grouping.

12.4.1. CURRENT SCENARIO

The 15th Shanghai Cooperation Organisation (SCO) summit was held in Ufa, Russia on July 2015. India and Pakistan were accepted as full members of the Shanghai Cooperation Organisation (SCO).

India, which has had an observer status for the past 10 years, will technically become a member by next year after completion of certain procedures.

The SCO currently has China, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan as members.

12.5. SIGNIFICANCE OF INDIA’S MEMBERSHIP:

- It opens up trade, energy and transit routes between Russia and China that pass through Central Asia, that were hitherto closed to India.
- Some of the member countries of the grouping are rich in energy resources—both hydrocarbons and uranium—and they want to connect with big energy markets like India.
- Iran’s observer status will ensure the SCO serves as a platform for India to discuss trade through the Iranian ports of Bandar Abbas and Chabahar, and link them to the Russian proposal for a North-South Transport Corridor.
- The security grouping provides a platform for India and Pakistan to discuss bilateral issues.
- With Russia and China taking the lead, the SCO could even prove a guarantor for projects such as the TAPI (Turkmenistan-Afghanistan-Pakistan-India) and IPI (Iran-Pakistan-India) pipelines that India has held off on security concerns.
- The SCO summit will provide a valuable interface to engage with Afghanistan’s neighbours.
- The SCO is an important counter-balance to India’s perceived tilt towards the U.S. and its allies on security issues.
- The Asian-Eurasian block can play a key role not only in stabilizing Afghanistan post-NATO withdrawal, but also help form a joint platform against terrorism, reducing and minimizing the menace of drug trafficking, and ensuring energy security to all stakeholders.
- An important factor is the promotion of India’s economic integration with the Central Asian republics, which is in line with India’s Connect Central Asia policy.
- India has long historical and cultural ties with countries in the Central Asia region but economic relations lack substance—a gap that membership in the SCO could help address by opening up avenues for trade in the region.

13. IRAN NUCLEAR DEAL

THE IRAN NUCLEAR DEAL – A SIMPLE GUIDE

Negotiators reached a historic accord to limit Tehran’s nuclear ability in return for lifting international oil and financial sanctions. A landmark Iran nuclear agreement was reached after clearing final obstacles, it included a compromise between Washington and Tehran that would allow U.N. inspectors to press for visits to Iranian military sites as part of their monitoring duties.
13.1. A GUIDE TO THE IRAN NUCLEAR DEAL

An atomic bomb can be made from two types of radioactive materials: uranium or plutonium. The talks were aimed at curbing Iran’s ability to put these two elements to use in weapons. In each case, the manufacturing starts with uranium ore.

Uranium mined from the earth is less than 1 percent U-235, the isotope that can be used to fuel reactors and make bombs. Centrifuges are needed to separate the U-235 from the rest of the uranium, in a process called enrichment. The other fuel that can be used to make a bomb, plutonium, is made by irradiating uranium in a nuclear reactor. The process transforms some of the uranium into plutonium.

13.2. CURBING THE URANIUM PATH

During the enrichment process, centrifuges are used to raise concentrations of U-235. For most power reactors in the West, uranium is enriched up to 5 percent. Bomb grade is above 90 percent and Iran had been processing ore to 20 percent enrichment.

THE AGREEMENT WITH IRAN

- Iran has agreed to transform its deeply buried plant at Fordo into a center for science research. Another uranium plant, Natanz, is to be cut back rather than shut down. Some 5,000 centrifuges for enriching uranium will remain spinning there, about half the current number.
- Iran has also agreed to limit enrichment to 3.7 percent and to cap its stockpile of low-enriched uranium at 300 kilograms, or 660 pounds, for 15 years. That is considered insufficient for a bomb rush.

13.3. CURBING THE PLUTONIUM PATH

Iran was constructing a nuclear reactor at Arak that would have used natural uranium to produce Pu-239, which can fuel bombs.

THE AGREEMENT

- Iran has agreed to redesign and rebuild the Arak reactor so it will not produce weapons-grade plutonium.
- The original core of the reactor, which would enable the production of weapons-grade plutonium, will be made inoperable, but will stay in the country.
• Under the terms of the deal, the reactor’s spent fuel, which could also be used to produce a bomb, will be shipped out of the country. Iran will not build any additional heavy water reactors for 15 years.

13.4. KEY ISSUES

13.4.1. HOW TO ENSURE THAT IRAN WON’T CHEAT

Iran poses many challenges for atomic inspectors who have to police the agreement and gain access not only to scientists, labs and factories, but also to many underground sites and military bases. Western allies say the new inspections must be far more intrusive than those in the past, given the deal’s sweeping terms as well as Iran’s history of evasions, stonewalling and illicit procurements. The principal concerns are how to detect cheating and covert sites.

The agreement:

• Iran has agreed to provide the International Atomic Energy Agency greater access and information regarding its nuclear program, and to allow the agency to investigate suspicious sites or allegations of covert facilities related to uranium enrichment anywhere in the country.
• Inspectors will also have access to the supply chain that supports Iran’s nuclear program, including uranium mines and mills, and to continuous surveillance of centrifuge manufacturing and storage facilities.

13.4.2. WHAT IS THE TIMELINE OF THE AGREEMENT?

The deal requires Iran to reduce its current stockpile of low-enriched uranium by 98 percent, and limits Iran’s enrichment capacity and research and development for 15 years.

Some inspections and transparency measures will remain in place for as long as 25 years. This relief will be phased in. Iran must complete key nuclear steps before it begins to receive sanctions relief.

Sanctions for arms could be lifted in five years, ballistic missiles in eight.

13.4.3. EXTENDING THE BREAKOUT TIME IN THE AGREEMENT

• The agreement increases the “breakout” time — the amount of time it would take Iran to produce enough bomb-grade material for a singular nuclear weapon — to at least one year.
13.5. WHAT TEHRAN GOT IN THE DEAL?

- But access at will to any site would not necessarily be granted and even if so, could be delayed, a condition that critics of the deal are sure to seize on as possibly giving Tehran time to cover any sign of non-compliance with its commitments.
- Under the deal, Tehran would have the right to challenge the U.N request and an arbitration board composed of Iran and the six world powers that negotiated with it would have to decide on the issue. (march current affairs).

13.6. INDIA’S BENEFITS

- India hailed the agreement reached between Iran and the P5+1 group — U.S., U.K., France, Russia, China and Germany — on Tehran’s nuclear programme. India has tried hard to maintain its civilizational ties with Teheran in the face of international sanctions, and pressure from the US. However bilateral trade with Iran has suffered because of banking and insurance strictures. India and Iran have an annual bilateral trade of about $14 billion, with an extremely high balance of trade problem.
- The big advantage for India could be a further reduction in the price of oil that India used to source at a much higher quantity pre-2012, when Iran was India’s second biggest supplier.
- An important benefit of a peace agreement will also be a renewed push to complete the Chabahar port route to Afghanistan, which for India could mean the opening up of Iran-Afghanistan trade and also a route to Central Asia.

13.7. INDIA’S REACTION TO THE DEAL

- India “welcomed the successful conclusion of negotiations on the Iranian nuclear issue”, between Iran and the Europe 3(Britain, France and Germany) +3 (U.S., Russia and China) and the U.N. atomic energy agency IAEA.
- India has hopes of strengthening economic engagement with Iran which, despite good intentions and close political ties, had ground to a halt over sanctions.
- India and Iran have an annual bilateral trade of about $14 billion, with an extremely high balance of trade problem.

13.8. GLOBAL IMPLICATIONS

- The joint comprehensive plan of action (JCPOA) on Iran’s nuclear program announced by Iran and the EU 3+3 (the United Kingdom, France, Germany along with China, Russia and the United States), is a Significant breakthrough that will have long-lasting implications globally.
- The success of the talks will have also have wider geopolitical repercussions not just on nuclear safety, but on all of West Asia, which is seeing the results of the proxy war between Iran and Saudi Arabia, from Syria to Iraq and Yemen.
- Israel opposed nuclear deal:
- Israeli Prime Minister Benjamin Netanyahu said he and his Cabinet are united in "strongly opposing" an emerging framework agreement on curbing.
- Netanyahu has harshly criticized the negotiations, demanding instead that the Iranian program be dismantled. He claims Iran cannot be trusted, and that leaving certain facilities intact would allow the Iranians to eventually build a bomb.

### 14. INDIA-MAURITIUS RELATIONS

The relationship between Mauritius and India was date back to the early 1730s, when artisans were brought from India. Diplomatic relations between India and Mauritius were established in 1948. Mauritius maintained contacts with India through successive Dutch, French and British occupation. From the 1820s, Indian workers started coming into Mauritius to work on sugar plantations.

In March India’s Prime Minister Modi toured Mauritius, officials signed an agreement to upgrade sea and air links on the remote Agalega islands, offering India a foothold in an area hundreds of miles from its coast.

The two sides have been discussing North and South Agalega islands for years but there have been reservations in the about opening up the area to foreign involvement.

### 14.1. INVOLVEMENT OF BOTH SIDES IN VARIOUS FIELDS

- **Memorandum of Understanding in the field of Ocean Economy**
  - This MoU will provide an extensive framework for cooperation in the field of Ocean Economy, a novel and critical area of sustainable development in the Indian Ocean Region.
  - It provides for mutually beneficial cooperation for exploration and capacity development in the field of marine resources, fisheries, green tourism, research and development of ocean technology, exchange of experts and other related activities.

- **Programme for Cultural Cooperation for the year 2015-18**
  - This programme will provide for enhanced bilateral cooperation in this field for the term 2015-2018.
  - The programme, inter alia, envisages exchange of cultural troupes, training in fine arts, organization of cultural exhibitions, preservation of cultural heritage, promotion of Indian languages, exchange of students, etc.
  - This programme will also enhance greater people-to-people participation between the two countries.

- **Protocol for the importation of fresh mango from India**
  - The aim of this Protocol is to facilitate importation of fresh mango fruits from India by Mauritius.

- **Memorandum of Understanding for the Improvement in Sea and Air Transportation Facilities at Agalega Island of Mauritius**
  - This MoU provides for setting up and upgradation of infrastructure for improving sea and air connectivity at the Outer Island of Mauritius which will go a long way in ameliorating the condition of the inhabitants of this remote Island.
These facilities will enhance the capabilities of the Mauritian Defence Forces in safeguarding their interests in the Outer Island.

- **MoU on Cooperation in the field of Traditional System of Medicine and Homeopathy**
  - This MoU will promote cooperation in the field of traditional system of health and medicine between the two countries which already share these traditions due to our unique historical and cultural ties.
  - It envisages exchange of experts, supply of traditional medicinal substances, joint research and development and recognition of the traditional systems of health and medicine in both countries.
  - It also aims at promotion and popularization of the various Indian traditional systems which fall under AYUSH.

### 14.2. RECENT DEVELOPMENTS

Prime Minister of Mauritius, Anerood Jugnauth, on 3rd November 2015 said there will be no revisions to the main provisions of its Double Tax Avoidance Agreement (DTAA) with India as both countries are happy with the existing provisions of the tax treaty.

### 15. INDIA-AFGHANISTAN RELATION

By the end of 2014, two important transitions in Afghanistan had taken place.

- A political transition to a post-Karzai period had begun after a difficult election process.
- Second, the International Security Assistance Force (ISAF) flag had come down marking the end of the 13-year-long ‘Operation Enduring Freedom’, transferring primary responsibility for security to the Afghan Army and police forces.

#### 15.1. POLITICAL TRANSITION:

National Unity Government was sworn in on September 29 with Dr. Mohammad Ashraf Ghani as President and Dr. Abdullah Abdullah assuming charge as CEO, a new position of a coequal but with distribution of powers yet to be defined.

#### 15.2. ECONOMIC TRANSITION

- U.S. expenditure on rebuilding Afghanistan stands at $104 billion, slightly more than what the U.S. spent on the Marshall Plan (adjusted for inflation) for rebuilding 16 European countries after World War II. However, delivery on the ground averages below 25 per cent, given inefficient delivery mechanisms, poor planning and excessively high administration overheads.
- Progress has been registered in terms of life expectancy (up from 40 to 61 years), literacy (up from 12 per cent to 33 per cent), school attendance especially for girls, health care, urbanisation, roads, mobile
telephony, TV coverage is 60 per cent and GDP has gone up from $2 billion to $20 billion but is far short of what could have been achieved.  
- Development plans need more than $5 billion of external aid annually.  
- The fragility of both the political and the security transitions creates uncertainty and, consequently, raises the likelihood of instability.  
- India has played a significant role in Afghanistan’s economic reconstruction committing and delivering upwards of $2 billion distributed between humanitarian assistance, rebuilding infrastructure and human resource development.

15.3. DEALING WITH PAKISTAN

- Mr. Ghani’s turnaround with Pakistan is probably the most dramatic shift in Kabul’s foreign policy.  
- He has invited Pakistan’s Army Chief General Raheel Sharif, the ISI Chief, Lt. General RizwanAkhtar, and two corps commanders to Kabul.  
- He went to Pakistan in November, visiting the Army General Headquarters (GHQ) in Rawalpindi. Mr. Ghani agreed to send the first batch of six officers to Abbottabad for training in February this year.  
- The other part to this closeness comes from Mr. Ghani’s desire to restart talks with the Taliban. Much will depend on how much Pakistan delivers in terms of persuading senior Taliban leaders to appear for talks, even while curbing attacks by the groups under its control in Afghanistan.  
- Mr. Ghani has, over the last few months, acted against Tehreek-e-Taliban (TTP) militants operating from Afghan soil, provided Pakistan access to TTP prisoners.

15.4. NEGOTIATIONS WITH TALIBAN

Negotiations between the Afghan unity government and the Taliban appear likely, with the Pakistan military prodding the Taliban to agree to talks.  
- **China’s initiative:** One factor is China’s attitude. It is increasingly wary of terrorism entering into Xinjiang via Afghanistan and wants Pakistan to calm the borders. It is with this aim that China took a lead in the Heart of Asia conference, institutionalised the China-Afghanistan-Pakistan trilateral dialogue.  
- The Chinese government is also comfortable working with President Ghani.  
- Second, the Taliban position has shifted, a change evident after the U.S. helped establish a Taliban presence in Qatar in January 2012.  
- Third, Pakistan’s stance has also changed. On February 19, Pakistani military officials revealed that the Taliban had signalled its readiness for talks.  

At the end of the day, successful negotiations are predicated on Pakistan being an impartial mediator. There is pessimism whether Pakistan will be able to develop a better relationship with the new unity government in Afghanistan, with distrust running deep between both nations.

15.5. INDIAN PERSPECTIVE

- Pakistan’s increasing role in Afghanistan is likely to impact India’s economic commitments in Afghanistan.  
- Pakistan is likely to block progress on the Chabahar Port linking project in order to remain the sole gateway to Afghanistan. India’s plans of developing four iron-ore blocks and building a steel plant in Hajigak will also be threatened by Pakistan’s presence.  
- India’s limited influence in Afghanistan’s political realm means that it needs to join hands with another major player in the region.
• India will be keeping a close eye on the fate of the dialogue between the Taliban and Mr. Ghani’s team, and Pakistan’s role therein.
• Pakistan was uncomfortable with India’s role in Afghanistan which had remained restricted to the economic sphere.

15.6. AFGHAN PRESIDENT’S VISIT TO INDIA

Afghanistan President Mr. Ghani visited India in a month of April in 2015.

• During president’s visit neither side signed any agreement but announced that they would clear a motor vehicles agreement soon, as well as expedite the development of the trade route from Afghanistan to India via Iran’s Chabahar port.
• Mr. Ghani spoke of building a sub-continental network to cooperate on fighting terror.
• Three Cheetal helicopters, built by Hindustan Aeronautical Ltd., have been flown to Kabul ahead of the visit.
• India expressed its willingness to join Afghanistan Pakistan Transit and Trade Agreement (APTTA). (Afghanistan and Pakistan signed Afghanistan Pakistan Transit and Trade Agreement (APTTA) in 2011 which gives each country equal access up to the national boundaries of both.
  ✓ At present, Pakistan allows Afghan trucks carrying goods meant for India only up to its last checkpoint at Wagah, and not to the Indian checkpoint at Attari, less than a kilometre away.
  ✓ Prime Minister Narendra Modi said India was keen on a trade agreement with Afghanistan that would include India in the APTTA.)

15.7. TRANCE-AFGHAN GAS PIPELINE

• Trans-Afghanistan gas pipeline connecting Turkmenistan, Afghanistan, Pakistan and India may become a reality soon as negotiation for the ambitious project is at the final stage, Petroleum Minister said in Lok Sabha.
• The Trans-Afghanistan Pipeline (also known as Turkmenistan–Afghanistan–Pakistan–India Pipeline, TAP or TAPI) is a proposed natural gas pipeline being developed by the Asian Development Bank. Expected to be completed around 2017, the pipeline will transport Caspian Sea natural gas from Turkmenistan through Afghanistan into Pakistan and then to India.
• It has the capacity to carry 90mn standard cubic meters a day gas for a 30-year period, of which India and Pakistan would get 38 mmscmd each, and Afghanistan would get the remaining 14 mmscmd.
• The 1735km gas pipeline is expected to stretch from the largest gas field in Turkmenistan, Galkynysh, through Afghanistan’s provinces of Herat and Kandahar to Fazilka, area located between India and Pakistan.
• The four nations’ president signed the intergovernmental agreement of the TAPI project in 2010 in Ashgabat, Turkmenistan.
16. INDIA’S ‘BILATERAL INVESTMENT TREATY” WITH U.S.

India’s bilateral investment treaty (BIT) programme is part of a larger trade and investment agenda of the Indian government to boost investor confidence and increase investment flows into and out of the country.

- India’s new model BIT adopts an ‘enterprise’ based definition, confining the term investment to foreign direct investment in the host state. An enterprise is defined narrowly as one having ‘real and substantial business operations’ in the host state with ‘substantial and long-term commitment of capital’ and a ‘substantial number of employees in the territory of the host state’. So an enterprise that carries out minimal business operations in the host country would not qualify for protection under the treaty.
- India’s model BIT excludes several things from its definition of investment: portfolio investments, government debt securities, commercial contracts, goodwill and other intangible assets of an enterprise.
- And, unlike the US model, India’s model only recognises those investors who directly own and control an enterprise, precluding the possibility of claims by indirect or minority shareholders. A holding company would also not qualify as an investment entity.
- India has signed 83 BITs till date, of which 74 are in force.

16.1. INDIA-U.S BILATERAL TREATY

- An ongoing negotiation with the United States on a BIT began in 2009, but is yet to conclude; although a 2013 summit meeting of the US President and the Prime Minister of India saw the two leaders reaffirming their commitment to conclude a high-end BIT aimed at fostering openness to invest.
- U.S will include Intellectual property rights and portfolio investments (both equity and debt flows) in any definition of investment.
- The US model also includes a most favored nation provision, which India has completely dropped from its new model. Washington is unlikely to accept the exclusion of such a provision as it would prevent US investors from invoking more favourable substantive protection standards contained in India’s other BITs.
- Market access will be another bone of contention. The US government seeks strong market access commitments through pre-establishment of national treatment, which means US enterprises could establish investments with terms that are just as favourable as for Indian investors. This would prevent India from imposing performance requirements on US enterprises as a condition of investment.
- But India’s new model, and its existing treaties to date, only provide post-establishment national treatment, meaning once established foreign investors are treated no worse than domestic investors, and then there are exceptions.
- India maintains the right to screen foreign investors prior to them establishing an investment presence in the country.
- The US model contains detailed provisions on environment and labor standards.
- India has always opposed such standards in bilateral agreements and at the WTO. It remains to be seen whether India will accept these provisions under the proposed India–US BIT.
- The Indian model deals only with disclosure and anti-corruption provisions.

16.2. COMPLICATIONS IN INDIA-U.S TRADE AND INVESTMENT

- Lack of intellectual property protection and enforcement, continue to undermine the potential of the economic relationship.
- U.S. policy, such as limits on access to work visas, can also affect growth in economic ties.
Some other complications are India is a WTO member but is not a party to the large regional trade negotiations involving the U.S., namely the Trans-Pacific Partnership (TPP) and the Trade in Services Agreement (TiSA). India, in turn, is negotiating the Regional Comprehensive Economic Partnership Agreement—the ASEAN+6 agreements—which does not include the U.S.

16.3. KEY RECOMMENDATIONS FOR INDIA AND THE U.S.

- Commit to a deadline to conclude a Bilateral Investment Treaty. This will signal Indian government support for growing U.S. investment and provide a rules-based framework within which this can occur. It will also support growth in services trade which can be provided through FDI.
- Develop a dialogue with Indian regulators to address how India’s “Decade of Innovation” can be supported by stronger protection and enforcement of intellectual property rights.
- Affirm the administration’s support for extending access to H-1B visas for students having completed postgraduate U.S. degrees.
- India’s new government has yet to develop its trade policy. This presents an opportunity to develop a dialogue with India as to what Indian economic reforms could facilitate it joining either the TPP or the TiSA should it wish to do so.

17. U.S. CUBA RESTORE TIES AFTER 50 YEARS

17.1. REASON FOR TENSION BETWEEN U.S AND CUBA

Q. What had caused the straining of ties between U.S and Cuba?

17.1.1. BACKGROUND

- Cuba and the United States have been ideological foes since soon after the 1959 revolution that brought Raul Castro’s older brother, Fidel Castro, to power.
- Washington broke diplomatic relations with Havana in 1961 as Cuba steered a leftist course that turned it into a close ally of the former Soviet Union on the island, which lies just 90 miles (140 km) south of Florida.
- The hostilities were punctuated by crises over spies, refugees and the Cuban missile crisis of October 1962 that brought the world to the brink of nuclear war, and Bay of Pigs incident when U.S tried to topple Mr. Castro in 1961.

17.1.2. BAY OF PIGS 1961

- Fidel Castro had been a concern to U.S. policymakers since he seized power in Cuba with a revolution in January 1959. As a political strategy Castro’s attacked U.S. companies and its interests in Cuba.
- His inflammatory anti-American rhetoric and Cuba’s movement toward a closer relationship with the Soviet Union led U.S. officials to conclude that the Cuban leader was a threat to U.S. interests in the Western Hemisphere.
- In March 1960, President Dwight D. Eisenhower ordered the CIA to train and arm a force of Cuban exiles for an armed attack on Cuba. John F. Kennedy inherited this program when he became president in 1961.
- The Cuban Missile Crisis failed utterly. The failure at the Bay of Pigs cost the United States dearly. Castro used the attack by the “Imperialists” to solidify his power in Cuba and he requested additional Soviet military aid. Eventually that aid included missiles, and the construction of missile bases in Cuba sparked the Cuban Missile Crisis of October 1962.
17.1.3. CUBAN MISSILE CRISIS 1962

- During the Cuban Missile Crisis, leaders of the U.S. and the Soviet Union engaged in a tense, 13-day political and military standoff in October 1962 over the installation of nuclear-armed Soviet missiles on Cuba, just 90 miles from U.S. shores.
- On October 22, 1962, President John Kennedy (1917-63) notified Americans about the presence of the missiles, explained his decision to enact a naval blockade around Cuba and made it clear the U.S. was prepared to use military force if necessary to neutralize this perceived threat to national security.
- Following this news, many people feared the world was on the brink of nuclear war. However, disaster was avoided when the U.S. agreed to Soviet leader Nikita Khrushchev’s (1894-1971) offer to remove the Cuban missiles in exchange for the U.S. promising not to invade Cuba. Kennedy also secretly agreed to remove U.S. missiles from Turkey.

Q. What Diplomatic efforts were made to open U.S-Cuba ties, after so many years?

17.2. DEVELOPMENTS AND EVENTS NOW

- President Obama ordered the restoration of full diplomatic relations with Cuba and the opening of an embassy in Havana for the first time in more than a half-century.
- The surprise announcement came at the end of 18 months of secret talks that produced a prisoner swap negotiated with the help of Pope Francis and concluded by a telephone call between Mr. Obama and President Raúl Castro.
- In addition to reopening an embassy in Havana, the administration plans to significantly ease trade and financial restrictions, as well as limits on travel by Americans to Cuba, by using its regulatory and enforcement powers to evade limits imposed by a congressionally mandated embargo.
- U.S. exports to Cuba will be made easier, and additional items will be authorized. U.S. banks will be allowed to open correspondent relations with banks in Cuba.
- Communist-ruled Cuba pushed to be removed from a U.S. list of state sponsors of terrorism.