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India's Relations with Other Countries

1. India - Japan Relations

- India-Japan relationship is a cornerstone of **India's Act East Policy**.
- Indo-Japanese bilateral cooperation is carried out under the framework of a **"special strategic and global partnership".**
- 21st century will be Asia's century and Indo-Japan ties will play a key role in shaping it.
- Both countries underlined the urgent necessity to **reform the WTO for free, fair, and open trade.**
- The two countries called for **reforms of the United Nations** and supported each other's candidature for permanent membership in UNSC.
- Japan has been one of the **biggest sources of investment flows into India**, accounting for $28.16 billion in FDI between April 2000 and June 2018.
- The two countries signed a **Comprehensive Economic Partnership Agreement (CEPA)** in 2011 to facilitate growth in bilateral trade.
- The **nuclear deal**—Japan's first with a non-signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).
- India and Japan have signed an **open sky arrangement** under which the airlines of both countries can operate an unlimited number of flights.
- Japan has cooperated with a variety of **development projects in the Northeast**, ranging from **connectivity infrastructure** such as roads and electricity, water supply and sewage, to forest resource management and biodiversity.
- **Cooperation Agreements.**
    - **Asia-Africa Growth Corridor** - economic cooperation agreement between the governments of India, Japan and multiple African countries.
    - **Quadrilateral Security Dialogue** - an informal strategic dialogue between India, United States, Japan and Australia.
    - **Exercise Malabar** - trilateral naval exercise involving the United States, Japan and India.
- **Big-ticket Investments**
    - Japan has been extending bilateral loan and grant assistance to India since 1958, and is its largest bilateral donor.
    - **Japanese ODA** supports India's development in sectors such as power, transportation, environmental projects and projects related to basic human needs.
    - Japan is also backing the **Mumbai-Ahmedabad High Speed Rail (bullet train)** service.
    - Discussions have also taken place on the **Dedicated Freight Corridor.**
- **Concerns / Challenges**
    - Trade engagements have been below potential.
    - Trade have been sliding from $18 billion in 2012-13 to $13 billion in 2016-17.
    - India struggling to penetrate the Japanese market as a result of **language barriers**, high quality and service standards.
    - India's exports to Japan in FY18 were lower than in FY15 in value terms.

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- **Way Forward**
  - Experts say that a strong India is in Japan's best interest and for that, Japan must provide even more support.
  - India must leverage Japan's strengths in areas such as medical equipment and hospitals.
  - India and Japan must endeavour to work together for a **rules-based and inclusive world order.**
  - **Enhancing communication and connectivity** for unimpeded trade and flow of people, technology and ideas for shared prosperity.
  - Further cooperate for peace, stability and prosperity of Indo-Pacific.
  - Japan and India can work together to build a common narrative in UNSC reforms and UN peacekeeping.

2. India – Russia Relations

- Relations with Russia are a key pillar of India's foreign policy, and Russia has been a longstanding time-tested partner of India.
- Traditionally, the Indo-Russian strategic partnership has been built on five major components: **politics, defence, civil nuclear energy, anti-terrorism co-operation and space.**
- **Why Russia is Important for India?**
  - The **historical character** of the bilateral relationship.
  - Even as India is diversifying its defense trade partners, **Russia still dominates the Indian defense inventory.**
  - Russia remains the only partner that is still willing to give India critical technologies, such as a nuclear submarine.
  - The emerging Russia-China strategic relationship has important security consequences for India.
  - Russia also reaffirmed its **"unwavering support" to India for a permanent seat in an expanded UN Security Council.**
  - Russia expressed its support for India's membership of the Nuclear Suppliers Group.
  - Both countries have mutual benefits in supporting struggle against terrorism, Afghanistan, climate change; organisations like SCO, BRICS, G-20 and ASEAN.
  - The bilateral trade has also grown over the years as it rose to 20 per cent in 2017-18.
- **Concerns / Challenges**
  - Even as India is trying to stabilise its defence ties with Russia, there are growing concerns in New Delhi about **Russia's increasing tilt towards Pakistan.**
  - Today there is a change in how Moscow views its regional priorities in South Asia.
  - **Sino-Russian relationship** has grown to an extent where the two participated in joint military exercises such as the Vostok-2018.
  - The **Russia-China oil and gas deals** over the last few years also is a testament to this new closer partnership.
  - Russia has failed to appreciate the India's strategic engagement with the United States and other partners such as Japan and Australia.

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- **Way Forward**
  - The defense deals and nuclear energy cooperation should keep the India-Russia relationship afloat.
  - India has to rebuild on its strengths and common concerns with the Russians.
  - Need to focus on increasing trade and investment ties between India and Russia.
  - India must attract Russian investors to tap the vast opportunities in India's infrastructure space.

3. The possible course of action for India to deal with Pakistan

- **Strategic:**
  - It is time to define the nature and scope of our conflict with Pakistan.
  - India need to establish a **national security doctrine** in order to deal with all security issues
- **Diplomatic:**
  - Creating International pressure on Pakistan to **curb state sponsored terror**.
  - There is a strong need for India to change its approach from **Responsive to Proactive.**
  - Gaining support of global players to designate terror organizations and its entities as global terrorists.
  - India needs to engage and develop relationships with countries from important organizations like SCO, BRICS and try to enable solutions for the issue of cross border terrorism.
- **Economic:**
  - Imposing economic and political sanctions on Pakistan and asking the world to follow suit.
  - The recent move of removing MFN status, increasing of import duty to 200%.
- There is a need to embrace an overarching **strategic stability regime** and to shun aggressive security doctrines to reduce the possibility of a nuclear conflict.
- The problems of terrorism and Non-State Actors need to be addressed jointly through institutionalised mechanisms.

4. Geo-Political Scenario in South Asia

- South Asia is today at an inflection point with far-reaching implications for the states in the region, and for India in particular.
- There is a **great power competition** in the region.
- Russia and China are challenging the **U.S.'s pre-eminence and influencing smaller countries** of the region.
- The resultant geopolitical **competition for space, power and influence** in the region.
- **China Pivot in the Region:**
  - There is the emergence of the 'China pivot' in the region.
  - Washington's role as the regional pivot and power manager is becoming a thing of the past with Beijing assuming that role.
  - **Regional geopolitics**, from Iran to Central Asia and from the South China Sea to the Indian Ocean region, is increasingly being shaped by China.

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- By using its economic strength to expand its relations with Sri Lanka, Bangladesh, Nepal and Myanmar **China has attempted to control India's rise**, while simultaneously supporting Pakistan's development.
- The projects in Pakistan and Sri Lanka have given China strategic access points in the oceans surrounding India.

- **Trust-Deficit in the Region**
  - Another feature of the current regional sub-system is the presence of an extreme trust deficit among the various actors in the region.
  - There is trust deficit between India and Pakistan, or China and India.
  - Trust deficit exists between U.S. and India, Russia and China.
  - It also exists among traditional partners such as Iran and India, and Russia and India.
- **India's Approach**
  - **India has found interest in ASEAN countries, Central Asia and its neighbours in the Bay of Bengal region**.
  - ASEAN is India's fourth largest trade partner with a free trade agreement that has helped facilitate trade and the movement of manpower and investments.
  - It has also taken steps to increase its diplomatic engagement with **Central Asia**, as a part of it **"extended neighborhood".**
  - The **International North South Transport Corridor**, along with the **Chabahar port** have been two of India's large-scale projects in the region.
  - **BIMSTEC** has received a push for revival from India.
  - India has used different bilateral and multilateral strategies to pursue a regional leadership role in South Asia.
  - Its outreach towards Southeast Asia, Central Asia, as well as the wider Indo-Pacific underscores the renewed importance that New Delhi is giving to Asia and its own footprint in the region.
- **Way Forward for India**
  - India must adopt a slew of **balancing acts** which is the most appropriate strategy to adopt under the present circumstances.
  - **U.S**
    - India must balance its desire to get closer to the U.S.
    - Getting too close to the U.S. will provoke China, and vice versa.
  - **West Asia**
    - India will have to take care of its energy and other interests (including the Chabahar project) with Iran.
    - By doing so, it should not alienate the U.S., Saudi Arabia and Israel.
    - While Iran's share in India's energy imports is steadily decreasing, alienating Iran might not suit India's strategic interests in the longer run.
  - **Russia-China partnership**
    - Dealing with the Russia-China partnership will be crucial for India's continental strategy.
    - This is with regard to arms sales, the Afghan question or checking Chinese dominance of the region.
    - The growing relationship between Pakistan and Russia which must be dealt with smart diplomacy.

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- **Pakistan - China Partnership**
  - Another layer that requires careful balancing by India is the strategic partnership between Pakistan and China.
- **Handling Afghanistan**
  - If India is serious about having a say in Afghanistan's future, it would need to enact several balancing acts.

5. India – China Relations

- **China's support for Pakistan's position on Kashmir at the United Nations Security Council (UNSC)** has once again underscored the difficult trajectory of contemporary Sino-Indian relations.
- By backing Pakistan's request for the UNSC to discuss India's latest move, China has signalled its priorities and made any normalization of ties almost impossible.
- **Challenges in Sino-Indian relations:**
  - India's consolidation of autonomy over Ladakh – and by extension Aksai Chin – will set up a new challenge as the two countries continue a dialogue on the border dispute.
  - With China planning to set up a permanent military base in Pakistan for CPEC, India should be prepared for greater Chinese meddling on this matter.
  - **China's claim over Tawang**, a town in Arunachal Pradesh, is likely to harden as a result of India's reorganisation of Ladakh.
- **Possible solutions:**
  - **Continued engagement, both bilaterally and in multilateral forums** such as BRICS, SCO and the Russia-India-China trilateral, in order to maintain overall stability, deepen economic ties, and foster diplomatic cooperation on regional and international issues.
  - The new **external balancing effort**: The evolution of **India-US relations** in particular but also of **India's relationships with Japan and Australia** as well as the **quadrilateral cooperation** indicates a growing convergence in their views regarding stability in the Indo-Pacific region particularly with respect to China's intentions in laying territorial claims to more than 80 per cent of the South China Sea as well as to the sovereign territories of India and Japan.
  - China can't expect that its priorities on trade and 5G would be considered favourably by India if it continues to challenge the fundamentals of good neighbourly ties.
  - If China is so aggressive on Kashmir, then nothing stops India from raking up issues like Hong Kong and Xinjiang. Tibet and Taiwan remain Chinese vulnerabilities.
  - If China has a long-term strategy of containing India within South Asia, then India can just as easily adopt a strategy of challenging China's core interests.

6. India - Uzbekistan Relations

- India - Uzbekistan relations are deeply rooted and go back far beyond the centuries.
- India was one of the first countries to recognize the state sovereignty of Uzbekistan.

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- **Bilateral Relations**
  - Indian companies in Uzbekistan operate in a wide range of sectors, from wholesale, retail and manufacturing to petroleum, chemicals textiles, leather, agriculture, construction and service industries.
  - Uzbekistan consider India as one of the most important partners in Asia.
  - For India, which is hoping to find firm allies in Central Asia, Uzbekistan can serve as an important foothold as the country shares its border with Afghanistan.
  - Uzbekistan is militarily very strong and is therefore very important from the security point of view for India.
  - Both countries are **strategic partners** and is important for India's security, connectivity and counter terrorism efforts.
  - Uzbekistan has large reserves of gas, uranium and gold.
  - It is one of the biggest **uranium exporter** in the world; it will be a key player in India's plan to procure nuclear fuel to create a strategic uranium reserve.
- **Mutual Cooperation**
  - In the political sphere, they closely cooperate in struggling against international terrorism, religious extremism, organized crime, drug trafficking, and other challenges and threats to security.
  - Both actively cooperate within the framework of **international organizations**, such as the UN, SCO and others.
  - Uzbekistan supports the permanent membership of India in the UN Security Council.
  - It cooperates with India in addressing the Afghan crisis.
- **Concerns / Challenges**
  - The volume of trade and investment between Uzbekistan and India does not correspond to the potential of both countries.
  - There is lot of **untapped reserves**.
  - India has not improved air links with the country.
  - China has already built a strong presence in Central Asia.
- **Way Forward**
  - Expanding cooperation in areas as information technology, programming, automobile industry, metallurgy, pharmaceutics, chemical, light industry, banking system etc.
  - Signing an Agreement on preferential trade regime between both countries.
  - India can exchange best practices in various fields of economics and technical cooperation.
  - Given the huge number of unique historical and cultural monuments in Uzbekistan and India as well as India's potential in medicine, great opportunities exist in cooperation in the fields of tourism and medical tourism.

7. India's Africa Outreach

- India shares close, warm and friendly relations with Africa which are cemented by robust **development partnership** and a large presence of the **Indian diaspora.**
- As many African countries transitioned from colonialism to freedom, **India's democracy was the template** for them.

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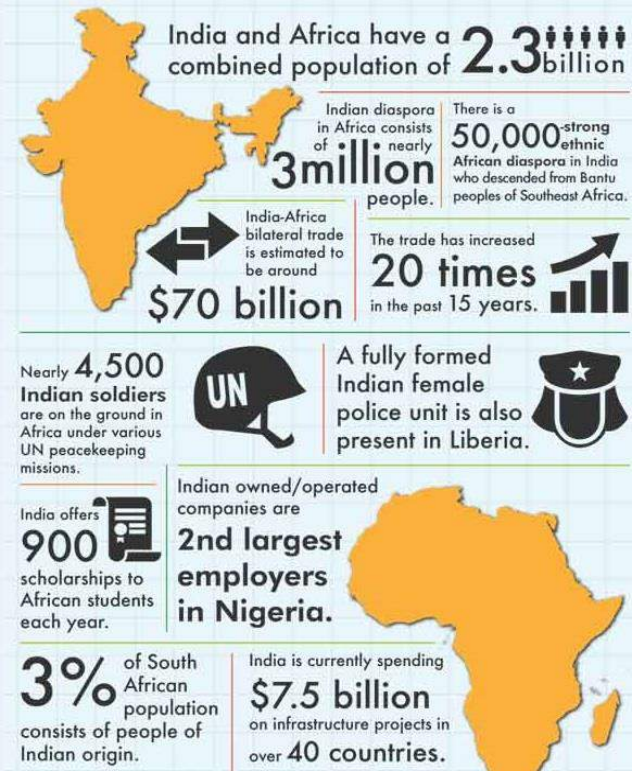
- The continent with its **abundant natural resources** and **improving governance structures** is being viewed as the **next global growth hub.**
- In recent years, India has reinforced its relations with Africa to **reclaim lost ground.**
- India had announced that it would be opening **18 new embassies in Africa** between 2018 and 2021.
- However, **India's lack of a consistent proactive policy towards Africa** led to the Chinese leading in terms of investment and trade.
- Chinese investments were up to $ 3.5 trillion in 2015. In contrast, India will cross the $ 500 billion mark in 2020.
- India's ties with the continent were seemingly strong between the 1940s and 1980s.
- The following decade saw India reorient its policies towards the West, and ceding strategic space to other countries, including China.
- **India's ties with Francophone Africa remain weak.** But China's Africa strategy has no such disparity.



- **Where India wins over China:**
  - The **Chinese model** has often been criticised for **creating huge debts** for the nation in which it sets up projects, the **Nairobi-Mombasa rail link** being one example of this.
  - **Chinese Chequebook diplomacy** has come under criticism.
  - **Indian approach is seen as benign** with mix of grants and loans offered at nominal interest rates.
  - The **Chinese military base in Djibouti** has raised fears that Beijing is abandoning its non-interference policy in the region.
  - Large presence of the **Indian Diaspora** and **Mahatma Gandhi's link with South Africa** cements the ties.
- **Where China wins over India:**
  - China already has **diplomatic presence** in 43 of the 54 countries in Africa.
  - According to the **Stockholm Institute of Peace Research**, China's arms exports to Africa have increased 55 per cent during the period 2013-17.
  - Beijing has nearly 2,400 peacekeepers currently deployed in Africa and is training many regional peacekeepers.
- **India must play to its natural strengths** and move swiftly into the education and infrastructure fields as well as IT in Africa.
- India should boost ties with Morocco. **Morocco can be India's launchpad for engagements with Francophone Africa.**

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8. Strategic Significance of Indian Ocean

- It is a home to world's busiest waterways and chokepoints such as the **Suez Canal, Bab al Mandeb, Strait of Hormuz and the Strait of Malacca**. All these chokepoints and waterways are highly important for the rising nations of the world.
- More than half the world's armed conflicts are presently located in the Indian Ocean region.
- **It is also home to**
    - Continually evolving strategic developments including the **competing rises of China and India**
    - Potential **nuclear confrontation** between India and Pakistan
    - The **US interventions** in Iraq and Afghanistan
    - **Islamist terrorism**
    - Growing incidence of **piracy** in and around the Horn of Africa
- There has been a gradual to an accelerated expansion of maritime forces and their capabilities in the region.
- The growing presence of **extra regional powers and nuclear capable nations** has further altered the existing security framework. This is affecting the existing military balance and the impending imbalance could create a new architecture that could affect the prevailing security scenario.
- **Naval bases:**
    - **US uses the island of Diego Garcia** as a major air-naval base and logistics hub for its Indian Ocean operations.
    - France, meanwhile maintains significant presence in the north and southwest Indian Ocean quadrants, with naval bases in **Djibouti, Reunion, and Abu Dhabi.**
- **India:**
    - India imports about 70 percent of its oil through the Indian Ocean Region to its various ports. As a consequence, it has been enhancing its strategic influence through the use of soft power, by becoming a major foreign investor in regional mining, oil, gas, and infrastructure projects.
    - In addition, India has aggressively expanded its naval presence reportedly to include the establishment of listening posts in the **Seychelles, Madagascar and Mauritius**
    - Its **governance and security** are under constant threat of being undermined, whether by non-state actors such as pirates, smugglers, and terrorists, or by furtive naval competition between states.
- **Conclusion:**
    - Indian Ocean is an **"ocean of economic opportunities"**. The growing interests of major powers (US, UK, Russia, France and Japan) in the region, and the many Chinese infrastructure projects in the region create an imperative for India to actively limit the military maritime activity of external powers in the region.

9. Economic significance of Indian Ocean

- **Trade and Commerce:**
    - It enjoys a privileged location at the crossroads of global trade**, connecting the major engines of the international economy** in the Northern Atlantic

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and Asia-Pacific. This is particularly important in an era in which global shipping has burgeoned.
    - Today, the almost 90,000 vessels in the world's commercial fleet transport 9.84 billion tonnes per year. This represents an almost four-fold increase in the volume of commercial shipping since 1970.
    - The Indian Ocean has **vital sea lanes of communication** crisscrossing it and which feeds Asia's largest economies. Around 80 per cent of the world's **seaborne oil trade** passes through the choke points of this ocean and therefore it literally connects the east to the west.
    - The Ocean's vast drainage basin is important in its own right, home to some two billion people. This creates opportunities, especially given the high rates of economic growth around the Indian Ocean rim, including in India, Bangladesh, Southeast Asia, and Eastern and Southern Africa.
    - The Indian Ocean is **rich in natural resources.**
- **Oil and Natural Gas:**
    - Forty per cent of the world's offshore oil production takes place in the Indian Ocean basin.
    - Energy security and resources are absolutely critical. The Indian Ocean Region is immensely rich in that.
    - 28 million barrels per day—or nearly 80 per cent of India's crude oil requirement—is imported by sea via the Indian Ocean.
- **Mineral wealth:**
    - **Mineral resources with nodules** containing nickel, cobalt, and iron, and massive sulphide deposits of manganese, copper, iron, zinc, silver, and gold present in sizeable quantities on the sea bed.
    - Indian Ocean **coastal sediments** are also important sources of titanium, zirconium, tin, zinc, and copper.
    - Additionally, various **rare earth elements** are present, even if their extraction is not always commercially feasible.
    - **Energy security and resources** are absolutely critical. The Indian Ocean Region is immensely rich in that
- **Fisheries:**
    - **Fishing** in the Indian Ocean now accounts for almost 15 per cent of the world's total.
    - **Aquaculture** in the region has also grown 12-fold since 1980. Although global fishing is reaching its natural limitations, the Indian Ocean may be able to sustain increases in production.
    - The largely **unregulated overexploitation of its fishery resources** could have serious consequences for littoral states that depend heavily on maritime resources to feed their populations and also provide valuable export revenues.
- **Indian trade:**
    - 95 per cent of India's trade by volume and 68 per cent of trade by value come via the Indian Ocean.

10.Geopolitical Significance of Horn of Africa to India

- The four states constituting the Horn — **Somalia, Ethiopia, Eritrea and Djibouti** — along with **Yemen** across the Red Sea have been described as one of the world's

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pivotal regions.

- **Africa is critical to India's security**, especially the Horn of Africa region, because of its proximity with India.
- In 2008, India organized the first **India-Africa Forum Summit** with the aim of recasting its ties with the continent.
- Ethiopia continues to be the largest recipient of India's concessional Lines of Credit in Africa.
- India is among the top three foreign investors in Ethiopia.
- Djibouti supported during **Operation Rahat** for evacuating Indians from war-torn Yemen in 2015.
- Djibouti's location at the confluence of the Red Sea with the Indian Ocean and the crossroads connecting Africa, the Middle East and Asia have made it a very attractive piece of geopolitical real estate.
- **International Solar Alliance (ISA)** acts as a common platform to work closely to deepen bilateral and regional cooperation.
- **China's geopolitical interest in the Horn** has come into focus with the deployment of naval units to combat piracy in the Gulf of Aden.
- Djibouti could become another of China's "string of pearls" of military alliances and assets ringing India, including Bangladesh, Myanmar and Sri Lanka.
- India does not have an embassy in Djibouti. Now it's time to re-engage the region strategically.
- **Defence diplomacy** is an important imperative for India all across the Indian Ocean littoral.

11.India - China Trade Gap

- **Trade Deficit between India and China increased enormously** in recent times and is more than $50 billion.
- India exported goods worth $10 billion to China in 2005. India had a trade surplus with China during 2003-05.
- In 2016 Indian exports are still about $10 billion.
- India's trade surplus has turned into a deficit of more than $50 billion.
- During 2005-16 India emerged as a competent global supplier of polished diamonds, small cars, generic medicines, buffalo meat, etc.
- China imports these products in large quantities for domestic consumption, but not Indian products.
- **How does China reject Indian products?**
    - Quality cannot be a problem as India exports these products to over a 100 countries, including the US and EU.
    - **China uses a complex set of inspection, product testing and quality certification** requirements to stifle imports from India.
    - Chinese experts inspect Indian factories. Cost is borne by the Indian side and clearance seldom comes.
    - Only Chinese labs do the product testing, and no appeal is allowed on their decisions.
    - China will not accept Indian basmati rice, while Pakistan's rice is welcome.
    - Indian IT firms cannot take part if the tender size is more than $100 million.
    - Such measures ensured that India's exports to China in 2016 stayed at the

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2005 level, even as India allowed almost unrestricted access to Chinese goods during 2005-17.

- **China's exports to India**
  - Of Indian imports of mobile phones, telecom equipment, and bulk drugs, 70% come from China.
  - More than 95% of Indian imports of everyday use items also come from China.
- **India must push for large scale manufacturing** in 30 product groups from electronics, engineering and chemical sectors.
- Provide 20 years direct tax holiday for investments in these sectors.
- Create a hundred design studios for new product development.
- Example from **German Mittelstand model of industry-research-academia collaboration**.
- This will help innovation-driven small firms and reduce dependence on import of daily use goods.
- **Diversify India's export basket** with emphasis on manufactured goods, services, resolution of market access issues and other non-tariff barriers.

12.India - Israel Relations

- Benjamin Netanyahu had termed Israel's relations with India as a **"marriage made in heaven but consecrated here on earth".**
- The two countries recently celebrated **25 years of friendship**.
- The iconic **Teen Murti Chowk in central New Delhi** was renamed as **Teen Murti-Haifa** after Israeli City Haifa.
- **Trade, technology and tourism** are the three key areas in India-Israel economic relations.
- Over the last 25 years, bilateral trade has increased from $200 million to more than $4 billion (excluding defence) in 2016-17.
- **India is the largest arms buyer from Israel**; trade is to the tune of approximately $600 million.
- Recently India signed the biggest weapons deal in Israeli defence history, which is nearly $2 billion.
- Israel has become one of the foremost technology superpowers in areas such as **rainwater harvesting, use of oceanic water** and using that for irrigation in the most dry land.
- Need for a **Free Trade Agreement (FTA)** as well as a **Bilateral Investment Treaty (BIT)** at the "earliest" in an effort to forge greater business-to-business ties.
- **India can leverage its space technologies** to Israel for its developmental purposes where India enjoys upper hand.
- Israel will be benefited from large pool of **skilled Indian engineers and doctors** as Mr. Netanyahu's quoted **"Indian talent and Israeli technology equals India-Israel ties for tomorrow."**

13.India's 'Look West' Policy

- India seeks to pursue a **multi-dimensional engagement with West Asia**.
- While much focus is often given to India's 'Act East' policy, India's 'Look West' policy too is evolving rapidly.

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- **West Asia is crucial for stability and economic growth** in India because around 65% of our oil and more than 80% of our gas supplies come from this region.
- India has established independent links with estranged players in the region such as Saudi Arabia, the UAE, Qatar and Iran.
- The relations traditionally were based on energy and Indian Diaspora, but now India seeks to maintain relations to be a significant power in the world as well.
- Oman has been a long-standing partner of India in West Asia, where Indians constitute the largest expatriate community.
- **Naval cooperation** has already been gaining momentum with Muscat giving berthing rights to Indian naval vessels to fight piracy in the Gulf of Aden.
- India is in the good position of being trusted by all the major factions in the Middle East; it has good relations with Iran, Saudi Arabia, Israel, Iraq, and the Gulf States.
- ASEAN has been the vehicle for India's expanding partnership with South East Asia, but there is no similar forum in the Middle East.
- Ideological, political and religious divisions in India over the Middle East have long complicated Delhi's thinking of the region.
- India's West Asia engagement must focus on **delivering on its commitments and strengthening its presence as an economic and security partner.**

14.India & EU Growing Partnership

- India and European Union celebrated **55 years of diplomatic relations**.
- **India and EU are natural partners**, the bond is built on shared beliefs and the strength of law outweighs the law of the strong.
- EU's partnership with India lies on the foundation of the values of **"freedom, democracy and a credible, rules-based global order".**
- India is one among 10 select countries with whom EU has strategic partnership, launched in 2004.
- The **European Investment Bank** has opened an office in New Delhi and had committed 1.5 billion euros.
- The **Lucknow and Bengaluru metro projects** and many solar ventures are supported by the Bank.
- **France**, a leading member of the EU, is an **important strategic partner**, with high technology cooperation in defence, space, and civil nuclear.
- **Terrorism has become a common focus** and gained currency as Europe has been subjected to repeated terrorist attacks.
- Both EU and India sought that Beijing should follow the UN Convention on the Law of the Sea (UNCLOS) for resolving all maritime territorial disputes.
- **Cyber security** is another area where the EU and India are developing closer exchanges.
- Both have a **common position on China's "One Belt and One Road".** Connectivity must be based on universally recognised international norms, good governance, rule of law, openness, transparency and equality.
- Stalled negotiations for concluding the Free Trade Agreement (FTA), or Broad Based Trade and Investment Agreement (BTIA).
- Working on FTA and realising concrete results in other areas can make the India-EU partnership truly strategic.

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15.India - Bhutan Relations

- Diplomatic relations between India and Bhutan were established in 1968 with the appointment of a resident representative of India in Thimphu.
- The basic framework of India-Bhutan bilateral relations is the **Treaty of Friendship and Cooperation signed in 1949** which was revised in February 2007.
- Under the **2007 India-Bhutan Friendship Treaty**, the two sides agreed to cooperate closely with each other on issues relating to their national interests.
- **2018 was the 50th year of the establishment of diplomatic relations** between the two countries.
- The **Doklam impasse** saw a more confident and resolute relationship emerge between India and Bhutan.
- Bhutan along with India had not joined China's One Belt One Road (OBOR) summit.
- **India is Bhutan's largest trading partner**.
- **Hydropower projects** in Bhutan are an example of win-win cooperation, providing clean electricity to India and generating export revenue for Bhutan.
- There is a **Secretary-level mechanism on border management** and security related matters.
- There is a **Joint Group of Experts (JGE) on flood management** between India and Bhutan to recommend appropriate measures to both Governments.
- The Indian Military Training Team (IMTRAT), plays a critical role in training Bhutanese security personnel.
- The measures for **continuing the cohesive and durable relationship with Bhutan** are:
    - The principles of **Panchsheel and Gujral doctrine** must drive our relations towards Bhutan.
    - The hydropower projects, where delays in construction and commissioning by the Indian companies took place, have led to the Country's increase in the national debt. **The tariffs need to be re-negotiated.**
    - India must be careful **not to seem bossy**, and end up souring up its relationship with Bhutan as was done in the case of Nepal. **India should refrain from interfering in sovereign matters of Bhutan**.
    - **The Doklam crisis** can be taken as a wake-up call and be used as an opportunity rather than as a continuing threat with China.
    - India needs to give more attention in inviting Bhutanese youth to study in India at all levels.
    - India should further cement its ties with Bhutan by paying more attention to it so that China is not able to drive a wedge between the two.

16.India-Myanmar Relations

- Myanmar is one of India's strategic neighbour and shares long border with north-eastern states of Nagaland and Manipur.
- India has **"historical ties and traditional bonds of friendship and cooperation"** with Myanmar.
- **Five Bs** are the base of India-Myanmar relations – **Buddhism, Business, Bollywood, Bharatnatyam and Burma teak.**
- Myanmar is at the heart of India's **Act East policy** with the India-Myanmar-Thailand Asian Trilateral Highway, the Kaladan multimodal project, and BIMSTEC.

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- Pulses form the single largest item in Myanmar's limited export basket.
- The **11th-century Ananda Temple** in Myanmar was damaged during an earthquake and was being renovated with India's assistance.
- **Myanmar Institute of Information Technology** set up in Mandalay with the collaboration of IIIT Bangalore has been a success.
- The **Advanced Centre for Agriculture Research and Education** set up in collaboration with India's ICAR is a fine example of pooling research efforts on pulses and oilseeds.
- The Indian government is concerned about Rohingya immigrants in the country.
- The India Intelligence Agency stated that the smuggling of light arms, drugs and counterfeit currencies have been spotted along the border.
- Both sides share a **long maritime boundary and land border**, which has led to concerns around transnational issues.
- Strengthening existing cooperation in areas of security and counter-terrorism, trade and investment, infrastructure and energy, and culture.

17.India's actions under Act East policy

- The Objective of "Act East Policy" is to promote **economic cooperation, cultural ties and develop strategic relationship with countries in the Asia-Pacific region**
- India has been an active participant in mechanisms like the **Indian Ocean Rim Association (IORA),** in ASEAN led frameworks like the **East Asia Summit**, the **ASEAN Defence Ministers' Meeting** Plus, the **ASEAN Regional Forum** as well as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation **(BIMSTEC)** and the **Mekong-Ganga Economic Corridor**.
- India has also been convening the **Indian Ocean Naval Symposium**, in which the navies of the Indian Ocean Region (IOR) participate. India has boosted its engagements with Australia and New Zealand and has deepened its cooperation with the Republic of Korea.
- Through the **Forum for India-Pacific Islands Cooperation**, India is stepping up its interactions with the Pacific Island countries. India's growing partnership with Africa can be seen through the convening of mechanisms like the **India-Africa Forum Summits.**
- In addition to reviving the economic partnership, India has focused on **promoting connectivity** with other ASEAN states through Myanmar and Thailand.
- India's partnership with Japan has witnessed the most dynamic growth.
- India's Act East Policy has also impacted relations with the United States.
- By aligning India's Act East Policy with the U.S. pivot to Asia, India seeks to expand its geo-strategic space to contend with China's growing assertiveness and foster balanced relations.

18.Buddhism as a key linkage

- **Buddhism in India as a Soft Power** is different from the conventional sense of the term. India talks about **shared cultural development** instead of export of culture.
- The values of peace, accommodation, inclusiveness, and compassion that are part of our societies can be attributed to the influence of the teachings of Lord Buddha and Buddhism.
- Buddhism can act as an intensifying factor for **Asian emotional bonding** and

connectivity as it is embedded into their "nationalistic" thinking and actions.

- **Way Forward:**
  - Effective **revitalisation of the Nalanda University project** and encouragement of **Buddhist studies** in well-established universities will bring International community at a common platform.
  - The government faces the crucial challenge of effective execution. **Buddhist diplomacy** would go a long way in countering the rise of China, strengthening its relations with Asian countries, and helping it further down the path of its regional and global power ambitions.
- Buddhism could become a catalyst for building greater interaction within the Asian community. India needs to foster a sense of responsibility towards deepening linkages with the Asian population.

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Bilateral, Regional and Global Groupings and Agreements involving India and/or Affecting India's Interests

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1. SAARC vs BIMSTEC for India

- BIMSTEC has gained more favour as the preferred platform for regional cooperation in South Asia.
- **SAARC has failed in achieving its objectives because:**
  - **India-Pakistan rivalry**: India has conveyed that terrorism and talks cannot go on simultaneously.
  - **Bilateral issues:** Long pending issues between members like **fishermen issue** between India and Srilanka, **Teesta water sharing** between India and Bangladesh, lack of direct access to Afghanistan to other members except Pakistan have restricted in arriving at common ground for regional integration.
  - **Perceived Big-Brother attitude of India.**
  - **Internal Crises:** Almost every member is facing numerous internal crises like **Tamils issue** in Srilanka, religious fundamentalism in Pakistan and Bangladesh, Terrorism and instability in Afghanistan. Consequently, there is no much enthusiasm to achieve collaboration in the sub-continent.
  - **China's inroad into SAARC countries:** Increasing presence of china in the region and reservations of India with China is creating roadblocks. India cannot match the levels of financing by China. China with its grand plan of BRI has lured the small nations.
  - **Poverty- Ridden:** Even though the region accounts for **21% of world population, its share in global GDP is just around 3%.**
- **BIMSTEC provides an alternative to SAARC due to the following reasons:**
  - **Connectivity:**
    - BIMSTEC makes it easier for India **to share a common regional platform with its neighbours in South Asia** (sans Pakistan) and secondly**, BIMSTEC also establishes a linkage between South and Southeast Asia.**
    - Urgency of **promoting regional and sub-regional cooperation** via BIMSTEC and BBIN.
    - The **development of the North-eastern region,** by opening up to Bangladesh and Myanmar, is another incentive for India.
  - **Regional Co-operation:** Regional cooperation under the ambit of SAARC has become difficult made BIMSTEC more viable:
    - Despite India's keen interest in cooperating and strengthening intra-regional connectivity by backing the SAARC–Motor vehicle agreement, the agreement was stalled following Pakistan's reluctance.
    - Similarly, the **SAARC satellite project** that India proposed was abandoned following objection from Pakistan in 2016.
    - **SAARC has also faced obstacles in the area of security cooperation**. **Example**: cross-border terrorism emanating from Pakistan.
  - **Cordial Relationship:**
    - The member countries have **generally cordial relationships**,

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something patently missing among the SAARC countries.
    - BIMSTEC's major strength comes from the fact that it **includes two influential regional powers: Thailand and India.** This adds to the **comfort of smaller neighbours by reducing the fear of dominance by one big power.**
  - **Economic vistas:** As a trade bloc, BIMSTEC provides many opportunities.
    - The region has countries with the **fastest-growing economies in the world**. The combined GDP in the region is around **US$2 trillion** and will likely grow further.
    - Trade among the BIMSTEC member countries reached **six percent in just a decade**, while in SAARC, it has **remained around five percent since its inception**.
    - Compared to SAARC, BIMSTEC has greater trade potential as well. Among the member countries, **India's intra-BIMSTEC trade is around 3 percent of its total trade**.
- However, there are concerns which need to be addressed
  - **Infrequency of the BIMSTEC summits**, the highest decision-making body of the organisation. In its **20 years of existence**, the **BIMSTEC summit has taken place only thrice**.
  - The **delay in the adoption of the Free Trade Agreement (FTA)**, a framework that was agreed upon in 2004, fuels doubts about BIMSTEC's efficacy.
  - **BBIN Motor Vehicles Agreement [MVA]** is an instrument that was conceived to transform and facilitate trade. It has not yet been completely successful as Bhutan is worried about security and environmental fallout of such an agreement.
  - In the latest summit in 2018, it was noted that the **Motor Vehicle Agreement and the Coastal Shipping Agreement** would still need more time for finalisation.
  - **Both Thailand and Myanmar** are criticised for having ignored BIMSTEC in favour of ASEAN.
  - **Region lacks physical connectivity**. The tri-lateral highway connecting India-Myanmar-Thailand has been a non-starter.
  - BIMSTEC has identified **14 priority sectors** and has signed an FTA (2004) and a **Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking (2009)**. The pace of implementation has been quite sluggish so far.
- **Why is BIMSTEC important for India**
  - BIMSTEC is the natural platform for India to implement its **regional connectivity, Neighbourhood First and Act East policies**.
  - BIMSTEC is important for free trade agreement, poverty alleviation, tourism, energy and climate change, and even counter-terrorism and disaster management.
  - BIMSTEC could allow India to push a constructive agenda to **counter Chinese investments**, and follow best practices for connectivity projects based on recognised international norms.
  - Myanmar and Thailand, have a crucial place for India's ambitious connectivity plans for northeastern region.
  - Myanmar is only Southeast Asian country India has a land boundary with.

- India-Myanmar-Thailand highway is one of the key projects that figures in a big way in the government's Act East policy.

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2. Measures needed to revive SAARC

- SAARC should also seek **free and preferential trading arrangements** with other regional bodies, notably the EU and the ASEAN. It should also remain fully focused on the **SAARC social charter to spread out its reach to the common man.**
- They should focus on **economic cooperation and other small ways that can create cooperation and more peace**
- SAARC cannot be effective unless it places itself on a managerial position to **achieve regional order**, forcing all the members to act mutually in making the region a '**zone of peace'** and the center for world business.
- All countries should come together to sort out their differences, either multilaterally or bilaterally. It is necessary to work with the differences like that of India-China, Japan and China, Russia and Japan.
- The **bilateral issues** between member nations should be resolved. Bilateral Issues between India- Pakistan, India- Sri Lanka, Pakistan- Afghanistan etc. must be improved with serious engagement and collaboration – working together to bring peace and stability as a common good in the region.
- Information on terrorism, trafficking, smuggling etc. must be shared and joint exercises must be conducted to build mutual trust and capability.
- SAARC needs to work on **Improving infrastructure and regional connectivity** – Collaboration in scientific research, universities exchange programs, tourism etc. will have a positive effect on relations among countries.

3. Shift in India's Foreign Policy

- India's foreign policy is currently focused on improving relations with the neighbouring countries in South Asia.
- Engaging **extended neighbourhood** in the Southeast Asian region and other major global powers. In pursuit of this, the Prime Minister has made several official visits to countries like Bhutan, Nepal, Japan, the United States, Myanmar, Australia, Fiji, Israel among many others.
- Through **'fast track diplomacy'**, which means adopting a policy that is proactive, strong and sensitive; and **'paradiplomacy'**, where states and cities are encouraged to forge special relations with other countries or federal states of another country or even cities of their interest.
- However, the main objective of the foreign policy has **been promotion of trade; maintaining security; promoting transit facility** among member states; sprucing **infrastructure and enabling connectivity**.
- Through '**neighbourhood first' policy**, more emphasis has been given to our immediate neighbours. Indeed, maintaining relations with immediate neighbours has been a priority for the current Government.
- India has entered into several **Memorandum of Understanding and agreements** to encourage cooperation in regional issues like trade, connectivity, infrastructure and transit facility among the member states of the South Asian Association for Regional Cooperation (Saarc).
- Greater people-to-people contact; better connectivity; and commercial linkages

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within the region are the core issues discussed in the SASEC, BIMSTEC summit due to non-functionality of SAARC.

- To play more proactive role in the Southeast Asian region, India follows the **'Act East'** Similarly, India has also initiated the **'link West' policy** to ensure energy security, trade and employment linkages with the West Asian countries. E.g.: LEMOA, QUAD grouping.
- With the U.S. designating India as a Major Defence Partner, it is one India's closest strategic partners today.
- In 2016, India had signed the **Logistics Exchange Memorandum of Agreement** with the U.S. which gives both sides access to designated military facilities for refuelling and replenishment.
- In 2014, the U.S. replaced Russia as India's largest defence supplier, and the Russians started negotiating arms sales with Pakistan that same year.
- With the European countries, India has increased collaboration in the cultural, economic, social, technological and military realms. India is promoting its ambitious **Make in India programme** in a bid to make the country a manufacturing hub in the US, Russia, Germany and China with cooperation in areas of natural resource, trade and terrorism.
- Under Arab pressure, India had maintained distance from Israel for decades but it is now seeing advantages in a complementary relationship with Israel. In a historic visit to Israel, the first ever by an Indian Prime Minister added a new chapter in India's foreign policy.
- Israel has been a global leader in water and food systems, which are two critical fields that India needs to upgrade. India wants to strengthen its manufacturing base and is looking to do so with technologies coming from Israel.
- **Conclusion:**
    - We have moved forward from our traditional foreign policies, namely Non-Aligned Movement and Panchsheel treaty to a more **proactive trade and security-oriented foreign policy.**
    - **'Act East' policy, 'neighbourhood first', 'link West' and 'Connect Central Asia' policy** are practical manifestations of it.

4. India's Foreign Policy Challenges

- **India and South Asia:**
    - The SAARC spirit soon evaporated after 2014, and after the Uri attack in 2016, India's stance affected the convening of the SAARC summit in Islamabad.
    - India is driven by the vision of itself as the self-declared "regional superpower".
    - But this is being undermined by the smaller countries in South Asia.
    - They are deciding to leverage China's ambitions in the region, particularly the Indian Ocean, to their own advantage.
    - Despite good planning there is always the risk of unintended escalation as Balakot and the downing of an Indian Air Force (IAF) MiG-21.
    - In Nepal, India's promises to speed up long-pending projects have not yet succeeded in reversing the damage done by the 2015-16 economic blockade in support of the Madhesis.
- **India and China:**

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- The Asian superpower – China's – economic and geostrategic ambitions will continue to shape India's responses.
- It may influence everything from India's relations with the neighbourhood to the US and Russia in the West and ASEAN and Japan in the East.
- Despite the Wuhan meeting and the cooling of Doklam standoff's tensions, many differences remain, but new opportunities too.
- China is now keen to build bridges in the region and elsewhere, given its pressure of economic slowdown along with the US trade war against it.
- There is now a need for a new arrangement to replace the strategic framework formulated in 1988 during Rajiv Gandhi's visit.
- It served both countries well for three decades but is now under strain.

- **India, Afghanistan and the Taliban:**
  - The reconciliation talks between the U.S. and the Taliban as the U.S. negotiates its exit from Afghanistan raise New Delhi's apprehensions about the Taliban's return, constituting another potential irritant.
  - Russia has tried to keep India in the frame through New Delhi's "non-official" participation in the **Moscow process**, but the future of that process is uncertain.
  - The challenge would be for India to stay relevant in Afghanistan, with the recent developments in Taliban issue.
- **India and USA:**
  - **US protectionism on the trade front** – **The Generalised System of Preferences scheme** has been withdrawn, adversely impacting about 12% of India's exports to the U.S., as a sign of growing impatience with India's inability to address the U.S.'s concerns regarding market access, tariff lines and recent changes in the ecommerce policy.
  - **US visa rules** hurting Indian professionals.
  - US's collision course with Iran impacting India's oil purchases.
  - Iran's issue could also adversely affect the operability of Chabahar port which India has built as an alternative route to trade with Afghanistan.
  - Other potential tricky issues could relate to whether Huawei, which is currently the prime target in the U.S.- China technology war, is allowed to participate in the 5G trials (telecom) in India.
- If India is to realize its great power ambitions in the decades to come, the Government will have to accelerate economic reforms domestically, strengthen India's institutions, preserve its constitutional ethos, and protect the nation's internal cohesion.

5. UNSC Reforms

- The United Nations Security Council (UNSC) is one of the six principal organs of the United Nations.
- **Need for reforms in UNSC:**
- **Regional representation**
  - Supporters of UNSC reform claim that there is a **huge European bias** in P-5 due to the presence of the United Kingdom and France including Russia.
  - While regions like Latin America, Caribbean group, Arabs and Africa do not have a single permanent member. Similarly, there is a **western bias** in UNSC. As **China is the only Asian country among the five permanent**

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members of UNSC.
  - Thus a large chunk of the population and many different regions of the world remain unrepresented in the permanent membership of UNSC.
  - It seems highly unfair that the whole continent of Africa does not have a single member in P-5 despite the fact that most of the affairs of the body concern this part of the globe only.
  - So regions like Africa and Latin America and others will have to be accommodated in the reformed UNSC.
- **Changing geopolitics:**
  - The victors of World War II shaped the United Nations Charter in their national interests, dividing the permanent seats, and associated veto power, among themselves.
  - It has been 72 years since the foundation of UNSC.
  - During this period, the geopolitical realities have changed drastically, but the Council has changed very little.
- **Question of Veto:**
  - All five permanent members of UNSC enjoy a veto power.
  - Sadly, **veto power is grossly misused by the permanent members** in their own national interest. E.g. out of 24 vetoes over the last 20 years, 15 have been used by the United States to protect Israel.
  - This also badly affects the conduct of the business of UNSC as many important proposals involving members.
- **G-4 and India's quest for a permanent seat:**
  - In recent decades, India has been very vocal in demanding for a permanent seat in UNSC. It is also part of **G-4, a group of 4 nations** (India, Brazil, Germany and Japan) to lobby **for permanent positions on the UNSC** or at least to make the council more representative.
  - Several P-5 countries have also announced their support. At present, China is the only P-5 member opposing India's bid.
  - G-4 wants to expand the permanent seats in the UNSC to 10 to include 6 new members G-4 nations apart from one seat to Africa and one seat to Arabs
- **Transparency and Working Methods:**
  - While the expansion of the Security Council has been hotly debated across the world, debate on the working methods of the Council, an equally important aspect of reform to many member states, has attracted less attention.
  - It is true that UNSC has been functioning in the most non-transparent and non-consultative way.
  - The undemocratic nature of UNSC within the supposedly democratic UN has compromised the overall credibility of the United Nations.
- **India should be given a permanent seat in the council due to:**
  - India is the 2nd most populous nation, the 3rd largest economy in PPP terms, a responsible nuclear power and the largest democracy in the world.
  - **India is a founding member of the UN**, and it has been the temporary member of the UNSC for 7 terms.
  - India has provided the 2nd largest number of troops in peacekeeping missions. In Africa alone 6000 of our troops have been stationed under UN

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peacekeeping missions. India has argued in UN that troops contributing nations should have greater say in UNSC.
    - India enjoys the **backing of major powers** including four permanent members other than China and those of African Union, Latin America, Middle Eastern countries and other LDCs from different parts of the globe.
    - India has been a responsible power and it has contributed significantly in **global peace efforts**.
    - India rescued not only Indians but also many persons from other countries including Pakistan and USA from war ravaged Yemen and South Sudan under its **operation Rahat and Sankat Mochan** respectively.

6. Significance of IBSA

- IBSA is a unique forum which brings together **India, Brazil and South Africa**, three large democracies and major economies from three different continents, facing similar challenges. All three countries are developing, pluralistic, multi-cultural, multi-ethnic, multi-lingual and multi-religious nations.
- **Significance of IBSA:**
    - It is the champion of **South-South Co-operation** and the advocate of a coordinated response by developing economies to secure the Sustainable Development Goals (SDGs).
    - The glue that binds IBSA countries together is their faith in **democracy, diversity, plurality, inclusivity, human rights and rule of law.**
- **Successes so far:**
    - The three Foreign Ministers have been meeting regularly to provide a coordinated leadership to the grouping.
    - While the **India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund)** is small in monetary terms, it has succeeded in implementing 31 development projects in diverse countries: Burundi, Guinea-Bissau, State of Palestine, Cambodia and Vietnam, among others.
    - India has been running an innovative **IBSA Visiting Fellows Programme** through the Delhi-based think tank, RIS or Research and Information System for Developing Countries.
- **Challenges:**
    - Post 2011, BRICS, the larger group comprising IBSA countries, China and Russia, started to overshadow IBSA.
    - The fact is that the political leadership of both Russia and China have shown greater commitment to the idea of BRICS, and pushing their anti-West agenda through it, than have the political leadership of Brazil, India and South Africa to IBSA, and to its pro-democracy agenda.

7. Importance of Chabahar Port for India

- Chabahar, which is located 72 kilometres west of Pakistan's Gwadar port, holds immense strategic and economic significance for India.
- The port project is the **first overseas venture for an Indian state-owned port**.
- Chabahar port is critical to Delhi's **Eurasia strategy & connectivity initiatives in Indo-Pacific region.**
- **Advantages**
    - Chabahar port opens up a **permanent alternative route** for trade with

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Afghanistan and Central Asia, given the hurdles in the direct route through Pakistan.
  - It facilitates **India's role in Afghanistan's development** through infrastructure and education projects.
  - The Chabahar port will **cut transport costs/time** for Indian goods by a third.
  - Chabahar port will **reduce Afghanistan's dependence on Karachi port** and, hence, will translate to **less Pakistani leverage over Kabul**.
  - Chabahar also provides a **link to the planned International North-South Transport Corridor.**
  - According to some estimates, the Chabahar route plus INSTC could boost trade to a total of US$ 170 billion from India to Eurasia.
  - Chabahar is a rare example of a project in the region which is a win-win for all stakeholders.

8. Extraditing Fugitives from Foreign Countries

- Extradition is defined as the **"delivery of an accused or convicted individual from the country he is found in, to another country that requests his extradition".**
- India has bilateral extradition treaties with over 44 countries and extradition arrangements with 10 countries.
- India is also a party to several multilateral conventions that provide a binding extradition framework for curbing transnational crimes.
- India has a fewer number of bilateral extradition treaties compared to other countries.
- **Importance of Extraditing Fugitives**
  - It provides timely **justice and grievance redressal**.
  - It serves as a **deterrent against potential fugitives** who consider escape as an easy way to subvert India's justice system.
  - Delayed arrest and prosecution is a threat to India's peace, safety and security.
- **Concerns / Challenges**
  - India's success rate in extraditing fugitives is abysmally low.
  - India's extradition success rate may stand at a percentage lower than 30 percent.
  - Only one in every three fugitives are being successfully extradited to India.
  - **India does not have extradition treaties with several neighbouring states**, such as China, Pakistan, Myanmar and Afghanistan.
  - The CBI was created to deal with corruption cases, and is understaffed to take up larger cases involving extradition.
- **Way Forward**
  - Leveraging **diplomacy and bilateral negotiations** to persuade countries to process requests expeditiously, is an important step.
  - Likewise, India should **process extradition requests received from foreign states** swiftly and efficiently.
  - Indian government must **conclude extradition treaties** with as many countries as possible, and make efforts to enter into **more bilateral extradition relations.**
  - Other mechanisms that can facilitate extradition, viz. **mutual legal assistance treaties**, issuing letters rogatory and information exchange

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MoUs can be utilised where necessary.
- Preventive law and policy measures that can deter the escape of offenders, may also be explored.
- The recently passed **Fugitive Economic Offenders Bill, 2018** signifies the government's efforts to preventive mechanisms.
- India could consider signing international instruments, such as the **UN Convention Against Torture (1984)** to establish India's zero tolerance towards torture and custodial violence.
- For addressing investigational delays, it is imperative to improve the capacity and organisational efficiencies of law enforcement agencies so that they may conduct speedy investigation.
- India could adopt the good practices of the US' Office of International Affairs (OIA), Washington's primary body to handle extradition requests.

9. Indo-Pacific Region

- Indo-Pacific region comprises **at least 38 countries that share 44 percent of world surface area and 65 per cent of world population, and account for 62 per cent of world–GDP and 46 per cent of the world's merchandise trade.**
- **China's growth in Indo-Pacific region:**
  - The **Belt and Road Initiative** lacked transparency and is aimed at fulfilling China's own security and strategic interests rather than promoting economic development.
  - **Chinese investment and activities are undermining sovereignty** and economic stability in the region and will also **encounter global vision of a free and open Indo-Pacific.**
  - China's aggression and **debt trap diplomacy**, which impinge sovereignty, is going to test Indian diplomacy.
  - China is trying to hegemonize the open seas which goes **against the rules-based order.**
  - China is very active in India's maritime space but takes a different view when it comes to the South China Sea considered as **"Beijing's Lake".**
  - In many cases, Chinese investment has harmed rather than helping the economic wellbeing of communities within the region by burdening the governments with unsustainable debts and funding projects that have no commercial job creation value.
- **India:**
  - India appears to have set a **long-term plan** during which it will build its capabilities—**economic and military strength, network of military facilities and agreements to access military facilities in countries across the Indo-Pacific, expanding economic and military ties**.
  - With opening of economy, India has been connecting with its **Indian Ocean neighbours** and **major maritime powers of the world**.
  - With impetus to **Blue Economy**, there has been a **new reliance on the sea for energy and mineral resources**.
  - India has been engaging with regional actors on **bilateral as well as multilateral framework**.
  - From **Look East policy**, there has been a graduation towards **engage East policy** with growing economic relations with the ASEAN, China, Japan and

Australia.

- **USA, Japan and Australia:**
  - US administration is pushing the **Free and Open Indo-Pacific (FOIP) strategy** as its major economic initiative.
  - Any US plan to counterbalance Chinese influence particularly the ambitious Belt and Road Initiative (BRI) requires the active support of Japan, Australia and India.
- **Other countries:**
  - Being in the center of the Indo-Pacific region creates stress for the ASEAN countries regarding the way they relate to major powers.
  - The ASEAN has always looked at the involvement of major powers as a measure of the region's importance.
  - While New Delhi and Tokyo have identified regional cooperation across the Indo-Pacific as a major objective of their bilateral partnership, cooperation with ASEAN remains at the heart of their Indo-Pacific approach.

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10.Afghanistan's Peace Process

- **Continuous attacks:**
  - Recently there has been a spike in violence, with the Taliban carrying out a set of coordinated assaults around Afghanistan, rejecting an offer of a three-month ceasefire by President of Afghanistan and laying siege to Ghazni city.
  - The violence has also put 2018 on course to be the deadliest year for Afghan civilians, with an average of nine people killed every day, according to UN data.
- **Pakistan factor:**
  - The major challenge is the cooperation of regional players. Peace in Afghanistan and the wider region can only be achieved through a multilateral mechanism involving the US as well as major regional players, including Pakistan, Russia, Iran, China, India and Saudi Arabia.
  - Despite six months of concerted American punitive actions on Islamabad, the Pakistan establishment is not shutting down support for Taliban fighters.
- **US role:**
  - The Afghan war has already become the longest war in US history. With the passage of time, the conflict has not only become more intense – it has also become more complicated
  - Situation puts serious doubt on any U.S. plans to draw down troops as US may have envisaged.
  - U.S. President's recent South Asia policy aimed at breaking the military stalemate by expanding the U.S. and NATO presence, putting Pakistan on notice and strengthening Afghan capabilities has clearly failed.
- **Iran factor:**
  - US administration's collision course with Iran is another hurdle to realising its South Asia policy. Iran is a neighbour to both Afghanistan and Pakistan, and **any action against Tehran will have consequences on the region.**
  - US is also against Iran which is important to give access to the sea to landlocked Afghanistan through Chahbahar port- which is in India's

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interests etc.

- **Islamic state:**
  - After losing occupied territories in and around Mosul, IS is now slowly enlarging its presence in neighbouring countries, particularly Afghanistan. It is now targeting mainly the Shias and the Hazara minority, joining forces with the Taliban thereby changing the dynamics of the war in Afghanistan.
- **Russia:**
  - Russia proposed an international conference on Afghanistan with the participation of all neighbours of Afghanistan including Iran, Pakistan, and India, but the US did not attend citing possible growing Russian military association with the Taliban.
- **Control of Afghan government:**
  - The Afghan government controls barely half the country, with one-sixth under Taliban control and the rest contested.
  - Most significant is the ongoing **depletion in the Afghan security forces** because of casualties, desertions and a growing reluctance to join.
  - Afghanistan launched the **Kabul Process for Peace and Security Cooperation** and also made an unconditional dialogue offer to the Taliban. The Taliban rejected his overture, declaring that they were ready to engage in direct talks only with the Americans.
- **India's commitment towards peaceful Afghanistan:**
  - **India's development assistance** has been the source of its considerable influence and goodwill among Afghan citizens.
  - Major projects, such as the **Salma Dam and Parliament building in Kabul**, that began in 2008-09, have now been completed.
  - Current crop of Small Development Projects launched in 2016, encompassing drinking water plans for several cities including Kabul, supply of buses, construction of low-cost housing, and assistance in health and education are important.
  - **India inaugurated dam in Herat**, which will boost the agricultural and industrial sectors of Herat. India has made long term commitment to Afghanistan's security and development.
  - **New Afghanistan Policy of USA** supports India's greater role in Afghanistan. Apart from that the policy also emphasized that Pakistan should end its support to terror groups who are involved in destabilization of Afghanistan.
  - Last year India and Afghanistan agreed to initiate an ambitious and forward-looking **'New Development Partnership'**, according to which India agreed to take up 116 high-impact community development projects to be implemented in 31 provinces of Afghanistan, including in the fields of education, health, agriculture, irrigation, drinking water, renewable energy, flood control, micro-hydropower, sports infrastructure and administrative infrastructure.
- **The new projects are:**
  - Shahtoot dam and drinking water project for Kabul that would also facilitate irrigation.
  - Low cost housing for returning Afghan refugees in Nangarhar province to promote resettlement.
  - Road connectivity to Band-e-Amir in Bamyan province that would promote

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tourism to the national park and economic development.

- India has been giving a lot of non-lethal military assistance. In 2016 four MI 25 attack helicopters were given to Afghanistan.
- India is the biggest regional donor to Afghanistan and fifth largest donor globally with over $3 billion in assistance.
- India has built over 200 public and private schools, sponsors scholarships and hosts Afghan students.
- **Way forward for India:**
    - India must focus on assisting Afghanistan in every manner possible to ensure that the country's elections are as peaceful and participative as possible.
    - On the military front as well, India must move quickly to provide helicopters as well as engineering/tech support for Afghan hardware.
    - Indian government must realise that its consistent undermining of the South Asian Association for Regional Cooperation (SAARC) because of problems with Pakistan is also weakening Afghanistan's engagement with the subcontinent, which India had worked hard to foster
    - For regional security there must be **closer involvement of regional powers in international efforts to ensure non-interference and a stable Afghanistan**; this also requires involvement of the Central Asian Republics, which border Afghanistan.
    - It is important for India to coordinate its efforts with those of Russia and Iran to ensure success.

11.Significance of ASEAN for India

- South-east Asia is a diverse and complex region where every major culture and civilisation of the world finds a place.
- **India's relationship with ASEAN is a key pillar of its foreign policy.**
- India has repeatedly underscored the centrality of the ASEAN in its Indo-Pacific vision.
- Since 2005, the **Comprehensive Economic Cooperation Agreement (CECA)** has been the nucleus and nexus of our partnership.
- India contributes actively to ASEAN-led fora such as the **East Asia Summit,** the **ASEAN Defence Ministers Meeting Plus,** and **ASEAN Regional Forum**.
- ASEAN-India and East Asia summits symbolised India's "continued commitment" to strengthen its engagement with ASEAN members.
- **Economic Significance**
    - **3 Cs–Culture, Connectivity and Commerce**– will shape India's ties with the ASEAN bloc.
    - Connecting India's North-eastern states with ASEAN.
    - For the first time, bilateral trade between ASEAN and India has crossed US$ 80 billion mark.
    - Singapore has become India's investment and trading hub in the East.
- **Security Significance**
    - ASEAN occupies a central place in the security architecture of the Indo-Pacific region
    - Maritime cooperation in terms of connectivity, safety and security has

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gained high attention.
    - India and ASEAN can collaborate to combat terror financing, cyber security threats, tax evasions and many more.
    - **India needs ASEAN support in achieving a rules-based regional security architecture**.
- **Geo-Strategic Significance**
    - Partnership with ASEAN nations might help India counter the growing presence of Beijing.
    - ASEAN is seen as the most successful regional organisation next only to the EU.
    - To develop connectivity through water, ASEAN and India are working on the **Kaladan MultiModal Transit Transport Project.**
    - **ASEAN-India cooperation in maritime domain** is one of the key focus areas for growth and development of the Indo-Pacific region.
- **Way Forward**
    - India must speed up work on connectivity projects, such as the **India-Myanmar-Thailand trilateral highway**, and building new trade and transport linkages with all the ASEAN Nations.
    - A robust **maritime connectivity** between India and ASEAN is crucial for realization of the full potential of the India ASEAN trade.
    - An alternative, **economic corridor based multimodal connectivity** such as **Mekong-India Economic Corridor** may be promoted, which will connect Indian coast with unexplored Southeast Asian coast and beyond.
    - India's geostrategic interests in the Indo-Pacific region depend on India's bilateral and multilateral engagements with the countries in the region.
    - Maintaining cordiality with ASEAN as an organisation and with the individual Southeast Asian countries remains crucial for India.

12.India-US 2+2 Dialogue

- 2+2 Dialogue between India and US was agreed during visit of Prime Minister Narendra Modi to US in June, 2017.
- It is similar to **India-Japan 2+2 dialogue** format between foreign and defence secretaries and ministers of the two countries.
- It replaces earlier India-US Strategic and Commercial Dialogue.
- The dialogue is aimed at **enhancing strategic coordination** between both countries and maintaining peace and stability in Indo-Pacific region.
- It puts strategic, defence and security relationship between two countries at forefront and centre stage.
- **Signing of COMCASA**
    - Signing of COMCASA will enable India to access advanced technologies from the US.
    - It would enhance India's defence capability and preparedness.
    - COMCASA will provide a legal framework for the transfer of communication security equipment from the US to India.
    - This would facilitate "interoperability" between the forces — and potentially with other militaries that use US-origin systems for secured data links.
    - It will also allow the installation of high-security US communication

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equipment on defence platforms being sourced from the US.

- **Need for India - US Partnership in Present Situation**
  - The **rise of China and its hegemonic tactics**, especially in the South China Sea.
  - The world today is faced with an authoritarian coalition that doesn't subscribe to the primacy of liberal values and democracy.
  - For **promoting peace, prosperity and stability in the Indo-Pacific region**.
  - Expanding fair and reciprocal trade would contribute to the prosperity of both nations.
  - Thus the world's oldest democracy and the world's largest democracy must come together to defend a rules-based liberal order.
- **Concerns / Challenges**
  - The entire 2+2 Dialogue centred on the threat posed by China and the need to contain Chinese aggression.
  - Whereas Pakistan is the more immediate threat for India.
  - Pakistan's threat to build new short-range nuclear capable weapon systems is again a real danger.
  - Our tilt towards the U.S. is also taking place at a time when the world sees the U.S. as a 'declining power'.
  - Any counter moves by Russia, such as seeking out Pakistan as an outlet for its defence items, will not be to India's benefit.
- **Way Forward**
  - While India can play a crucial role in America's Indo-Pacific strategy, the US can help India stand up to China's assertiveness.
  - In the present geopolitical situation, India and US can be the two pillars of a rules-based world order.
  - Both sides must work together towards entry of India in the Nuclear Suppliers Group (NSG).
  - India, on its way to become a global power, will likely have to follow a zigzag course, balancing between American demands, long-term friendship with Russia and its own strategic necessities in the neighbourhood and beyond.

13.India's quest for Rules based Multi-Polar World Order

- The rules-based world order can generally be described as a **shared commitment by all countries** to conduct their activities in accordance with agreed rules such as international law, regional security arrangements and trade agreements.
- India believes that under the rules-based order globally, no one power, or a regional power, or no group of powers or no one, have the right to unilaterally change this order.
- India is associated with several forums such as ASEAN, the East Asia Summit (EAS), the BRICS Summit, the Shanghai Co-operation Organization, the G-20 Summit, the Mekong-Ganga Cooperation, and the International Solar Alliance etc.
- India has also been associated with forums such as the Commonwealth and the Non-Aligned Movement for more than 50 years.
- The **Neighbourhood First policy** aimed to give priority to improving relations with India's neighbours.
- India part of **Indian Ocean Rim Association (IORA)** aims at facilitating economic co-

operation and development among the countries located in the Indian Ocean Region.

- The **Quadrilateral Security Dialogue** or the Quad is another new multilateral forum for India in the maritime domain.
- **India's Role:**
  - India the world's largest democracy has a role to shape a new world order in this century.
  - The economic rise demands India's active participation in strategic affairs at the regional and global level.
  - China's economic and strategic expansion by way of the Belt and Road Initiative (BRI) makes a compelling case for India to expedite the process of its own strategic assertion.
- To work towards a multi-polar order India has to deal with three areas.
- These are – **India's participation in multilateral forums, the Neighbourhood First policy and the maritime domain**.
- The way forward in each of the three areas is either through participation in, or formation of, multilateral groupings.
- **India's foreign policy must serve twin goals of pursuing economic development at home and ensuring peace and stability in its neighbourhood.**
- Indian diplomacy should rise and grasp a historic opportunity. **Let us shape events rather than be shaped by them.**

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14.National Asylum Policy

- **Refugee crises** may be caused by any number of reasons but the most common are war (Bangladesh), domestic conflicts (Tibet, Sri Lanka), natural disasters (famine), environmental displacement, human trafficking and climate change.
- Today, India is host to over 200,000 refugees.
- India is not a signatory to the **1951 Refugee Convention** and has no domestic asylum law.
- 1951 Refugee Convention of UNHCR and the 1967 Protocol, help define the legal obligation of states to protect refugees.
- Refugees have been accorded constitutional protection by the judiciary (National Human Rights Commission vs. State of Arunachal Pradesh, 1996).
- The Supreme Court has held that the **right to equality (Article 14) and right to life and personal liberty (Article 21)** extend to refugees.
- Our **data on refugees remain significantly deficient**, preventing analysis on refugee flow and their existence.
- **Colonial laws** still cast a long shadow on India's policies regarding refugees and asylum seekers.
- **Why India need a national asylum policy:**
  - India has done little beyond providing asylum.
  - There have been some attempts to introduce a refugee law in the country, the latest being the **Asylum Bill 2015.**
  - There is an urgent need for the government to develop a uniform framework for their management during their stay in India.
  - Thus there is a need for national asylum policy in compliant with the principles laid down in the **Global Compact on Refugees (GCR).**

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  - This will re-establish India's place as a democratic regional power committed to core humanitarian principles.
  - Having a National asylum policy predicated on universal principles of dignity, fraternity and safety, could be one such pathway to global leadership.
- **India's commitment to protection of Refugees:**
  - India has reiterated its commitment towards the protection of refugees at various international fora, including the UN General Assembly.
  - India is a signatory to the **New York Declaration for Refugees and Migrants**, which was adopted in September 2016.

15.India's Rising Soft Power

- According to Harvard political scientist, who coined the term, **soft power is the ability of a country to persuade others to do what it wants without resorting to force or coercion**.
- Soft power lies in a country's attractiveness and comes from three resources: its culture, its political values, and its foreign policies.
- India boasts an amazing variety and wealth of soft power resources.
- Analysts say soft power has the potential "to multiply the efforts of Indian diplomacy and in this regard should be pursued as an important objective".
- India's spiritualism, yoga, movies and television, classical and popular dance and music, its principles of non-violence, democratic institutions, plural society, and cuisine have all attracted people across the world.
- India is a country in which all major religions like **Hinduism, Islam, Christianity and Sikhism** - coexists which has been the strength of India's soft power.
- **International Day of Yoga** reflects yoga's immense popularity worldwide, underscoring its richness as a soft power resource.
- **Indian Diaspora** is seen as ambassadors of carriers of our soft power.
- **Buddhism** is an important bridge between not just India and South East Asia and East Asia, but also with South Asia.
- The successful Indo-ASEAN artists camp in Udaipur as well as Indo-ASEAN music festival in Delhi was a bridge between the youth of India and ASEAN.
- **India's soft power is reflected in Buddhism, yoga, revival of Nalanda University, Indian cultural centres (Jakarta, Bali, Bangkok), and joint restoration of monuments (Cambodia, Vietnam, Laos).**
- **Concerns / Challenges**
  - According to the **"Soft Power 30" report**, India did not rank even in the top 30 in terms of soft power.
  - France, for instance, draws over 70 million tourists while India attracted a mere eight million last year.
  - The much-talked about Buddhist circuit still suffer for want of travel and infrastructure.
  - **'Incredible India' campaign** has become successful after the visa-on-arrival system, but ease of travel is still an issue.
  - India is still having difficulties in changing its neighbours' behaviours by using soft power.
  - The soft power has not helped India deal with terrorism and radicalism.

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- Despite India's growing soft power many countries are not supporting India's permanent membership in UNSC.
- It has not helped India in WTO negotiations and not fetched FTA with EU.

- We have the potential to be world leaders in not only economic terms but as a free, vibrant and dynamic nation.
- India must use its soft power to leverage and accelerate its growth.

16.Importance of Africa for India's strategy for Indo-Pacific

- Africa has turned from "The Hopeless Continent" to "A Hopeful Continent" given its demography, resources, market etc.
- India and Africa share historical ties, the **1955 Bandung Conference** was not just about Asia or non-alignment but promoting **Afro-Asian solidarity.**
- **Africa assumes strategic importance for India in relation to:**
  - **Geopolitical interest:** South-South cooperation, UNSC reforms, Competition with China, Cooperation in global issues such as climate change and WTO reforms.
  - **Geo-economic interest: Energy security** – Oil (Nigeria), the supply of Uranium (South Africa), huge mineral resources of Africa, growing population of Africa provides for new opportunities for goods and services exports from India.
  - **Geostrategic interest: Maritime security** – East coast countries are important for peace and prosperity of the Indian Ocean region, trade relations across and beyond Africa and interests of Indian diaspora in Africa.
- Since the rise of Asia and Africa, these continents are reconstituting the geographies of the eastern hemisphere and breaking down the artificial mental maps that emerged in the 20th century.
- Thus, India must recognise the growing importance of Africa for the security and prosperity of the Indo-Pacific.
- However, there are **several issues that impede India's engagement with Africa**
  - Africa is witnessing a phenomenon called the **"New Scramble for Africa".**
  - If Europe and North America dominated Africa's economic relationship in the past, China, India, Japan, South Korea and the ASEAN share the geopolitical space today with the US and EU.
  - China is involved in the development of over 47 ports in sub-Saharan Africa.
  - **China's expanding defence and security engagement in Africa**. Over the last few years, China has emerged as the largest major arms supplier to Sub-Saharan Africa.
  - The US, which was focused on terrorism and other non-military threats after 9/11, is paying attention to Africa's new geopolitics.
  - Russia, which seemed to turn its back on Africa after the collapse of the Soviet Union, is now returning with some vigour.
  - Many regional actors like Iran, UAE, Qatar, Saudi Arabia and Turkey are taking a growing interest in African security affairs.
  - **India lacks diplomatic presence in Africa** as India has an embassy only in 29 out of 54 African countries.
  - A lot of African countries are suffering from political instability.
  - Thus **pan African strategy** is not working as Africa is not homogenous
  - The general perception is that **"India promises and China delivers".** India's

implementation and delivery have been flawed.

- Indian foreign policy has always envisaged a rules-based order anchored upon international law, openness, transparency, inclusivity and commitment to advancing economic engagement in the region. In this regard India can focus on four areas of cooperation with Africa i.e. **maritime cooperation; connectivity; UN Sustainable Development Goals 2030; and economic development.**

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17.Decline of Multilateral institutions and Rise in Bilateralism

- **Multilateral institutions on the decline:**
  - The multilateral trading order reached its heyday in 1995, with the creation of the **World Trade Organization**. But more recently, the system has weakened. Today, most of the world's new agreements are struck between only two countries or within a single region.
  - **Trade war** will gravely undermine the rules-based multilateral system that has underpinned global prosperity since the end of World War II.
  - As the United States accuses China of predatory trading practices while doling out unilateral punishment, the trade organization tasked with preserving the peace appears marginalized.
- **Threats to WTO:**
  - WTO is already under strain.
  - The **collapse of the Doha round of trade talks in 2015,** after many fruitless years, put needed reforms on hold indefinitely.
  - The WTO has not kept pace with economic change.
  - Countries have shown little appetite for continuing the multilateral negotiations. E.g.: Trump hammered on regional accords, famously renegotiating the North American Free Trade Agreement and withdrawing from the Trans-Pacific Partnership.
  - There is a move away from multilateralism – in which many countries agree on certain trading principles – and toward bilateralism – which puts nation against nation, raising the stakes.
- **Rise in Bilateralism:**
  - The administrations have given further credence to the notion that it favours bilateralism over multilateralism and protectionism over free trade. E.g.: USA
  - Bilateralism could help fix specific grievances with trading partners.
  - On the contrary, growing bilateralism also points to a **breakdown in trust and the mechanisms of international co-operation**.
  - Bilateral and regional deals are making it easier for large countries to use trade policy more explicitly as an arm of foreign and military policy.
  - Modern bilateral deals are not recreating the colonial systems of the past, but they do tend to center on major powers in what some scholars have called a "hub" and "spoke" pattern. The "hub" often enjoys significant influence over the "spoke," and not just in commercial affairs.
  - China's overtures to African countries over a free trade deal, for example, are likely linked to its strategic interest in securing access to national resources.
- **Way forward:**
  - Multilateral co-operation is needed to maintain an open global economy.

- **Some international issues cannot be fixed bilaterally**. These include environmental issues such as climate change, critical economic issues like trade and the functioning of the international financial system.
- One pernicious consequence of abandoning multilateralism is the mounting **complexity and discriminatory nature of global trading arrangements**.
- Even though it is a lengthy and time-consuming process, the settlement of disputes through international conventions and rules is the need of the hour.
- One real benefit of the multilateral systems like WTO is that the same rules, more or less, apply to everyone.
- Major trading powers, such as Japan and the EU, should continue to insist on the importance of maintaining a rules-based trading system, with the WTO at its core.
- WTO dispute settlement resolution mechanism should be approached instead of unilateral decisions.
- The benefit of the WTO process is that it prevents the damaging consequences of trade protectionism.
- Nations can resolve their disputes through WTO instead of raising tariffs.
- **Trade disputes should be resolved within the WTO framework**. As economists have pointed out, when assessing economic relationships, what matters is not a country's bilateral trade balance with a specific trading partner but its overall trade balance with the rest of the world.

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Effect of policies and politics of developed and developing countries on India's interests

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1. Economic Significance of Strait of Hormuz

- Strait of Hormuz is the waterway separates Iran and Oman, linking the Gulf to the Gulf of Oman and the Arabian Sea.
- A **third of the world's liquefied natural gas and almost 20% of total global oil production passes through the strait**, making it a highly important strategic location for international trade.
- **Economic Significance:**
    - About 17.2 million bpd of crude and condensates were estimated to have been shipped through the Strait in 2017 and about 17.4 million bpd in the first half of 2018.
    - With global oil consumption standing at about 100 million bpd, that means almost a fifth passes through the Strait.
    - Most crude exported from Saudi Arabia, Iran, the UAE, Kuwait and Iraq — all members of the Organization of the Petroleum Exporting Countries — is shipped through the waterway.
    - It is also the route used for nearly all the liquefied natural gas (LNG) produced by the world's biggest LNG exporter, Qatar.
- **Recent Incidents:**
    - In a recent incident, four commercial vessels were sabotaged near Fujairah (an emirate of the UAE), one of the world's largest bunkering hubs lying just outside the Strait of Hormuz.
    - The incident has come at a time of heightened tensions in the Gulf. The US has deployed an aircraft carrier, bomber planes and defence missiles to the region amid rising tensions with Iran, which had threatened to block oil shipments through the Strait of Hormuz if the US halts its energy exports.

2. US China trade war impact on India

- **Benefits:**
    - Diminished US-China trade engagement could have positive results for countries such as Brazil and India from a trade perspective, at least in the short run.
    - For instance in the case of soybean there could be a cascading impact in terms of openings for India to enter other markets.
    - US-China trade war could accelerate the transition. US companies that rely heavily on imports from China would be forced to redesign their supply chains around tariffs.
    - Multinationals and their suppliers would look for alternative facilities outside China. This is bad news for China but might benefit India.
    - India would receive a large boost from China on the hunt for new supply chains.
- **Threats:**
    - In the long term, a full-fledged trade war is not good for India. It invariably leads to a **higher inflationary and low growth scenario**.

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- Increase in interest rates in the US has implications for emerging economies such as India, both for the equity and debt markets.
- Higher interest rates do make the option of investors borrowing cheap money in the US and investing in Indian equities significantly less attractive.
- The three external risk factors **higher tariffs, rising interest rates, and elevated bond sales** will come at a time when the domestic banking system is grappling with a renewed stress of bad loans.
- India cannot grow on a sustained basis until it exports and free trade is in existence. With the trade war free trade might affect global economy and in turn India's as well.
- Trade war among major economies would **affect multilateral trading system** and disrupt global supply chains.
- Reducing investment flows into India.
- RBI has flagged oil price volatility as a factor that would have a bearing on India's inflation outlook.

3. US-China Trade war

- The phrase **"Thucydides' trap,"** in the foreign policy context is used to explain the likelihood of conflict between a rising power and a currently dominant one.
- Despite the mutual awareness of the Thucydides Trap, China and the US seem to be falling into it anyway.
- Though a hot war between the world's two major powers still seems far-fetched, a cold war is becoming more likely.
- **The possible outcomes of cold war:**
  - The global consequences of a Sino-American cold war would be even more severe than those of the Cold War between the US and the Soviet Union.
  - Whereas the Soviet Union was a declining power with a failing economic model, China will soon become the world's largest economy, and will continue to grow from there.
  - A full-scale cold war thus could trigger a new stage of de-globalization, or at least a division of the global economy into two incompatible economic blocs.
  - In either scenario, trade in goods, services, capital, labour, technology and data would be severely restricted, and the digital realm would become a "splinternet," wherein Western and Chinese nodes would not connect to one another.
  - In this balkanized world, China and the US will both expect all other countries to pick a side, while most governments will try to thread the needle of maintaining good economic ties with both.
  - After all, many US allies now do more business (in terms of trade and investment) with China than they do with the US.
  - Yet in a future economy where China and the US separately control access to crucial technologies such as AI and 5G, the middle ground will most likely become uninhabitable.
  - In effect, China and the US would create a **new international order**, based on the recognition that the (inevitably) rising new power should be granted a role in shaping global rules and institutions.
- In today's globalized world, any threats to global trade will impact all the countries

to various extents. In such tensed atmosphere, a small irritant could turn the cold war into a hot one. Countries must introspect and learn from the lessons of the past cold war to avert a new one.

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4. Implication of U.S.'s maximum pressure tactics with Iran on India

- **Oil and Gas:**
  - The impact on world oil prices will be the immediately visible impact of the U.S. decision.
  - Iran is presently India's third biggest supplier (after Iraq and Saudi Arabia), and any increase in prices will hit both inflation levels as well as the Indian rupee.
  - The negotiations on the Farzad-B gas field remain stuck, with both sides blaming the other for shifting the goalposts. It was remained on paper because of Iranian unhappiness over India's stand in the IAEA.
- **Chahbahar port:**
  - India's moves over the last few years to develop berths at the Shahid Beheshti port in Chahbahar was a key part of its plans to circumvent Pakistan's blocks on trade with Afghanistan.
- **INSTC:**
  - Beyond Chahbahar, India has been a founder of the International North South Transport Corridor (INSTC) since it was ratified in 2002.
  - It starts from Iran and aims to cut right across Central Asia to Russia over a 7,200-km multi-mode network, cutting down transportation and time taken by trade by about 30%.
  - New U.S. sanctions will affect these plans immediately, especially if any of the countries along the route or banking and insurance companies dealing with the INSTC plan also decide to adhere to U.S. restrictions on trade with Iran.
- **Shanghai Cooperation Organisation:**
  - Chinese officials say they will consider inducting Iran into the 8-member Eurasian security organisation.
  - If the proposal is accepted by the SCO, which is led by China and Russia, India will become a member of a bloc that will be seen as anti-American, and will run counter to some of the government's other initiatives like the Indo-Pacific quadrilateral with the U.S., Australia and Japan.
  - The move may also rile other adversaries of Iran, like Saudi Arabia, UAE and Israel, with whom the government has strengthened ties in an effort to balance its West Asia policy.
- **Rules-based order:**
  - India has long been a proponent of a "rules-based order" that depends on multilateral consensus and an adherence to commitments made by countries on the international stage.
  - By walking out of the JCPOA, the U.S. government has overturned the precept that such international agreements are made by "States" not just with prevailing governments or regimes.
- **Energy diplomacy:**
  - India is setting up a web of energy relationships in the extended neighbourhood covering Myanmar, Vietnam in the east, with Central Asian

countries like Kazakhstan and Gulf countries in the west.
    - **Indo-US Nuclear deal** opened new vistas for India in field of Nuclear energy facilitating cutting edge technology and nuclear fuel. India has started to engage with China, Kazakhstan and Australia for nuclear fuel.
    - India's SCO membership could now play a bigger role in ensuring greater energy cooperation between energy producers and consumers by linking Central Asia and South Asia.

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5. Belt and Road Initiative (BRI)

- The Belt and Road Initiative (BRI) is China's ambitious project announced in 2013.
- BRI consisting of the **land-based belt, 'Silk Road Economic Belt', and 'Maritime Silk Road'**, aims to connect the East Asian economic region with the European economic circle and runs across the continents of Asia, Europe and Africa.
- China is spending **almost $1 trillion** to revive and renew the overland and maritime trade links between China, Europe, West Asia, and East Africa through construction of modern ports linked to high-speed road and rail corridors.
- **Implications for China**
    - China is obviously going to benefit from the "Belt and Road Initiative," but what is unclear is to what extent. Critics said that Beijing is going for a bigger role as a global superpower.
    - Having a direct link to major countries may not only boost its economic power, but also its political clout in both the Western and Eastern hemisphere.
    - Also, many of China's production sectors have been facing overcapacity since 2006. The Chinese leadership hopes to solve the problem of overproduction by exploring new markets in neighbouring countries through BRI.
    - The BRI initiative will provide more opportunities for the development of China's less developed border regions.
    - China also intends to **explore new investment options** that preserve and increase the value of the capital accumulated in the last few decades. BRI has the potential to grow into a model for an alternative rule-maker of international politics and **could serve as a vehicle for creating a new global economic and political order.**
    - China has cash and deposits in Renminbi equivalent to USD 21 trillion, or two times its GDP, and expects that the massive overseas investment in the OROB will speed-up the internationalization of the Renminbi.
    - BRI is also seen as a strategic response to the **military 're-balancing' of the United States to Asia.**
    - China can also benefit from the New Silk Road project through other means like the easing up of growth of state-owned enterprises as well as an increase in the Chinese people's income.
- **Implications on India:**
    - From Indian perspective the entire proposal has to be seen in the context of broader **geo strategic implications for India** particularly in the Indian Ocean.
    - The strategic objectives of **Maritime Silk Road** raise questions of Chinese real intentions. China has steadily expanded its influence in the Bay of

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Bengal and Arabian Sea by building ports in Sri Lanka, Pakistan and helping build Sandia Deep Sea port in Bangladesh apart from other Indian Ocean littoral engagements through a strategy generally referred to as **String of Pearls.**

- Given the emerging scenario, concerns in New Delhi are that countries like Bangladesh and Sri Lanka could be further drawn into the Chinese orbit. One of the reasons for the regional outreach of the Modi government is to prevent such a potentially disturbing development by restabilising Indian credibility with its neighbours.
- Indian Ocean is largely seen by Indian political and strategic establishment as an area of Indian domination and influence. Just like the Chinese, **India needs to protect its core areas of interests** such as trade, economy and resources driving the outreach of India's maritime interests.
- The China-Pakistan Economic corridor runs through POK, thus politically it threatens to legitimise Pakistan's occupation of POK. India has always taken a very rational and democratic stand on issue of POK. The BRI will bring CPEC to life through trade and transport activities. In such case the Indian stand about its Geographical integrity comes under the question.
- The BRI project is essentially part of China's expansionist designs starting with Asia. The immediate fallout will be increased ease of cooperative action between Pakistan and Chinese forces. Also, worryingly, the Chinese Army will get deeper access and deployment in Kashmir.
- The economic purpose of the BRI is the type of new economic imperialism which will be established in very close vicinity of India geographically. Opening markets, building new trade routes, projecting power from the Suez to Shanghai, setting up alliances will distort the India trade patterns and profitable potential that exist for India in near future.

- **Steps to counter BRI**
- It is not possible for India to oppose and stop the expansion of BRI due to sheer strength of China along with the role of multiple International players. India can secure its position through various measures such as:
- **Promoting regional connectivity:**
  - The **neighbour first approach** will help to counter certain elements of BRI initiative. The projects such as **Mekong Ganga cooperation, BCIM initiative, India Myanmar Thailand highway** are some of the projects that needs immediate attention in order to strengthen the regional connectivity for India.
- **Internal connectivity:**
  - India should ramp up its own internal connectivity especially in North East and on its border regions. The strong internal connectivity only can support the well-integrated networks of connectivity with neighbour countries.
- **Institutional building:**
  - The trade related infrastructure need to be enhanced in order to sustain in the competition that will be created by BRI connectivity. The institution building is also important to maintain the intern security in efficient manner for longer duration.
- **Maritime security:**
  - India has long coastline that provides huge opportunity for maritime trade

to various part of the world. The maritime trade can provide a counter strategy to BRI in an efficient manner. India has a common long-term interest with Beijing, in promoting regional connectivity.

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6. China's Growing Footprint on the Globe

- **China is escalating its investment and infrastructure development across the globe**.
- The isolationism of the US Trump administration has created an international leadership vacuum that China is eager to fill.
- China's footprint is growing with its One Belt, One Road infrastructure project, with $1 trillion investments across Asia and Europe to revive ancient trade routes through a massive rail and maritime network.
- It is deepening economic involvement in volatile countries like Myanmar and Zimbabwe.
- **China's Growing Footprint:**
    - China is the world's biggest consumer of illegally poached wildlife and wildlife products.
    - Over the past 15 years, China's appetite for ivory has largely driven a global collapse of elephant populations.
    - Illegal timber still flows across China's border with Myanmar.
    - China's One Belt One Road initiative will carve new roads, railroads, ports, and industries in at least 70 nations across Asia, Europe, and Africa.
    - China's first overseas military base in Djibouti and building militarised islands in the disputed South China Sea.
    - China is pushing to build a 5,000km railroad across South America, to make it cheaper for China to import timber, minerals, soy and other natural resources from ports along South America's Pacific coast.
- A close look reveals that **China's international agenda is exploitative, especially for the global environment.**
- The infrastructure projects by China will open a Pandora's Box of environmental crises, including large-scale deforestation, habitat fragmentation, wildlife poaching, water pollution and greenhouse gas emissions.
- In the Amazon, for example, big mining projects cause serious local degradation and promote widespread deforestation.
- A World Bank study of more than 3,000 overseas projects funded or operated by China revealed how it treats poor nations as "pollution havens".
- Development of port infrastructure in Sri Lanka, Djibouti and Pakistan may have possibility in destruction of marine environment.
- To tackle China's environmental degradation, the countries affected and the international community has to work together.

Important International institutions, agencies and fora- their structure, mandate

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1. Shanghai Cooperation Organisation's Significance for India

- The Shanghai Cooperation Organisation, also known as the Shanghai Pact, is a **Eurasian political, economic, and military organisation** which was founded in 2001 in Shanghai. SCO assumes greater importance after entry of India and Pakistan.
- **The Shanghai Spirit** — the core value of the Shanghai Cooperation Organization (SCO) — has played a significant role in safeguarding regional security and promoting regional development.
- Recently the Shanghai Cooperation Organization Summit was held in Bishkek in Kyrgyzstan. Prime Minister Modi introduced the acronym **HEALTH** ('H' for Healthcare Cooperation, 'E' for Economic Cooperation, 'A' for Alternate Energy, 'L' for Literature and Culture, 'T' for Terrorism free society and 'H' for Humanitarian Cooperation)
- **SCO's significance for India:**
    - The SCO's significance for India lies in economics and geopolitics with the Eurasian states.
    - SCO is a potential platform to advance **India's Connect Central Asia policy**.
    - The SCO would also be a new channel to enhance bilateral ties with China and Russia.
    - The SCO member states occupy the huge landmass adjacent to India's extended neighbourhood where India has both economic and security imperatives.
    - Importance of **SCO-Afghanistan Contact Group** to stabilise Afghanistan.
    - SCO membership provides India a vital counter to some of the other groupings it is a part of.
    - The SCO provides the only multilateral platform for India to deal in close proximity with Pakistan and Afghanistan.
    - India is likely to get greater access to major gas and oil exploration projects in Central Asia.
    - India must aim to further enhance connectivity, given the existing strong cooperation bilaterally with existing member countries.
    - Sectors such as education, tourism and even medical tourism, can be focused upon to further strengthen the SCO platform.
- **Challenges for India**
    - There are differences on the idea of connectivity being put forth by different SCO members.
    - While India has made its opposition to Belt and Road Initiative clear, all other SCO members have embraced the Chinese project.
    - Growing closeness of Russia and China.
    - India's bilateral trade with Central Asia and Russia is very low compared to China's trade with Russia and Central Asia.
- **Way Forward:**
    - Increase cooperation between SCO and other multilateral organisations.
    - Need to increase economic cooperation among SCO member states.
    - Focus on illegal drug trafficking, cooperation in information technology,

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environment, healthcare and sports.
    - Strengthen the fight against terrorism, extremism, drug trafficking and organised crime among others.
    - Increasing awareness of our shared cultures can help boost tourism.
    - If India is not able to exploit the economic potential of the region, it will be a missed opportunity.
    - **Chahbahar port and Ashgabat agreement** should be utilized for a stronger presence in Eurasia besides a clear focus on operationalising INSTC.
- **SCO is a potential platform to advance India's Connect Central Asia policy**. Thus, India must make use of the platform to secure its interests vis-à-vis the challenging neighbours China and Pakistan.

2. Strategic importance of SCO for India

- **Security:**
    - India through RATS can improve its counterterrorism abilities by working toward intelligence sharing, law enforcement and developing best practices and technologies.
    - Through the SCO, India can also work on anti-drug trafficking and small arms proliferation.
    - Cooperation on common challenges of terrorism and radicalisation.
- **Energy:**
    - India being an energy deficient country with increasing demands for energy, SCO provides it with an opportunity to meet its energy requirements through regional diplomacy.
    - Talks on the construction of stalled pipelines like the TAPI (Turkmenistan-Afghanistan-Pakistan-India) pipeline; IPI (Iran-Pakistan-India) pipeline can get a much-needed push through the SCO.
- **Trade:**
    - **SCO provides direct access to Central Asia** – overcoming the main hindrance in flourishing of trade between India and Central Asia.
    - **Economic Ties** – Central Asian countries provide India with a market for its IT, tele-communications, banking, finance and pharmaceutical industries.
- **Geopolitical:**
    - **Central Asia is a part of India's Extended Neighbourhood** – SCO provides India an opportunity to pursue the **"Connect Central Asian Policy".**
    - Helps India fulfil its aspiration of playing an active role in its extended neighbourhood as well as checking the ever-growing influence of China in Eurasia.
    - Platform for India to simultaneously engage with its traditional friend Russia as well as its rivals, China and Pakistan.
    - The SCO provides the only multilateral platform for India to deal in close proximity with Pakistan and Afghanistan
- **Hydrology:**
    - A MoU signed during the 2018 summit concerned the sharing of hydrological information on Brahmaputra.
    - The agreement enables China to provide hydrological data in flood season from May 15 to October 15 every year.
    - It also enables the Chinese side to provide hydrological data if water level

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exceeds mutually agreed level during non-flood season.

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

3. Issues faced by the WTO

- **Politicisation of the Appellate Body appointment and reappointment process:**
  - The quasi-attribution of permanent Appellate Body seats to the U.S. and the European Union (EU).
  - There is a **trade war between US and China** despite both being a member of WTO. This negates the core non-discriminatory principle of WTO.
  - US and China have imposed counter-productive duties, accusing each other of harming their domestic interests. **WTO has not been able to prevent the trade wars** despite best efforts and has been labelled as a talk shop.
  - There is concern that China may be on its way to having a permanent seat.
- **The "Overreaching" or judicial activism of United States:**
  - USA has systematically blocked the filling of vacancies for 'judges' to the seven-member AB, it has acutely affected the functioning of the body, even as disputes continue to pile up.
  - The US is linking the broader reform of the dispute settlement process with the filling of vacancies for the members to the AB. This impacts the dispute settlement mechanism as a whole.
  - The US stand will adversely affect the development interest of the developing world.
  - At the Buenos Aires, the developed countries led by the US and the European Union formed groups on e-commerce, investment facilitation and MSMEs within the WTO with more than 70 members in each group.
  - The WTO dispute settlement mechanism is not a world trade court. The process remains political and diplomatic. In trade wars, the objective is not

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to settle a dispute; it is to win the battle.
    - The very existence of an appeal mechanism is now paradoxically questioned at a time the global community criticises the absence of the same mechanism in Investor-State Dispute Settlement.
- **China's prospects:**
    - Beijing might well be the new WTO leader and China's growing assertiveness may be the reason for the U.S.'s hard posturing.
    - China is trying to establish herself by its assertiveness in rule-based WTO system.
    - In less than a decade since its first dispute, China has accumulated a vast experience close to that of the U.S. or Europe.
    - China, EU, and to some extent India, and a few others, is now the main supporter of multilateralism.
    - The recent EU-China proposal to promote the reform of the WTO is said to combat "unilateralism and protectionism" but might well fail to address unfair trade issues raised against China itself.
- **Way Forward:**
    - WTO needs to **strengthen the dispute settlement mechanism** as there are issues in appointment of judges in new appellate body.
    - WTO needs to enhance discussion mechanism by introducing wider consultations. It has been a long-standing complaint by the smaller participants that the consultations or decision making is limited to the green room of DG of WTO.
    - The need of free trade is required more by developing countries like India than developed countries.
    - There is need for the structural reform in the WTO functioning as multilateral trading system. Despite WTO being a democratic organization, there is a need to make it more effective in protecting the interests of small nations against stronger countries.
    - The process of retaliation is ineffective and too impractical for smaller players.
    - So, developing countries must work collaboratively to strengthen WTO to collaborate effectively and learn from the past experiences when India and China led the developing countries in environmental forums, garnering funds in the form of GCF.

Security issues

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1. India's Nuclear Triad

- **Nuclear Triad means the capability of delivering nuclear weapons by aircraft, land based ballistic missiles and submarine launched missiles.**
- India declared that its nuclear triad is operational after **indigenous Ship Submersible Ballistic Nuclear (SSBN) INS Arihant** achieved a milestone by conducting its first deterrence patrol.
- INS Arihant will enable India to assert its rights on water, besides land and air.
- It now joins a small group of countries — United States, Russia, China, France and United Kingdom — that have this capability.
- **Landmark Development**
    - It demonstrates that India, apart from its capability to deliver nuclear weapons both from land and from air, can now also do so from under water.
    - It provides the ultimate credibility to **nuclear deterrence.**
    - It sends out an unambiguous message that nuclear blackmail will not work.
    - The nuclear deterrence patrol signifies India having come off age as a mature nuclear-armed state.
    - This exercise is testimony to India's technological prowess.
    - It shows a high degree of engineering skill and workmanship with substantial indigenous component.
- **India's Approach Towards Nuclear Weapons**
    - Arihant's nuclear deterrence patrol does not constitute any shift in India's approach towards nuclear weapons.
    - India remains committed to **"the goal of a nuclear weapon free world, through global, verifiable and non-discriminatory nuclear disarmament".**
    - India follows **no first use of nuclear weapons, and non-use of nuclear weapons against non-nuclear weapon states**.
    - In the absence of a nuclear-free world, India continues to regard nuclear weapons as a deterrent designed to prevent a nuclear attack against it.
    - Accordingly, as per its doctrine, India has sought to ensure that its deterrent is "credible".

2. Comprehensive Integrated Border Management System (CIBMS)

- The India-Pakistan border in the Jammu and Kashmir region has been vulnerable to infiltration and cross-border strikes.
- These incidents had raised the demand for the deployment of high-tech border surveillance equipment.
- The Comprehensive Integrated Border Management System (CIBMS) is an **integration of a number of new gadgets and technologies** to ensure electronic surveillance of India's international borders with Pakistan and Bangladesh.
- The purpose of the CIBMS is to eventually replace manual surveillance/patrolling of the international borders by electronic surveillance to enhance detection and interception capabilities.
- **Need for High-tech Border Surveillance:**
    - Border Security Force (BSF) has detected number of cross-border tunnel in

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the Jammu sector along the India-Pakistan international boundary.
    - There were attacks on strategic installations — prominent among these being the Pathankot and Uri terrorist attacks in 2016.
    - The **Madhukar Gupta Committee on border protection** had reported to the Union Government to strengthen border protection and address vulnerabilities in fencing along the Indo-Pakistan border.
- **International Practice**
    - The use of high-tech equipment as an integrated instrument for border security has been experimented in various countries.
    - Many, including the United States, have tried high-tech solutions for securing their borders.

3. Raising India's Defence Expenditure

- The issue of defence expenditure in India has been the subject of debate.
- The Seventh Schedule of the Constitution vests the Central Government with the responsibility of national defence.
- It is **estimated that India's defence sector requires $130-150 billion for modernisation and restructuring** in order to become self-reliant in the coming decade.
- **Promoting 'Make in India' in defence production** require a proper infrastructure creation and that requires huge money.
- Defence projects worth around billions of dollars are not moving due to paucity of funds.
- **India risks its national security with low allocations to defence spending.**
- **Present Status:**
    - **India's defence expenditure is at 1.49% of GDP**, stated to be at its lowest ever.
    - This is lower than what it was prior to the disastrous 1962 war with China.
    - But 1.49% does not include defence pensions and Ministry of Defence spending.
    - If both are included, the total defence expenditure rises to 2.16% of GDP.
    - Data for the past decade show this figure, too, has been falling — it was 2.78% in 2009-10.
    - **Large share of resources is going towards human resources costs, leaving very little for modernisation**.
    - With OROP and the new Pay Commission, defence pensions alone have risen from around 18% of defence spending in 2013-14 to 27% in 2018-19.
    - This increase has largely come at the cost of capital procurement.
- **Parliamentary Standing Committee on Defence recommended that expenditure on defence be increased to at least 3% of GDP.**
- A solution lies in **fixing the current imbalance** in the defence budget.
- The newly created **Defence Planning Committee (DPC)** must ensure drawing up of a holistic and integrated defence plan that takes into account the scarcity of resource as well as the genuine security needs of the country.

4. India's Underwater Capability

- According to **Spykman theory of rimland**, the **coastal areas or littorals of Eurasia are key to controlling the World Island.**

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- This means those **who control the littorals can control the world**.
- So if India wants to be a global power it needs to **strengthen its capability in Indian Ocean Region**.
- Indian Ocean gives India access to the South-Asia, South East Asia, Africa, West Asia and Oceania which are important from the point of view of energy, economic trade and security.
- The **submarine arm of the Indian Navy celebrated its golden jubilee year in December 2017.**
- **India's growing Capability:**
    - **INS Kalvari** would be a significant milestone in the navy's submarine-building programme.
    - The second of the Scorpenes under construction, **Khanderi**, is undergoing rigorous phase of sea trials.
    - India operates a fleet of 14 conventional submarines, including INS Kalvari, INS Chakra and INS Arihant.
    - The commissioning of INS Arihant completed **India's nuclear triad** or the ability to launch strategic weapons from land, air and sea.
- As the biggest nation in the Indian Ocean region, it becomes incumbent upon India to ensure peace and stability.
- In June 2016 a Chinese spy ship tailed two Indian Navy warships in Japanese territorial waters.
- The **naval power is critical for India to consolidate its strategic interests in the Indian Ocean Region & South China Sea.**
- **Concerns / Challenges:**
    - India's underwater fleet is way behind China which has far superior underwater capability.
    - As far as Project-75I is concerned, little progress has been made in the past 10 years.
    - The Indian Navy does not have a dedicated deep submergence rescue vessel (DSRV) even as it enters its 51st year.
- On the 50th anniversary of the Navy's submarine arm, it's a wake-up call on acquiring dedicated rescue vessel.
- **India must have a credible underwater capability with a judicious mix of conventional and nuclear-propelled submarines**.
- India needs to push harder to meet the target of building 24 submarines by the year 2030.

5. India's 'No First Use' doctrine (NFU)

- **India's 'No First Use' doctrine (NFU)** on the use of nuclear weapons is **open for change** in the future, defence minister Rajnath Singh has indicated, reflecting thinking within the establishment that **no policy is writ in stone and could be modified to deal with current realities.**
- **Risks for India in Initial usage of Nuclear Weapons :**
    - First use of nuclear weapons would require a **massive increase** in India's nuclear delivery capabilities.
    - There is yet no evidence suggesting that **India's missile production** has increased dramatically in recent times.

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- Moreover, India is yet to induct the **Multiple Re-entry Vehicle (MRV) technology in its missiles,** which is fundamental to eliminating hardened nuclear targets.
- Finally, **India's intelligence, surveillance and reconnaissance (ISR) infrastructure capabilities** would have to be augmented to such a level where India is confident of taking out most of its adversary's arsenal.

- **Arguments for Favouring of the 'No First Use' doctrine:**
  - The **main advantage of NFU** is that **it minimises the probability of nuclear use**.
  - NFU for India also presents an **opportunity for cooperation with China** to work jointly towards a **Global No First Use (GNFU) order.**
  - India, therefore, should take the lead on **seeking a GNFU policy** instead of creating doubts about its own adherence to it.
- **Conclusion:**
  - All doctrines **need periodic reviews** and India's case is no exception.
  - Given how rapidly **India's strategic environment** is evolving, it is imperative to think clearly about **all matters strategic.**
  - But if Indian policymakers do indeed feel the need to review the nation's nuclear doctrine, they should be **cognizant of the costs involved in so doing**.
  - A **sound policy debate** can only ensue if the costs and benefits of a purported policy shift are discussed and debated widely.