

JULY 2015

A DEVELOPMENT MONTHLY

New Vistas in International Relations

India and its Neighbours: Renewed Thrusts, New Directions Achal Malhotra

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Good Governance: Style and Substance A Surya Prakash









Indian Armed Forces Carry Out Biggest Relief and Rescue Operations Abroad Ever

In the just concluded 'Op Maitri' in the quake hit Nepal, the Indian Air Force and the Army flew 2223 sorties, rescued/evacuated about 11,200 people (including 780 casualties) to safer places and transported and dropped about 1700 tonnes of relief materials. The Indian armed forces Rapid Action Medical Teams extended medical assistance to 4762 injured, including 300 surgeries, 216 hospital admissions and 4174 OPD cases.

The mammoth Humanitarian Assistance and Disaster Relief (HADR) tasks carried out by the IAF and Indian Army from 25 Apr 2015 wound up on 04 Jun 2015. Within four hours of the earthquake that struck Nepal, IAF swung into action and routed one C-130J aircraft, two C-17, one IL-76, airlifting 295 NDRF personnel, 46.5 tonnes of load and five sniffer dogs.



Lots of relief material for over a month was airlifted like water, field hospitals, blankets, tents, Paramedics, stretchers, medicines, prepared food, milk, utensils, vegetables, Meals Ready to Eat (MRE), RO Plants, Oxygen Regenerators, Air Force Communication Centre Vehicles, Rapid Action Medical Team (RAMT) with its transportable Operation Theatre, X-ray, Laboratory & patient beds etc.



IAF aircraft that took part in the operation included heavy lifters C-130J Super Hercules, C-17 Globemaster III, IL-76 Gajraj and medium lifter An-32. Besides these aircraft, 8 Medium Lift Helicopters (MLH) which included Mi-17 V5 and Mi-17.

Large scale relief & rescue operations were carried out by Mi-17 V5 and Mi-17 helicopters from detachments at Pokhara and Kathmandu. These operations were carried out to far flung inaccessible areas at earthquake affected places that included Lukla, Dhading, Millanchi, Gorkha, Chautara, Charikot, Melum, Aroghat, Dhunche, Trishuli, Ramechhap, Barpak, Narayan Chor, Namchi Bazar, Tatopani, Lamabagar and other remote villages.

The Engineer Task Force (ETF) of the Indian Army have cleared and constructed tracks in difficult and inaccessible areas to facilitate the relief work in Barpak, Gorkha and Kathmandu. The ETF cleared over 16 km of track, over 11477 cubic meters of debris, helped to re-construct 55 houses/shelters and recovered several bodies. The Army aviation pilots flew continuously to evacuate stranded and injured people, provided relief materials and inducted 567 Nepalese Army troops to reach inaccessible areas to carry out relief work. The Army provided 10,000 blankets, 1000 tents and 1000 tarpaulin/plastic sheets.



The Indian Army's Everest Expedition team which was

located at the Everest Base Camp when the earthquake struck did yeoman service to rescue a number of mountaineers who were affected by an avalanche that was triggered due to the quake. They helped in recovering 18 dead bodies and the team doctor rendered critical medical aid to several mountaineers before they were evacuated by air.

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CONTENTS					
INDIA AND ITS NEIGHBOURS : RENEWED THRUSTS, NEW DIRECTIONS Achal Malhotra	7	MULTILATERALISM IN RETREAT: IS REGIONAL COOPERATION THE WAY FORWARD? Dilip Sinha			
INDO-US-PARTNERSHIPS : EVOLVING TIES K.C. Singh	15	INDIAN DIASPORA : BUILDING CONFIDENCE Shashi Uban Tripathi	43		
INDIA-CHINA RELATIONSHIP: TRANSFORMING TIES Manish Chand		RE-ORIENTING EAST ASIAN RELATIONSHIPS Sunanda Dikshit			
DIPLOMACY FOR ECONOMIC DEVELOPMENT Ram Upendra Das		GOOD GOVERNANCE : STYLE AND SUBSTANCE A. Surya Prakash	53		
DEFENCE AS DRIVER OF FOREIGN RELATIONS Alok Bansal		ROAD MAPS FOR DEVELOPMENT Chandrani Banerjee	59		
J&K WINDOW DO YOU KNOW?		ASIA : EAST AND SOUTH-EAST Pushpesh Pant			

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Chief Editor's Desk

India Rising

Experts on international relations say that more than the military might, the status and destiny of a nation are often shaped by its success on the diplomatic front. This statement is all the more true as far as India is concerned. While as a nation, our patriotic fervour is praised by all, India's international profile as a peace loving nation has also grown significantly. At the same time, while we have always saluted our men in uniform guarding the frontiers, India's achievements on diplomatic fronts did not get the attention they deserved till very recently. A welcome change however, is taking place now. Apart from the mainstream media giving adequate coverage, even the common man has started paying attention to the success saga of Indian diplomacy. Even if they do not understand the intricacies of diplomatic terms and terminologies, they too realise and appreciate the importance of diplomatic efforts and its inherent benefits in nation building.



YOJANA

Liberalisation and fast changing trends in global trade have brought about considerable changes in India's international relations. Efforts to make a successful transition from an excessively inward-oriented economy to a more globally integrated economy have had favourable impact on India's image on the international stage. From very cautious or hesitant moves, Indian diplomacy has made a quantum jump to vigorous proactive initiatives. The last one year has witnessed further global acclaim for our diplomatic efforts. It all started with the Prime Minister Narendra Modi's surprise invitation to heads of SAARC nations to his swearing-in ceremony. Experts described the move as a diplomatic coup. The Prime Minister's visit to as many as nineteen countries, both developed and developing, within a short span of one year, opened new vistas in our foreign relations. The year witnessed India's stepped up priority to our neighbourhood and extended neighbourhood. We have further reinforced our strategic ties with all the major powers of the world. India's quick response to earthquake ravaged Nepal in ensuring prompt rescue and relief received world-wide attention. For years together, our contribution to UN Peacekeeping missions has been one of the highest in the world.

Presence of Indians as the second-largest diaspora in the world, has given the much desired fillip to India's relations with other countries. Recent trends show that hitherto dormant countries have also shown keen interest in fostering relations with India. With Indians constituting the largest pool of high-skilled manpower, no nation can afford to ignore India which is the largest democracy in the world and the fastest growing economy surpassing China.

Strides made by India in the economic field, human resource development and international relations have forced the world to pay attention to what we say as a nation. Following Indian Prime Minister's call, United Nations adopted the resolution to celebrate 21st June 2015 as International Yoga Day. At the same time, it has also raised challenging demands from the international community. India has however, been able to meet these challenges through sustained efforts and policy initiatives. From 1947 to 2015, emerging from strength to strength, India has shaped its destiny and attained its rightful place in the comity of nations. Let us hope that the day is not far when India will emerge as a permanent member of the UN Security Council which is long overdue.

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REACHING OUT

India and its Neighbours : Renewed Thrusts, New Directions

Achal Malhotra



A subtle message has gone around that in areas where there are difficulties for all members to work together, let the bilateral or sub-regional format be adopted so that the willing members could join hands and move forward. The need now is for a time-bound follow up to consolidate gains made so far, diligently deliver on the promises and assurances, and effectively address the unresolved matters.



HE emergence of a strong and stable Government in New Delhi following the Parliamentary elections held

in 2014 sent the right signals to international community, including its neighbourhood that the time was ripe to take India seriously. Reflecting his personal commitment to international affairs, the PM travelled during the past one year to as many as nineteen countries, besides hosting several important leaders in New Delhi. In the process, he met and interacted with almost all important world leaders either in bilateral, regional or in multilateral format.

It is abundantly clear by now from Government's diplomatic pursuits that 'Neighbourhood First' figures high on the list of the new Government's foreign policy priorities. The first initiative to reach out to the neighbours was taken even before Mr Modi formally took over as Prime Minister. An invitation was sent out to all Heads of State and Government of SAARC Members to attend the swearing in ceremony of Prime Minister on 26th May last year. The invitation, aptly described as a masterstroke as well as a bold step, sent a loud and clear message that the new political dispensation in India attached great importance to its

relations with its neighbours in South Asia and in the integration of the region. The presence at the ceremony of all Heads of State and Government from the region confirmed the desire on their part to reciprocate India's gesture. The occasion provided an excellent opportunity to establish initial contacts; these were followed up through exchange of visits or meetings on the side lines of regional and international conferences. PM's overseas destinations during the first year of tenure included four (Bhutan. Nepal, Sri Lanka and Bangladesh) out of seven Member States of the South Asian Association for Regional Cooperation (SAARC) and China. The political, security and strategic circumstances are such that it may take some time before visits to remaining three SAARC Member States (Afghanistan, Pakistan and Maldives) could be scheduled. Meanwhile, the Afghan President visited India in April this year and the PM met his Pakistani and Maldivian counterparts in New Delhi at the time of his swearing in. In short, in course of one year, PM has met all leaders in the immediate neighbourhood at least once and in some cases even more than once.

Before discussing the shape India's relations with specific countries in the region are acquiring, it would be desirable to look at South Asia

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as a region. South Asia is a complex region, to say the least. The countries in this region have common legacies and historical links. At the same time, there are diversities reflected in the religious, ethnic, linguistic and political fabric of these countries. South Asia has been a theatre of bloody inter-state as well as civil wars: it has witnessed liberation movements, nuclear rivalry, military dictatorships and continues to suffer from insurgencies, religious fundamentalism and terrorism, besides serious problems associated with drugs and human trafficking. On the barometer of religious tolerance, the constituent countries range anywhere between flexible secular minded and rigidly fundamentalist. South Asia is considered as the least integrated region in the world. Despite thirty years of existence, SAARC has registered a very slow and tardy progress. It is only of late that the democratic forms of Governments have begun to gain some ground in the region, and economic growth rates in some countries have shown positive signs for future.

Where does India stand in this region? India is the largest in size and population; it has a more or less clean record as a vibrant democracy; it has a relatively robust economy, and its international image has undergone considerable improvement and it is seen as a country destined to play an important role in the global arena. As a result, India dwarfs all other countries in South Asia. Unfortunately, India's stature has also created a situation in which it is erroneously seen by its small neighbours as behaving like a "big brother". At times, some of the neighbours consider it fit to play the so-called "China card" in a hope to derive concessions from India.

India's vision for the region was unveiled at SAARC Summit in Kathmandu (26th November, 2014) by the PM who said "For India, our vision for the region rests on five pillars: trade, investment, assistance, cooperation in every area, contact between our people, and all through seamless connectivity". In an implied reference to those who were obstructing the progress, he said that there was a "new awakening" and the bonds between the SAARC member countries were bound to flow; he added: "this may happen either through SAARC or outside it, amongst all members of SAARC or between some of them".

Let us now move on to look at how our relations are shaping with some key countries in the neighbourhood.

Bangladesh

Relations with Bangladesh have seen phases of ups and downs, despite widespread acknowledgement of and appreciation for the role India played during the Bangladesh War of Liberation in 1971. Whereas the Awami League Party led by Sheikh Hasina is considered soft towards India, the political forces represented by Bangladesh National Party (BNP) led by Begum Khalida Zia, and Bangladesh Jamaat-E-Islami are known to have taken a hard line towards India. In recent years, Bangladesh was ruled either by BNP or Awami League Government which in turn influenced the progress or stagnation in relations. From time to time, the irritants in our relations with Bangladesh have arisen out of the anti-India activities by the Indian insurgents from the Bangladesh soil, illegal migration from Bangladesh to India, causing social tensions in North East, smuggling across the unsettled borders, sharing of water from common rivers, particularly Teesta etc. During the past few years, Sheikh Hasina's Government has adequately addressed India's security related concerns; there has been a perception in Bangladesh that Bangladesh has not been compensated adequately in return. It is against this brief backdrop that our PM undertook an official visit to Bangladesh (June 6-7, 2015) just after completion of his first year as Prime Minister. The spotlight during the visit was justifiably on the Land Boundary Agreement, which was signed as early as 1974 but the successive Governments in India could not push its ratification in Parliament for a variety of reasons, including the reservations from the State Governments, particularly West Bengal

Bangladesh

- A power transmission line from Behrampur to Bheramara was commissioned. It is now supplying 500 MW to Bangladesh.
- Survey of Guwahati -Shillong -Dhaka road route carried out.
- Bangladesh has allowed India to use its territory and infrastructure to ferry 10,000 MT of food grains to Tripura.
- India offered Rs 60 crores for implementation of various Small Development Projects in Bangladesh.
- Training slots under Indian Technical and Economic Cooperation Programme increased from 185 to 215.
- US \$200 million grant for development projects in Bangladesh announced in 2013, disbursed.
- India decided to supply additional 100 MW electricity to Bangladesh from Palatana Project in Tripura.
- India will facilitate the establishment of Bangladesh Bhavan at Shanti Niketan in West Bengal.
- The frequency of Dhaka- Kolkata Maitree Express increased.

and Assam. The manner in which the PM mobilised the opinion at the Centre and in the States facilitating unanimous passage of the 100th Constitution Amendment Bill paving the way for the ratification of the Agreement of 1974 and its Protocol of 2011 in the two Houses of Parliament is commendable. The LBA not only settles the 4096km of boundary between the two countries and gives a new identity to over 50000 persons, living in Indian /Bangladesh Enclaves, it has several other positive fall outs as well, the most important being the effective border management to check activities of insurgents, human trafficking, illegal migration, smuggling etc.

A truly important outcome of the visit is the agreement on the part of Bangladesh to provide transit through its territory for trade and travel; this would provide significantly improved connectivity between the North East and other parts of India, hitherto dependent on narrow and vulnerable Siliguri Corridor, popularly known as 'Chicken neck'. Dhaka-Shillong-Guwahati and Kolkata-Dhaka-Agartala Bus Services are the beginning of a new chapter in the area of land connectivity within the region. Similarly, the Coastal Shipping Agreement will cut short significantly the shipping time for cargo movement, with all entailing benefits. Equally important is the MoU on the use of Chittagong and Mongla ports of Bangladesh by India. Interestingly, Bangladesh this time did not link "Transit" with "Teesta".

The Special Indian Economic Zones in Bangladesh should encourage Indian investments in Bangladesh, addressing in turn Bangladesh's concern over trade deficit, besides employment generation. The second Line of Credit worth \$2bn will help Bangladesh in undertaking various development projects, particularly in the area of public transport, roads, railways, inland waterways, ports, ICT, education, health etc., while also contributing to export of goods, projects and services from India.

Relations between India and Bangladesh have now arguably entered into a qualitatively new phase. The stability in relations stands confirmed. Also PM's visit has set a loaded agenda for future bilateral as well as subregional cooperation in important areas such as sharing of water resources, power sector, (including civil nuclear energy), space, trade and investments including removal of remaining barriers in bilateral trade and operationalization of Special Economic Zones for India in Bangladesh, seamless multimodal connectivity and effective border management and so on. Above all, the visit has generated a good degree of confidence in Bangladesh in India's ability to deliver.

Bhutan

Our relations with the Himalayan kingdom Bhutan have been nurtured carefully and can be described as exemplary. The PM's first oversees visit as Prime Minster was to Bhutan (15-16 June, 2014); this speaks for

Bhutan

- Pledge of financial assistance by India of Nu/Rs 45 billion to Bhutan under the 11th Five Year Plan and nu/Rs 5 billion for Economic Stimulus Plan.
- Bhutan exempted from any ban on export of milk powder, wheat, edible oil, pulses and non-basmati rice.
- Target for 10,000 MW of hydro-power generation.
- Assistance of Rs 463.3 Crore pledged by India for double -laning of the Northern East-West Lateral Highway.
- Foundation stone of the 600 MW Kholongchu Hydroelectric Project, a Joint Venture between India and Bhutan laid.
- Doubling of the Nehru Wangchuck and the Ambassadors's scholarships to Bhutenese students in India to Rs 2 crore each.
- Foundation stone laid for Bhutan's first Power Training Institute with pledge of Rs 33.7 crore assistance by India.
- Assistance to Bhutan in setting up a digital library which will provide access to Bhutanese youth to two million books and periodicals.
- Bhutan School Assistance Programme got a boost with Rs 348.7 crore assistance from India.
- Bhutan signed the MoU on the establishment of Nalanda University.

itself. The idea was to reiterate the importance which India attaches to Bhutan as a trusted and reliable friend. The emphasis during the visit was expectedly on development cooperation and economic ties. Bhutan greatly appreciates the assistance it has received from India in the implementation of its Five Year Plans since the First Plan was launched in 1961. India's cooperation with Bhutan in hydro power sector is a win-win situation for both the countries, and serves as a model for other countries, particularly Nepal, to emulate. India has extended assistance in setting up power plants in Bhutan to exploit its enormous hydro potential. While India is buying power to meet its ever increasing energy needs, Bhutan is earning substantial revenue. In the past, Bhutan flushed out anti-Indian insurgents from its territory in 2003 and India has its assurances that Bhutan will not allow its territories to be used for any activities which are inimical to national interests of India; this was reiterated during the PM's visit.

Afghanistan

For past several years, Afghanistan has been going through difficult times. The current situation in Afghanistan remains a source of serious concern for India as it impinges upon its security interests. NATO forces are in draw down mode. The recent political transition in Afghanistan was not very smooth. India can ill-afford the return of Taliban. The emergence of a regime in Afghanistan which is a proxy of Pakistan and dominated by fundamentalists would also not be in the interests of India. Soon after assuming the charge in September last year, the new President of Afghanistan, Mohammad Ashraf Ghani, gave enough reasons to create an impression that India figured low in the list of his foreign policy priorities. His visit to India (April 28-29, 2015) came several months after assumption of charge; in between he visited two other countries in the region namely China and Pakistan, besides UK and Saudi Arabia. Eye brows were raised and questions asked in India as to whether this reflected a policy shift in Afghanistan in favour of Pakistan at the cost of India. During his stay in New Delhi, the Afghan President made some conscious efforts to downplay such assessments. When asked by media, whether the timeline of his foreign visits was a reflection of his priorities, the Afghanistan President interestingly used a popular Dari proverb, "Der ayad, durust ayad (Better late than never)." As if to allay fears in this regard, an implied reference was incorporated in the Joint Statement of 28th April,2015 which stated inter alia that 'peace, prosperity and security in the region was indivisible, and their mutually respectful relations are not at expense of other nations or group of nations.' In the same Statement, the Afghan President "reiterated Afghanistan's

Afghanistan

- India moved closer to complete its ongoing flagship projects in Afghanistan like the Salma Dam in Herat province in Parliament Building in Kabul and Restoration of Stor Palace in Kabul and Doshi-Charikar substations project.
- India gifted three multi-role Cheetal helicopters to Afghanistan in April 2015.
- Announced support to the Habibia School in Kabul over the next 10 years.
- Contributed to the Afghan Red Crescent Society's Programme to treat Child Congenital Heart disease over the next 5 years.
- Supported the Indira Gandhi Institute of Child Health (IGICH) in Kabul over the next 5 years.
- Extension of the 1000 scholarships per year scheme by another 5 years till 2022.
- India and Afghanistan pledge to work closely with Government of the Islamic Republic of Iran to make Chabahar Port a reality and a viable gateway to Afghanistan and Central Asia.

perspective on the foundational nature of Afghanistan's ties with India, and the fact that India figured in four of the five 'circles' of Afghanistan's foreign policy priorities."

Notwithstanding such reassuring statements, the leadership in India is aware of the need to be watchful of developments in and around Afghanistan as India has serious stakes in the stability and friendship of Afghanistan. Bilaterally India has entered into a strategic partnership agreement with Afghanistan and has committed \$ 2 billion assistance to Afghanistan for the development of its infrastructure, strengthening of the institutions of democracy, capacity building including training of Afghan armed forces as part of its contribution towards stabilization of Afghanistan, which remains high on the priority list of India.

Pakistan

Relations between India and Pakistan have remained less than normal ever since the partition of the country in 1947. The two countries have fought wars in 1948, 1965, 1971 and later there was Kargil in 1999. The war of terror against India from across the border continues unabated. Sporadic efforts have been made towards normalization of relations but each time it has been a case of back to square one.

Relations with Pakistan were at their lowest ebb when the new Government took charge. The invitation to Heads of State/Government of SAARC countries, including Pakistan, to attend the PM's swearing-in ceremony in May last year opened up an opportunity for breaking the ice. After initial hesitation, Prime Minister Nawaz Sharrif of Pakistan did come for the event and the two sides agreed to resume the dialogue at the level of Foreign Secretaries. The decision of the High Commissioner of Pakistan to meet and hold talks in New Delhi with Kashmiri separatists just on the eve of Indian Foreign Secretary's visit to Islamabad in August last year prompted the Indian Government to call off the visit, sending a message thereby that the Government took a serious exception, even if it was not uncommon for the Pak High Commissioner to meet separatist leaders from Kashmir. A Statement from the Government of India said: "The invitation to so-called leaders of the Hurriyat by Pakistan's High Commissioner does indeed raise questions about Pakistan's sincerity, and shows that its negative approaches and attempts to interfere in India's internal affairs continue unabated... Under the present circumstances, it is felt that no useful purpose will be served by the Indian Foreign Secretary going to Islamabad next week." The subsequent efforts by Pakistan to once again internationalize the Kashmir issue during the UN General assembly Session in September last year further vitiated the atmosphere. It would be relevant to mention that under the Shimla Agreement of 1972, Pakistan has agreed to treat the Kashmir Issue as a bilateral matter.

Government's decision to send Foreign Secretary to Pakistan (3rd March, 2015) as part of so-described

SAARC Yatra, and some media reports on possible resumption of cricketing ties with Pakistan has led the critics to question India's Pakistan policy. In this context, the External Affairs Minister's statement at the media conference in New Delhi on 31st, May 2015 is noteworthy. She denied there was any flip flop in India's Pakistan policy adding that right from the beginning her Government had decided on three parameters for dialogue which have been repeatedly conveyed to Pakistan and have been scrupulously adhered to by India without any deviation: the first principle is that all issues must be resolved through peaceful dialogue ;secondly, the dialogue will be between India and Pakistan and no third country will be involved and finally, the discussion and dialogue will be in a peaceful atmosphere and through Shimla Agreement and Lahore Declaration.

While it remains to be seen as to what lies in store, it must be mentioned that the roots of the problem with Pakistan do not lie in Kashmir; the roots are in the multiplicity of power centres in Pakistan: powerful army, influential ISI, fundamentalist forces and lobbies and a democratically elected but fragile Government in Pakistan. Unless there is a consensus amongst the power centres to mend ties with India, any tangible progress is only a wishful thinking.

Sri Lanka

After the liquidation of the LTTE in 2009, India had adopted a multipronged approach towards Sri Lanka; this policy had several components: i) to impress upon the Sri Lankan Government to abide by its commitments towards Sri Lankan Tamils particularly meaningful devolution of powers and the implementation of the 13th Amendment in a time bound manner: ii) reiteration of assurances from time to time to Sri Lankan Tamils that it would make every effort to ensure that the 13th amendment was not diluted and the future for the community was marked by equality, justice and self-respect; iii) investment into the reconstruction of

Sri Lanka

- India pledges a fresh LOC of up to \$318 million for projects in the railway sector in Sri Lanka.
- A Currency Swap Agreement of USD 1.5 billion which was earlier \$400 million, to help keep the Sri Lankan rupee stable.
- Signing of the landmark Civil Nuclear Agreement.
- Setting up of a Joint Task Force in the area of ocean economy.
- Flagging of the inaugural Talaimannar-Madu road train service by Indian PM on the North Western railway line upgraded by IRCON.
- Handing over homes at Jaffna (part of the flagship housing project where India is aiding in construction of 50,000 houses).
- Sri Lankans to benefit from 'Tourist Visa on Arrival'-Electronic Travel Authorisation'.
- PM's visit to Anuradhapura to offer prayers at the sacred Sri Mahabodhi tree which is said to have grown from a sapling of the original Bodhi tree brought to Sri Lanka in the 3rd century BC by Sanghamitra.
- President Pranab Mukherjee released a special commemorative stamp on Sri Lankan Buddhist monk Anagarika Dharmapala.
- Decision on developing a Ramayana Trail in Sri Lanka and a Buddhist Circuit in India.
- Foundation stone of the Jaffna Cultural Centre laid.
- Assistance by India for the construction of Rabindranath Tagore Auditorium at Ruhuna University in Matara.
- Collaboration between Indian and Sri Lankan petroleum firms to make Trincomalee a regional energy hub.

Northern Sri Lanka badly affected by prolonged civil war; iv) accommodate the demands of the Tamil leadership in India to the extent feasible but ultimately exercise the prerogative of the Centre in the formulation of foreign policy taking broader national interests into account rather than being pushed by narrow regional priorities; v) to monitoring carefully the Chinese overtures in Sri Lanka and check the latter's drift towards China. vi) address the fishermen's issue.

Unfortunately, the former President of Sri Lanka, Mahinda Rajapakse, despite assurances, did not deliver on his promises of devolution of power to Sri Lankan Tamil minority, while also playing the China card. His pro-China policy allowed China to capture significant strategic space in Sri Lanka. India's vote in 2012 and 2013 against Sri Lanka on the UN Human Rights Council Resolution on the issue of violation of human rights by the Government of Sri Lanka during its war against LTTE, was obviously not to the liking of Sri Lankans : India's decision to abstain in 2014 was taken as less than consolation.

We now have new Governments both in India and Sri Lanka. Four high level visits have taken place in quick succession and within short span of the change of guard in Sri Lanka in January this year (the visit of Sri Lankan Foreign Minister to India. External Affairs Minister's visit to Sri Lanka: Sri Lankan President's visit to India and Indian PM's visit to Sri Lanka); this by itself speaks volumes about the intentions of the leaderships of the two countries to reset their relations. In addition to the issues related to the devolution of powers to Sri Lankan Tamils through full implementation of 13th amendment to Sri Lanka's Constitution, meaningful reconciliation in Sri Lanka, safety and security of fishermen, sensitivity to India's security concerns, the new thrust has been added on promoting trade and commerce, maritime security, Ocean Economy etc. More importantly, there is a political will on both sides to make a new beginning and take their relations to newer heights. We can now expect the new leadership in Sri Lanka to take a pragmatic approach and balance its relations with India and China.

Nepal

For a variety of reasons, a certain degree of stagnation in relations with Nepal can be said to have set in during the past years. Nationalist elements in Nepal have been demanding the revision of India-Nepal Treaty of Peace and Friendship of 1950, which forms the

Nepal

- India announced an additional LOC of \$1 billion to the Himalayan nation for road, irrigation and hydro power projects
- Pact on electric power trade, cross -border transmission interconnection and grid connectivity signed on October 21, 2014.
- Pact on fast-tracking the 5600 MW Pancheshwar Multipurpose Project
- Project Development Agreement (PDA) signed for the 900 MW Arun III Project and 900 MW Upper Karnali Project.
- India agrees to help build a Police Training Academy in Nepal to train over 400 police officers annually.
- India and Nepal sign the motor vehicle agreement. Bus services start on three routes: Kathmandu-New Delhi, Kathmandu Varanasi and Pokhara-New Delhi.
- Emergency and Trauma Centre facility with 200 beds inaugurated in Kathmandu. It provided invaluable medical help after the April 2015 earthquake.
- PM gifted a Bodhi tree sapling from the Mahabodhi Temple in Bodh Gaya to be planted near Ashoka Pillar at the Maya Devi Temple complex at Lumbini.
- Pact on sister city arrangements between Ayodhaya-Janakpur ,Bodh Gaya- Lumbini, Varanasi-Kathmandu.
- Development of the Buddhist Circuit(Lumbini-Bodh Gaya- Sarnath-Kushinagar).
- Handing over of Advanced Light Helicopters 'Dhruv' Mark III to Nepalese Army.

bedrock of the special relations that exist between India and Nepal. Under the provisions of this Treaty, the Nepalese citizens have enjoyed unparalleled advantages in India, availing facilities and opportunities at par with the Indian citizens. The Treaty has allowed Nepal to overcome the disadvantages of being a land-locked country. Vested interests in Nepal have managed to block India-Nepal hydro-power cooperation on the India-Bhutan model, as a result of which, Nepal remains a net importer of electricity despite enormous hydropower resources and the bordering States in India continue to bear the brunt of floods in Nepal. At the same time, there

Landmark Motor Vehicles Agreement among Four SAARC Countries Signed

India, Nepal, Bhutan and Bangladesh signed a landmark Motor Vehicles Agreement (MVA) for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic among the four South Asian neighbours in Thimpu, Bhutan on June 15, 2015. The MVA agreement between sub-grouping of four SAARC nations, Bangladesh, Bhutan, India and Nepal (BBIN) will pave the way for a seamless movement of people and goods across their borders for the benefit and integration of the region and its economic development.

"The Motor Vehicles Agreement is the "Over arching" frame work to fulfill our commitment to enhance regional connectivity. This will need to be followed through with formulation of the required protocols and procedures in the shortest time possible to realize the ultimate objective of free movement of people and goods in the region. This would further need to be supplemented through building and upgrading roads, railways and waterways infrastructure, energy Grids, communications and air links to ensure smooth cross border flow of goods, services, capital, technology and people. Taken together, this provides enormous opportunity for integration and development of our region." said Sh. Nitin Gadkari, Union Minister of Road Transport & Highway and Shipping.

Mentioning about the initiative to strengthen connectivity of the sub-region to ASEAN, the Minister said, "In this regard a major breakthrough has been achieved between India-Myanmar and Thailand. Three nations have agreed to develop a similar framework motor vehicle agreement on the lines of draft SAARC Motor vehicle agreement.

Taking note of the finding that transforming transport corridors into economic corridors could potentially increase intra-regional trade within South Asia by almost 60 percent and with the rest of the world by over 30 percent, a joint statement read, "We acknowledge that apart from physical infrastructure, the development of economic corridors within and between our countries requires the implementation of policy and regulatory measures, including the BBIN MVA, which will help address the nonphysical impediments to the seamless movement of goods vehicles and people between our four countries."

A BBIN Friendship Motor Rally is planned to be held in October 2015 to highlight the sub-regional connectivity and the scope and opportunities for greater people-to-people contact and trade under the BBIN initiative.

are complaints in Nepal of inordinate delays in the implementation of projects promised by India. Moreover, for over a decade now, Nepal has remained engaged in a difficult phase of political transition; it has witnessed the abolition of Monarchy, rise and decline of Maoist insurgency, the return of Maoists to mainstream, birth of democracy, and now it is in the process of writing a new Constitution for the country.

The visit of the Prime Minister to Nepal in August last year was historic in more than one sense. It was the first visit by an Indian Prime Minister in seventeen years. PM undertook this visit within less than three months of assuming his charge. The visit was preceded by the meeting of the India-Nepal Joint Commission, headed for the first time in twenty three years by the Foreign Ministers of two countries. The PM was the only foreigner extended the privilege of addressing Nepal's Constituent Assembly and Legislature Parliament.

In response to the sensitivities of the Nepalese, it was agreed to "review,

adjust and update the Treaty of Peace and Friendship of 1950" so that "the revised Treaty should better reflect the current realities and aim to further consolidate and expand the multifaceted and deep rooted relationships in a forward looking manner." (Joint Press Statement on Prime Minister's visit to Nepal dt.4th August 2014). Addressing the trust deficit in Nepal, PM assured the Nepalese that India had no intention to interfere in Nepal's internal affairs, and would like to cooperate with Nepal in bilateral and sub-regional formats. Time lines were set for several projects e.g. Pancheshwar Development Project and Project Development Agreement for Upper Karnali Hydro-Power Project, and several new sectors were identified for possible cooperation. On the whole, the India-Nepal relations have been given the much required push towards reinvigoration. Most importantly, one can easily discern that India is genuinely interested in promoting relations in the right direction and the Nepalese have a larger degree of trust in India's ability to deliver on its promises.

In conclusion, one year of extensive and energetic diplomacy in South Asia has been productive in several ways: it has reduced considerably the trust deficit, enhanced faith in India's capability to deliver on its promises, further consolidated the existing relations, reset relations in certain cases, addressed the current challenges and set the agenda for longterm engagement, reiterated forcefully the need for peaceful coexistence as prerequisite for development and prosperity and integration of the region, including economic integration, through land, maritime and air connectivity. A subtle message has gone around that in areas where there are difficulties for all members to work together, let the bilateral or sub-regional format be adopted so that the willing members could join hands and move forward. The need now is for a time-bound follow up to consolidate gains made so far, diligently deliver on the promises and assurances, and effectively address the unresolved matters.

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"SANJHA PRAYAS, SABKA VIKAS"

Indo-US-Partnerships : Evolving Ties

K.C. Singh



The master of such balance of power was German Chancellor Otto von Bismarck, who held office from 1873-1890, advancing German interests by selectively positioning his nation amongst the five pre-eminent powers of pre-World War I i.e. Russia, Austria, France, Britain and Germany. His advice would hold for India today which was to be not with two or less, but rather with three or more. That will be the challenge in the coming decades as India and US seek to make up for many lost opportunities of the past.

NDIA-US relations, s i n c e I n d i a n independence in 1947, have been a continuous attempt to create convergence amongst two nations, both democracies

and espousing similar civilisational values, but often at cross purposes with each other at the international level. The path to genuine engagement really opened up only after the collapse of the Soviet Union and the end of the so called "Cold War" in 1989.

Every prime minister since then, starting with P.V. Narasimha Rao has contributed to that process. There have been some serious stumbles i.e. Indian nuclear tests in May 1998 at the advent, which triggered U.S. sanctions against India under the Glenn amendment. However, once both nations worked to overcome the new hurdle, through the Jaswant Singh-Strobe Talbot parleys, the path actually opened to more honest recognition of India's role and position globally and genuine engagement between the two countries.

US recognised that India could no longer be treated like any outlier from the global nuclear and other technology control regimes, as it was a genuine rising power which needed to be accommodated in the existing financial and security order, adjusting or even tweaking extant regimes. During the Cold War a non-aligned India was at best seen as a largely friendly but unreliable partner. At worst however i.e. during the 1971-72 liberation of Bangladesh and US outreach to China, it was perceived as a non-declared ally of the Soviet Union. In a changing global order and with the maturing of Indian economy, the attractiveness of India as a partner became self-evident.

CONNECTIVITY

During the Clinton presidency, with US favouring economic engagement as underpinning for strategic cooperation, it was this sheer size and potential of the Indian market that invited focus on India. This guided the US Big Emerging Markets initiative, from which grew the "Presidential Business Development Mission" to India, led by the Commerce Secretary Ron Brown in 1995. From 1999, the pace and nature of India US relations altered. President Bill Clinton's visit to India in 2000, followed by a return visit by PM A.B.Vajpayee in 2001, after the 9/11 attacks, had US viewing India as necessary to combat new global challenge from non-state actors. Also conditioning President George Bush's instinctive assessment was the belief that a stronger India would be an important component of a new Asian security order in order to balance the rise of China. These two major developments became the drivers of US policy.

An elaborate US-India architecture of joint working groups and high level exchanges has been incrementally constructed since then. It is against this background that the present government's

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engagement with US has to be viewed. For instance, the Indian-US civil nuclear deal was not just about nuclear energy, but the lifting of high technology transfer restrictions built by US and its allies since India's "peaceful" nuclear test in 1974. The four regimes i.e. Nuclear Suppliers Group, Missile Technology Control Regime, Wassenaar and Australia Groups, control almost the entire range of cutting edge and dual use technologies of the world. If India had to play catch-up with the advanced countries, particularly China, US realised that India had to be liberated from these shackles created during the Cold War.

The India-US relations however hit a slow patch due to US distraction with its financial and banking and then the Eurozone crisis. India was also beset with its own problems that stymied decision making in the economic field while wrestling with a progressively negative external environment.

The PM thus began his tenure with stalled India-US relations, belying their great potential. In both countries, the big picture had been lost and individual agencies/departments on either side were driving their agendas. India stalled trade facilitation at Doha Round of trade talks because its concerns on its food stockpile were not addressed. US felt let down by the stringent nuclear compensation law passed by India that US felt imposed conditions on suppliers of equipment which they would be unable or unwilling to meet. US Congress also began focussing on alleged intellectual property rights malfeasance in India. India felt the US President was strongly endorsing an inimical visa regime that affected Indian information technology workers and so on. It was high time for the leaders of the two countries to restore order with a top-down intervention, which summits perforce invite.

The visit by the PM to US in September 2014 and the return visit by President Barak Obama in January 2015, particularly as the first US President to make a second visit to India during his tenure as also the first to be the chief guest at the Republic Day parade and celebrations, provided the requisite impetus. The WTO issue was resolved as US agreed that WTO should address the food-stocks issue up front and not later. The nuclear liability issue had to wait till President Obama's India visit to be indirectly resolved when US government agreed that India should present to US suppliers the liability solution India proposed and convince them of its viability. Comparing the joint statements issued after the PM's visit to US and the return visit of President Obama, makes it obvious that mutual confidence has grown as has the range of subjects for cooperation.

In the last one year, India-US relations have got a fillip from the energy and personal attention that the PM brought to engaging President Obama. At the September 2014 parleys in Washington, the complete range of issues was addressed and embedded in the joint statement. On trade, a commitment was made to take the \$100 billion two-way trade in goods and services to five times that number, infrastructure development platforms were recommended. A High Level Intellectual Property Group was set-up to consult on next steps in that area. Although there was no commitment on H-1 visas for short term professionals, the contribution of information technology was recognised. A dialogue was proposed in innovation in manufacturing and new partnerships in skill development.

Energy and climate change were in one box, highlighting the link of clean and renewable energy and nuclear power as solutions to climate change. A strategic partnership in this area was noted under Partnership to Advance Clean Energy (PACE). A commitment was also made to a successful outcome of the Paris 2015 conference under the UN Framework Convention on Climate Change, which is to lay down the post-Kyoto road map on emissions. US committed a \$1 billion Exim Bank facility to enable India to transition to a low carbon economy.

Defence and homeland security were extensively addressed to renew existing agreement on defence cooperation, to energise and facilitate transfer of defence technologies and upgrade Malabar naval exercise.

Indo-US

- Launch of Infrastructure Collaboration Platform to promote enhanced market access and financing.
- Signing of three MoUs between the State governments of Andhra Pradesh, Uttar Pradesh and Rajasthan and US Trade and Development Agency on January 25, 2015, to develop Vishakapatnam, Allahabad and Ajmer as Smart Cities.
- Signing of MoU between USAID and the Ministry of Urban Development to support PM's 500 Cities National Urban Development Mission and Clean India Campaign.
- Joint Declaration of Intent for advance implementation of the Digital India programme.
- USAID support to knowledge partnership with IIT Gandhinagar.
- US to support India's Global Initiative of Academic Networks (GIAN) which will facilitate short term teaching and research programmes by up to 1000 visiting US academics in Indian universities.
- Inauguration of Indo-US Investment Initiative in Washington.
- Meeting of the Trade Policy Forum at the Ministerial level.
- \$1 billion in financing made available by the US EXIM Bank to facilitate expanded cooperation and enhance US private sector investment in Indian clean energy projects.
- Hosting of the India-US Technology Summit in November 2014 with the US as partner country for the first time.
- Convening of the High Technology Cooperation Group to shape a cooperative agenda on high technology goods.

On counter-terrorism, the two countries reiterated their resolve to combat the menace emphasising "joint and concerted efforts, including the dismantling of safe-havens for terrorists and criminal networks." All groups operating out of Pakistan were named, including those that are India specific like the Lashkar-e-Taiba or D-Company. The urgency of bringing the perpetrators of the 26/11 Mumbai attack by Pakistan was also noted. Such Pakistan specific language and the hint of joint efforts was a timely message to Pakistan.

The segment on "High Technology, Space and Health Cooperation" dwelt on areas which can catapult India into the 21st century levels of sophistication in manufacturing. Though due to fall in energy costs jobs via manufacturing in many areas have begun to return to US, there could be areas where the government's "Make in India" can attract collaborations in select areas. Acronym favouring PM also inserted a new initiative called GIAN-Global Initiative of Academic Networks, which envisions 1000 American academics travelling to India each year to teach. Considering that hardly any Indian university figures in the top rankings even in Asia, this is a fast way to improve higher institutions of learning.

In the health sector, cooperation in fighting new and old pandemics and creation of vaccines has been indicated. India, of course has to fill the yawning gap in good medical care for the common man at the secondary level. World class private hospitals in the private sector are creating two Indias with extremely poor health care in the less rich one.

At the strategic level, the statement tries to create a match between the PM's Act East and Obama's Re-balance in Asia. Indo-US vision of connectivity in Central, South and East Asia is the answer to China's One Belt One Road, hub and spoke initiative. Regional peace and security was recommended for Asia-Pacific, with China in mind, as too the emphasis on freedom of navigation, particularly in South China Sea.

The visit of President B Obama to Delhi in January 2015 resulted in three documents jointly issued. They expanded some of the themes in the 2014 document but get more specific by attempting to align strategic perceptions. One is a peculiar document called a "Declaration of Friendship". It states converging strategic visions to shape international security, regional and global peace and prosperity and stability for years to come. These are lofty aims involving onerous responsibility as India has in the past been chary to undertake or share such a role. The declaration then outlines shared values like democracy, fundamental rights etc; it notes duties like combating climate change and undertaking sustainable development; and commits both to rule based and transparent markets. It converts the existing Strategic Dialogue to Strategic and Commercial, asks for hotlines to be set-up between heads of government and national security advisers.

A second document outlines a Joint Strategic Vision for Asia Pacific. Again the focus is on India and US working together as democracies to ensure a rule based order in the entire region. Unstated in both papers is the looming presence and assertiveness of China. Although India dodged sending its Defence Minister to the Shangri-La dialogue in Singapore, the convergence with US in these documents is apparent. This is India stepping out of its six decade old non-alignment towards what some have called "multi-alignment".

In the defence sector, the followup has been quick with US Defence Secretary Ashton Carter visiting India on June 2-3, 2015. The new 10 year Defence Framework Agreement is to marry US technology to Indian "Make in India". Aircraft-carrier design and jet engines are two of various areas under discussion. The catapult technology for launching planes from aircraft-carriers - which only US has - can enable launch of higher payloads off the deck, including reconnaissance planes.

There is much follow-up work to be done to deliver on the promise of closer engagement with US in such a wide range of areas, as tension along the Chinese periphery continues to remain high due to its island building and expansion of control over contested areas of South China Sea. Meanwhile, India also has the door open to Russia and China via the BRICS grouping and India's likely induction into the Shanghai Cooperation Organisation. The challenge for India is to balance these parallel or competing links. Indian role as a balancer and a swing power will be a challenge for the diplomats in South Block whose institutional memory is to work at arm's length with each major power, a legacy from the non-aligned period.

The master of such balance of power was German Chancellor Otto von Bismarck, who held office from 1873-1890, advancing German interests by selectively positioning his nation amongst the five pre-eminent powers of pre-World War I i.e. Russia, Austria, France, Britain and Germany. His advice would hold for India today which was to be not with two or less, but rather with three or more. That will be the challenge in the coming decades as India and US seek to make up for many lost opportunities of the past. While all nations cater to their own interest first, Chinese rise would not have been possible without US opening to them markets and allowing flow of investment and technology. This happened while India laboured under technology denial regimes. Successive Indian governments have levelled the playing field for India to rise. Only India can stop India now.

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India-China Relationship: Transforming Ties

ASIAN CENTURY

Manish Chand



The new narrative of "major powers" engagement, which was articulated during the PM's visit to China, will frame this critical partnership as the two Asian juggernauts leverage their growing economic weight and international profile to carry along the entire region to fructify the promise of an Asian century.



T'S a transformational moment in the history of India-China relations, marked by an infusion of fresh energy, dynamism

and creativity in the way the two neighbours engage with each other. This is the first time the leaders of the two Asian giants have visited each other's country within nine months, signalling their resolve to proactively cooperate in fashioning an emerging Asian century. The Prime Minister's May 14-16 visit to three cities in China - Xian, Beijing and Shanghai - was unique in many ways and cohered multiple strands of variegated relationship between the two Asian juggernauts that comprise one-third of the world's population and boast of a collective GDP of over \$12 trillion.

The Prime Minister's visit to China consolidated the momentum generated by President Xi Jinping's maiden visit to India in September 2014. Put together, these twin visits, and initiatives taken during the tenure of the previous government in Delhi, crystallize the emerging alphabet of India-China relations: A for Asia; B for Business; C for Culture; and D for Diplomacy and Development. This new vocabulary and semantics is set to script afresh new pathways of cooperation between the two neighbours, which are often portrayed as rivals and competitors in the Asian hemisphere, but are incrementally forging an ambitious and all-encompassing cooperative partnership straddling diverse areas.

Hometown Diplomacy

Coalescing diplomacy, culture, business and geopolitics, the Prime Minister's visit scored high on both symbolism and substantive outcomes, which signalled new trends and notations in this crucial transforming relationship. In a first-of-its-kind gesture, Chinese President Xi Jinping welcomed the Prime Minister at a majestic government guest house in Xi'an, the capital of Shaanxi province, home of the President's family. In his warm-up meeting, President Xi projected a resolutely upbeat picture for India-China relations. China-India relations "are experiencing stable development and facing broad prospects," President Xi told the Indian Prime Minister. The PM's visit to Terra Cotta Warriors Museum and a Buddhist temple housing works translated from Sanskrit underscored centuries of civilizational links between the two giant Asian neighbours. This was the first time President Xi was hosting a visiting foreign leader in his ancestral home, underscoring his personal commitment

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to scale up India-China relations to new heights. The warmth and personalised hospitality shown by President Xi to the Indian leader reciprocated the Prime Minister's reception for the Chinese leader in Ahmedabad. This was the first time the Indian and Chinese leaders began their visits to each other's country not from national capitals, but from state capitals, thereby creating a new template of hometown diplomacy in the burgeoning India-China engagement. It underlined a new emphasis on taking bilateral relations beyond the confines of routine diplomacy to forging lasting personal relationships and connections of the heart and mind. "Am very glad to see the enthusiasm among the people of China. People-to-people ties are always special," the PM tweeted after a rapturous crowd greeted him in Xian.

New Narrative of Major Powers: Asian Century

Gestures are important in diplomacy, but they can't substitute for substance. The emerging narrative of India-China relations has, therefore, deftly blended symbolism, gestures and substance, with a long-term overarching vision of this critical relationship that can directly impinge on the lives and destinies of the 2.6 billion people of the two countries. In an important theoretical construct, the May 15 joint statement envisaged India and China as "two major powers in the region" that will shape the Asian century and the geopolitical-economic landscape of the 21st century. "The leaders agreed that simultaneous reemergence of India and China as two major powers in the region and the world offers a momentous opportunity for realisation of the Asian Century," said the statement. "They noted that India-China bilateral relations are poised to play a defining role in the 21st Century in Asia and indeed, globally." Placing the relationship in a larger global context, the joint statement said: "This constructive model of relationship between the two largest developing countries, the biggest emerging economies and two major poles in the global architecture provides a new basis for pursuing state-to-state relations to strengthen the international system."

Red Lines

This grand construction was, however, hedged with all-important caveats - the fructification of the potential of the India-China relations and the promise of a harmonious Asian century is possible only if the two sides show "mutual respect and sensitivity to each other's concerns, interests and aspirations." These are crucial red lines that need to be adhered to scrupulously by both countries if they seek to partner each other's resurgence on the global stage, without strategic distrust and perceptions of rivalry. During his May visit to China, the PM reminded his Chinese hosts of these red lines when he urged them to reconsider their stand on issues that hold the two countries back from realising the full potential of this relationship. "I stressed the need for China to reconsider its approach on some of the issues that hold us back from realising the full potential of our partnership," the PM said at a ioint media statement with Premier Li. The fact that he said this in front of the Chinese premier at a joint press conference in Beijing conveyed the intensity of India's objections at some of Beijing's actions and practices which New Delhi regards as unacceptable. These include the issuing of stapled visas by China to residents of Jammu and Kashmir and Arunachal Pradesh, repeated incursions by Chinese troops into the Indian territory and the proposed construction of the China-Pakistan Economic Corridor through the disputed region of Kashmir. These issues have been long-standing irritants in the India-China relationship and have tended to adversely impact the image of China in the public mindscape in India and accentuate strategic distrust in New Delhi about Beijing's intentions and motives.

Economics-First Approach

Airing Openly differences on these issues would have endangered and soured the relationship, but it was a sign of new maturity and candour in the India-China engagement that despite these divergences that remain founts of discord, the two countries chose to focus on the positives and the inescapable

economic opportunity to widen the arc of win-win cooperative partnership. This was reflected in the signing of 24 agreements in diverse areas, ranging from infrastructure, smart cities and railways to culture, skill development, space and climate change. The two sides decided to intensify their diplomatic engagement across the spectrum with the decision to hold regular summit meetings and opening of new consulates in Chengdu and Chennai. In a defining step, the two countries launched the firstof-its kind State/Provincial Leaders' Forum that will spur greater interaction between their states and provinces. The first meeting of the Forum was held in Beijing on May 15, 2015 in the presence of the Prime Minister, Maharashtra Chief Minister and Gujarat Chief Minister were among those who participated in it from the Indian side.

Above all, the May 2015 summit meeting between the leaders of India and China underscored and reinforced the economics-first approach to the relationship that has been in the making across successive governments in New Delhi and Beijing. In all fairness, both geopolitics and geo-economics will shape the contours of the India-China relationship in the coming months and decades, but for now it's the economic imperative that is driving Asia's leading economies to come closer in a realm of co-prosperity through intensified trade and investment. And here, the potential is huge, and the sky is virtually the limit, provided mutual respect and sensitivity is shown to each other's core interests.

Make in India

It was in this spirit that PM said in Beijing: "We have set a high level of ambition for our economic partnership. We see enormous bilateral opportunities and many similar challenges, like urbanization." Alluding to his talks with President Xi and Premier Li, the PM said: "Both leaders were very supportive about increased Chinese participation in our Make in India mission and infrastructure sector."

In the economic arena, the outcomes have been substantial and remain a work in progress. Building on China's pledge of \$20 billion investment in India for the next five years, which was unveiled during the Chinese President's visit to India in September 2014, the business entities of the two sides signed business deals worth \$22 billion in Shanghai on May 16. In his address at the India-China CEOs forum, the PM made a strong pitch for increased trade and investments between the two countries. And the response from the Chinese business community was quite positive, reflecting the changing narrative of the India Story in China. Weeks after the PM's visit, China's ambassador to India Le Yucheng underlined an emerging synergy between 'Make in India' and 'Made in China', and projected a new template of "Make in Chindia", which envisages closer collaboration in manufacturing and businesses between the two Asian giants.

Speaking at the China-India Industrial Cooperation Seminar, organised by the Federation of Chambers of Commerce and Industry of India (FICCI) in New Delhi on June 10, Mr Le said that China has recently rolled out "Made in China 2025" campaign, featuring innovation and high-end manufacturing among others, which he said was compatible and complementary with India's Prime Minister led "Make in India" strategy.

The Chinese envoy stressed that the Chinese business community was appreciative of the steps taken by the new Indian government to enhance the ease of doing business in India and added that Chinese companies were looking to invest in India in a range of projects, including manufacturing, humanresource, real estate and infrastructure development, smart city projects and railways.

While enhanced trade and investment linkages are no guarantee against frictions or deterioration in bilateral relations, as the case of China-Japan relations shows, the economic drive will reduce possibilities of conflict and keep the attention of the two countries more focused on myriad benefits that can accrue through deepening the economic content of the relationship. That's why the story of transforming ties between India and China is going to be increasingly underpinned by economic initiatives and ongoing efforts to firm up a viable long-term architecture for spurring economic engagement across the spectrum. In this regard, the latest decisions and initiatives include holding of the Strategic Economic Dialogue, co-chaired by Vice Chairman of NITI Aayog of India and Chairman of NDRC of China, during the second half of 2015, in India; and the forging of five-year trade and development plan between commerce ministries of the two countries.

Development Partnership

The forging of closer development partnership is another unfolding narrative that should illuminate new pathways of cooperation between the two Asian countries. In this context, the present government has successfully built on some good work done by the previous government. The May summit meeting culminated in a host of important steps. These included: I) Setting up of two industrial parks in Gujarat and Maharashtra by China II) Cooperation on railway projects, including speed raising on the Chennai-Bengaluru-Mysore line, feasibility studies for the Delhi-Nagpur section of high speed rail link; and setting up of a railway university III) Forging of friendly relationship between Guangdong Province of China and Gujarat, and sister cities between Guangzhou City and Ahmedabad. IV) Pilot Smart city project between GIFT City in India and Shenzhen in China V) Setting up sister city relations between Mumbai and Shanghai, and Ahmedabad and Guangzhou, Hyderabad-Qingdao, Aurangabad-Dunhuang, Chennai-Chongqing and Sister State/Province relations between Gujarat-Guangdong and Karnataka-Sichuan.

The Long View: Global Cooperation

Taking a global view of their relationship, India and China have expanded their canvas of engagement on a host of global and cross-cutting issues that range from climate change, terrorism and multilateral trade negotiations to intensified regional cooperation in Afghanistan and crisis in West Asia. The increasing congruence of perspectives Indo-China

- Signing of business deals worth \$22 billion.
- China's pledge of \$20 billion investment in India for the next five years.
- Reiteration of Chinese assurance for more market access to Indian IT and pharma companies.
- Decision on holding Strategic and Economic Dialogue, co-chaired by Vice -Chairman of NITI Aayog and Chairman of NDRC of China during the second half of 2015 in India.
- Forging of five year trade and development plan between commerce ministries.
- Setting up of sister city relations between Mumbai and Shanghai, and Ahmedabad and Guangzhou, Hyderabad-Qingdao, Aurangabad-Dunhuang, Chennai-Chonquing and Sister State/Province relations between Gujarat-Guangdong and Karnataka-Sichuan.
- Setting up of the Centre for Gandhian and Indian Studies at Fudan University, Shanghai and a Yoga college in Kunming.
- Agreement providing additional route for the annual Manasarovar Yatra through Nathu La pass in Sikkim, in addition to the existing Lipulekh pass in Uttarakhand, signed. The route through Nathu La will enable more people to travel as the pass will reduce the hardship and travelling time considerably.
- 'Visit India Year' launched in China.2016 will be 'Visit China Year' in India.

on combating terrorism is specially significant, with China backing longstanding advocacy by India for an early conclusion of negotiations on the Comprehensive Convention on International Terrorism. The cooperation in Afghanistan, which was initiated during the tenure of the previous government, will be watched closely in the region and the world. The two Asian powers are also intensifying cooperation and coordination in multilateral and plurilateral organisations, including the UN, BRICS, G20 and SCO.

A separate joint statement on closer cooperation to combat climate change during the PM's visit to China illustrates how the two countries have learnt to manage their bilateral differences to shape ongoing efforts for a global deal at the international summit on

climate change at CoP 21 in Paris in December 2015. This focus on partnership in sustainable development was also reflected in the signing of MoUs in the renewable energy sector. "They underscored the importance of working together and with other countries to conclude an ambitious, comprehensive, universal, balanced and equitable climate agreement at the forthcoming Cop 21 to UNFCCC to be held in Paris later this year that will also encourage genuine technology transfer, collaboration for adaptation and mitigation and financial support in meeting this common global challenge," said the joint statement.

The signing of the 2015-2020 space cooperation programme has opened new vistas of cooperation between the two Asian giants. In a significant development, China for the first time has also taken note of India's aspiration to join the Nuclear Suppliers Group. China has reiterated its support for India's global aspirations, but is still hedging on declaring explicit support for India's candidature for a permanent seat in the UN Security Council. China's declaration of support for India's UNSC seat could be a big breakthrough in transforming bilateral relations and help bridge the trust gap that tends to mar interactions between the two countries.

Looking ahead, one can expect the two Asian giants to transcend the bilateral dimension and enlarge the arc of convergence to shape regional and global agenda by proactive consultations on "developments affecting international peace, security and development." The new narrative of "major powers" engagement, which was articulated during the PM's visit to China, will frame this critical partnership as the two Asian juggernauts leverage their growing economic weight and international profile to carry along the entire region to fructify the promise of an Asian century. There are, however, many pitfalls on the way – the unresolved boundary dispute remains the source of off-andon tensions and trust deficit, which needs to be resolved expeditiously by taking a long-range view of this critical relationship. The widening trust deficit, if it continues at this pace, could derail the expanding economic

Cultural Diplomacy: Connecting Minds and Hearts

In a refreshing development, cultural diplomacy and people-to-people contacts are set to acquire greater depth and resonance in India-China relations in years to come. In this respect, the Prime Minister's recent visit to China sought to position enhanced people-to-people contacts at the heart of the expanding India-China partnership. The staging of a joint Yoga-Tai Chi performance underscores how far the relations between India and China can go if shared cultural linkages are allowed more freedom to shape bilateral relations. On May 15, there was an electrifying atmosphere at the Temple of Heaven in Beijing as Indian children performed Taichi and Chinese children did Yoga in the presence of the Indian Prime Minister and the Chinese Premier. "I appreciate Prime Minister's choice for this programme as this is the Temple of Heaven and if you want to attain heaven, body and mind need balance. Yoga is an art to balance our body and mind. Today frustration is looming large on every part of the world and yoga is the way to tackle this problem," the PM said. "This is an amazing coincidence that Chinese children are performing Yoga whereas Indian children are performing Tai-Chi. This is an amazing medium to connect our cultural heritage. We have to take this further," the PM said. Cultural connections look set to be revitalised through an array of initiatives that include the setting up of the Centre for Gandhian and Indian Studies at Fudan University, Shanghai; the setting up of a bilateral Think-Tanks Forum; the institution of highlevel India-China Media Forum; a Yoga college in Kunming; and collaboration between the Indian Council for Cultural Relations and Yunnan National University on the establishment of a Yoga College.

There is also good news for Indian pilgrims taking the arduous Kailash Mansarovar Yatra. The two sides have signed an agreement that provides an additional route for the annual Mansarovar Yatra through Nathu La Pass in Sikkim, in addition to the existing Lipulekh Pass in Uttarakhand. The route through Nathu La will enable the elderly to travel, as this new route will reduce the hardship and the travelling time considerably.

In a unilateral move that is set to upscale tourism and people-to-people contacts, the Prime Minister announced e-visa facility for Chinese tourists, eliciting a huge applause from students at the premier Tsinghua University in Beijing. Chinese Foreign Minister Wang Yi called it "a gift." "It's a big piece of news. Let's thank the Indian Prime Minister for the gift," Mr Wang said. The ongoing 'Visit India Year in China' in 2015 and the 'Visit China Year' in 2016 is expected to enrich people-to-people interaction. The signing of a pact on joint film production could also be a game-changer in transforming popular perceptions of each other. The popularity of Indian films like Three Idiots and PK show the potential in this area. Popular culture look set to be a powerful connector and bridge-builder between the two rising Asian powers which are interlinked by kindred value systems, respect for family traditions and the emphasis on education _and cultivation of the mind.

relationship. China needs to deliver on its long-standing promise of greater market access to Indian companies, especially in IT, pharma and food sectors. The fruition of China's plans for long-term investments and the setting up of industrial parks is critical to the long-term vitality of the burgeoning economic relationship. The two Asian heavyweights also need to square up their concerns and anxieties about their relationship with third countries. The continued transformation of India-China relations, therefore, has to reckon into account creative ways and out-of-the box solutions to address these festering issues. A journey of a thousand miles, as a Chinese proverb says, begins with a small step. Many small steps have already been taken, and it's time now for the leaders of the two countries to raise the bar, show flexibility and imagination to take large strides to pitchfork the India-China relationship into another dimension and insulate it from pulls and pressures of competitive ambitions and geopolitics.

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NORTH EAST DIARY

RS 325 CR PROJECTS IN GUWAHATI

Ministry of Development of North-Eastern Region (DoNER) has allocated Rs 325 crore worth projects for Northeast, out of which, Rs 200 crore are for projects in the State of Assam and Rs. 125 crore for "Organic Farming Mission" for the entire North-Eastern region. The DoNER projects for Assam include widening of roads and up gradation and establishment of the water supply facilities. The DoNER Ministry will also expedite the construction work of Assam Management Institute and multilevel car parking complex in the heart of Guwahati. DoNER Ministry will also lay emphasis on organic farming as a distinct feature of 'Make in Northeast' plan which would be an expansion of 'Make in India' vision focusing on the farming of fruits and large cardamom in the initial phase.

APPAREL AND GARMENT MAKING CENTRE IN TRIPURA

An Apparel and Garment Making Centre will be set up in Agartala, as part of a landmark initiative announced by the PM in Nagaland. These units will provide employment to a large number of people in Tripura and would lead the large scale production and processing of garments in the region. This project will be a part of the 'Make In India' programme in Textile sector, with focus on the North Eastern States. A Silk Processing and Printing Unit with a project cost of Rs. 3.41 crore is also in the pipeline.

NEW AMMONIA-UREA COMPLEX IN ASSAM ON PPP BASIS

The Centre has given the nod for setting up of a new Ammonia-Urea Complex of 8.64 Lakh Metric Tonnes annual capacity with an estimated investment of Rs. 4500 crore at Namrup in Assam The new plant will be highly energy efficient unit at par with the international standards, equipped with the latest technology. The entire production of urea from this unit will be neem coated . This project will be based on a Public Private Partnership (PPP) basis among Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Government of Assam and Oil India Limited with 11per cent, 11 per cent and 26 per cent equity holding respectively and balance 52 per cent by private/public sector entities. This new Ammonia-Urea Complex aims to meet the growing demand of urea of North-East, Bihar, West Bengal and Jharkhand. It will also ease the long distance transportation of Urea from Western and Central Regions and save the government subsidy on freight. The production of urea from this new unit will be more than double i.e. 3.6 to 8.64 lakh Metric Tonnes per year, that can help India to export Urea and can even contribute to saving Rs. 600 crores annually due to reduction in cost of production and import substitution.

NATIONAL SPORTS UNIVERSITY AT MANIPUR

A National Sports University will be set up in Thoubal district of Manipur, affiliated to the existing North Eastern Regional Centre (NERC) of Laxmibai National Institute of Physical Education (LNIPE), Gwalior. This University will offer courses for B.PEd, MPEd, Diploma / certificate courses in coaching, physiotherapy, fitness, sports management, sports journalism, etc. An area of 163 acres of land has already been taken over by the Government of Manipur and 47-49 acres will be acquired. it is proposed to start the University at the Integrated Sports Complex at Khuman Lampak, Imphal, from the academic year 2015-16. After the necessary infrastructure is built along with the engagement of Faculty, the National Sports University would be fully functional.

MEGA FOOD PARK IN ASSAM

The North East Mega Food Park has been sanctioned by the Ministry of Food Processing Industries in Nalbari, Assam. . The Park aims to provide direct and indirect employment to 6000 people and benefit about 25000-30000 farmers in the Core Processing Centres and Primary Processing Centres ,catchment areas , growers, processors and consumers of Assam and adjoining areas this will prove to be a big boost to the growth of the food processing sector in the State of Assam. The Mega Food Park will leverage an additional investment of about Rs. 250 crore in 30-35 food processing units in the Park and generate a turnover of about Rs. 450-500 Crore annually, This project will have facilities like fully operational industrial sheds for SMEs, industrial plots for lease to food processing units, Dry Warehouse of 10000 MT, Cold Storages of 3000 MT, Common Effluent Treatment plant, Quality Control Labs etc..



25

YE-69/2015

PEACE-CREATING PROSPERITY

PARADIGM SHIFT

Diplomacy for Economic Development

Ram Upendra Das



...it is important to situate economic considerations in international negotiations and foreign policy goals as part of economic diplomacy. In this context, it becomes imperative to *deploy economic diplomacy* as a tool to link India's foreign policy to domestic economic priorities and realise the latent potential of economic development and of becoming a major economic power in the world.



multifarious interactions. These also have important implications for the policy-making processes and marketinduced impulses. Both diplomacy and economic diplomacy assume new meanings in this context.

New Context of Economic Diplomacy

One of the definitions of diplomacy considers it as the application of intelligence and tact to the conduct of official relations between the governments of independent states (Satow, 1961). However, there are new aspects that have got included within the realm of diplomacy over a period of time. First, interactions between countries are no longer predominantly confined to only official level government-to-government relations, instead people-to-people contacts have also grown, facilitated by newer means of communication technologies and travel facilities. Secondly, what used to be the primary scope of interactions between countries in the realm of political, military and strategic alliances is getting increasingly substituted and intertwined with the economic engagements, in the era of economic globalisation and liberalisation. These two characteristics of international engagements, including in the context of India, have brought economic diplomacy to the fore.

Economic diplomacy has also assumed greater importance due to the institutional developments at the multilateral, regional and bilateral levels. These include at times even the disenchantment with the Bretton Woods institutions, as well as the scuttled space for any meaningful economic engagement under the aegis of the UN and the lack of adequate progress in WTO negotiations, including the Doha Round. On the other hand, bilateral and regional economic engagements have proliferated at an unprecedented pace. They have also become more comprehensive in nature by including into economic cooperation the agreements trade in services and investment along with trade in goods. They have been faster to negotiate and

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have emerged as a self-propelling force (Das et al, 2012). These have given more reasons to evolve various strategies of economic diplomacy in different parts of the world and India is no exception.

Imperatives of a Paradigm Shift: Towards Peace-Creating Prosperity

It is important to highlight that there is a need for a paradigm shift in our engagements with other countries if economic diplomacy was to be made more effective. This would mean orienting economic diplomacy to help achieve peace at the bilateral level or in a particular region, and for this to happen, economic diplomacy must be focusing on 'peace-creating prosperity'. This would mean that rather than first attempting at creating peaceful relations with other countries and then taking up higher levels of economic engagements, the efforts should be made in terms of a *reverse causality* whereby economic prosperity through bilateral and regional engagements could be focused to achieve peace which, in turn, could serve as a building block towards achieving global peace. In this context, it is important to refer to the relevant literature which makes this paradigm most pronounced and relevant to the pursuits of economic diplomacy.

According to the French philosopher Montesquieu (1748) peace is a "natural effect of commerce". The Italian economist Pareto (1889) argued that Customs Unions could help to achieve peace between countries. These statements show in fact that regional economic integration can lead to peace dividend among the member countries which was realized long ago (as cited in Schiff and Winters, 2003, p. 189).

More recently, according to Brown et al. (2005), there are a number of arguments that suggest that regional trade integration can bring peace outcomes. Some of them include:

(i) Economic integration makes conflicts more costly for individual states as their trade gains would be affected; (ii) Regional cooperation can help reduce the trade conflict resources such as blood diamonds and illegal timber. For instance, in 1998, the Economic Community of West Africa States (ECOWAS) established the world's first regional moratorium on small arms, banning imports of new weapons without approval from other member states; and (iii) Regional Trade Agreements provide non-military ways to resolve disputes and promote understanding and dialogue between countries.

It is important to highlight that there is a need for a paradigm shift in our engagements with other countries if economic diplomacy was to be made more effective.

According to Lee and Pyun (2009), the "liberal peace" view in political science including Montesquieu, Kant, Angell, and Schumpeter emphasizes that mutual economic interdependence can be a pathway of peace. This implies that bilateral economic interdependence reduces the use of military force in interstate relations. A country is less likely to get involved in a conflict with its trade partner as there is an opportunity cost of losing the trade gain from the agreement between the countries. Moreover, the effect of trade integration on interstate conflict varies depending on characteristics of specific pairs of states. According to Schiff and Winters (1998), trade among neighbouring countries raises the security by building trust and interaction among the countries. Martin et al. (2010) uses a simple theoretical framework to illustrate the different mechanisms at work to make a decision whether to sign an RTA or not. In addition to standard trade gains, political leaders consider two types of peace-promoting security gains: (i) RTAs serving as a political forum which facilitates settlement of disputes; and (ii) RTAs increasing the opportunity cost of any potential war which can reduce trade.

Several trading agreements were designed with an initial purpose of promoting peace in the member

countries. For instance, regional groupings like the Association of South-East Asian Nations (ASEAN) and South Asian Association for Regional Cooperation (SAARC) began with cooperation in non-economic domains and economic agenda in the form of formal trade agreements arrived much later in their deliberations. Similarly, MERCOSUR was originally established to reduce tensions between Argentina and Brazil. In 2000, there were efforts in south- Eastern Europe to create a Free Trade Area designed to promote economic recovery and integration in the war-devastated Balkan region. In 2004, Egypt and Israel signed a trade protocol with US. The deal includes creation of five special zones where Egyptian goods will have free access to US markets. as long as 35 per cent of the goods are the product of Israeli-Egyptian co-operation (Brown et al. 2005). It is believed and argued that given the violent conflicts in Africa, regional trade agreements can prevent the situation by minimizing the sources of conflicts. This would reduce the suspicions among the neighbouring countries. The incentives for membership in the regional agreements could prevent the conflicts among the countries (African Development Bank, 2000).

In sum, the existing literature does highlight that formation of regional trade agreements leads to reduction in military conflicts among the member countries and promotes peace.

Two-way Causality between Domestic and External

There is another very crucial aspect which needs to be highlighted against the backdrop of the above and which is so very relevant in arguing a case for economic diplomacy, and that is the linkage between the domestic economic imperatives and the external economic environment. The causality runs in both the directions whereby both the domestic and external economic parameters get enmeshed. Economic diplomacy is concerned with international economic issues. In principle, this should simplify the analysis. But it is becoming increasingly difficult to draw any clear line between what is 'domestic' and what is 'international'. The growth of economic interdependence since the 1950s, which has accelerated in recent years, means that what was previously considered to be domestic (or European) is now subject to international negotiations (Bayne and Woolcock, 2003).

Given this, it would be important to situate some of the domestic economic development initiatives of India in the external context so that economic diplomacy can be perceived in a more objective manner.

External Dimensions of 'Make in India'

The 'Make in India' initiative of the Indian Prime Minister, fulfils a long-felt need of the Indian economy. However, while it emphasises on manufacturing sector's growth and employment creation, it is often wrongly perceived as having only 'domestic economy' connotations. Be that as it may, the initiative has important external dimensions and the manufacturing sector cannot be seen in isolation from other sectors of the economy. Currently, trade flows of goods and services coupled with FDI inflows and outflows account for more than half of India's GDP, even by any conservative estimates. The external sector's predominance is due to a variety of factors including considerations of comparative and competitive advantages in manufacturing and services; imperatives of foreign capital, technology, skills and managerial expertise, regional value chains, among others. It is imperative that the economics of both the domestic and external dimensions and their mutual interlinkages underlying the 'Make in India' initiative is understood well, especially to orient economic diplomacy and its contours.

It is easy to understand that manufacturing as an 'engine of growth' contributes to both supply-side and demand-side growth outcomes through productivity and employment effects via economies of scale. Studies have found that manufacturing has special growth-inducing properties through specialization in production; innovation and job-creation. Since manufacturing in one country may not always yield growth outcomes due to size of the market constraints preventing reaping the economies of scale i.e. demand side constraints and limited scope for specialisation due to technological and productivity constraints i.e. supply side constraints, regional economic integration across countries through

It is imperative that the economics of both the domestic and external dimensions and their mutual interlinkages underlying the 'Make in India' initiative is understood well, especially to orient economic diplomacy and its contours

trade and FDI becomes a viable option. This is because tariff and non-tariff liberalisation vis-à-vis manufactured goods and liberalisation of regulations in services enhance market access in partner countries, relieving the demand side constraints. On the other hand, supply side constraints could be addressed through regional FDI facilitation which may bring not only financial resources, but also technology appropriate to regional conditions and managerial and technical skills. It is clear, however, that for making manufacturing an engine of growth, an integrated approach towards regional trade and investment integration may be necessary. These, in turn, would contribute to economic development, for which to happen, economic diplomacy will have to take cognizance of the economics of regional integration.

Stretching the analysis further, trade in manufactured goods cannot be stepped up unless institutional mechanisms exist for facilitating concomitant trade in services. For instance, trade in goods is incumbent upon the presence of facilitative services like post-shipment credit, consignment-insurance, bank-

guarantees, shipping services etc. that not only facilitate trade but also contribute to the competitiveness of exports. On the other hand, trade in services in a sector like health is dependent upon trade in goods pertaining to this specific service sector such as medical equipment and medicines that the health service providers are confident of. Thus, any regional trade agreement needs to recognize the two-way linkages between trade in goods and services. However, in reality, the converse of it could also be observed. Given the increasing trend of disconnect between tangibles and intangibles for instance, in the case of real sector and financial sector, trade in goods and trade in services follow their independent growth paths. In any case, the autonomous flows in both trade in goods and services need to be reckoned with. The added argument stems from the fact that cooperation in upgrading infrastructural services help reducing the transaction costs, making products cheaper in the regional context.

It needs to be further acknowledged that the strengthening of tradeinvestment linkages is thus crucial for achieving higher levels of regional trade and for its developmental impact. Such linkages help improving export supply capabilities in the countries of a regional grouping. They are also more employment generating with investment made to take advantage of trade liberalization, regionally. While a Free Trade Agreement (FTA) can spur investment flows in terms of efficiencyseeking regional restructuring, it is the trade-creating joint ventures that ultimately have a decisive impact on regional trade flows. The trade-creating joint ventures are in a position to take advantage of the regional FTA. These have direct implications for the manufacturing sector's growth dynamism.

In this context, if vertical integration and horizontal specialization are also focused upon with the help of cross-country investment flows that strengthen trade-investment linkages, the gains in terms of higher trade and investment flows leading to greater employment generation become possible. This may essentially mean distribution of different stages of production in a particular industry regionally in an integrated manner viz. the vertical integration; and specialization in the same stage of production with the help of product differentiation across the region viz. the horizontal specialization.

Such considerations become important for creating Regional Value Chains (RVCs) in a regional context to achieve the objective of regionally coordinated manufacturing that could serve as the engine of growth with positive implications for employment generation.

One of the primary functions of rules of origin is to prevent trade deflection in FTAs when the different modalities of determining the origin of a product aim at a substantial transformation in inputs. However, what remains unappreciated is that these rules of origin and their modalities together facilitate value-addition in the country of manufacturing and play a developmental role through employment generation effects. This is brought about because value addition in a manufacturing process allows firms to pay wages and salaries to labour, interest to capital, rent to land and profits to entrepreneurs. This means higher the value addition in manufacturing, higher would be the potential to employ all factors of production and not just labour. Higher value addition is the avenue to reap higher profits to entrepreneurs. In short, rules of origin under FTAs can play a developmental role by having manufacturing-augmenting and employment generating effects.

Thus, the 'Make in India' campaign can become a masterstroke if manufacturing is viewed in an integrated manner along with other sectors and if its external dimensions like the rules of origin are properly understood. It is not difficult to highlight that the economics of international engagements must become the basis

Summing up

It is clear from all this that the meaning of economic diplomacy has undergone a major change to include people-to-people contacts and economic engagements among countries, apart from the traditional government level dialogues and political and military engagements. Thus, it becomes more meaningful to use economic diplomacy as an instrument to achieve peace at bilateral as well as regional levels, through greater economic linkages, as is also suggested by the existing literature. It was also noted that it is difficult to draw a clear distinction between domestic and international engagements, as the causality runs in both directions.One such initiative which is perceived to be domestic but surely does have external dimensions is the'Make in India'. Aimed at enhancing the growth of manufacturing sector and creating employment opportunities, this initiative has attracted significant international attention. Given the fact that India is one of the more attractive nations for FDI in the region, an initiative like the'Make in India'can act as a driver to attaining higher levels of economic development. But this requires adopting an integrated approach by linking the manufacturing sector with the other sectors of the economy, and at the same time, having a clear understanding of the connecting external dimensions.

Thus, it is important to situate economic considerations in international negotiations and foreign policy goals as part of economic diplomacy. In this context, it becomes imperative to deploy economic diplomacy as a tool to link India's foreign policy to domestic economic priorities and realise the latent potential of economic development and of becoming a major economic power in the world.

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Needless to say it was your guidance which was instrumental in making me learn Anthropology so well for which no thanks could ever be enough.-----Once again sir, Thanks a lot for being so patient with all my bad answers and silly doubts. The single most important thing for me was the fact that you were always available to scrutinize my answers, every day for the entire 3 year period. -Abhishek(AIR 75)













<u>Our Results</u>	IAS `13	IAS `14
Appeared in Mains	26	30.
Faced Interview	13	18.
Final Selections	07	Awaited

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INDIA & THE WORLD

Defence as Driver of Foreign Relations

Alok Bansal

COLLABORATION



There has been considerable enhancement in defence cooperation of India with various countries of the world. This stems from the bright future that the international community envisages for India, as well as from the growing faith in India's defence forces.

AST one year has seen India scaled new heights in the field of International Relations. Although. there has been all-round improvement in India's performance in almost all fields during this period, it would not be wrong to state that the government's biggest success has been in the field of international relations. It would be no exaggeration to state that India's stature in the comity of nations has enhanced considerably during the one year of the present government. Security and foreign policy are inter-related and consequently, security concerns of a nation state govern its international relations. Defence preparedness is one of the key ingredients of security. This article will highlight as to how, the present government's international relations have been influenced by its security concerns, especially the necessity to enhance defence preparedness of the country.

More significantly, the fact that India is the largest importer of military hardware makes the cooperation in the field of defence even more significant as in the past we have been deprived of military supplies in times of conflict and at other times, to exert pressure on Indian government to change its policies. One of the prime examples of the second issue has been the sanctions imposed on India after Pokharan II. These stoppages have often resulted in blunting of India's defence edge visa-vis its adversaries. The government used India's stature as the largest importer of defence goods, to attract foreign companies to 'Make in India'. The companies would be assured of a big order and cheap labour, while Indian defence would be certain of getting the essential equipment, at the same time, the move has the potential to generate employment and bring in numerous technologies to India. However, as defence technologies are often governed by various restrictive regimes, it is essential that the government interacts with foreign governments so that any road blocks in the path of these technologies being provided to India are eliminated.

The government as soon as it came to power invited the neighbours for the swearing in of the government and tried to assure them that India's large defence forces are not a threat but an instrument to provide them succour in times of natural calamities and other international disasters. Accordingly, Indian armed forces were in the forefront in providing succour to Nepal, when it was hit by a deadly earthquake. Similarly, the citizens of neighbouring countries were evacuated from conflict zones in Iraq and Yemen by Indian defence forces. The year also saw India entering into strategic partnership with

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countries, as well as strengthening the existing strategic partnerships, to strengthen Indian defence.

During the first bilateral foreign tour of the Prime Minister outside South Asia to Japan, he elevated the Indo-Japanese Bilateral relationship to the level of 'Special Strategic Global Partnership' and signed a Memorandum of Cooperation and Exchanges in the Field of Defence. India and Japan also decided to "upgrade" and "strengthen" their defence cooperation while launching consultations to promote military equipment collaboration and accelerate discussions on modalities for the sale of Japanese US-2 amphibian aircraft. The joint communiqué indicated the intent of the two countries to give a new thrust and direction to the defence cooperation, including collaboration in defence technology and equipment and reiterated their shared interest in peace and stability and maritime security. More significantly, Japan lifted ban on Hindustan Aeronautics Limited (HAL) and five other Indian entities, which had been imposed in the aftermath of the 1998 nuclear tests. The two countries also agreed on regular bilateral maritime exercises as well as Japan's continued participation in Indo-US Malabar series of naval exercises. Prime Minister exhorted the Japanese industry to invest under 'Make in India' programme and assured them of all support.

From that trip onwards, every foreign trip of the Prime Minister, Minister of External Affairs, Minister of State for External Affairs as well as trips of foreign dignitaries to India; have resulted in significant deals in the field of defence cooperation. Some of the major developments in the field of defence cooperation are enumerated in succeeding paragraphs.

Indo-US Defence Cooperation

United States is the global super power, which spends almost one third the global expenditure on defence. This coupled with its techonological preeminence makes it the most important country for cooperation in the field of defence. During the year, India and the United States signed a new framework agreement for closer cooperation in defence. The defence framework agreement focuses on taking "appropriate measures to enhance India's defence capability". The 10year defence framework agreement was renewed during the visit of US President Barack Obama in January and was formally signed during the visit of US Defense Secretary Ash Carter to India. The visit also sealed a deal to jointly develop protective gear for soldiers against biological and chemical warfare, and another one for building generators. The projects were cleared as talks were held with Indian leaders to expand security ties between the countries. The United States has become one of the top sources of weapons for the Indian military, upstaging Russia in recent years, and has offered joint development and production of military technologies. Both the projects on protective clothing for soldiers as well as developing the next generation power source for the battlefield will

Prime Minister has expressed hope that US companies, including those in the defence manufacturing sector, would actively participate in the 'Make in India' initiative and set up manufacturing units in India with transfer of technology and links to the global supply chain.

each have \$1 million in funding shared equally by the two sides.

The other two projects under the Defence Technology and Trade Initiative that Dr Carter himself launched before his elevation as Defence Secretary relate to Raven mini-UAVs and surveillance modules for the C-130J military transport plane. India is also eyeing US aircraft launch technology for a carrier it plans to build to replace its ageing aircraft carrier acquired from UK almost three decades ago. The two sides have set up a working group to explore cooperation and will be meeting in the United States. Prime Minister has expressed hope that US companies, including those in the defence manufacturing sector, would actively participate in the 'Make in India' initiative and set up manufacturing units in India with transfer of technology and links to the global supply chain.

Indo-French Defence Cooperation and Rafale Deal

One of the most significant visits of the Prime Minister from the point of view of defence was his visit to France. India and France signed many agreements with bearing on defence and security, including the stalled nuclear project in Jaitapur in Maharashtra, after Prime Minister held wide-ranging talks with French President Francois Hollande. An MoU was signed between Larsen and Tubro and AREVA aimed at cost reduction by increasing localisation, to improve the financial viability of the Jaitapur project. The agreement will also enable transfer of technology and development of indigenous nuclear energy industry in India. Pre-engineering agreements were inked between NPCIL and Areva which intend to bring clarity on all technical aspects of the plant so that all parties (AREVA, Alstom and NPCIL) can firm up their price and optimise all provisions for risks still included at this stage in the costs of the project. Although, the agreements pertain to civilian nuclear energy, but the technologies that are being transferred have immense use in the field of defence as well and will provide a boost to "Make in India" project of the Prime Minister.

The two leaders also held extensive talks for cooperation in the field of space. An MoU was signed between Indian Space Research Organisation (ISRO) and French National Centre for Space Studies (CNES) for extending by two more years data from the Indo-French Megha Tropiques satellite which was launched from the Indian launch vehicle PSLV in 2011. More significantly, an agreement was signed between the two space organizations for cooperation in the areas of satellite remote sensing, satellite communications and satellite meteorology among others.

However, the most significant defence deal was signed, when France agreed to supply 36 Rafale fighter aircraft

in fly-away condition "as quickly as possible", in a government to government deal. Indian Air Force had long back selected Rafale for its requirement of 126 multirole aircraft. Bulk of these were to be manufactured in HAL, after initial 18 aircraft had been imported. However, the deal had got embroiled as the French company was not satisfied with HAL and was not willing to stand guarantee for the aircraft coming out of HAL. This logiam had prevented the execution of the deal. Meanwhile, Indian Air Force started feeling the crunch as its combat potential was getting eroded. With the deal, 36 aircraft will be supplied in the same configuration as had been tested and approved by Indian Air Force and with a longer maintenance responsibility by France according to a time frame that would be compatible with the operational requirement of the Indian Air Force. The government could subsequently, take any decision with respect to the balance and these could possibly be offered to global vendors with "Make in India" as a precondition.

Indo-Russian Defence Cooperation

During last five decades USSR and after its disintegration, Russia has been the primary supplier of defence hardware to India. Consequently, defence cooperation with Russia has always been very significant for India, as it has withstood various tests of time and tribulation. President Putin visited New Delhi on 11 December 2014 for the Annual Summit, which was the first after our new Prime Minister assumed office. In the summit, the Prime Minister mentioned about the Russian built aircraft carrier INS Vikramaditya as an example of burgeoning military cooperation and remarked that "even as India's options have increased Russia will continue to remain it's top most defence partner" signaling the continuation of long term defence relationship.

The two sides agreed on joint production of Mil Mi-17 and Kamov Ka-226 helicopters with Russian technology in India in compliance with the "Make in India" program and also fast forwarding the long pending major projects like the joint development and production of light transport aircraft. Similarly, talks were held on fifth generation joint fighter platform to be jointly developed by Sukhoi and HAL. The final design contract is awaited. Russia agreed to lease another nuclear powered Akulaclass submarine to India after INS Chakra which is already in service.

Recent reports of Pakistan-Russia collaboration in the field of defence, especially the possibility of sale of Russian Mi 35 attack helicopters to Pakistan had raised some apprehensions in India. However, such apprehensions were allayed by the Russian Ambassador to India, when he said that Russia will not do anything detrimental to India's security. Later Putin himself in an interview with a news agency said that 'Russia-Pakistan ties are in India's long-term interest'.

Indo-Australian Defence Cooperation

During the year, India and Australia also established a framework for bilateral security cooperation as they stepped up their defence collaboration for advancing regional peace and combating terrorism among other challenges. Indian Prime Minister and his Australian counterpart Tony Abbott held talks and agreed to establish a Framework for Security Cooperation to reflect the deepening and expanding security and defence engagement between the two countries. They established the framework to intensify cooperation and consultation between Australia and India in areas of mutual interest. The primary focus of this cooperation was maritime security, as reiterated by the Prime Minister in his address to the Australian Parliament, where he stated, "We should collaborate more on maintaining maritime security. We should work together on the seas and collaborate in international forums. And, we should work for a universal respect for international law and global norms."

This call was a follow up on his call for collaboration on maritime security made at the East Asia and ASEAN Summits in Myanmar earlier. Subsequently, an action plan was agreed to by both the Indian and Australian Prime Ministers. According to the action plan, there will be an annual summit and foreign policy exchanges and coordination. The plan includes an annual meeting of Prime Ministers, including on the margins of multilateral meetings. It would also include regular defence ministers' meeting, annual defence policy talks, service to service engagement including regular highlevel visits, annual staff talks, joint training and regular exercises and regular bilateral maritime exercises. It also calls for exploring defence research and development cooperation, including through visits by Australian and Indian defence material delegations and efforts to foster joint industry links.

Most significantly, the action plan includes an annual Joint Working Group on counter-terrorism and other transnational crimes, cooperation in counter-terrorism training and exchanges between experts on countering improvised explosive devices, bomb incidents and technologies and other related aspects. Progress under the action plan will be reviewed through established institutional arrangements, including the Foreign Ministers' Framework Dialogue and the Defence Ministers' meeting.

Defence Cooperation with Other Countries

During the year, India and South Korea agreed recently to step up defence cooperation. In the joint statement issued during Prime Minister, visit to South Korea, seven out of ten points in the joint statement were focused on defence cooperation. These primarily included exchanges between South Korean and Indian shipyards, and their navies. These included building of warships for Indian Navy first in South Korean shipyards and subsequently, in Indian shipyards with their collaboration.

Similarly, during the year, several commercial agreements between Canadian and Indian companies in the field of nuclear energy, aerospace and defence were announced. One commercial agreement involving Saskatchewan-based Cameco will see the company supply India with over seven million pounds of Uranium over the next five years. This deal was made possible due in part to the Canada-India Nuclear Cooperation Agreement negotiated by Indian Government.

Similarly, the defence cooperation with Mauritius, a country, which has traditionally enjoyed very close defence ties with India were also enhanced during the year. During Foreign Minister's maiden trip to the island country on 2 November, 2014 to attend the celebration of Apravasi Divas, cooperation between Indian Navy and Mauritian Coast Guard to ensure the safety and security of the strategically vital Indian Ocean region was on top of her agenda. Three major India warships docked in Mauritian waters, during the celebrations to provide greater teeth to the cooperation between Indian Navy and Mauritian Coast Guard.

Another country with which India has enjoyed close defence cooperation has been Israel. The two countries have collaborated in the field of counter-terrorism and Israel has also been in the forefront of supplying sophisticated defence hardware to India including missiles and unmanned Aerial vehicles. The collaboration expanded during the year and our Minister will be travelling to Israel, within the next year, which will be the first visit by an Indian Prime Minister to the country.

Conclusion

There has been considerable enhancement in defence cooperation of India with various countries of the world. This stems from the bright future that the international community envisages for India, as well as from the growing faith in India's defence forces. More and more countries want to join the Indian band wagon to strengthen their security. In the days to come, this cooperation will increase further and provide the bedrock for "Make in India" programme, which has the potential to transform India.

(with inputs from Varsha Gupta) (E-mail: alokbansal_nda@yahoo.co.in)

J&K WINDOW

UNIVERSITY IN SOUTH KASHMIR

The Centre has approved setting up of two universities by clustering of colleges at Srinagar and Jammu as per the State Higher Education Plan (SHEP) under Rashtriya Uchchatar Shiksha Abhiyan (RUSA). The objective of this plan is to expand the institutional base by creating additional capacity in existing institutions and establish new institutions in order to correct regional imbalances and provide access to quality education in underserved areas. Two new professional colleges at Kathua and Ganderbal are also in the pipeline and existing colleges at Shopian, Samba and Ganderbal will be up graded to model degree colleges .

RUSA has also approved infrastructure grants to 22 colleges including University of Jammu and University of Kashmir and support for vocationalisation of higher education in 20 colleges.





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DO YOU KNOW?

TRIPS

TRIPS stands for Trade Related Aspects of Intellectual Property Rights .It is an international agreement that brings the IPR systems of the world under a common and agreeable set of international rules and regulations to solve the problems pertaining to international piracy and violations related to their use, availability, scope of intellectual property rights and protection of patents. These standards are be amalgamated into the legislation of all World Trade Organization member countries and also should adhere to the principles of the 'most favoured nation' and national treatment.

The main features of the agreement are standard, enforcement and dispute settlement. The agreement has set a specific standard for: the subject-matter which is to be protected, the rights that are to be given and permissible exceptions to those rights and the minimum time duration of the protection. These are dealt according to the most recent versions of Paris Convention and Berne convention.

Enforcement usually involves member countries, adhering strictly to the procedures and solutions laid down under the agreement. Provisions on civil and administrative procedures, border measures, criminal procedures etc must be accessible for the right holders to enforce their rights effectively.

Another feature is the dispute settlement, in which, the WTO member countries settle their disputes by respecting their obligations towards TRIPS through its settlement procedures. Apart from this, there are rules to ensure that procedural complexities and difficulties in obtaining and maintaining IPRs do not outweigh the benefits under the agreement. The members are free to decide the suitable method of executing the provision of the agreement in their own legal system.

There are minimum standards for protection of the property rights for every category. They include Copyright and related rights (of performers, producers of sound and recording, broadcasting organizations), trademarks that include the service marks, industrial designs geographical indications that includes appellation of its origin, patents of the protection of new varieties of plants, the lay out designs of the integrated circuits and even the private and unrevealed information that includes test data and trade secrets. However, TRIPS has most implications in the field of production and usage of drugs, particularly in the developing nations. Usually, an IPR is extended for 20 years from the date on which the patent is filed. But least developed countries are permitted a longer transition time to act in accordance with the provisions under the agreement.

MERCOSUR

MERCOSUR or MERCOSUL is a trading bloc in Latin America that includes countries namely Brazil, Argentina, Uruguay and Paraguay and Venezuela (that was the last nation to join after Paraguay's suspension). They do not enjoy the full voting rights and complete access to the markets of Mercosur's member countries, but they get the benefit of reduced tariffs. It was formed in 1991 with the aim to facilitate the free movement of goods, services, capital and people among its member countries. MERCOSUR has five associate members–Chile, Bolivia, Colombia, Ecuador, and Peru.

A Framework Agreement was signed between India and MERCOSUR in Paraguay. The aim of this Framework Agreement was to create conditions and mechanisms for negotiations in the first stage, by granting reciprocal tariff preferences and in the second stage, to negotiate a free trade area between the two parties according to the rules of the World Trade Organisation. It was followed by signing a Preferential Trade Agreement (PTA) in New Delhi in 2004. The aim of this Preferential Trade Agreement was to expand and strengthen the existing relations between MERCOSUR nations and India and to further encourage the expansion of trade by sanctioning reciprocal fixed tariff preferences to create a free trade area between the parties. The India-MERCOSUR PTA had five annexes that were finalized during the during six rounds of negotiations after accomplishing the G-20 Meeting in New Delhi in 2005. In financial year 2012-13. India's trade with Latin America as a whole was US\$ 46.7 billion. The region accounts for around 6per cent of India's global trade, out of which the 60 per cent share belongs to MERCOSUR (Argentina: US\$ 1.7, Brazil: US \$10.9 billion, Paraguay: US\$.09 billion, Uruguay: US\$ 0.17 billion, Venezuela: US\$ 14.35 billion).

The major product groups covered in the offer list of MERCOSUR were food preparations, organic chemicals, pharmaceuticals, essential oils, plastics & articles, rubber and rubber products, tools and implements, machinery items, electrical machinery and equipments

Organic & inorganic chemicals, dyes & pigments, raw hides and skins, leather articles, meat and meat products. Wool, cotton yarn, electrical machinery and equipments, , articles of iron and steel, , photographic & cinematographic apparatus, machinery items, , optical items, and glass and glassware were the major products covered in the list that India offered the MERCOSUR countries.

(Compiled by Vatica Chandra, Sub Editor) (E-mail: vchandra.iis2014@gmail.com)
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ON THE GLOBAL STAGE

Multilateralism in Retreat: Is Regional Cooperation the Way Forward?

Dilip Sinha



India's International Yoga Day initiative is one small step and a good example of building international consensus and using multilateralism to promote a national ideal. It has been a resounding success. India's resolution was co-sponsored by a record 175 countries and was adopted by consensus in the UN General Assembly.



East-West relations and the persistent global financial crisis are straining international relations

ENEWED tension in

and choking multilateral organisations. The enthusiasm over globalisation and democracy in the early 1990s has faded. High unemployment, rising inequality and religious conflicts have dampened the spirits of even the most ardent supporters of globalisation.

The inability of the international community to bring stability to countries like Afghanistan, Iraq, Libya and South Sudan despite ambitious plans has discredited such interventionist policies. If anything, developing countries are now more cautious, if not downright suspicious, of the intentions of Western countries in such initiatives. The chaos in these and other countries has caused a humanitarian catastrophe and unleashed a flood of refugees.

The rise of powerful international terrorist organisations, capable of capturing and holding territory, and recruiting and fund raising across continents, presents a new kind of threat to the global order. The current multilateral organisations were created as part of the global order after the Second World War. They survived the Cold War and the rivalries of its military alliances and economic organisations. But is the East-West divide today finally giving them the chills? And can the existing multilateral framework withstand yet another challenge?

SOFT DIPLOMACY

The Return of East-West Tension

The East-West tension has an eerie feeling of déjà vu. The end of the Cold War appears to have been just an interlude. At the G-7 summit in Schloss Elmau in Germany on 7-8 June, the leaders of the seven Western countries sent a stern message to Russia on Ukraine: they were not willing to accept its annexation of Crimea and stood "ready to take further restrictive measures in order to increase cost on Russia". President Putin, however, is in no mood to give up Crimea. It is inhabited by people of Russian origin who chose to break away from Ukraine and voted overwhelmingly to join the Russian Federation in March 2014. Putin also sees no reason to stop sending assistance to the people of Russian origin in eastern Ukraine. Russia is unhappy with the West for expanding its military alliance, NATO, to right under its chin. As many as ten members of the erstwhile Warsaw Pact are now members of NATO. Russia feels threatened and is consolidating its relations with China for both political support and commercial benefit.

The sanctions on Russia have imposed costs on the EU as well.

The author was India's ambassador to the United Nations in Geneva and to Greece. He was also the head of the divisions in the Ministry of External Affairs looking after international organisations and Pakistan, Afghanistan and Iran. He also served in Germany, Egypt, Pakistan, Brazil and Bangladesh.

PM participated in the G20 Summit of the world's leading economies held in Brisbane in Australia in November 2014. G20 backed PM's suggestion for G20 coordination for repatriation of black money and transparency of taxpayers's specific rulings. - G20 joint communiqué focused on employment generation and growth oriented agenda. - Support of G20 for PM's suggestion for setting up a global centre for renewable energy. - G2O's leaders' Joint Communique welcomed the breakthrough in understanding between the US and India on full and prompt implementation of the Trade Facilitation Agreement that includes provisions on food security.

Russia is its third largest trading partner and the source of a third of its primary energy imports. Europe had steadily increased its oil and gas imports from Russia to reduce its dependence on the volatile Middle East. It also found a lucrative market for its high-end products in Russia's rising prosperity. Trade between the two reached its peak in 2012 and though the EU has been trying to reduce its dependence on Russia for its energy needs, progress has been slow because of lack of competitive alternatives.

China is also being targeted by the West in a fallback to the early days of the Cold War, before the Sino-Soviet split. Though not named by the G-7 leaders, the reference to it in their declaration is clear, "We are concerned by tensions in the East and South China Sea. We underline the importance of peaceful dispute settlement as well as free and unimpeded lawful use of the world's oceans. We strongly oppose the use of intimidation, coercion, or force, as well as any unilateral actions that seek to change the status quo, such as large scale land reclamation."

So is the Cold War back? Experts are reluctant to say so and with good reason. The world is nowhere near the kind of tension and brinkmanship that prevailed in the aftermath of the Second World War, when the world stood on the precipice of a third May. We are far more integrated today. The rhetoric is still muted, tempered by numerous common commercial interests. Countries continue to use international organisations to discuss their problems. But it cannot be denied that there has been a distinct lowering of temperature and resolve in these organisations as they try to cope with the cold vibes among the big powers. They are finding it difficult to take decisions and countries are falling back on their regional groups for cooperation.

The G-20

The experiment of inviting a dozen odd emerging economies to discuss global financial issues led to creation of the G-20 in 1999. This group proved useful in dealing with the global financial crisis in 2008. It continues to meet periodically but is no longer the main forum for global action. The calls made in the G-20 Brisbane Communiqué as recently as in November last year have gone unheeded. One of its key appeals was the early implementation of the 15th General Review of Quotas agreed to in 2010 on quotas and governance reform in the International Monetary Fund. "If this does not happen by year-end, we ask IMF to build on its existing work and stand ready with options for next steps", the communiqué said. This is still languishing even though all the key countries responsible for approving the change are members of G-20.

UN Security Council

At the United Nations, the Security Council's post-Cold War activism has come to an end and it has gone back to adopting rhetorical resolutions with humanitarian appeals, while conflicts rage unhindered. Its last new peacekeeping mission was to South Sudan in 2011. That was also the last time it authorised military action, in Libya, albeit in a questionable manner. The bombing of Libya by a West-led coalition marked the end of two decades of cooperation among the five permanent members in the Security Council. Russia and China have since not allowed such a resolution to be passed. They vetoed a resolution condemning Syria in March last year and have blocked authorisation of military action against it.

Talk of Security Council reform has also moved off the main table. UN Secretary General Boutros Boutros-Ghali's report, An Agenda for Peace, submitted to the Security Council in June 1992, triggered talk of reform, which reached its peak in 2005. While most members, including some permanent members, agree on the need to reform, there is no consensus on its content. Thus, the Security Council prods along, divided and devoid of universal respect for its authority.

The Return of the G-7

The Western countries have gone back to the G-7, the consultative club formed by them in 1975, for their internal consultations. The experiment of including Russia to form the G-8 has been abandoned. This has impacted the tone and content of its declarations. The moderation in language due to Russia's presence has been missing since last year when Russia was expelled and the summit venue was shifted from Sochi to Brussels. Not only are Russia and China targeted now in G-7 declarations but the attitude to the demands of developing countries has also hardened.

The G-7 declaration at Elmau sets out the West's agenda for the world, though the ability of the Western countries to push it through multilaterally is questionable. Trade talks are a useful illustration. The 15-year old Doha

UN

✓ PM participated in the UN General Assembly (UNGA) in New York in September 2014. His maiden speech at the UNGA focused on UNSC reforms and enhanced collaboration in combating a host of crosscutting challenges, including, terrorism and climate Change. ✓ PM made a strong pitch for fast-tracking the UN reforms and India's candidature for permanent membership of the UN Security Council. ✓ The UNGA declared June 21 as International Yoga Day, barely 75 days after PM's stirring address proposing this pioneering idea. round of trade talks in the World Trade Organisation, ambitiously called the Doha Development Round, is likely to lose its way now that the West has extricated the Trade Facilitation Agreement from it. The G-7 has called for early ratification of the agreement so that it can come into force by the WTO ministerial conference in Nairobi in December. There is no such urgency shown for the remaining issues that had been included in the round to warrant it being called a development round.

The Elmau declaration presses for plurilateral agreements which select groups of countries, can sign amongst themselves. Nevertheless, there is the routine disavowal of any desire to undermine the global trading system. "While strengthening the multilateral trading system remains a priority, we also welcome ongoing efforts to conclude ambitious and high-standard new bilateral and regional free trade agreements and look forward to swift progress in plurilateral negotiations, including Trade in Services (TiSA), the expansion of the Information Technology Agreement (ITA) and the Environmental Goods Agreement (EGA)," it states. Also welcomed are the Trans Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) which some Western countries are keen on. The declaration contains the reassurance that these agreements will be "transparent, high standard and comprehensive" and will be "consistent with and supportive of the WTO framework". But the WTO was set up two decades ago to avoid the global trading system becoming a bowl of noodles.

Climate Change Diplomacy

The climate change talks will enter a new phase with the 21st Conference of Parties (CoP-21) of the UN Framework Convention on Climate Change (UNFCCC) due in Paris later this year. A new agreement is expected to be finalised in Paris formalising the "intended nationally determined contributions" of each country for reducing greenhouse gas emissions. The declared goal is to keep the increase in global average temperature to below 2 degrees Celsius in 2050, but it remains unclear how the voluntary "contributions", as these pledges are being called, will add up to the required reduction in global emissions. The IPCC has estimated that it will require a reduction of between 40 per cent and 70 per cent by 2050 over 2010 for the 2 degree goal to be met.

It is now apparent that the principle of "common but differentiated responsibility" enshrined in the UNFCCC in 1992 will be shelved. So too will the idea of top-down emission-reduction targets as set in the Kyoto Protocol of 1997. The developed countries whose accumulated carbon emissions are responsible for global warming are not willing to make room for new arrivals. The new arrivals must make do with the limited atmospheric space remaining for carbon emissions. They cannot expect any concessions in transfer of environment-friendly technologies. They must buy these commercially. What remains to be seen is whether the funds promised by the Western countries at the Copenhagen Summit in 2009 to broker the new agreement will materialise. What is clear is that developing countries will have to now pursue their developmental goals with the added burden of meeting tough emission norms and ceilings.

Such a global environment is hardly conducive to promoting development cooperation. Countries like India, which are seeking foreign investment and export markets to accelerate their economic growth, face an uphill task. They are stymied by developed countries mired in their own anaemic growth and uncompetitive economies. These countries are not only reluctant to give aid, but are also unwilling to open their markets, especially to agricultural products. They use a variety of sophisticated methods to protect their companies from foreign competition and are building a case for environmental and labour standards and intellectual property laws to further strengthen these.

India's Neighbourhood Diplomacy

It is also not a good time to seek reform of multilateral organisations.

BRICS

✓ PM participated in the BRICS Summit in Fortaleza, Brazil in July 2014, his first major visit outside the Asian continent ✓ Setting up of the New Development Bank by BRICS with initial subscribed capital of US\$ 50 billion ✓ An Indian became the first President of BRICS Bank ✓ Signing of the Treaty for the establishment of the BRICS Contingent Reserve Arrangement (CRA) with an initial corpus of US\$100 billion ✓ Signing of the MoU on Technical Cooperation among BRICS Export Credit Guarantees Agencies. ✓ Sealing of the BRICS Inter-Bank Cooperation Agreement on Innovation.

Countries are inevitably turning to regional groups to protect their political and economic interests. In these circumstances. India has done well to focus on its neighbours, mend fences and promote economic cooperation with them. Its foreign policy is keeping pace with this trend of reinforcing ties with friends and neighbours in such difficult times. Apart from the bilateral efforts like resolving the long-standing border dispute with Bangladesh, it has taken the successful multilateral initiative of a four-nation motor vehicles agreement among Bangladesh, Bhutan, India and Nepal.

Looking beyond its immediate neighbourhood, India is hosting 54 African countries at the India-Africa Summit later this year. This will be the largest gathering of foreign leaders in India since the NAM summit in 1983. This is despite the fact that India is handicapped by its inability to compete with China in giving financial aid to these countries and the phenomenal capacity of Chinese companies in infrastructure projects. India's strengths are in human resource development and in information technology and it will have to leverage these to its best advantage.

BRICS

In international finance, India is extremely active in BRICS. Its proposal to set up a BRICS development bank has been adopted by the organisation and the New Development Bank, as it has been named, is expected to be operational from next year. As agreed, its first President will be from India. The bank will start with a capital base of USD 50 billion and will fund development projects. A currency reserve arrangement to help countries meet balance of payments requirements is also being set up.

These BRICS initiatives were necessitated by the West's refusal to give other members a voice commensurate with the size of their economy in the running of the existing global financial institutions. The onerous and arbitrary environmental and human rights conditionalities imposed by these institutions have long irked developing countries and the new BRICS institutions offer welcome alternatives.

India is not alone in pursuing and promoting regional collaboration. China is using its new economic might to set up its own development bank, the Asian Infrastructure Investment Bank with a capital base of USD 100 billion. 57 countries, including India, have already joined it. The United States, at the expense of the World Trade Organization, is working arduously to negotiate a Trans-Pacific Partnership, a trade and investment agreement to spearhead closer economic relations amongst select countries in the Americas, Oceania and Asia.

International Yoga Day Initiative

India's long established tradition of support and enthusiasm for multilateralism, in particular for the United Nations, has induced it to make an unorthodox effort to bring the people of the world together in an activity that is as individual as it is social. Answers to the larger global political, economic and environmental problems will never be easy to find. They are as much a responsibility of multilateral organisations and countries as of individuals. Building awareness of what each can do is essential for a beginning to be made. India's International Yoga Day initiative is one small step and a good example of building international consensus and using multilateralism to promote a national ideal. It has been a resounding success. India's resolution was co-sponsored by a record 175 countries and was adopted by consensus in the UN General Assembly.

This was a deft display of soft diplomacy by a country that has shaped the orientation of the United Nations over the decades, transforming it from a protector of the status quo of the post-War world to an agent of change, promoting decolonisation, combating racism and championing development. In a world ravaged by over-consumption of natural resources, this ancient Indian philosophy of living in harmony with nature has instant resonance with the youth and the forward thinking.

While it is still too early to determine how successful many of the above regional initiatives will be, it is fair to conclude that they are chipping away at the mandate and purpose of the Second World War-era multilateral institutions. The onus now lies on the West and the power elite within such organisations to revamp their multilateral framework to reflect the reality and needs of the new international arena. To not do so may well risk multilateralism and its associated institutions retreating, into irrelevance.

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ACHIEVERS & BRIDGE BUILDERS

OUTLOOK

Indian Diaspora : Building Confidence

...Indians abroad have a deep and abiding love for their motherland. Their emotional attachment to their roots is palpable and real. Events of the last one year have fired their imagination and filled them with a new excitement and enthusiasm. To harness these energies for common and mutual good, developments in India, specially in the economic and social spheres, will have to be directed along positive channels so that hopes that have been raised and aspirations that have been created are not belied.



ndians have been making forays into different parts of the world since time immemorial but Indian immigration

to foreign lands is of recent origin. A hundred and fifty years ago, they were taken to foreign shores in Africa, the West Indies and the island states of the Indian Ocean by British colonialists who realised their potential for hard work and intelligent industry. Later, they left for reasons of economic betterment to North America, Europe, South East Asia and the Middle East, and vet again for reasons of education and higher studies to countries of the West. Today, they are prized the world over for their Information Technology skills and sharp financial instincts.

The early years of indentured labor tell a tragic tale of endless, rigorous manual hard work, alienation and loneliness, far away from home. In the dark nights of those years what kept them going was their faith and their cultural moorings. From that nadir they rose, like the sphinx, to occupy the highest positions in the administrative, financial and political fields in the countries of their adoption - all through the dint of their hard work, initiative and enterprise. In a number of these countries, the heads of state and govt. have been of Indian origin.

Shashi Uban Tripathi

Today, the Indian Diaspora numbers more than 20 million and is spread across the globe. There is hardly a place on earth where Indians are not to be found. Even in the icy wastes of Arctic Canada, one was accosted by a man of Indian origin who had migrated there from East Africa, married an Innuit woman and was running a prosperous guest house for tourists!

India became aware of the power and reach of the Diaspora more than a decade ago and realised how strong its bonds were with its ethno-cultural roots. There is something magnetic about India and Indian culture. Once an Indian always an Indian. The food, the music, the dance, the language, the festivals, the philosophy, the value systems - all these are guarded by Indians abroad with zeal. A sense of extended family further fortifies these roots. At the same time, coming as they do from a multi-cultural, multi-ethnic, multi-religious society whose motto has been "Vasudhaiva Kutumbakam"- all the world is one family - they are able to adapt to whichever environment or country they may find themselves in.

Today, the Indian community in the USA is hailed as one of the most

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Diaspora

- To make it easier for diaspora to visit India and feel more connected PM announced the merging of NRI/OCI cards giving lifelong visas to OCIs and doing away with the police registration upon their visits to India.
- Easing diaspora investment in India for funding flagship schemes of the government such as the Swachh Bharat Kosh and Clean Ganga Fund.
- Pilot launch in 5 GCC countries of MADAD – an online grievance monitoring system for diaspora which allows for time bound redressal, tracking, monitoring and feedback of issues.
- The 13th Pravasi Bharatiya Diwas held at Gandhinagar, Gujarat Jan 7-9 2015 commemorated the 100th anniversary of the return of Mahatma Gandhi to India from South Africa. It was attended by over 4000 delegates.
- Launch of 'Bharat ko Jaano' and 'Bharat ko Maano' programmes to make the diaspora youth aware of the rich cultural past of India and the current achievements of the country.

law-abiding, educated and affluent groups. It tops the bracket of highest income earning families. It has come to India's aid in times of crisis and natural calamities. During the 2001 Gujarat earthquake, the Indian diaspora in the USA came in droves with help in cash and kind. Another case study of high profile diaspora is Mauritius, where almost 60 per cent of the population, including the Prime Minister, is of Indian origin and runs the politics and the administration of that country most successfully. The fervour with which religious festivals, specially Shivratri, are celebrated, is to be seen to be believed.

About a decade ago, the concept of Pravasi Bhartiya Divas took shape. The idea was to create a platform where Non-Resident Indians (NRIs) and persons of Indian Origin (PIOs) could gather to network and exchange experiences for mutual benefit. As a result, many useful tie-ups across continents became a reality. It also provided an occasion where India could showcase its progress and invite its long-lost sons and daughters to participate in its growth story. It was a win-win situation for all.

India's children abroad, no matter how successful they may be, hanker for recognition from home, much like a child seeking approbation from its parents. The awards instituted for NRIs and PIOs and the Honours bestowed on them show how proud the mother country is of their achievements. Indian leaders on trips abroad have invariably made it a point to meet up with members of the Diaspora. The Prime Minister during this last one year has maintained the tradition, and his interaction with Indians abroad has been marked by mutual regard and admiration. By now, the importance of cultivating this community has been widely recognized. They are vital stakeholders in the fortunes of the country for more reasons than one. An overwhelming majority, specially from the UK, the USA, Canada and West Asia have families back home in the shape of wives and children and old parents, to whom they send money. Recent figures show that the largest repatriation of funds globally, is by Indians to the mother country, outdoing the Chinese, who were leading in this field for many years.

Similarly, expatriate Indians are a source of FDIs. Today, a number of them head corporates and Multinational Companies and are in a position to influence decisions in favour of manufacturing in India or operating out of India or investing in sectors of the economy which desperately need an infusion of capital.

Most importantly, they form a bridge of goodwill that can cement ties between India and their country of adoption. As they represent a high profile community, they are in a position to act as pressure groups to lobby their respective governments in the matter of issues affecting India's vital interests. Over the years, they have become aware of the clout they can wield. During the negotiations on the Nuclear Deal, the Indian community in the US launched a campaign to neutralize anti- India propaganda instigated by vested interests inimical to our country. Indications are that they are becoming politically mature and learning to safeguard causes that are dear to them. In this, they seem to be taking cues from the powerful Jewish lobbies that protect Israel's interests in the corridors of American power.

The Prime Minister seems to be deeply cognizant of these facts. His address to the Indian community at the Madison Square Gardens in New York, during his visit to the USA, in September last year, reflected his regard and respect for the diaspora whom he apprised of the latest developments back home, as also his ideas and vision for the India of tomorrow. In response, the community gave him an overwhelming welcome, reserved hitherto for rock stars. Around twenty thousand persons packed the prestigious theatre and overflowed on to the streets outside. Chants of 'Modi', 'Modi' rent the air. It was unprecedented. Ordinary Americans, think-tanks, and media alike were surprised and unbelieving.

But there was a simple explanation. The diaspora had avidly followed last year's general elections in India. The overwhelming mandate received by the present Govt. showed the people's approval of the twin issues of Development and Good Governance that formed the crux of PM's election campaign. Indians abroad also relate to these issues which affect them directly or indirectly. This explains their faith in the new political dispensation in India and their hope that India's growth trajectory will once again start looking upwards and the quality of life for their loved ones back home will improve. In that sense, though they live and work abroad and may even hold the passport of a different country, their aspirations for India are the same as those held by the citizens of this nation.

The PM was seen as something of a saviour. Their hopes are that his dynamic words and practical ideas will translate into actions that will read inclusive prosperity for all Indians and will give India its rightful position in world affairs and its destined place at the Global high table.

The Indian diaspora in Canada, as in the USA, similarly gave the Prime Minister a rousing reception. Indians in Canada form an important community that has been living in the North American country for the last one hundred years or so. The difficult days of the "Kamagata Maru", when they landed on the West Coast of Canada with practically nothing more than courage in their hearts and a prayer on their lips, are a thing of the past. Today, they are acknowledged for their qualities of head and heart which make them a highly respected group. At around one million strong, they form almost three per cent of the population. They, similarly, play an important role in the country's politics, having held Ministerial and other significant executive posts. Their meeting with the Prime Minister in Toronto, this year, and the rousing reception they gave him, was like a pledge of support to the country of their birth. Its significance cannot be lost given the background of India's relations with Canada which have been characterized by highs and lows. The nadir was reached when, on that fateful day of 23rd June, 1985 Air India's "Kanishka", on a flight from Toronto to Delhi blew up off the coast of Ireland killing all 329 people aboard. This terrorist attack gave a setback to India-Canada relations which began to mend only after the Canadian establishment shed its initial reluctance to take punitive action against elements being used by India's enemies to create trouble. The present highly successful visit of the Prime Minister cemented diplomatic ties with a country with which we have so much in common - a colonial past, parliamentary democracy, multiculturalism, and, of course the English language. During this visit, a number of significant agreements were signed, the most important being Canada's promise to provide 3000 metric tonnes of Uranium for our nuclear power plants over a period of five years. This is a real breakthrough considering Canada was among the harshest critics of our nuclear programme.

In conclusion, it is not an exaggeration to say that you can take an Indian out of India but you cannot take India out of an Indian. The Indians abroad have a deep and abiding love for their motherland. Their emotional attachment to their roots is palpable and real. Events of the last one year have fired their imagination and filled them with a new excitement and enthusiasm. To harness these energies for common and mutual good, developments in India, specially in the economic and social spheres, will have to be directed along positive channels so that hopes that have been raised and aspirations that have been created are not belied.

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INTERTWINED DREAMS

ACT EAST

Re-orienting East Asian Relationships

Sunanda Dikshit



...since the end of the cold war, India has built relationships with its eastern neighbours in a manner that helps both sides meet a variety of needs. The multi directional interaction and dependence has now developed to a point where India and the 20odd countries (excluding Pacific Islands Forum) can begin exploring new vistas of cooperation towards its eastern neighbours was a significant indicator of de-ideologisation that followed after the end of the Cold War. India began the 'Look East Policy' in 1991 and recently renamed it 'Act East' Policy in an acknowledgement of the maturing of security, trade, economic and transportation linkages with 10 members of the Association of South East Nations (ASEAN) and its eight ``full dialogue partners'' or observers.

NDIA'S reorientation

The Indian subcontinent's ancient linkages with some ASEAN countries had led to cultural and demographic footprints with the advent of the Chola rule. These centuries-old linkages however, could not translate into close political relations with all the ASEAN countries because of the advent of colonialism. The cold war caused further divisions among South East Asian countries. ASEAN, in fact, began as a cold war institution to counter what they saw was expanding influence of Vietnam and the Communist ideology.

This approach began changing from 1991 with the Look East policy. A diplomatic mission was set up in Brunei, the only ASEAN member where there was none, Foreign Ministers of Thailand and Malaysia were among the first to arrive while traditional allies like Vietnam were assured that friendly ties will continue. The focus also began enlarging from South East Asia to the Korean peninsula, China, Japan and Australsia.

ASEAN also began reorienting itself to the change in international circumstances. Formed in 1967 with five members --Thailand, Malaysia, Singapore, the Philippines and Indonesia – it included Brunei as the sixth member in 1984. ASEAN expanded to its current size of 10 members after the mid-nineties with the inclusion of Laos, Cambodia, Vietnam and Myanmar, collectively known as LCVM.

ASEAN's membership has remained static at 10 but it has close cooperation with regional and other countries. India figures in the 18member East Asia Summit that has the 10 ASEAN members and China, Japan, South Korea, New Zealand, Australia, the US and Russia. India is also a part of the 25-member ASEAN Regional Forum. India discusses security and defence matters with the grouping at the ASEAN Defence Ministers' Meeting Plus. In addition, India has a separate Summit meeting with ASEAN besides sectoral meetings such as between economic ministers.

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India saw a closer relationship with ASEAN as part of a broader matrix of trade, defence and energy ties with as many countries as possible on its eastern flank. Many export oriented countries and their influential corporate also saw closer relations with India translating into opportunities in large market undergoing an economic opening up.

The relationship with ASEAN deepened in 2002 with the holding of India-ASEAN summits. Earlier, the status of full dialogue partner to India in 1996 broadened the range of subjects under discussion. Today, the relationship has deepened to a large extent. India has especially posted an Ambassador to exclusively interact with the ASEAN Secretariat in Jakarta.

Many ASEAN-east Asian countries including South Korea, Japan, Singapore, Malaysia and Thailand responded early to the opening up of Indian markets. In 2009, India signed the Free Trade Agreement (FTA) in Goods with ASEAN and over the next two years, it was gradually implemented by all countries. In 2014, it signed the FTA in services and investments. It is slated to be operational later this year and could benefit India due to its strength in the services sector.

India is now discussing Regional Comprehensive Economic Partnership (RCEP) with the 10 ASEAN members and five other dialogue partners – China, South Korea, Japan, Australia and New Zealand. This is India's most ambitious FTA with enormous possibility for India as the 16 countries together account for a quarter of the world's economy.

The moral force of ASEAN is evident from its influence on gradual democratisation of Myanmar, one of its members. China also discusses issues relating to security and signed a declaration on code of conduct in South China Sea which signalled the gradual evolution to the politicomilitary sphere. India also continued engaging with ASEAN countries on a bilateral basis. The enhancement of trust translated into development of security and defence ties with countries such as Malaysia, Indonesia and Singapore besides continuation of old partnerships with countries such as Vietnam.

India also intensified the bilateral approach to other countries on its eastern flank. An agreement on avoiding friction on the border was signed with China in 1993, during the early days of the Look East Policy, as was the open invitation to Asian corporate to invest in India. The success in attracting investments encouraged India to pursue with the task of vitalising ties with other regional countries all through the 90s. This was the first phase of India's Look East policy.

The importance of humanitarian and disaster relief (HADR) between friendly armed forces was highlighted in operations after the Tsunami of 2004 when the Indian Navy provided succour to those affected in Indonesia and Sri Lanka besides its own islands and coastal areas.

The second phase of the Look East policy was marked by a number of international events such as the attacks of September 2001 and disturbances in Afghanistan broke down residual mistrust of each other in the security sphere. Indonesia and India undertook coordinated patrolling of the Malacca Straits, a narrow passage for valuable maritime cargo and susceptible to a blockade. The importance of humanitarian and disaster relief (HADR) between friendly armed forces was highlighted in operations after the Tsunami of 2004 when the Indian Navy provided succour to those affected in Indonesia and Sri Lanka besides its own islands and coastal areas. All countries encouraged more HADR exercises leading to greater interaction among the militaries. While Vietnam will shortly receive four patrol boats, due to paucity of land, Singapore armed forces hold some of their drills in India and there is close cooperation with Malaysia and Indonesia with respect to Russian equipment. The Indian Navy's frequent exercises and port calls have deepened its understanding of maritime sea routes.

The biggest boost to India's relationship with east Asian countries came with the Indo-US civil nuclear agreement in 2005. This was the first such agreement signed by the US with a country that is not a signatory to the Nuclear Non-Proliferation Treaty (NPT). The agreement with the US acknowledged India's record as a non-proliferator of nuclear weapon technology.

There were other developments as well. Anti-Japan riots in China and China's aggressive activities in East China and South China Sea, hastened the thinking among the affected countries such as Japan and South Korea to deepen strategic ties with India in order to balance the emergence of a more militarised China in their backyard. The US also responded to China's emergence by announcing a pivit towards the Asia Pacific.

Japan, South Korea and Singapore signed separate Comprehensive Economic Cooperation Agreement with India. Japan in particular, became a bigger investor in India's infrastructure sector with its financing of the ambitious eastern and western dedicated freight corridor projects. When complete, they will improve the efficiency of the Indian industry by drastically reducing the transportation time between the ports and production centres. These countries also stepped up the pace of high level interaction with India and signed more advanced defence and security agreements that also envisaged cooperation in advanced defence equipment. Other ASEAN countries also stepped up the content in their security and defence partnerships with India. India assisted Malaysia in inducting the advanced

Sukhoi-30 MKM fighter jets which it had been operating for over two decades. New Delhi and Jakarta also diversified their defence agreement to include cooperation in defence equipment.

The biggest change was in India-Japan defence and security ties. As Japan began changing its pacifist constitution, it decided to make an exception to its long standing policy of not exporting defence equipment by agreeing to sell India its advanced amphibious aircraft Shinmaya 2 which has dual military and civilian applications. Besides India, Australia is the only other country for which it has loosened it stringent defence export rules.

The extent of strategic consultations began widening. South Korea signed a defence agreement as well as a civil nuclear pact while its ship building companies began taking interest in joint ventures to modernise Indian Navy. For the first time, India began holding consultations with Japan in the 2 +2 format which mean a joint meeting of Defence and Foreign Secretaries of both countries. Japan also overcame its opposition to India's nuclear tests in 1998 and resumed overseas development assistance (ODA).

By stepping up its engagements with Japan and South Korea, India began setting its sights beyond the ASEAN community. China and India continued to remain with a large number of high level meetings held every year. These resulted in more agreements to avoid an eye -ball to eye ball confrontation between patrols in areas on the unmarked border that are claimed by both sides. Both sides also overcame their long standing suspicions about each other and opened up trade and investment. Cash rich Chinese companies began entering the infrastructure sectors with equipment financing offers while talks on investing in the Indian Railway sectors are entering a decisive phase.

India also leveraged the ancient cultural, ethnic and religious links while engaging with many Buddhist countries such as Cambodia. Laos. Vietnam, Thailand, South Korea, China and Japan. ASEAN countries were among the first beneficiaries of India visa-on-arrival that has increased tourism, especially religious, from these countries. India also gave a fresh lease of life to Nalanda University, a joint effort of many East Asian countries to revive the ancient seat of learning at Rajgir in Bihar. A Padma Bhushan awardee and former Singapore Foreign Minister George Yeo, 60, became the new Chancellor of the university replacing the 81year-old Amartya Sen.

Look East Policy's second phase has recently ended with India consolidating the groundwork it had done in the 90s. With the time for operationalising many aspects of the policy, especially connectivity coming near, India has renamed Look East as Act East Policy.

With the stabilising of ties with ASEAN, India turned its attention to Australia, New Zealand and the large number of Pacific Island countries. Australia reversed its policy of not selling Uranium to India which is not a signatory to the NPT and became an active participant in meeting India's energy requirements especially in coal and compressed natural gas. The relocating of a large Indian diaspora to Australia on student and work visa permits followed by permanent residency further consolidated bilateral relations. Attention was also given to developing closer ties with New Zealand. As an extension of the Look East Policy, India from 2012 began engaging with the 16-nation Pacific Islands Forum including Fiji with a large Indian population.

Look East Policy's second phase has recently ended with India consolidating the groundwork it had done in the 90s. With the time for operationalising many aspects of the policy, especially connectivity coming near, India has renamed its Look East as Act East Policy.

Besides moving through the fourm of ASEAN as well as by bilateral engagements, India's foreign policy to the east is also facilitated by BIMSTC, a grouping that includes Bangladesh, Thailand, Sri Lanka, Myanmar, Bhutan and Nepal, besides India.

Besides discussing issues of free trade and connectivity, ASEAN and BIMSTC also take up social, securityrelated and humanitarian issues. Many social ills have taken strong root in the region due to underdevelopment and neglect. Both these forums deal with illicit trafficking including drugs and women and children, their financing, drug abuse and financing of terrorism.

These issues will come to the fore in the north east when India manages to open up this landlocked and underdeveloped region to the world. The first move in this direction has been bilateral. India intends utilising the Myanmar port of Sittwe to send goods upstream via the Kaladan river and a road to Mizoram, drastically cutting the distance when compared to the existing route via Siliguri or the congested Chicken's Neck corridor.

The rapprochement with Bangladesh has led to opening of communication routes closed either since Independence or the 60s. The much cheaper option of transit from the Indian mainland to the North East via Bangladesh is only a matter of time. India's drive for improving pre-colonial communications links via India has also benefited landlocked neighbouring countries such as Bhutan and Nepal who have started utilising Bangladesh's ports. A recent motor vehicles agreement between eastern members of South Asian Association for Regional Cooperation such as India, Nepal, Bhutan, Myanmar and Bangladesh will also give encouragement to seamless connectivity among east Asian countries.

Maritime links between India and East Asian countries have been the strongest transportation links. This is in part due to the heavily forested and mountaineous terrain on India's borders with East Asia. Thailand is developing a deep water port in Myanmar that will become a major hub for economic activity. But India is actively involv in the Asia-Pacific corridor which has now been backed by the US. The project envisages a road from India with connections from Bangladesh going through Myanmar to Thailand. Once work on this project is completed and helped by the visa-on-arrival scheme, the gathering pace of tourists will provide closer contacts with countries that have many similar cultural values and practices with India.

The comfort factor is dealing with East Asian countries due to similar life styles and a common link language in English has ensured that flow of investments is not a one way street. Inward investments now match the money invested by Indian business in these countries. The new Government has now decided to pay focussed attention to Japan and South Korea both of which would like to make fresh investment in countries other than China. Top CEOs of China have also factored India's new business friendly attitude and are scouting for investment opportunities. China has already assured two investment parks besides an involvement in modern infrastructure. Top end companies in these countries are also eyeing India's thrust on smart cities and green energy.

Thus, the third phase of the Look East Policy, now called Act East Policy is now ready for take off. The success that has attended this policy as compared to India's initiatives elsewhere in the globe has been slow. But the effects have been permanent because there are no issues of strategic discord between India and any of these countries except for China. The even keel of India's Act East Policy is largely due to India looking beyond the shores of ASEAN and trying to develop more intimate ties with all countries across the board. This has led to a more all-round relationship. Some countries meet India's needs for high tech equipment and top end consumer durables, others cater to its energy requirements, a few provide investment destinations to Indian goods and the security and defence apprehensions of a few countries overlap with those of India.

Overall, since the end of the cold war, India has built relationships with its eastern neighbours in a manner that helps both sides meet a variety of needs. The multi directional interaction and dependence has now developed to a point where India and the 20-odd countries (excluding Pacific Islands Forum) can begin exploring new vistas of cooperation.

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INDIA STRIDES

Good Governance : Style and Substance

A. Surya Prakash

BALANCE SHEET



The first year is like the first day's play when the ground is laid for things to happen on day four or five. Likewise, the new PM has five years to fulfil his promises. More importantly, the country has a leader who has restored hope and who inspires the youth and challenges it to join the campaigns that can turn India around. When you have such big things to your credit on your balance sheet at the end of year one, minor debits do not really matter.

ver since the advent of the coalition era in Indian national politics in 1989, there was a general perception that the nation was devoid of a sense of purpose and was

losing focus. This feeling permeated all walks of life and equally reflected on the governance, be it social or economic issues. This political uncertainty paved the way for inefficiency and lack of transparency. But, nowhere was this drift and confusion more apparent than in India's dealings with the rest of the world. The muddled reactions to international events and the tentative responses to brazen provocations from neighbours betrayed a lack of self-esteem and led the international community to think that far from being a leader, India was leaderless.

All these changed dramatically in May 2014 when the new government came to power with a clear majority in the lower House of Parliament. Most of those who have watched the Prime Minister at work over the last 12 months, will agree that with truly committed sense of determination, he is not only leading from the front, but is also motivating millions of his countrymen who are eager to participate in building India on modern lines.

It could well be argued that the proverbial gap between electoral

promises and delivery is showing up or that the government has failed to measure up to the heightened expectations that it had aroused in the run-up to the Lok Sabha poll last year. But, nobody can deny that the feeling of hopelessness is a thing of the past and the present government is fulfilling its promises one by one that too, at an impressive speed with tangible results.

There are other achievements as well flowing from this central idea. As regards the Government's successes and failures on various fronts, we need to look at different parts of the governing balance sheet and then take a view of the entire scenario. This has been a tumultuous first year during which the Government has pushed the frontiers of governance to hitherto uncharted territories. The year has seen the launch of a series of national programmes to tackle many age-old problems like gender inequality, sanitation and cleanliness; exclusion of millions from the banking sector; more focused and target-driven work in the area of infrastructure development including electricity generation, railways, construction of highways etc; an intense campaign on the foreign affairs front and a never-seen-before approach to crisis and disaster-management which entailed direct supervision by the Union Ministers. When you examine

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the change effected in each of these sectors, you will see that the change in style is indeed palpable. A series of innovative pro-poor, pro-farmer, pro-investment and pro-employment schemes launched in an year's time is indeed a pleasant surprise in the history of independent India.

The Foreign Policy Blitzkrieg

The Prime Minister's foray into foreign affairs began on day one itself when he invited leaders of all the SAARC countries to his swearing-in ceremony.

Since then, it has been a virtual blitzkrieg encompassing official visits and meetings with global leaders from U.S. President Barack Obama. Russian President Vladimir Putin, the Chinese President Xi Jinping, German Chancellor Angela Merkel, French President Francois Hollande, Japanese Prime Minister Mr. Shinzo Abe and Canadian Prime Minister, Mr. Stephen Harper. Closer home, the Prime Minister signaled his keenness to improve ties with neighbours by making Bhutan the destination for his first foreign visit. He also visited Nepal twice thereafter to further improve India's international relations. In a short span of one year, the Prime Minister has visited 19 nations. Apart from establishing a personal rapport with world leaders, he attracted thousands of people to his public meetings in Madison Square, New York and in France, Germany and Canada. These nations have never before seen such spontaneous response by the Indian diaspora during a visit of the Indian Prime Minister.

Governance with a Difference

Another note-worthy area is the approach of the present government to crisis management and humanitarian issues. It began with the evacuation of nurses from Iraq. Then came the crisis in Yemen with the Indian Foreign Office, the Indian Air Force and the Navy teaming up to evacuate thousands of people, including a large number of foreign nationals, under rather difficult circumstances. As part of the new style, the Prime Minister had the Minister of State for External Affairs stationed in Djibouti to ensure that to the last man, all Indians were evacuated. India's coordinated effort to pull people out of the conflict zone has been hailed by countries across the world, because apart from Indians, the 5600 people evacuated included 960 citizens belonging to 41 nations.

The government reached out to Nepal following the killer earthquake with similar speed and commitment – something which Indians or the rest of the world had never seen before. On the specific direction of the Prime Minister, the National Disaster Response Force (NDRF) was dispatched to Nepal within hours of the tragedy and began

In a short span of one year, the Prime Minister has visited 19 nations. Apart from establishing a personal rapport with world leaders, he attracted thousands of people to his public meetings in Madison Square, New York and in France, Germany and Canada. These nations have never before seen such spontaneous response by the Indian diaspora during a visit of the Indian Prime Minister

round-the-clock relief and rescue operations.

A similar strategy to deal with natural calamities on the home front was ushered in, be it the floods in Jammu & Kashmir or the earthquake in Bihar. Many Union Ministers travelled across Uttar Pradesh, Rajasthan, Haryana and Punjab to meet farmers whose crops were destroyed by unseasonal rains.

Yet another out-of-the-box initiative by the Prime Minister was his decision to launch a radio talk show "Mann Ki Baat" to directly communicate with the people. This monthly programme on All India Radio has pulled back listeners to the radio and has been a runaway hit on television too with dozens of news channels taking the show live.

One of the best examples of the new governance model is offered by the Foreign Minister. For long years, the Indian diaspora and citizens travelling abroad had constantly complained about the insensitivity of Indian embassies and the Ministry of External Affairs. This is now a thing of the past. Today, we have a situation wherein India's Foreign Minister responds to distress tweets from Indians from across the world (sometimes at 2 A.M). alerts the nearest embassy and monitors each case until assistance is ensured. It could be groups of Indian workers who need to be evacuated from trouble spots or individual cases such as a woman subjected to domestic violence or a citizen who has lost his passport. All they have to do is tweet their Foreign Minister for help and that single tweet activates the might of the Indian State and help is soon at hand. India has never had such a Foreign Minister or a Foreign Ministry. This approach could well become the template for Foreign Ministers in other democracies.

Right Boost to Economy

Another area that was a matter of great concern to the government was the state of Indian Economy. Because of a series of scams and collapse of governance, foreign investors had begun to lose faith in the India story. The success or failure of the government will depend on whether or not the nation's GDP growth rate heads northwards in the immediate future. Hence, the urgency and anxiety to meet business and industry leaders from across the world and convince them that India is the ideal investment destination.

As a result, a lot of planning went into the first budget presented by the Finance Minister. This has paid good dividends because the Budget was well received by business and industry for its strong underlying message to attract investments and an economic turnaround is now clearly visible. Side by side, the Ministry has begun to untangle the knots that scare investors and is determined to remove bottlenecks to enhance the country's standing on the ease of doing business' scale. The Minister has also set a roadmap for achieving fiscal deficit of 3 per cent of GDP in three years.

All these moves have substantially improved the investment climate and current estimates suggest that India's GDP growth rate could touch 9 per cent per annum, surpassing that of China in the near future. Also, the country's foreign exchange reserves are at a robust U.S \$350 billion.

Equally significant is the fact that a corruption-free government is in place, an extraordinary achievement given the fact that we were inundated by scams in the recent past. While the previous government paid a heavy price for these scams, the present government has set new standards by adopting transparent methods to allocate spectrum and coal blocks. As a result, the auctions went off smoothly without a whiff of scandal and the union government mopped up huge revenues.

Another major decision of the government pertaining to governance was its decision to wind up the Planning Commission, an intellectually moribund organization that was unable to offer a new paradigm of growth for India. It was a relic of the era of socialism and continued to function even in this day and age in a manner that reminded the country of its ideological DNA. That is why no tears were shed when the Prime Minister announced the decision to scrap this commission and replace it with the National Institution for Transforming India (NITI) Aayog.

Niti Aayog (Policy Commission) is a policy think-tank and has a remit that is better tuned to the needs of modern Bharat. Apart from advising government on social and economic issues, it will involve states in economic policy-making. But the change goes beyond the nomenclature of the institution. The Government ...the Prime Minister has been assuring the captains of business and industry in global capitals that infrastructure development gets high priority in his government. That is why his office has been closely monitoring infrastructure projects and setting stiff targets for various ministries, including coal, power, highways, railways and ports

The Fourteenth Finance Commission made the radical recommendation that the states' share in the Union taxes be raised from 32 to 42 per cent. The Prime Minister and the Finance Minister have promptly announced acceptance of these recommendations which will give the states an additional Rs 1.78 lakh crore in 2015-16. The FM said the increase to 42 per cent in states' share is "the largest ever change in percentage of devolution'. The acceptance of these recommendations showed the government's commitment to cooperative federalism.

Fillip to Infrastructure **Development**

The high trajectory growth path that has been envisaged for India in the coming years cannot be achieved if the country does not have the infrastructure to support such an effort. This has been a major point of concern among foreign investors and the Prime Minister has been assuring the captains of business and industry in global capitals that infrastructure development gets high priority in his government. That is why his office has been closely monitoring infrastructure projects and setting stiff targets for various ministries, including coal, power, highways, railways and ports.

Similarly, the stiff targets set by the PMO for electricity generation have begun to pay off with the country's electricity deficit coming down from 10 to 3.6 per cent. The government is keen to ensure round-the-clock electricity for many states starting with Delhi, the national capital, Rajasthan and Andhra Pradesh. The Power Minister also wants his ministry to exceed the 12th Plan target for power generation.

Similar emphasis is being laid on construction of national highways. Significantly, all the ministries and ministers have specific time-bound targets to achieve and therefore, no minister can afford the luxury of a laid back approach.

Inspiring Campaigns for Turn Around

On the domestic front, several campaigns have been launched like Swachh Bharat – the cleanliness campaign – and the Sanitation programme. Swachh Bharat was launched on Mahatma Gandhi's birth anniversary.

The Prime Minister has also shown the courage to publicly discuss unpleasant issues like the absence of toilets in 70 per cent of India's households and its impact on the dignity and safety of women. The campaign to build toilets is on in a big way and the government too is chipping in with a subsidy to encourage poor households to build toilets. The government's target is to build 60 million toilets.

Another programme that has met with phenomenal success is the *Pradhan Mantri Jan Dhan Yojana* – a programme which aims at financial inclusion and empowerment of the poor to open bank accounts and give access to financial services. This enables them to experience the thrill of being part of the banking system, which until now was considered out of bounds for the poor. The programme has met with spectacular success with a mind boggling 150 million new bank accounts opened by India's poor within months of the launch of the scheme. Equally notable is that India's poor put in over Rs 15,800 crore in these bank accounts. Each of these account holders will in addition get a RuPay Debit Card which has an in-built accident insurance cover of Rs 1 lakh and an overdraft facility of up to Rs 5000 after satisfactory operation of the account for six months.

Following the success of the Jan Dhan Yojana, the Government took social security to a new level with the launch of three more schemes, specifically aimed at providing relief to the poor. They are the Pradhan Mantri Suraksha Bima Yojana, which provides accident insurance worth Rs two lakhs to any one paying a premium of Rs 12 per year; the Pradhan Mantri Jeevan Jyoti Bima Yojana, which provides life insurance cover for those paying a premium of Rs 330 per year; and the Atal Pension Yojana which is a low-premium scheme to provide a monthly pension to senior citizens of Rs 1000-5000 depending on their contribution to the scheme during their working years. Skill India and Make in India are two other innovative ideas thought of by the government to enhance the employability of the youth and to provide them employment. Another idea that the Prime Ministar is trying to hammer home is "Less Government, More Governance". What this actually means is simplification of government procedures, complete transparency in implementation of programmes and induce a sense of accountability in the bureaucracy.

Conclusion

Some broad conclusions can be drawn at this stage. The first is that PM has baffled both his supporters and critics by the way he runs the Union Government. His critics are confused because he has not adopted a reckless approach of dismantling everything done by the previous government. This has meant a steady and responsible approach to governance. The totally restructured stand is already paying rich dividends in approach to governance, national security and foreign policy.

But for critics, all this is not enough. They feel that the government has a poor balance sheet at the end of the first year. They seem to forget that this is not a T-20 cricket match. A Prime Minister who has been returned with a full mandate in a parliamentary poll is like the captain of a team playing a five-day test match. The first year is like the first day's play when the ground is laid for things to happen on day four or five. Likewise, the new PM has five years to fulfil his promises. More importantly, the country has a leader who has restored hope and who inspires the youth and challenges it to join the campaigns that can turn India around. When you have such big things to your credit on your balance sheet at the end of year one, minor debits do not really matter.

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INDIA STRIDES

WELFARE

Road Maps for Development

बंटी पहाओं बेंटी पहाओं

It needs to be ensured that the benefits percolate down to the last beneficiary instead of the examples that have been witnessed in the past where everything was fine in terms of boardroom presentation and papers but there was very little to be seen on the ground. schemes put in place for overall welfare, government has tried to look at the problems that are blocking the growth of women in the society.

Though the initiatives are welcome steps in the direction, a lot more is expected in the days to come.

ITH comprehensive

From addressing the issue of female foeticide to encouraging a girl child to be born in a stigma free society has been covered through these flagship programs.

However, the government needs the checks and balances in place to ensure that the schemes bring in a real change and not just gather dust on the files. The major concern areas are changes in the mindset. The most prosperous states like Punjab, Haryana and Gujarat are battling the core issue of female foeticide and skewed sex ratio. There have been efforts put in place on earlier occasions too but due to the lack of awareness among people, significant interventions are still awaited.

To make all the schemes a success, conscious efforts are on to bring in a change in the mindset of the people towards education, health, ante-natal and post-natal care of the mother and child apart from a scheme that ensures the care and safety of children vulnerable at the railway stations.

The Ministry has taken initiatives that will help women welfare schemes to address these concern areas but success is yet to be assured. To address

Chandrani Banerjee

issues like violence against women in a better way, a one stop centre has been set up. Now, the second step is to ensure that the scheme reaches out to its target beneficiaries. In remote villages, the information needs to be spread so that the beneficiaries can access it.

This year, the government also initiated a scheme under which one woman from each district will be given Zilla Samman Award and one woman at state level will be given Rajya Samman. The awards were instituted in June 2014 by the present government to recognize the contribution of women at grassroots level towards women's issues and field work. The award scheme is already being implemented.

The flagship scheme of government 'Beti Bachao, Beti Padhao' was launched this year with strong words to denounce the practice of female foeticide. The Prime Minister saying discrimination in gender reflects "mental illness" and displays a mindset "worse than people in the 18th century" has had a positive impact. The scheme is progressing at a good pace.

Significantly, the scheme that was launched from Haryana, which has one of the worst sex ratios in the country — the lowest being in Mahendragarh, where there are only 775 girls per 1000 boys, has picked up pace across the country.

Highlighting the benefits to stop such practices, the state government of Haryana launched schemes that have monetary benefits. The government launched an initiative to deal with the menace of female foeticide. Haryana government has also decided to double

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the cash reward money and give Rs 1 lakh to the informers providing vital information about anyone involved in this heinous practice.

The "*Beti Bachao, Beti Padhao*" scheme will be initially implemented in 100 districts across the country, including 12 in Haryana. These include 87 districts where the child sex ratio is below the national average, eight districts where it is above the national average but is showing a declining trend and five districts, where it is above the national average and improving.

Further, the guidelines have been formulated for one-stop centres to be established across the country to provide integrated support and assistance to women affected by violence. In the first phase of the One Stop Centre (OSC) Scheme, being implemented using the Nirbhaya Fund, one such centre will be established in each state and union territory to facilitate access of women affected by gender-based violence to an integrated range of services including medical, legal, and psychological counselling. The OSC will be integrated with 181 and other existing help lines. For the implementation of the scheme, the Ministry of Women and Child Development has formulated guidelines for support agencies, as well as state, district and grass root level functionaries. The guidelines will serve as a reference manual for officials at the national, state and UTs levels for policy guidance and monitoring. These centres will be established across the country in a phased manner to provide integrated support and assistance under one roof to women affected by violence, both in private and public spaces.

The guidelines also highlight roles and responsibilities of various line departments. It also provides monitoring and reporting formats to be used at different levels.

The Juvenile Justice (Care and Protection of Children) Bill, 2014 has also been amended. The aim of the government is to overhaul the tedious process of adoption. The government introduced the idea of foster care in the country, for those who don't want to adopt. This will involve the back ending of all foster homes, and the people who want to keep children in their homes and give them affection without adopting them. The aim was to take children out of child care homes and take the nonadoptable children who are eight or 10 years, and find them suitable foster care. These are some of the salient features of the Act.

Before putting any new clauses in the Act, the ministry asked for comments from thousands of people. There were 2,000 pages of comments. Experts sat every day for three weeks to look at what was possible.

There were three schools of thought on lowering the age. One said that don't reduce the age, another said that the age must be reduced but the government should not be vested with the power to condemn the child immediately, and the third view, which was also the overwhelming majority said that send the child to jail immediately through the court system, bypassing the Juvenile Justice (JJ) Board.

It was eventually decided to take the middle path, and not give the government the opportunity to interfere. Every case of heinous crime committed by a juvenile will go through scrutiny on whether it should be tried in a juvenile court or an adult one. The JJ Board is a competent authority to judge, because it has psychologists and experts on it.

The ministry is also looking at the remand homes in the country which are in shambles. There were 2,333 registered complaints between 2001 and June 2013 about child care facilities as per National Crime Records Bureau. Homes under the Ministry will be looked at and teams will be sent out to inspect minute details. The Ministry is also looking at extending the Child Line that currently exists in only 10 cities. There are plans to take it to 100 cities.

The government has also revamped STEP (Support to Training & Employment Programme for Women) Scheme for the better employment of women across the country. The scheme aims to mobilize women in small viable groups and make facilities available through training and access to credit. The scheme will provide training for skill upgradation and enable groups of women to take up employment-cum- income generation programmes by providing backward and forward linkages. It aims to provide support services for further improving training and employment conditions of women.

The scheme is implemented through Public Sector Organisations, District Rural Development Agencies, Federations, Co-operatives and Voluntary Organisations registered under the Societies Registration Act, 1860 or under the corresponding state acts. Recipients of financial assistance under STEP are required to be bodies, organisations or agencies working in rural areas, although their headquarters may be located in an urban area. The target group to be covered under the STEP Programme includes marginalised, rural women without financial assets and the urban poor. This includes wage labourers, unpaid daily workers, female headed households, migrant labourers, tribal and other dispossessed groups with special focus on SC/ST households and families below the poverty line. The pattern of assistance would be 100 per cent assistance. It will also provide for the project staff and administrative cost, training stipend, training of trainers, skill upgradation reinforcement, training cum-production centres and raw material for training. Support to members for formation of cooperative societies, producers, workers co-operatives leading to formal legal organisation would also be offered.

The eligibility conditions for the implementing agencies is that they must be registered at least for three years and they should have experience and existence in the sector concerned. The agency should also have the tools to identify and set up link agencies which would facilitate the implementation of the project through their expertise, resources and experience. While selecting a non-governmental organisation as an implementing agency, it would be ensured that the selected organisation has adequate infrastructure and technical expertise in the relevant sector.

The financial position of the implementing agency should be sound and it should have facilities, resources, experience and administrative capabilities for undertaking the project. The project will be for a period of two to four years depending upon the nature, kind of activities and number of beneficiaries

The Ministry has also along with Railway Ministry framed Special Operating Procedures (SOPs) to be implemented by railways for runaway, abandoned, kidnapped, trafficked children via medium of railways. The railway stations will have NGOs and Child Help Groups working with them who will work for restoration of children to their parents or guardians for their rehabilitation in absence of the former. It is expected to reduce the number of missing children drastically. In a recent conference on 'Protecting Rights of Vulnerable Children in Contact with Railways', the National Commission for Protection of Child Rights on its 8th Foundation Day under the aegis of Union Minister of Women and Child Development said that there were at least five to six lakh children who use railways or arrive at the railway stations. The Minister also said that these children are either runaway or abandoned or trafficked and are in need of assistance.

These stations will also have Child Help Desk, kiosks, booths with a telephone facility to call child helpline 1098.

NGOs have been appealed to come forward to partner with more and more such railway stations for restoration and rehabilitation of children. Train passengers and other people have been urged to alert the authorities if they come across any child in need of help. For this, a large awareness campaign is being launched by NCPCR comprising signages in coaches, announcements and other audio-video material. The Minister said that one lakh such signages will be put out in coaches.

The Ministry has also appealed to the NCPCR to work out a programme, along the lines of STEP (for women), of training those children who are not restored to their parents to enable them to acquire skills to be able to gradually earn their livelihood.

However, the challenge that stares the government in its face is the proper execution of the schemes. It needs to put in place a mechanism that can effectively

execute these programmes. The biggest problem is to find the personnel who can do the job professionally while being very sensitive to the needs of the target groups. It needs to be ensured that the benefits percolate down to the last beneficiary instead of the examples that have been witnessed in the past where everything was fine in terms of boardroom presentation and papers but there was very little to be seen on the ground.

There is also the need to have scope for correction. If a scheme is not working as per the designed roadmap, the executing team must have the scope to make fresh interventions. With a country like India which is so diverse in terms of geography and culture, it is not necessary that the model adopted for Assam would necessarily work in Kerala or up north.

The good part is that a new beginning has been made. But the challenge remains how this beginning is taken to its logical end.

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YOJANA July 2015

ENHANCING TIES

ANALYSIS

Asia : East and South-East

Pushpesh Pant



When the Indian Prime Minister toured the island states in Indian Ocean, the emphasis was put on the Indian Diaspora not naval strategic sensitivity. It is worth repeating that when our PM talks of 'Acting East', he is quite conscious of what is 'Happening West' F

OR past few decades there has been much talk of India Looking Eastwards and since the present prime minister assumed office there has been a vocal shift

in emphasis from Looking to Acting.

The countries that comprise East Asia include besides China and Japan, South Korea and Mongolia and there should be no need to underline the significance of this region.

China is not only the most populous nation in the world, but also the second largest global economy. It is a permanent member of the UN Security Council and a country that shares a hundreds of kilometres long border with us. True, in the years after independence, we have experienced many ups and downs in our relationship with China and even fought a war but this hasn't come in the way of China emerging as India's largest trading partner in international trade. Sino-Indian cultural ties can be traced back more than 1500 years and have shared memories of struggle against colonialism and imperialism.

Centuries old ties were torn asunder suddenly when a simmering border dispute erupted in a limited but full scale war in high Himalayas in 1962. Ever since both sides have nursed a sense of betrayal and this unresolved border dispute continues to contribute to a massive trust deficit. Although the ruptured diplomatic relationship has been largely repaired, sporadic incursions and provocations along the border continue to create tensions. China has persisted with its claims on Arunachal Pradesh and continues to deploy men in parts of Pak occupied territory in the state of Jammu and Kashmir that was handed over to it by Pakistan. Chinese have also not stopped texting the Indian will by either granting stapled visas to Indian citizen or denying it to serving officers on specious grounds. There have been reasonable apprehensions about Chinese design to encircle India with a noose like 'garland of poisoned pearls' stretching from Myanmar to Pakistan.

The question is legitimate: what purpose can be served by looking or even acting East when the largest and most powerful country in the region is antagonistically inclined towards us?

But before we proceed further, it would be useful to shift our glance.

Japan was the first Asian nation to modernise following the Western model and rose swiftly as an industrial and military power to claim parity with European powers at the turn of century when it defeated Russia. During the inter war years, (1919-1939), it humbled China and emerged as the dominant power in East Asia. During the world War joined hands with Germany and cut a swath across South East Asia ousting the French, Dutch and the British from present day Vietnam, Indonesia, Malaysia, Singapore and Myanmar. Defeated and devastated and occupied by U.S. Forces, Japan rose like the Phoenix from ashes to become an economic superpower by the 1960's. It remained at the vanguard of cutting edge technology in the fields of optics, electronics and automobiles.

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Like in the case of China, India has enjoyed close and cordial ties with Japanthe Land of the Rising Sun. Buddhism has endured as strong emotional binding and Indians recollect with gratitude the support provided by Japan to Indian freedom fighters against British colonial oppression. The exploits of Netaji Subhash Bose and the INA he commanded with glorious daring were assisted by the Japanese. The Japanese on their part haven't forgotten that it was an Indian judge serving on the Tokyo War Crimes Tribunal who had refused to condemn Japan blindly and had written a dissenting judgment.

During the decades of Cold War Japan was constrained to accept, the protective umbrella of the U.S. This resulted in distancing of minds with non aligned India. Slowly, the economic ties were established and joint ventures between Indian and Japanese industrialists mushroomed. Suzuki, National Panasonic, Sony, Yamaha, Honda, Nikon and Canon had become household names by 1970's.

It is important to keep in mind that Indian foreign policy has of necessarily tried to balance these two East Asian powers who have often been rivals for primacy and influence in this geographical region. China resurgent after the success of the Revolutionary Guerrilla War has claimed primacy and sought redress of indignities and grievances suffered during the long years of European domination of Asia. In the aftermath of the Korean War, it treated the U.S. and its military ally Japan as hostile adversaries- almost enemies. To cope with this challenge, it forged close fraternal ties with the USSR. However, by the 1960's, disillusionment with the Big Socialist Brother had set in and relationship had soured enough to ignite a small military skirmish along the Ussuri river in the desolate Siberian region. It is not relevant for us to go into the details of the Sino-Soviet Schism here but suffice it to note that under Mao. China was determined to fight alone and risk all to what it considers the rightful place under the sun. It's racial memory goes long back when the Central Kingdom represented the civilised world and only barbarians dwelt beyond its borders. Lesser powers payed homage to the Chinese Emperor, the Son of Heaven. The sway of successive Chinese empires extended far beyond mainland China. The political boundaries kept expanding and shrinking but this experience has contributed to the awareness of a Chinese sphere of influence that encompasses large parts of present day South East Asia and considerable territory in Central Asia.

Indonesia is the third most populous nation in the world with the largest number of Muslims inhabiting in a country. It is an archipelago comprising thousands of large and small islands spanning and dominating sea routes in the Indian Ocean from Andaman and Nicobar to micro States in South West Pacific. It arches over Australia and its easternmost territory touches New Zealand. Indonesia is proud inheritor of a syncretic civilisation that has evolved through an enriching confluence of Hindu-Buddhist, Arab-Islamic and European (Dutch) streams. It was ruled by the Dutch during the colonial period and has had a very different experience from that of its neighbours ruled by the British (like Malaysia and Singapore) or the French (like Vietnam, Laos and Cambodia). India unhesitatingly provided moral and strategic support during a crucial period in its struggle for independence against the Dutch and bilateral relations began on an exceptionally cordial note. Nehru and Sukarno were with Nasser, Tito and Sihanouk the founding fathers of the Non-Aligned Movement and for a short while, it seemed that India and Indonesia will be closest collaborators in the project of building a New Asia. The Bandung Conference marks the zenith.

Regrettably, the parting of ways came too soon. In less than five years, by the time Belgrade Conference was convened, the two had drifted irreconcilably apart. Indonesia drew closer to China and Pakistan and there was talk of Peking-Jakarta-Pindi Axis against India. Charismatic Sukarno it seems overreached, lost his grip and under the influence of adventurist Communist party confronted newly formed Federation of Malavsia over a territorial dispute in Borneo. Soon after, he was ousted in a bloody coup and military took over the reins of government. This coincided with the phase of Escalation of the war in Vietnam, the new regime found it convenient to follow advice of US experts on development and for all practical purposes ceased to be non aligned giving up all socialist pretentious. It was content to play a significant role in ASEAN, the regional organisation inspired by the U.S. to ensure stability in the region. It

would be long before the army would abdicate from power and allow democratic processes to be resumed but what can't be denied is that the decades of 1970-1990 witnessed unprecedented growth of Indonesian economy. Most of it was fuelled by oil. Relations with its Malay neighbours have improved steadily and though the territorial dispute hasn't been settled it is a minor irritant. After the re unification of Vietnam and return of peace to the Indo-Chinese peninsula, prospects of a mutually beneficial partnership improved dramatically. It is surprising that Indonesia and other countries in South East Asia have remained neglected in Indian foreign policy.

It was in the early 1990's when the slogan of 'Look East' was first heard. But except a few state visits there wasn't any adequate follow up. Perhaps the obsession with Pakistan and China distorted the perspective. It could also be our fascination with the Super Powers. The Commonwealth remained a hangover from Nehruvian period. Those who formulated foreign policy or conducted Indian diplomacy were distracted by distant international crisis and overlooked far reaching changes in the neighbourhood. Look East or Act East begins at our doorstep with Bangladesh and Myanmar. Much before we reach China, Japan and Korea we come across Malaysia, Singapore, Indonesia, Thailand, Laos, Cambodia and Vietnam. As a matter of fact, South East Asia is where India and China meet. Forget the ugly colonial phrase Spheres of Influence. This is where two ancient civilisations have intermingled. Go beyond South East Asia and you can't help noticing the divisions within the Sinic universe. Japan and Korea have distinct personalities and historical racial memories of there own. Their bonds with India ancient or modern are not a by product of Sino - Indian interaction. It is this available space that India is now trying to occupy. While the USA sees India balancing China in Asia, these countries Mongolia look towards India not for crude balancing but subtle reinforcement of their own strength and resilience.

'Acting East' in essence means recognising the reality of residual conflict of national interests, trying to accommodate and reconcile these peacefully, weighing various available options and not hesitating to assert our own legitimate interests. Strategy, commerce and culture can't be treated separate entities. They remain entwined inseparably in East and South East Asia as elsewhere.

This is what our Prime Minister has sought to rectify in the past year. Viewing Indian national interest holistically, he has tried to accelerate the process of improving relations with China by making it explicitly clear that a stalemate on the border issue can't be considered normal. We have to move ahead and fast. Also, while we value our economic relationship with China greatly, it can't be at the expense of our vital interests. The imbalance in trade needs to be rectified urgently. What is most important is that the Indian Prime Minister has unambiguously signalled that India has many other options in East Asia. He visited Japan and hosted the Japanese premier before embarking on a state visit of China. Parleys with Japan resulted in a number of agreements worth billions of dollars that hold out the promise of a truly worthwhile strategic partnership.

The interesting thing is that in past year, Japan and China have come close

to the brink of an armed clash over the long simmering dispute over Senkakku Islands. When a reference was made in the joint statement about there being no place for expansionist designs in contemporary international relations, many felt that India wasn't shy of risking treading on Chinese toes. Similarly, when plans for joint off shore exploration of oil by India and Vietnam in South China Sea were made public China lost no time in displaying its displeasure. It's significant that India hasn't really backed off. There is a growing realisation in India today that in coming years, India and China will remain competitors in the context of energy and food security. In other words, there are limits to 'normalisation' and 'improvement' in bilateral relations. It wouldn't be wise to imagine that China will forsake Pakistan- a country that it has assiduously cultivated for over half a century- for India in a blink. Pakistan is strategically significant for China not only to check India but also in the context of events in Russia and Central Asia.

Our PM seems to be well aware of this. He has, with great foresight, deliberately blurred the traditional borders between eastern part of South Asia, South East Asia

and East Asia. The first foreign country he visited was Nepal where he talked much of the shared Buddhist legacy. In Bhutan and Sri Lanka too the India connect was primarily via Buddhism. Add to this list Japan, Korea and Mongolia and it becomes clear how without being abrasive, China is drawn in a charmed Mandala; none can call this encirclement. When the Indian Prime Minister toured the island states in Indian Ocean, the emphasis was put on the Indian Diaspora not naval strategic sensitivity. It is worth repeating that when our PM talks of 'Acting East', he is quite conscious of what is 'Happening West'.

The Indian Prime Minister has had very successful tours of the Americasparticularly the USA and Canada- and he has reinforced economic and technical ties with France and Germany. He has boldly gone ahead deepening the relationship with Israel breaking the shackles of vote bank mentality. He has tread carefully in Afghanistan, Iran, Iraq and Syria and not fallen in the U.S. trap of censoring Putin for his intervention in Ukraine. In brief, he has turned Eastward only after securing the Western flank.

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Q—In how many attempts have you achieved this success ? Apurva—It was my second attempt. In my first attempt, I read a lot of things which were not required. So, it also made me overstressed, That is where I was at fault, but in 2nd attempt. I didn't do so, and concentrated on sir's class notes & teachings.

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Dear Sir

I was the student of Ambition Law Institute for my preparation of Civil Services Examination.

Thank you sir for inspiring me to take Law as optional even though I didn't have a Law background.

Being an engineering graduate I was skeptical whether it is really a good choice as an optional subject, but I have been able to secure a respectable rank with Law because of your guidance and support. Thank you very much. I will advise everyone to have patience and try to understand the demand of the subject.

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Energy Efficient Lighting Initiatives launched in Varanasi

n a major initiative aimed at promoting energy efficiency in the city of Varanasi Domestic Efficient Lighting Programme (DELP) and LED-Based Smart Street Light programmes were launched recently.

Launch of these initiatives heralds the government's pledge to cut down energy usage by 10,000 MW during peak hours by promoting LED lights across the nation. Central and State Government in association with Energy Efficiency Services Limited (EESL), a public sector entity under Ministry of Power, will distribute about 13 lakh LED bulbs to 2,28,496 Domestic Consumers, and replace 36,077 conventional street lights with energy efficient LEDs in Varanasi.

With energy-efficient LED lights, demand of electricity in Varanasi is expected to reduce by 45 MW and lead to savings to the tune of Rs. 68 crore, The innovative business model of conversion of conventional streetlights with energy efficient LED street lights has the potential of replication as it obviates the need for any capital investment by Municipal bodies and will also lead to substantial savings in energy during peak hours while at the same time enhancing the service quality of the lights

EESL will replace the estimated 36,077 conventional street lights with energy efficient and smart LED lights across the city at its own cost. Over the course of 5-7 years, municipalities will use part of the savings in energy and maintenance cost to repay EESL. This will enable the municipalities to obtain state-of-the-art and energy efficient LED street lights without any upfront cost or any additional future expenditure, and with 5 to 7 years of maintenance.

EESL in cooperation with Purvanchal Vidyut Vitaran Nigam Limited (PUVVNL) will also implement Domestic Efficient Lighting Programme across the city. The LED distribution programme will distribute about 13 lakh LED bulbs to grid-connected domestic consumers in Varanasi. Under DELP, each household having connected load of less than or equal to 2KW will be provided with up to five 7-Watt high quality LED bulbs at an initial payment of Rs.10 each followed by a recovery of Rs.110 each over a period of 11 months from electricity bills. In essence, a household can purchase a LED bulb at an overall cost of 120 as against the retail price of Rs.350-600 along with a 3-years free replacement warranty. It is estimated that the households will benefit Rs.162 per annum as savings in electricity bill (at current average tariff) for each LED bulb, exceeding Rs.120 purchase cost per LED.

The combined impact of the Government's two initiatives could help Varanasi achieve energy savings to the tune of nearly 104 million kWh annually. This translates to a total cost savings of about Rs. 68 Cr per annum.

Energy Efficiency is a key thrust area of the Central and State Government and emphasis has been laid on scaling up its implementation. On a national level, all incandescent bulbs will be changed to LED in three years.

MoU for Development of Vaccines between India and Netherlands signed

A Memorandum of Understanding was signed between India and Netherlands for development of vaccines. The MoU, signed under 'Make in India' initiative of Government of India, will enable the Bharat Immunologicals and Biologicals Corporation Ltd (BIBCOL), a Central PSU under Department of Biotechnology, to develop Measles – Rubella vaccine at its plant at Chola, Bulandshahr, U.P. Translational Vaccinology (INTRAVACC) a government-based institute of the Netherlands will extend technical support for the development of the vaccine. Under the MoU, cooperation in development of other vaccines and biologicals with DBT Research Institutes would also be explored.

INTRAVACC, an institute which is a part of the Ministry of Health, Welfare and Sport of the Netherlands, is internationally renowned for vaccine development and has a long history in technology transfer. Bharat Immunologicals and Biological Corporation Limited (BIBCOL), Bulandshahar, UP is a Central Public Sector Unit, under the Department of Biotechnology, Ministry of Science & Technology, Government of India.

Dr. Harshvardhan, Hon'ble Minister for Science & Technology and Earth Sciences explained that the cooperation will result in large scale production Measles-Rubella and other needed vaccine of high quality. and save hundreds of thousands of children from the dreaded disease in the country. In the post polio eradication era, the focus shall be on elimination / control of other vaccine preventable diseases such as measles and rubella, he added.

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