

Myanmar to take back Rohingya

Amid mounting international pressure on Myanmar to end atrocities on Rohingya people, Bangladesh and Myanmar on Sunday agreed to form a joint panel for repatriation of Rohingya refugees.

The joint panel was proposed by Myanmar to take back the Rohingya who had come to Bangladesh, fleeing the violence in the Rakhine State since August 25.

“Myanmar has proposed taking back the Rohingya refugees. We have agreed on forming a joint working group to oversee the repatriation process,” Bangladesh Foreign Minister A.H. Mahmud Ali told the media in Dhaka on Sunday after holding a meeting with visiting Myanmar Minister of the Office of State Counsellor Kyaw Tint Swe.

“Kyaw Tint Swe has shown interest in taking them [the Rohingya] back after forming a joint working group to identify the Rohingya people,” said Mr. Ali. However, the Myanmar Minister did not say anything about the framework of the commission.

This was the first bilateral meeting between the two countries since refugees entered Bangladesh following actions by the Myanmar security forces in late August. According to the UN, more than five lakh Rohingya people have entered Bangladesh since August 25.

Mr. Ali also said that Bangladeshi Home Minister Asaduzzaman Khan Kamal will visit Myanmar soon to “discuss with the Myanmar government regarding border security and border management issue”.

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India gets first-ever U.S. crude shipment

The first ever shipment of U.S. crude oil of 1.6 million barrels, purchased by state-run Indian Oil Corporation (IOC), was received at Paradip Port on Monday.

The shipment is a part of recent commitments to purchase U.S. oil by IOC, Bharat Petroleum (BPCL) and Hindustan Petroleum (HPCL). IOC has placed a cumulative order for 3.9 million barrels from the U.S. while BPCL and Hindustan Petroleum have placed orders for about 2.95 million barrels and one million barrels, respectively.

“This marks the beginning of a new chapter in the history of Indo-U.S. trade, particularly in the oil and gas sector,” Sunjay Sudhir Joint Secretary (International Cooperation) in the Ministry of Petroleum and Natural Gas said after he took symbolic delivery of a sample of the oil.

“The inclusion of the U.S. as a source for crude oil imports by India’s largest refiner will go a long way in mitigating the risks arising out of geo-political disruptions.

“I hope that the new arrangement will also usher in price stability and energy security for India, which is witnessing robust growth in demand for petroleum products,” added Mr.Sudhir.

Bilateral trade boost

U.S. crude oil shipments to India have the potential to boost bilateral trade by up to \$2 billion, according to a U.S. Embassy release. The crude oil shipment was delivered by MT New Prosperity, a Very Large Crude Carrier (VLCC) of capacity 2 million barrels of crude, which left the U.S. Gulf Coast on August 19.

“This event marks a significant milestone in the growing partnership between the United States and India,” MaryKay Carlson, Chargé d’Affaires at the U.S. Embassy in Delhi said in the release.

“The United States and India are elevating our cooperation in the field of energy, including plans for cleaner fossil fuels, renewables, nuclear and cutting edge storage and energy efficiency technologies. “We look forward to working together on further sales of U.S. crude and exploring opportunities to expand the role of natural gas in India.” Ms. Carlson added.

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Raja Mandala: India and Djibouti's geopolitical scrum

That President Ram Nath Kovind's first visit abroad is to Djibouti and Ethiopia suggests India is finally waking up to the extraordinary geopolitical significance of a region that is called the Horn of Africa. The four different states constituting the Horn - Somalia, Ethiopia, Eritrea and Djibouti - along with Yemen across the Red Sea have long been described as one of the world's pivotal regions.

Kovind is India's first president or prime minister to visit Djibouti. While its population is less than a million and its land is largely barren, Djibouti's location at the confluence of the Red Sea with the Indian Ocean and the crossroads connecting Africa, the Middle East and Asia, and the region's multiple conflicts - inter-state and intra-state - have made it a very attractive piece of geopolitical real estate.

The president of Djibouti, Ismail Omar Guelleh, has adopted a vigorous strategy to turn Djibouti's strategic location into economic fortune. His "all are welcome" approach has drawn many powers to set up military bases in Djibouti. Guelleh also hopes to turn Djibouti into a commercial logistics hub like Dubai and Singapore and is seeking massive infrastructure investments.

India does not have an embassy in Djibouti. The president's visit suggests Delhi is now ready to end its prolonged neglect of Djibouti and re-engage the region strategically. The emphasis here is indeed on "re-engagement", for modern India has a long tradition of critical involvement in the Horn.

The East India Company occupied Aden in 1839 and the Raj administered it until 1937. With the creation of the British Somaliland in 1889 as a protectorate, the Raj acquired a stranglehold on the Bab-el-Mandeb straits that controlled access to the Indian Ocean from the north west. The Raj saw the protection of sea lines of communication and controlling the choke points, and maintaining access to major islands of the Indian Ocean as central to India's security and economic prosperity.

Independent India discarded this geopolitical thinking as it adopted an inward economic orientation and replaced its inherited regional security role with non-alignment and military isolationism. As a result, India's influence on the ground steadily diminished. Things began to change in the 1990s as Delhi turned to economic globalisation.

Delhi's growing commerce resulted in intensifying India's focus on Africa as a major economic partner. More broadly, the new reliance on the sea lines of communication for India's economic growth saw the rejuvenation of India's maritime sensibility. By the turn of the new century, Delhi declared that its national interests were no longer limited to the Subcontinent but stretched from the "Aden to Malacca".

The idea that Delhi must take larger responsibility for regional stability helped restore the proposition that India is a "net security provider" in the Indian Ocean. At the Africa summit in Delhi during 2015, most participating leaders wanted an expansion of security and defence cooperation with India.

Although India has not been able to meet this demand from Africa, defence diplomacy has become an important imperative for India all across the Indian Ocean littoral and will hopefully figure in the president's first visit abroad. Like in so many areas, China's strategic advances in the Horn have helped put Djibouti back on India's political radar.

Beijing's infrastructure development in the Horn preceded the launch of the Belt and Road

Initiative by President Xi Jinping. But it has acquired an unprecedented momentum in recent years. One of the more visible infrastructure projects in the region has been the 750 km-long rail link between landlocked Ethiopia and Djibouti.

China's geopolitical interest in the Horn has come into sharp focus over the last decade with the regular deployment of naval units to combat piracy in the Gulf of Aden. Although piracy has now come down significantly, China is raising its strategic profile in the region. Under an accord signed last year, Beijing has secured the rights to a base in Djibouti that can host up to 10,000 soldiers until 2026.

This is the first ever foreign military base for China. But Beijing is not the only one that has bases in the region. France, which ruled Djibouti during the colonial era, has the largest concentration of its foreign legions in the country. The French base now hosts soldiers from other European countries including Spain and Germany. Italy, that had colonial possessions in the Horn, also has a military presence in Djibouti.

After the 9/11 attacks on the United States, Washington established a major military base in Djibouti as part of its Great War on Terror. Foreign military presence in Djibouti is not limited to the Western powers. From the east, Japan in 2011 acquired a facility to support its anti-piracy operations in the Gulf of Aden.

Many regional powers are now trying to shape the strategic landscape of the Horn through military bases and armed interventions. Djibouti, for example, is reported to host military facilities of Saudi Arabia and Qatar; Eritrea has bases for UAE, Saudi Arabia and Qatar; UAE and Turkey have facilities in different regions of Somalia. India is somewhat late in joining the scramble for political influence in this critical corner of the Indian Ocean. The President's visit will hopefully lay the foundations for a comprehensive engagement with Djibouti and the Horn of Africa.

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ADB \$500 million funding soon for private sector infrastructure in Asia and Pacific

NEW DELHI: Asian Development Bank (ADB) today said it is actively processing USD 500 million (about Rs 3,275 crore) as debt and equity funding for private infrastructure projects in countries, including [India](#) and [Pakistan](#).

Further, the ADB said it has approved two projects worth over USD 210 million in debt financing from the co-financing arm Leading Asia's Private Infrastructure Fund (LEAP) in its first year of operation.

ADB expects these initial projects will generate about USD 1.4 billion in total financing, including USD 264.5 million from ADB's own capital and an additional USD 890 million from co-financing partners.

"ADB is actively processing over USD 500 million of LEAP debt and equity transactions for private infrastructure throughout the region.

"This includes potential projects in India, Indonesia, Myanmar, Pakistan, the Philippines, and Thailand," the Manila headquartered multi-lateral lending agency in a statement.

LEAP is dedicated to fund private sector infrastructure in Asia and the Pacific. Launched in August 2016, the Japan International Cooperation Agency (JICA) supports the fund through a USD 1.5 billion equity commitment.

LEAP has financed the ReNew Clean Energy Project in India that recently commissioned a 48 MW solar subproject in [Telangana](#) and 110 MW wind subproject in [Karnataka](#).

While, the Muara Laboh geothermal power project in Indonesia has commenced drilling, secondary works, and construction.

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Can India protect Rohingya, SC asks govt.

Kindred spirits: A file photo of children belonging to the Rohingya community playing at a refugee colony at Kalindi Kunj in New Delhi. Sushil Kumar Verma

Can India protect a large section of humanity comprising Rohingya women, children, the sick and the old who are “really suffering”?

This is the question the Supreme Court wants the government to answer.

The government, meanwhile, said the crisis over its move to deport 40,000 Rohingya was not “justiciable”, that is, the issue outside the Supreme Court’s domain.

But the court rejected this stand outright.

“I, for one, believe, from my past experience of 40 years, that when a petition like this comes to us under Article 32 of the Constitution, the court should be very slow in abdicating its jurisdiction,” Chief Justice of India Dipak Misra, who leads the three-judge Bench comprising Justices A.M. Khanwilkar and D.Y. Chandrachud, responded to the government.

The Centre, represented by Additional Solicitor-General Tushar Mehta, submitted that its August 8, 2017 communication to all the States to identify Rohingya and aid in their deportation was based on certain “executive parameters” such as diplomatic concerns, on whether the country can sustain such an influx of refugees and geographically whether there would be tensions and threat to national security. It denied saying all Rohingya were terrorists, but only “some of them”.

Faced with stiff resistance from the Bench, the government climbed down to explain that whether an issue was justiciable or not ought to be decided on a case to case basis.

‘Out of sync’

Senior advocate Fali Nariman, appearing for the Rohingya community, said the government “has gone out of sync” with its August 8 directive for deportation of Rohingya. He submitted that the government’s affidavit claiming the question of deportation of Rohingya was exclusively “within its subjective domain and not justiciable” makes “big inroads into what we thought our Constitution was.”

He rubbished the government’s claims that the Rohingya refugees will eat into the resources meant for citizens. “Our Constitution is not made up of group rights but individual rights,” Mr. Nariman submitted. Mr. Nariman, who introduced himself as a refugee from British Burma, submitted that the fundamental right to life enshrined in Article 21 protects all “persons,” including refugees who fled persecution in their native countries.

Universal obligation

He said the obligation to grant asylum was universal. “The Government of India has constantly made efforts to substantiate, enhance the rights of refugees. The August 8 communication is totally contradictory to Article 14. It sticks out like a sore thumb in our nation’s policy towards protection of refugees,” he submitted.

Mr. Nariman referred to the December 29, 2011 directive which laid out the standard operating procedure and internal guidelines for the Foreigner Regional Registration Offices (FRRO), and if

necessary take steps to provide the foreign national with a long-term visa. This had to be done irrespective of religion, gender, etc.

He said India had been “supportive of burden-sharing, of providing humanitarian assistance,” citing the Nepal earthquake as an instance. The court asked the government to address Mr. Nariman’s submissions that humanitarian concerns of children, women, the sick and the old outweigh justiciability and cannot be viewed in the same light as “everyone”. The next date of hearing is October 13.

The Rohingya had offered that anyone among them found to be a militant can be proceeded against as per the law. They were replying to the Centre’s claims that the Rohingya community was a threat to national security, easy prey for radicalisation. Their affidavit had referred to India’s strong track record of hosting refugees .

The Rohingya community, represented by main petitioner Mohammad Salimullah, said the government could not make a “blanket claim that all Rohingya refugees have terror links.”

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India set to ink \$4.5-bn credit deal with Bangladesh

Arun Jaitley

Union Finance Minister Arun Jaitley arrived here on Tuesday ahead of India and Bangladesh signing the third line of credit (LoC) agreement involving \$4.5 billion to be spent on infrastructure and social sector development.

“His visit will be marked by the signing of the deal... that was announced during Prime Minister Sheikh Hasina’s New Delhi visit,” a Bangladesh finance ministry spokesman told reporters.

He said two agreements for the implementation of the third LoC and the ‘Joint Interpretative Notes on the Agreement between India and Bangladesh for the Promotion and Protection of Investments’ would also be signed in the presence of Mr. Jaitley and his Bangladesh counterpart A.M.A. Muhith.

“The two countries are also expected to enter into another deal on investment promotion and protection during the visit,” the spokesman said.

A special aircraft carrying Mr. Jaitley landed at the Bangladesh Air Force base on Tuesday afternoon. Mr. Muhith received his counterpart, who was accompanied by a group of business leaders and senior officials on the three-day visit.

New visa scheme

The two countries signed the first LoC in August 2010. The second one was inked in March, 2016.

According to the tour schedule, Mr. Jaitley would call on the Bangladesh premier and inaugurate, along with his counterpart, a new scheme for cashless transactions in visa services run by the State Bank of India on behalf of the Indian High Commission here.

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A legacy of liberalisation in Sri Lanka

The Sri Lankan government recently released its 'Vision 2025' manifesto, heralding a new wave of economic reforms. Its timing coincided with the 40th anniversary of the island's embrace of deregulation, trade liberalisation, and privatisation ahead of the rest of South Asia. While the current government seeks to revive neoliberal momentum, there is no assessment of the legacy of liberalisation even on narrow economic benchmarks.

Growth in gross domestic product has been modest. It averaged 4.8% between 1978 and 2009 compared to 3.5% between 1971 and 1976. Some of the initial expansion was from massive inflows of grants and soft loans, as Western donors and multilateral agencies rushed to reward a regime hailing the virtues of high growth, foreign investment, and free market capitalism.

Average household income has risen rapidly, but so has concentration of wealth. Inequality has deepened: the Gini coefficient, which was 0.35 in 1973, worsened to 0.48 by 2012-13. The richest 20% of households command 52.9% of income, or more than the rest combined; the poorest 20% muster only 4.5%. The bottom 40% of the population survive on under \$2.50 per day.

Inflation is often runaway into double digits, whereas before 1970 it was under 3%. Cost of living has spiralled and household debt escalated.

Manufactured goods have soared in share of exports from 13.4% in 1977 to 77% in 2016, but are dominated by ready-made apparels which have negligible local value addition.

Industries that profited from textile and clothing quotas, duty-free imports, tax holidays, free infrastructure, subsidised services and lax environmental and labour regulations still depend on imports of raw and semi-finished materials. This is a barrier to linkages in the local economy and gobbles up net foreign exchange earnings.

Export-oriented industrialisation is promoted as the cure-all for all ills. Its labour force is mostly of women in low-wage and highly exploitative conditions, and where unions are not allowed to organise inside and outside export-processing zones. Employment in this sector has only reached over 470,000, or under 6% of the labour force. That's the same number as those who leave every two years for foreign employment. Liberalisation has failed to create decent and secure jobs.

Agriculture has drastically declined in economic share to 7.1% in 2016 from 35.1% in 1970-71, and in export composition to 22.6% in 2016 from 94.6% in 1970-71. It is still important to livelihood as over 70% of the population is rural, and marginally more are employed in agriculture (27.1%) than in industry (26.4%).

There has been limited diversification as tea, rubber and coconut predominate, as before 1977. Revenues from tea, plucked mostly by women, have slumped to third place in export income. However, migrant remittances of mainly women in domestic work in West Asia amounted to nearly \$7 billion last year, or almost equal to earnings from textiles, tourism and tea combined.

Women's work is the basis of the monetised and care economy, but their labour force participation rate has plateaued at under 36%, or less than half that of men.

Sri Lanka's main food imports of wheat flour, rice, sugar, milk and milk products, and fish and fish products are unchanged. Demand has risen along with population increase and household income but not purchasing power. The rupee is currently trading at 153 Sri Lankan rupees to the U.S. dollar whereas it was 8.60 SL rupees in 1977, but with no corresponding gain in export earnings.

In 2015, income from exports only equalled 55% of the cost of imports, widening further the balance of payments deficit.

Chronic under-investment in food production has intensified dependence on imports and also insecurity as consumers are more exposed to world market price fluctuations. The withdrawal of state support in access to credit, inputs and extension services as well as in direct purchase, storage, transport and distribution has abandoned producers to predatory middlemen, aggravating agrarian distress.

All regimes have bridged the chasm between income and expenditure with loans. External debt has ballooned to \$46.6 billion (from under \$942 million in 1976), diverting resources from public spending to debt-servicing.

Foreign direct investment last year was only \$898 million, whereas foreign loans totalled \$1.287 billion. This has been the pattern despite generous incentives to private capital and wage repression in the export sector.

The war between 1983 and 2009 was disastrous but its economic impact was diffuse as export production of goods and crops was outside the conflict zone.

The promise of “inclusive and equitable growth and development” in Vision 2025 is deceitful, recycling as it does the market fundamentalism that brought prosperity only to the few in Sri Lanka.

B. Skanthakumar is with the Social Scientists' Association in Colombo and author of 'Growth with Inequality: The Political Economy of Neo-Liberalism in Sri Lanka'

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Cabinet approves the Extradition Treaty between India and Lithuania**Cabinet approves the Extradition Treaty between India and Lithuania**

The Union Cabinet chaired by the Prime Minister Narendra Modi has given its approval for the signing and ratification of the Extradition Treaty between India and Lithuania.

The Treaty would provide a legal framework for seeking extradition of terrorists, economic offenders and other criminals from and to Lithuania.

The Treaty would help in extradition of fugitive criminals including terrorists for criminal prosecutions from Lithuania who may have committed crimes against India. It will bring the criminals to justice, with a view to ensure peace and tranquility to public at large.

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Cabinet apprised of the MoU between India and Switzerland on Technical Cooperation in Rail Sector

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The Union Cabinet chaired by the Prime Minister Narendra Modi has been apprised of the Memorandum of Understanding between Ministry of Railways, Government of India and the Federal Department of the Environment, Transport, Energy and Communications of Swiss Confederation on Technical Cooperation in Rail Sector. The MoU was signed on on 31st August, 2017.

The MoU will enable technical cooperation in the following areas:-

- a. Traction Rolling stock
- b. EMU and train sets
- c. Traction Propulsion Equipments
- d. Freight and Passenger Cars
- e. Tilting Trains
- f. Railway Electrification Equipments
- g. Train scheduling and operation improvement
- h. Railway Station modernization
- i. Multimodal transport
- j. Tunneling technology

Background:

Ministry of Railways have signed MoUs for technical cooperation in the Rail sector with various foreign Governments and National Railways. The identified areas of cooperation include high-speed corridors, speed raising of existing routes, development of world-class stations, heavy haul operations and modernization of rail infrastructure, etc. The cooperation is achieved through exchange of information on developments in areas of railways technology & operations, knowledge sharing, technical visits, training & seminars and workshops in areas of mutual interest.

The MoUs provide a platform for Indian Railways to interact and share the latest developments and knowledge in the railway sector. The MoUs facilitate exchange of technical experts, reports and technical documents, training and seminars/workshops focusing on specific technology areas and other interactions for knowledge sharing.

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Cabinet approves MoU on Upgradation of the Women's Police Training Centre at Yamethin, Myanmar

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its ex-post facto approval to the Memorandum of Understanding (MoU) between India and Myanmar on upgradation of the Women's Police Training Centre at Yamethin, Myanmar. The MoU was signed on 6th September, 2017.

The MoU covers upgradation of the Yamethin Women's Police Training Centre to further augment the capabilities of the Myanmar Government to build capacities of its police force with technical and financial assistance from Government of India.

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More Chinese boots near Doklam

Worry remains:Kupup in Sikkim, the closest point to the Doklam plateau.Special Arrangement

A conclave of Army Commanders next week is set to discuss military preparedness along the China border, amid indications that the Chinese may have beefed up their presence near the Doklam standoff site since the disengagement more than a month ago.

According to sources in the Indian security establishment, the Chinese have 1,500 to 1,700 troops of the People's Liberation Army (PLA) stationed a few hundred metres afrom the standoff site on their side.

New bunkers found

In the locality, Indian surveillance has also detected new bunkers. The sources said road construction stores that were moved to the area during the Doklam standoff also remain in the area, and some road re-laying has been done on the Chinese side not very far from the standoff point.

At least a couple of official sources admitted that they were uncomfortable about the Chinese presence and activities on the plateau. "It is not status quo ante," an official said. "Ideally, they should withdraw the troops and equipment," he said.

Defence Ministry officials here claimed that there were only some 300 Chinese soldiers in the area. "There has been no change in the levels (of deployment) since the end of the standoff. Since then, the Chinese troops have only pulled back 300-400 metres," a senior Army officer said.

The nearest PLA base is at Yatung which has a battalion headquarters with at least 600 soldiers, and is 12-13 km away.

Tanks deployed

Meanwhile, Army sources confirmed that the biannual Army Commanders conference, scheduled to be held from October 9 to 14, would be discussing the Chinese posturing and military preparedness along the border.

The Indian Army has carried out its own readjustments in the India-China-Bhutan trijunction, with forward deployment of T-72 tanks and BrahMos missiles among other equipment.

The two Armies were engaged in a standoff at Doklam near the trijunction since June 16 after Indian soldiers prevented the Chinese from building a road in the disputed territory. After prolonged diplomatic negotiations, the two sides announced disengagement on August 28 ending the 73-day standoff.

Officials said the present posturing by the PLA could be in the context of the crucial Chinese Communist Party Congress scheduled in two weeks. "It is more of a messaging by the PLA for the party. They may pull back after that," the MoD official said.

"They would not want to wait till winter. It will be difficult to sustain for them," the official added.

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Bangladesh inks deal with India

Bangladesh on Wednesday signed a \$4.5-billion loan deal with India for developing its infrastructure, health and education.

The agreement was signed here in the presence of Finance Minister Arun Jaitley and his Bangladesh counterpart, A.M.A. Muhith, by Bangladeshi Economic Relations Division Secretary Kazi Shofiqul Azam and Managing Director of the Export-Import Bank of India David Rasquinha.

Projects identified

Mr. Jaitley said 17 development projects had been identified under the deal. Of the total amount, about \$500 million will be used for setting up new economic zones for Indian and other investors, said officials of the Finance Ministry and the Bangladesh Economic Zones Authority.

Bangladesh will use the funds for 17 priority infrastructure projects, which include electricity, railways, roads, shipping and ports.

As with previous line of credit (LoC) agreements, Bangladesh will pay an interest rate of 1% a year. It will have 20 years to pay back the loans, with a grace period of five years.

Mr. Jaitley said Bangladesh had developed significantly on the socio-economic front in the past seven years. "We have stood by Bangladesh's attempts to develop and we will do so in the future. This significant agreement is a continuation of that effort."

Mr. Muhith said Bangladesh and India have "excellent relations at the moment." "They stood by us during our Independence struggle. We hope they will continue to do so in the future."

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Japan signals intent on Silk Road

Avoiding a zero-sum trap, Japan has signalled its intent to take advantage of the China-led Belt and Road Initiative (BRI), notwithstanding its high-profile engagement with India, as seen during Prime Minister Shinzo Abe's India visit.

The multi-track diplomatic approach pursued by Japan became evident when its logistics giant Nippon Express signed a major cargo deal in mid-August with Kazakhstan's state railway company. Under the agreement, the two companies will team up to transport goods from China's east coast to Europe through Central Asia.

Nippon Express will be involved in aggregating goods from Japan, Korea and other parts of Southeast Asia. These items will be pooled together at the Chinese port of Lianyungang in the East China Sea.

Steel silk road

The "steel silk road" — a reference to Beijing's trans-continental rail enterprise — is one of the most visible symbols of the BRI, which has a sweeping land and maritime dimension of seamless connectivity between Asia, Europe and Africa.

In view of the new trade and investment opportunities opening up in the BRI zone, including Central Asia, the Japanese Chamber of Commerce and Industry has set up a liaison office in China.

Japan's mega banks, including the Bank of Tokyo-Mitsubishi UFJ and Mizuho Bank, have also looking for expanding their China operations, in view of the BRI.

Prime Minister Abe has already flagged his interest in the BRI, provided the plan follows the rules of transparency and fairness. However, Tokyo has so far desisted from participating in the China-initiated Asian Infrastructure Investment Bank (AIIB), which is expected to support BRI projects, which focus on Asia.

In tune with the commercial opportunities offered by the BRI, Japan is sending important political signals for reviving ties with Beijing. Last week, Mr. Abe paid a surprise visit at a ceremony marking China's National Day — a step that no Japanese Prime Minister has taken in the last 15 years.

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'India should not fall for U.S. designs'

Afghan former President Hamid Karzai. The Hindu Sandeep Saxena

Afghanistan's Former President Hamid Karzai said India should not be pulled into the U.S.'s approach to Afghanistan but should maintain an independent approach based on the shared interests of India and Afghanistan.

Mr. Karzai said he had expressed his own reservations to India about the new alliance between India and the U.S. in the region. "India is a friend and an ally and a traditional civilisational friend of our country but I want India to continue its traditional wise man's approach to the region. It is too deep a civilisation to be taken away by an American design... too big a nation to be in any temporary arrangement with this or that country," he said during a meeting with a small group of journalists in London on Wednesday. India has ruled out deploying troops but has said that it will expand development and medical assistance in the country to which it has extended around \$3 billion in aid to date.

Mr. Karzai reiterated his concerns about the new U.S. policy towards Afghanistan, warning that it would not bring peace but just further suffering to the Afghan people. "Every day Afghans told the U.S. of the sanctuaries outside our borders. The U.S. knew they were there but couldn't do much because Pakistan was an ally," he said.

U.S.'s strategic game

It was for this reason he remained sceptical, he said of the new U.S. approach which he said was not "aimed at ending extremism" but at playing a "bigger strategic game in the region in which Pakistan does not seem to fit in U.S. designs or Pakistan has taken a different path to what they were doing in the past... Pakistan has an economic integration plan, more closely aligned with China. It is more a power game than a fight against extremism that has re-aligned U.S. politics in the region." While praising India for being a "tremendous friend" of Afghanistan, he was critical of the influential role that U.S. approach had on India's own policy. He cited Afghanistan's request to the Manmohan Singh administration for help in its own military build-up. India's decision not to respond positively at that stage, he believes, was influenced by the U.S. being against it.

He said the best strategy towards the Taliban was to reach peace with them. "It is too late to talk of defeat... defeat means causing war in Afghanistan on a higher, larger scale... military solutions are no more an option for us. The Taliban are Afghans and we must sit down with them and have peace with them."

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Gathering clouds over West Asia: on US and Iran nuclear deal

West Asia is in a period of heightened uncertainty. In the Levant, regional powers are scrambling to fill the vacuum created by the steady dismantling of the Islamic State's sham caliphate across Syria and Iraq. Kurds, buoyed by their pivotal position in this race to Raqqa, have held an independence referendum, drawing the ire of their Iraqi, Turkish and Iranian neighbours, with every chance of a conflagration in disputed, oil-rich areas such as Kirkuk. Turkey continues its authoritarian descent, as its relations with Europe grow sourer by the day. In the Persian Gulf, a crisis within the Gulf Cooperation Council (GCC), pitting Saudi Arabia and the United Arab Emirates against maverick Qatar, has entered its sixth month, with no sign of resolution. Within Saudi Arabia, the young and ambitious heir to the throne, Mohammed bin Salman, is experimenting with an unpredictable mix of reform and repression, with women permitted to drive at the same time as dissident poets, clerics and intellectuals are carted to jail.

However, the biggest shock of all may lie ahead of us. The Joint Comprehensive Plan of Action (JCPOA), a nuclear deal agreed between Iran and six major powers, will celebrate its second anniversary on October 18. It was, and remains, a landmark piece of diplomacy, which recognised Iran's right to enrich uranium in exchange for a battery of tough, but time-bound, limits on nuclear activity. Through an adroit mixture of pressure, incentives and dogged diplomacy, it defused a crisis that had burned since the 1990s, threatening to spiral into a war in the 2010s. Nevertheless, conservative forces in Israel, the Arab world, and the U.S. denounced the agreement. They complained that it did not address Iran's non-nuclear behaviour, such as support for Hezbollah and other militant organisations, and that the "sunset" clauses, which progressively relax the constraints on Iran over the next three decades, were too generous.

Last November, one of these critics won the U.S. presidency. In his inaugural speech to the UN General Assembly, Donald Trump called the deal "one of the worst and most one-sided transactions the United States has ever entered into". Mr. Trump and members of his administration have repeatedly, but falsely, claimed that Iran is violating the agreement. On October 15, he must "certify" Iran's compliance. If he refuses to do so, it would open the way for the U.S. Congress to re-impose sanctions on Iran, which would automatically violate the agreement.

True to his reality show past, Mr. Trump has declared that he has made his decision, but will not reveal it even to close allies who have asked him, such as British Prime Minister Theresa May.

If Mr. Trump tears up the agreement, all is not necessarily lost. In a recent interview, Iranian Foreign Minister Javad Zarif noted that Europe's reaction "will have extremely important ramifications for the future of the deal". The U.K., France, Germany and the European Union have all expressed their categorical support. If the U.S. re-imposes so-called secondary sanctions, which cover foreign companies, Europe would most likely take legal and diplomatic steps to protect its substantial commerce with Iran, even at the cost of a transatlantic crisis.

In the first half of this year alone, EU-Iran trade stood at around \$12 billion, a 95% increase over the same period last year. This is roughly thirty times larger than U.S.-Iran trade. European banks, manufacturers and energy companies have also signed dozens of major agreements with Iran over the past year. The EU has jurisdiction over the SWIFT network for cross-border banking transactions. Iran was cut off from this network for four years, but Brussels would resist any U.S. demands to do so again. China, Iran's main trading partner, and Russia, Iran's military ally in Syria, would defy U.S. sanctions with even greater enthusiasm. In September, China provided a \$10 billion line of credit to Iran's banks, denominated in euros and yuan, with another \$15 in infrastructure projects. In short, it would be virtually impossible to rebuild today the broad,

multinational sanctions regime that helped push Iran to the negotiating table during 2013-15. If Iran were therefore persuaded that its re-integration into the world economy could continue regardless, this would be a powerful incentive for Tehran to abide by the JCPOA.

However, a less happy scenario is equally possible. If the deal collapses, Tehran is unlikely to expel inspectors entirely, as Iraq did in 1997, or withdraw from the Nuclear Non-Proliferation Treaty (NPT), like North Korea in 2003. Such steps would undercut Iran's professions of peaceful intent and cede the moral high ground. Iran would, however, consider re-starting the nuclear build-up that it had halted after an interim deal in November 2013. Prior to this point, Tehran was rapidly accumulating centrifuges and stockpiles of enriched uranium, such that it could "break out" – accumulate enough fissile material for a nuclear device – within a few months, had it chosen to do so. Absent diplomacy, Iran might have shrunk that time to weeks or days, which would have made it hard – perhaps prohibitively so – to detect any Iranian dash to a bomb. If sanctions were the West's way of pressuring Iran, nuclear build-up was — and could once more be — Iran's own bargaining chip.

Certainly, Tehran would have to balance the advantages of this course against the risks that it would provoke Europeans into siding, reluctantly, with Washington, and that it may push the U.S., Israel, or both, into a preventive war. While President Barack Obama always kept the military option on the table, his threshold for the use of force is likely to have been considerably higher than that of his erratic, impulsive successor. It is not clear how Iran's segmented leadership – divided between elected president and autocratic Supreme Leader – will weigh these factors, but the probability of an armed conflict would rise sharply if Mr. Trump walked away.

Not only would a war fail to eradicate Iran's nuclear know-how, it would have far-reaching regional consequences. Iran's Revolutionary Guards could unleash Shia militia against U.S. troops in Iraq, and expand support to Afghan insurgents just as Mr. Trump's surge gets underway. Saudi-Iran tensions would spike, and the risks of a U.S.-Russia confrontation in West Asia would jump dramatically. More broadly, abrogation of the JCPOA would be devastating for Washington's credibility in future diplomacy. All this would be unwelcome news for India. While Indian imports of Iranian oil have been falling regardless, the Chabahar project, scheduled for completion next year, could face fresh obstacles. Iran-Pakistan relations may also shift unpredictably, and in ways that work against Indian interests.

Foreign Minister Sushma Swaraj is likely to have conveyed these concerns to her U.S. counterpart, Rex Tillerson, at their meeting in New York in late September — but Mr. Tillerson, publicly humiliated by his President on Twitter days ago, appears peripheral to American foreign policy. And so we await the judgment of the mad king.

Shashank Joshi is a Senior Research Fellow of the Royal United Services Institute in London

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Dhaka defends China's OBOR project

Countries must not become "isolated in the name of sovereignty," said Bangladesh Foreign Secretary Shahidul Haque, striking a counter to India's tough position against China's One Belt, One Road (OBOR) Initiative during a discussion on Asian connectivity projects.

"Economic issues now dictate how much sovereignty one should exert," Mr. Haque said at the World Economic Forum in Delhi. "We cannot be isolated in the name of sovereignty... There are times when you have to put the sovereignty issue behind, in the back seat, to the economic benefits to your people."

'High costs involved'

"We in South Asia are the least integrated compared to ASEAN countries," conceded Congress leader and Chairman of the Parliamentary Committee on External Affairs Shashi Tharoor, speaking during the discussion "Asia's New Normal" at the WEF conference, but warned that while India could not "dictate" to its neighbours, they must see the high costs of the Belt and Road Initiative.

"Chinese are now coming to build projects in Pakistan and in Sri Lanka they are increasingly seeing the exorbitant costs of Chinese aid. Many now call Sri Lanka's Hambantota port project, a white elephant," Mr. Tharoor added.

Mr. Haque's comments came in defence of Bangladesh's decision to join the 60-nation connectivity project promoted by China, even as concerns grow over the "debt trap" that the massive infrastructure projects are leading smaller SAARC countries like Bangladesh, Maldives, and Sri Lanka into. In May, India had refused to attend China's Belt and Road Forum.

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Beyond business as usual: on Indian and the EU

As India and the European Union (EU) meet at their 14th summit today in New Delhi, they must go beyond business as usual. Trade and investment, science and technology, and innovation and education will remain on the Indo-European partnership platter, but such tactical cooperation will prove meaningless unless it is given a strategic and democratic direction to navigate an increasingly hostile global environment.

With the U.S. reducing its global footprint and China moving in to fill the vacuum, this is the right time for New Delhi and Brussels to join hands in defence of the liberal order. Taking such a lead entails not merely protecting the international principles and institutions that have underpinned the development, security and stability of both India and Europe, but also reforming the multilateral architecture to prevent the rise of isolationist, unilateral and authoritarian forces.

For inspiration on how to steer their relationship ahead, European and Indian officials will have to look no further than the landmark resolution passed last month by the European Parliament. On September 13, 751 parliamentarians from 28 states resolved that the EU-India partnership “has not yet reached its full potential,” and called on Brussels and New Delhi to “strengthen their efforts in promoting effective, rule-based multilateralism” and address security challenges with “respect for international law and cooperation among democratic states.”

How can India and Europe further deepen their partnership? Delhi has also accelerated outreach efforts in the Baltic and Central and Eastern Europe region, where China’s formidable Belt and Road Initiative (BRI) is changing the balance of power and threatening European unity. But if India is serious about engaging the EU and presenting itself as an alternative to China, it will have to open its market to European goods, services and investments. India will also have to invest in greater coordination security cooperation with Europe in overlapping spheres of influence. For example, it is puzzling that India continues to stay away from the EU-coordinated naval escort missions for the UN World Food Programme in the Indian Ocean, when China has already participated 11 times.

For the EU, the challenge is to openly recognise that beyond mere economic and transactional interests, democratic India makes for a much more attractive and sustainable partner than China. Rooted in its democratic institutions and open societies, the Indian and European world views are far more similar than usually assumed. This is increasingly manifested in their converging interests to ensure Eurasian connectivity plans that are truly multilateral, and also financially and environmentally sustainable; the protection of international legal principles such as the freedom of navigation; or the development of regulatory frameworks that foster scientific and technological innovation under the rule of law.

As the world’s two largest democracies, it is now time for Europe and India to infuse their relationship with a liberal vision for a transformed global order.

Constantino Xavier is fellow, Carnegie India

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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Partners, naturally

The European Union and India are natural partners. Every year, millions of Europeans come to India to discover this great country's many marvels. Whether inspired to visit by the beautiful verses of India's Nobel prize winning poets, its intensely rich cultural heritage or simply its exquisite cuisine, they all invariably leave in awe. Millions of Indians make the reverse trip to Europe to visit, live, work or study. There is even a local cricket team in my native Luxembourg, made up largely of Indian players.

Our bond is built on our shared beliefs. We are the two largest democracies in the world. We share the same values of freedom, equality and tolerance. We believe that the strength of the law outweighs the law of the strong. And we both understand that working with like-minded partners is the only way forward in a world in which we share both challenge and opportunity.

This is why the European Union and India already do so much to make each other safer and better off. Our work goes from fighting climate change and terrorism to cooperating on cyber security and digital

This week, I am in India for the 14th EU-India Summit to meet Prime Minister [Narendra Modi](#) and further strengthen our excellent partnership. My message will be that Europe is open for business and will continue to remain so.

While India is one of the world's fastest growing economies, the EU is the world's biggest open market and the world's second largest economy. We are the largest trading partner for 80 countries, including India. Our economy is growing faster than that of the United States and eight million new jobs have been created in the last three years alone.

We already trade more than 100 billion euro worth of goods and services every year with India. Around 6,000 European companies - from tyre manufacturers, to banks, to pharmaceutical companies - have set up shop here in India. They have created five million jobs right across the country. Indian companies are doing the same in Europe, from [Wipro](#) in Romania, to Infosys in the Czech Republic through to Tech Mahindra in Sweden.

This trading partnership will continue to thrive during and after the United Kingdom's divorce with the European Union. Beyond March 2019, the EU of 27 will still be India's largest trading partner. We will still be the second largest economy in the world. And we will still be - by some considerable distance - the largest destination and source of foreign direct investment in the world.

The fact that the European Investment Bank has now set up an office in New Delhi is a statement of our intent. European loans have helped to finance the construction of the Lucknow Metro and solar power schemes across the country.

The truth is that we can still do so much more, and so much better. One of the key topics for discussion at this week's summit will be how we can fulfil that potential. I hope and I believe that talks on an EU-India Free Trade Agreement can resume in the not too distant future. As we do so, we must also work together on the highest standards of data protection. This will help to protect citizens' rights online and also make it easier for businesses on both sides to work together by exchanging personal data freely and securely.

But the EU-India partnership is about much more than commercial or trading interests. We stand shoulder-to-shoulder in the fight against climate change and both PM Modi and I have been unequivocal in our support for the Paris Agreement. Europe will support India's ambitious goals

through investment and expertise in green buildings, renewable energy, waste management and air pollution.

We must also work together to make the world a safer place. The need to pool our knowledge and resources to tackle common threats of terrorism, radicalisation and cyber crime has become even more acute in the 18 months since the last EU-India Summit in Brussels. I am delighted that this week, we will make it easier for Indian security agencies and Europol to work together to fight our common threats.

Above all else, the bond between India and Europe is a bond between people. Indian students are now the most successful recipients of Erasmus grants to study in European universities. Indian scientists have received research grants to work with their European counterparts on medical breakthroughs or cutting-edge technologies. I can think of no better illustration of what makes the EU-India partnership so special - and so natural.

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India's trade and investment relationship with Ethiopia is very strong, says President; symbolic of India's commitment to African Continent

India's trade and investment relationship with Ethiopia is very strong, says President; symbolic of India's commitment to African Continent

The President of India, Shri Ram Nath Kovind, graced and addressed the India-Ethiopia Business Dialogue, organised to commemorate the 12th Anniversary of the India Business Forum in Addis Ababa today (October 5, 2017).

Speaking on the occasion, the President said that Ethiopia and India have been trading with each other for centuries. Trade relations between Ethiopia and India flourished during the ancient Axumite Empire from the 1st century AD. Today the economic relationship covers trade, private investment, concessional loans for infrastructure projects and development assistance, largely for capacity building.

The President said that India is now among the top three foreign investors in Ethiopia. Indian investment has made a mark in textiles and garments, engineering, plastics, water management, consultancy and ICT, education, pharmaceuticals and healthcare. Indian investments in Ethiopia have had a significant presence in manufacturing and value addition to local resources. They have created jobs in this country and contributed to the prosperity of Ethiopian families. He congratulated the Indian Business Forum for playing a lead role in encouraging Indian investment and promoting trade and commerce between India and Ethiopia.

The President said that India's relationship with Ethiopia is symbolic of its engagement with the African continent, of which Addis Ababa is such a vital hub. At the Third India Africa Forum Summit in New Delhi in 2015, India had announced the offer of concessional credit of US\$ 10 billion over the next five years to Africa. This was in addition to the on-going credit programme. We have also committed to a grant assistance of US\$ 600 million that will include an India-Africa Development Fund of US\$ 100 million and an India-Africa Health Fund of US\$ 10 million. The Asia-Africa Growth Corridor is another initiative brimming with potential.

The President invited business stake-holders in Ethiopia and Africa to partner us in these frameworks and benefit from them. He stated that it is critical that such large projects are designed transparently and bring prosperity to local communities. In the end, the President added, trade and investment works best - or rather works only - when it helps

host communities and people on the ground.

Earlier in the day, the President visited the Presidential Palace in Addis Ababa and led delegation-level talks with his counterpart, President Mulatu Teshome. The talks covered a gamut of developmental and trade themes. President Kovind mentioned India's willingness to positively consider support for power transmission projects in Ethiopia, as well as announced specific assistance in the areas of healthcare, education and agriculture. The two Presidents witnessed the signing of two bilateral agreements – the first on Trade Facilitation and the second related to the Information Communication and Media sector.

Later this evening, the President will hold talks with Mr Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia, as well as attend a banquet in his honour to be hosted by President Teshome.

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India signs €300 million Finance Contract with European Investment Bank (EIB) for financing Bangalore Metro Rail Project Phase II- Line R6.

India signs €300 million Finance Contract with European Investment Bank (EIB) for financing Bangalore Metro Rail Project Phase II- Line R6.

Government of India and European Investment Bank (EIB) today signed the Finance Contract for lending of € 300 million for Bangalore Metro Rail Project Phase II Line R6. The agreement was signed by Shri S. Selvakumar, Joint Secretary (BC), Department of Economic Affairs (DEA), Ministry of Finance on behalf of the Government of India and Mr. Andrew McDowell, Vice President, EIB, on behalf of the EIB.

Bangalore Metro Rail Project Phase II is to be jointly financed by the European Investment Bank (€500 million) and Asian Infrastructure Investment Bank (€300 million). The first tranche of Euro 300mn was signed today. The project envisages extension of East-West & North-South lines for Bangalore Metro Rail which includes a total length of 72.095 km (13.79 km underground) and 61 stations with 12 underground stations. The project implementation period is 5 years from date of commencement of the Project.

The objective of the project is to bring in a quantum improvement in the transportation sector in the city in tandem with the Bangalore Metropolitan Transport Corporation (BMTTC) and other modes of urban transport. The project aims to ensure modern transport facility for the commuters. The spinoffs of the project would include employment opportunities, benefits to the economy, reduction of number of vehicles on road, less fuel consumption, reduction in air pollution, reduction in passenger travel time and also improvement in the aesthetic value of the city.

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First Meeting of India-Australia Joint Steering Committee held**First Meeting of India-Australia Joint Steering Committee held**

The First Meeting of India-Australia Joint Steering Committee was held here today. Shri TVSN Prasad, Additional Secretary, Ministry of Home Affairs and Mr. Stephen Bouwhuis, First Assistant Secretary, International and Auscheck Division, Criminal Justice Group, Attorney-General's Department led the respective delegations.

Today's meeting is a follow-up to the Memoranda of Understanding (MoU) on Cooperation in Combating International Terrorism and Transnational Organized Crime exchanged between the two sides during the visit of Australian Prime Minister Mr. Malcolm Turnbull to New Delhi in April this year and his talks with the Prime Minister Shri Narendra Modi.

During the Joint Steering Committee meeting the two sides discussed scope for cooperation in counter-terrorism and checking extremism and radicalization besides steps to check illegal financial transactions and counterfeiting and cybercrimes. Issues related to human trafficking and people smuggling, combating illegal drug trafficking and sharing information between law enforcement agencies were also discussed.

The two sides agreed to pursue further the agenda for cooperation in specific areas with meetings of operational Joint Working Groups involving concerned agencies.

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List of Agreements signed during 14th India-EU Summit in New Delhi (October 06, 2017)**List of Agreements signed during 14th India-EU Summit in New Delhi (October 06, 2017)**

S. No	Name of Agreement	Indian Signatory	EU Signatory
1.	Implementing Arrangement between the European Commission and the Science and Engineering Research Board (SERB) for Indian Researchers hosted by the European Research Council grantees in Europe	Dr R. Sharma (SERB Secretary)	Mr. Tomasz Kozlowski (EU Ambassador)
2.	Finance Contract of Bangalore Metro Rail Project Phase-2-Line R6 for Euro 300 million out of total loan of Euro 500 million	Mr. Subhash Chandra Garg (Secretary, DEA)	Mr. Andrew McDowell (Vice President, EIB)
3.	Joint Declaration between the Interim Secretariat of the International Solar Alliance and the European Investment Bank	Mr UpendraTripathy (Secretary General, ISA Secretariat)	Mr. Andrew McDowell (Vice President, EIB)

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India – EU Joint Statement during 14th India-EU Summit, New Delhi (October 06, 2017)**India – EU Joint Statement during 14th India-EU Summit, New Delhi (October 06, 2017)**

1. The 14th annual Summit between India and the European Union (EU) was held in New Delhi on 6 October 2017. The Republic of India was represented by Prime Minister Shri Narendra Modi. The EU was represented by Mr. Donald Tusk, President of the European Council, and Mr. Jean Claude Juncker, President of the European Commission.
2. The leaders reviewed the wide-ranging cooperation under the India-EU Strategic Partnership. Recognising that India and the EU are natural partners, the leaders reaffirmed their commitment to further deepen and strengthen the India-EU Strategic Partnership based on shared principles and values of democracy, freedom, rule of law and respect for human rights and territorial integrity of States.
3. The leaders expressed satisfaction at the progress made towards implementing the India-EU Agenda for Action 2020 – the roadmap for bilateral cooperation endorsed during the 13th India-EU Summit.
4. The leaders committed to work in a result-oriented and mutually beneficial manner to further strengthen the India-EU Strategic Partnership by deepening their trade cooperation, enhancing investment flows in both directions and broadening dialogue and engagement on global and regional issues, including climate change, as well as migration and the refugee crisis, and resolved to further strengthen their bilateral and multilateral cooperation in these areas.
5. The leaders commended the strong engagement of the European Investment Bank in India in a wide range of key sectors, in particular in the field of climate action and renewable energy.
6. The leaders underlined the importance of regular high level contacts to enhance India-EU cooperation and mutual understanding. They noted the fruitful outcome of the India-EU Foreign Ministerial Meeting in New Delhi on 21 April 2017. Foreign Policy and Security Cooperation – Partners for Security.
7. They agreed that India and the EU, as the world's largest democracies, share a desire to work closely together and with all relevant players to support a rules-based international order that upholds agreed international norms, global peace and stability, and encourages inclusive growth and sustainable development in all parts of the inter-connected and multipolar world. They welcomed the growing convergence on contemporary global issues and agreed to enhance India-EU cooperation in all multilateral fora. They also recognised their common responsibility towards ensuring international peace and security, and an open and inclusive international order.

8. The leaders confirmed their commitment towards conflict prevention and sustaining peace as fundamental aspects of promoting security and prosperity, fostering non-proliferation and disarmament, and agreed on the need for the global community to unite to address the menace of terrorism and safeguard the security of the global commons – sea lanes, cyber space and outer space. They welcomed the 5th India-EU Foreign Policy and Security Consultations held in New Delhi on 25 August 2017 – a platform to further deepen cooperation in the political and security area.
9. The leaders reaffirmed their commitment to an open, free, secure, stable, peaceful and accessible cyberspace, enabling economic growth and innovation. In particular, the leaders reaffirmed that International Law is applicable in cyberspace, and that there was a need to continue and deepen deliberations on the applicability of International Law to cyberspace and set norms of responsible behaviour of States. The leaders welcomed the holding of the 5th Global Conference on Cyberspace in New Delhi on 23-24 November. The leaders noted that the bilateral Cyber Dialogue provided a strong foundation for existing and future cooperation and welcomed the holding of its latest round in New Delhi on 29 August this year, and the next India-EU Cyber Dialogue in Brussels in 2018.
10. The leaders strongly condemned the recent terrorist attacks in many parts of the world, underlining their common concern about the global threat posed by terrorism and extremism. They adopted a Joint Statement on Cooperation in Combating Terrorism with a view to deepening their strategic and security cooperation, and expressed their strong commitment to combat terrorism in all its forms and manifestations, based on a comprehensive approach. The leaders resolved to step up cooperation through regular bilateral consultations and in international fora. In this context, they welcomed the India-EU Dialogue on Counter-Terrorism on 30 August 2017 in New Delhi, and the joint commitment to explore opportunities to, inter alia, share information, best practices, including regarding countering the on-line threat of radicalisation, and to engage in capacity building activities, such as training and workshops. They also emphasised the need to deepen cooperation within the UN and the Financial Action Task Force (FATF).
11. The two sides reaffirmed their commitment to strengthening global non-proliferation efforts as highlighted at the India-EU Non-proliferation and Disarmament Dialogue in New Delhi on 18 July 2017. The EU congratulated India on its admission to the Missile Technology Control Regime (MTCR). The EU welcomed India's subscription to The Hague Code of Conduct against Ballistic Missile Proliferation (HCoC) and noted India's intensified engagement with the Nuclear Suppliers' Group (NSG), the Wassenaar Arrangement and the Australia Group, which strengthens global non-proliferation efforts.
12. India and the EU reaffirmed their commitment to enhance maritime security cooperation in the Indian Ocean and beyond. Both sides noted the recent joint manoeuvres (PASSEX) between the EU Naval Force and the Indian Navy off the coast of Somalia, as a successful example of naval cooperation. The EU looks forward to India's possible participation in escorting World Food Program vessels in the near future. They also underlined the importance of freedom of navigation,

overflight and peaceful resolution of disputes, in accordance with the universally recognised principles of International Law, notably the United Nations Convention on the Law of the Sea (UNCLOS) 1982. Both leaders attached importance to the security, stability, connectivity and sustainable development of Oceans and Seas in the context of developing the "blue economy".

13. Both sides agreed to enhance the India-EU space cooperation, including Earth observation.
14. India and the EU reiterated the importance they attach to human rights cooperation, including on gender equality and women empowerment in all spheres of life. In this regard, they looked forward to the next session of their dialogue to be held in New Delhi and supported enhancing interaction in international fora, in particular the UN General Assembly and the UN Human Rights Council.
15. The two sides expressed support to the Government and the people of Afghanistan in their efforts to achieve an Afghan-led and Afghan-owned national peace and reconciliation. The two sides remain determined to counter all forms of terrorism and violent extremism, considering them fundamental threats to international peace and stability. India and the EU underline the importance of the regional and key international stakeholders to respect, support and promote a political process and its outcome in order to ensure peace, security and prosperity in Afghanistan. The EU appreciated the positive role being played by India in extending development assistance in Afghanistan, including for building social and economic infrastructure, governance institutions and human resource development and capacity building. Both sides reconfirmed their commitment to promoting peace, security, and stability and supporting Afghanistan on its development path to become a self-reliable and prosperous state.
16. India and the EU expressed deep concern at the recent spate of violence in the Rakhine state of Myanmar that has resulted in the outflow of a large number of people from the state, many of whom have sought shelter in neighbouring Bangladesh. Both sides took note that this violence was triggered off by a series of attacks by Arakan Rohingya Salvation Army (ARSA) militants which led to loss of lives amongst the security forces as well as the civilian population. Both sides recognised the need for ending the violence and restoring normalcy in the Rakhine state without any delay. They urged the Myanmar authorities to implement the Kofi Annan-led Rakhine Advisory Commission's recommendations and work with Bangladesh to enable the return of the displaced persons from all communities to Northern Rakhine State. India and the EU also recognised the role being played by Bangladesh in extending humanitarian assistance to the people in need.
17. India and the EU reaffirmed their support for the continued full implementation of the Joint Comprehensive Plan of Action (JCPOA) regarding the Iranian nuclear issue. They recognised confirmation by the International Atomic Energy Agency (IAEA) that Iran is complying with its nuclear-related JCPOA commitments. India and the EU called for the full and effective implementation of the deal, which has been endorsed by the UN Security Council and is a crucial contribution to the non-proliferation framework and international peace, stability and security.

18. Both sides condemned the nuclear test conducted by DPRK on 3 September 2017, which was another direct and unacceptable violation of the DPRK's international commitments. They agreed that DPRK's continued pursuit of nuclear and ballistic missile programmes and its proliferation links pose a grave threat to international peace and security, and called for the complete, verifiable, irreversible denuclearization of the Korean Peninsula, which has been endorsed by the UNSC and the Six Party Talks. Both sides stressed the responsibility of those who support DPRK's nuclear and missile programmes. They also stressed the importance of unity of the international community in addressing this challenge, ensuring that all UNSC sanctions are fully implemented by the entire international community, so as to maximize pressure towards achieving a peaceful and comprehensive solution through dialogue.
19. Regarding the situation in Syria, India and the EU reaffirmed the primacy of the UN-led Geneva process and called for full support for the intra-Syrian talks with a view to promoting a political solution in Syria. Protection of civilians and territorial integrity is fundamental and all parties to the conflict and their supporters are expected to live up to their commitments. India and the EU reaffirmed that only a credible political solution, as defined in UNSCR 2254 and the 2012 Geneva Communiqué will ensure the stability of Syria and enable a decisive defeat of Da'esh and other UN-designated terrorist groups in Syria. India and the EU agreed that the second Brussels Conference on Syria in spring 2018 will contribute to sustain international commitment to Syria.
20. On the Middle East Peace Process, India and the EU reiterated calls on parties to engage constructively so that a just, lasting and comprehensive resolution of the Israeli-Palestinian conflict, based on the two-state solution, could be achieved on the basis of relevant United Nations resolutions, the Madrid Principles, the Arab Peace Initiative, for peace and stability in the Middle East.
21. The two sides also reiterated their full support to the UN facilitated Libyan-led and Libyan-owned political process to forge a lasting solution to the political crisis in Libya. Establishing an inclusive government and building peace and stability in Libya is in the interest of the entire international community.
22. India and the EU acknowledged the importance of connectivity in today's globalised world. They underlined that connectivity initiatives must be based on universally recognised international norms, good governance, rule of law, openness, transparency and equality and must follow principles of financial responsibility, accountable debt financing practices, balanced ecological and environmental protection, preservation standards and social sustainability.
23. Both sides underlined the importance of ASEM as an informal platform for connecting Asia and Europe. Both sides also agreed to give new impetus to ASEM in the run up to the next ASEM Summit to be hosted in Brussels, where the focus would be on tackling global challenges together.

24. The leaders underlined their strong support for a diplomatic solution to the conflict in eastern Ukraine through the full implementation of the Minsk Agreements by all parties in accordance with UN Security Council Resolution 2202 (2015).
25. The EU hoped for a swift solution, through the due process of law in India, in the case of MV Seaman Guard Ohio, which concerns fourteen Estonian and six British citizens sentenced to prison by an Indian court. Global Challenges – Multilateral Cooperation.
26. Both sides reaffirmed their support to the new United Nations reform agenda on the three reform tracks of peace and security, development and management reform. The two sides' commitment to stronger global governance also translates to reforming the bodies and organs of the UN system, including the comprehensive reform of the UN Security Council as well as the revitalisation of the work of the General Assembly, better aligning the work of its committees with the 2030 Agenda.
27. The two sides agreed to work bilaterally and with partners in the G20, the United Nations and other multilateral fora to address emerging challenges to international security, global economic stability and growth.
28. The leaders reaffirmed the crucial role of the rules-based multilateral trading system, and the importance of enhancing free, fair, and open trade for achieving sustainable growth and development. They reaffirmed their commitment to work together with all Members of the WTO to make the eleventh WTO Ministerial Conference a success with concrete results, which would reaffirm the centrality of the rules-based multilateral trading system and its importance for open and inclusive global trade.
29. Both sides recalled the adoption of the 2030 Agenda for Sustainable Development, the joint commitment to its implementation with the complementary new EU Consensus on Development and India's "sab kasaath, sab kavikas" policy initiatives, and reaffirmed the importance of global partnerships to achieve the Sustainable Development Goals and poverty alleviation. In this regard, they reiterated their commitment to collaborate on common priorities and looked forward to exploring the continuation of the EU-India Development Dialogue. Both sides also recognised the need to mutually reinforce the Sendai Framework for Disaster Risk Reduction 2015-2030.
30. The EU welcomed India's contribution to peace and development in Africa, including its participation in UN Peacekeeping Missions. The EU and India expressed their commitment to enhancing their consultations and cooperation regarding Africa, with a view to optimising possible synergies between their respective initiatives. They looked forward to India's participation as an observer at the next EU-African Union Summit. Partners in Prosperity through Increased Trade and Economic Cooperation; Partners in India's Modernisation

31. The EU leaders welcomed India's efforts to promote economic and social development and expressed the EU's continued interest in participating in India's flagship initiatives such as "Make in India", "Digital India", "Skill India", "Smart City", "Clean India," and "Start-Up India". The EU closely follows Prime Minister Modi's economic reforms, including the historic introduction of the Goods and Services Tax (GST), which can facilitate ease of doing business and promotes market integration in India by realising a simple, efficient and nation-wide indirect tax system. Prime Minister Modi appreciated the ongoing participation by EU companies in the flagship initiatives and called for their deeper engagement in India's developmental priorities. The EU side encouraged the greater participation of Indian business organizations into the Enterprise Europe Network. The leaders noted the progress made on EU-India cooperation on resource efficiency and circular economy. Both sides agreed to enhanced cooperation and exchange of experience and best practices in the field of Intellectual Property rights (IPR) and public procurement.
32. The Leaders expressed their shared commitment to strengthening the Economic Partnership between India and the EU and noted the ongoing efforts of both sides to re-engage actively towards timely relaunching negotiations for a comprehensive and mutually beneficial India-EU Broad Based Trade and Investment Agreement (BTIA).
33. Both parties recognised the importance of trade in agricultural products in general, and rice in particular, and agreed to work together to resolve issues that have the potential of disrupting trade. With regard to import tolerance level of tricyclazole in rice (Commission Regulation (EU) 2017 / 983) the relevant plant protection companies will be invited to present new scientific data in order for the European Food Safety Authority to carry out an additional risk assessment without delay. On this basis, the European Commission would expeditiously consider whether to review the above mentioned Regulation. Both sides supported the early institutionalisation of cooperation between the European Food Safety Authority (EFSA) and the Food Safety and Standards Authority of India (FSSAI), to focus on exchange of knowledge and expertise in the area of methodologies for data collection, risk assessment and risk communication. Furthermore, the EU and India have agreed to further strengthen their cooperation on food safety, notably by:
- a. Strengthening existing dialogues like Agricultural and Marine Working Group, SPS-TBT Working Group to cover issues on food safety and agricultural trade between the relevant Indian ministries/departments and relevant European Commission services.
 - b. Initiating joint projects in areas such as good agricultural practices, development of traceability capacities, and cooperation in laboratory activities, including testing and monitoring.
 - c. The EU would welcome India's application for protection as a geographical indication of Basmati and shall process any such future application, as expeditiously as possible.

- d. India welcomes EU's intention to expeditiously initiate the process of recognising additional seed varieties of Basmati rice under Article 28 of the GATT 1994 for duty derogation, as already requested by India.

34. Leaders welcomed the establishment of an Investment Facilitation Mechanism (IFM) for EU investments in India as a means to improve the business climate and hoped that the IFM will ease sharing of best practices and innovative technology from the EU to India. Leaders acknowledged that the "Make in India" initiative may offer investment opportunities for companies based in the EU Member States.
35. Leaders welcomed the establishment of the South Asian Regional Representative Office of the European Investment Bank (EIB) in India and noted that its investments, especially in urban mobility and renewable energy projects, will support India-EU collaboration on the Climate Agenda. The leaders welcomed the new €500 million EIB loan agreement for Bangalore Metro Phase-II Project, which is part of EIB's enhanced commitment of €1.4 billion in loans to India in 2017.
36. The leaders noted the ongoing positive discussions and the exchange of a Joint Declaration between the Interim Secretariat of the International Solar Alliance (ISA), and the European Investment Bank (EIB) aimed at mobilising investments for broad-based deployment of affordable solar energy applications across the 121 prospective member countries of the ISA.
37. Both sides adopted a Joint Statement on Clean Energy and Climate Change, reaffirmed their commitments under the 2015 Paris Agreement, and agreed to co-operate further to enhance its implementation. India and the EU noted that addressing climate change and promoting secure, affordable and sustainable supplies of energy are key shared priorities and welcomed the progress on the Clean Energy and Climate Partnership, adopted at the 2016 EU-India Summit, and reiterated their commitment to its implementation and further development, in accordance with the work programme agreed at the EU-India Energy Panel meeting in October 2016.
38. India and the EU reaffirmed their commitment to undertake mutual cooperation for reducing the cost of development and deployment of renewable energy projects through technology innovation, knowledge sharing, capacity building, trade and investment, and project establishment.
39. The leaders reiterated the importance of reconciling economic growth and environment protection. They highlighted the importance of moving towards a more circular economic model that reduces primary resource consumption and enhanced the use of secondary raw materials. They welcomed the contribution of the International Resource Panel, the Indian Ministry of Environment, Forests and Climate Change (through the Indian Resource Panel) and of the National Institution for

Transforming India (NITI Aayog) to developing strategies for this crucial economic transition. Both sides agreed that the newly established G20 Resource Efficiency Dialogue will be an ideal platform for knowledge exchange and to jointly promote resource efficiency at a global level. Leaders also agreed to further intensify cooperation on addressing environmental challenges, such as water management and air pollution, acknowledged the progress in implementing the India-EU Water Partnership, including an agreed action programme, the increased cooperation opportunities on research and innovation, looking forward to the third India-EU Water Forum later in the month.

40. The leaders agreed to work towards an enhanced cooperation on innovation and technology development aiming at actions strengthening cooperation between European and Indian industries and start-up ecosystems.
41. The leaders welcomed the intensified technical cooperation between the Indian and European telecom standardisation bodies (TSDSI and ETSI), supported by the EU, and focusing on future global standards for 5G, Intelligent Transport Systems, Internet of Things, Future Networks and telecom security. Both sides encouraged the stakeholders to broaden this cooperation, demonstrate concrete technological solutions, and strengthen links between "Digital India" and "Digital Single Market for Europe."
42. Both sides noted positive exchanges on Internet Governance, on increasing the ease of doing business for ICT companies on both sides, as well as meetings between the Indian and European start-up ecosystems under a "Start-up Europe India Network".
43. The two sides confirmed their interest in further strengthening the cooperation in the area of pharmaceuticals, including capacity building of the regulatory system with particular focus on inspections by creating a more structured and stable training environment. The Indian side also highlighted its interest for cooperation on capacity building of the entire pharmaceutical value chain.
44. The leaders adopted the India-EU Joint Statement on a Partnership for Smart and Sustainable Urbanisation with a view to step up cooperation including with regard to priority sectors such as the upgrading of urban infrastructure for transport and sanitation, developing Smart Cities in India, as well as promoting the New Urban Agenda of the United Nations adopted in 2016.
45. The leaders agreed to scale-up cooperation under the renewed India-EU Science and Technology Cooperation Agreement in frontier areas of science and technology and in addressing current global challenges in particular in the areas of health, water and clean energy. They welcomed the agreement to launch a major joint flagship initiative of €30 million on water-related challenges

reflecting the pressing need to cooperate on technological and scientific knowledge and management capacities to cope with increasing stress on water resources. Both sides agreed to work towards reciprocal opening of the EU Framework Programme for Research and Innovation 'Horizon 2020' and Indian programmes, and called for an intensified two-way mobility of researchers. To this extent, the two sides welcomed the conclusion of the Implementing Arrangement between the Science & Engineering Research Board (SERB) and the European Research Council (ERC).

46. The leaders encouraged Euratom and the Department of Atomic Energy to conclude the Agreement for Research & Development Cooperation in the field of the Peaceful Uses of Nuclear Energy. They stressed that this cooperation will contribute to further enhancement of nuclear safety and will be mutually advantageous. The cooperation will also lead to improving the skills and deployment of non-power technologies in the areas of water, health care & medicine, environment, etc., for the benefit of the society.
47. Both sides will continue their strong partnership in the development of fusion energy, building on the agreements to which they are parties, including under the Euratom-India Cooperation Agreement on Fusion Energy research.
48. The Leaders welcomed the imminent operationalisation of the 2008 Horizontal Civil Aviation Agreement, which will enhance air connectivity between India and Europe and help foster greater people-to-people contacts, business travel and increase in tourism. The leaders considered the opportunity to deepen transport cooperation in areas of mutual interest across all modes of transport, notably maritime, aviation, urban mobility and, rail.
49. India and the EU agreed to intensify cooperation in skills development and agreed to find complementarities and synergies between India's Skill India initiative and the EU's New Skills Agenda for Europe.
50. The leaders emphasised that, as part of the India-EU Agenda for Action 2020, there was a need to work towards strengthening cooperation on higher-education, including through India's GIAN programme and the EU's Erasmus+ programme. The Erasmus+ programme has just celebrated its 5000th Indian alumni and has offered financing opportunities for institutional cooperation to many Indian universities through joint-masters, short-term mobility, capacity building projects and Jean Monnet actions for EU studies. The leaders welcomed that, overall, India has been the number one beneficiary of Erasmus mobility actions in the world since its creation.
51. The two sides took note of the High Level Dialogue on Migration and Mobility held in Brussels on 04 April 2017. They welcomed the understanding reached in advancing the Common Agenda on Migration and Mobility, including through technical collaboration and undertaking projects in areas of mutual interest, with a view to better organising migration and mobility between India and the

EU.

52. The leaders agreed to intensify people-to-people exchanges and facilitate increased travel of tourists, business persons, students and researchers between India and the EU. The Indian side noted the ongoing revision of the EU Blue Card Scheme aimed at easing the flow of highly qualified professionals to the EU.
53. The leaders noted the adoption of the report on "EU's Political Relations with India" in the European Parliament and welcomed its recommendations for intensifying the exchanges between the Indian and European parliamentary delegations. The leaders also looked forward to intensified exchanges between scholars, think tanks and cultural delegations.

AKT/SH/VK

[India EU Joint Statement Clean Energy and Climate Change 6 Oct 2017](#)

[India EU Joint Statement on Counter Terrorism 6 Oct 2017](#)

[India EU Joint Statement on Urban Partnership 6 Oct 2017](#)

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Twenty Years of Science & Technology Cooperation Between India And South Africa

Twenty Years of Science & Technology Cooperation Between India And South Africa

Union Minister for Ministry of Science & Technology, Ministry of Earth Sciences and Ministry of Environment, Forest & Climate Change, Dr. Harsh Vardhan, is leading the Indian delegation to South Africa to participate in the celebration of twenty years of Science & Technology cooperation between India and South Africa.

Indian delegation is visiting South Africa to strengthen the strong scientific bonds between the two countries and explore further avenues of co-operation between the two nations in areas ranging from Space Research to Bio-technology. The delegation will interact with scientists in South Africa where scientists will share experiences and insights on multiple subjects with the Ministerial delegation.



The Minister made a visit to the Square Kilometer Array (SKA), which is a large multi radio telescope project under development in Australia, New Zealand, and South Africa. It utilizes radio astronomy and has receiving stations at a minimum distance of 3,000 kilometers (1,900 mi) from a concentrated central core, enabling it to provide the highest resolution images compared to other sub-disciplines of astronomy. It is being developed in the Southern Hemisphere with cores in South Africa and Australia, where there is least radio interference to observe the Milky Way Galaxy. The project will address some of the most interesting scientific questions in Astrophysics, ranging from characteristics of early Universe to search for intelligent extra-terrestrial life.



The SKA is a global project with twelve member countries. India is a member state where National Centre for Radio Astrophysics, affiliated to the Department of Atomic Energy, Govt. of India

is the stakeholder. India is involved in several design work packages of SKA, notably the Central Signal Processing and Telescope Manager System, which will act as the nerve centre behind the functioning of the SKA observatory. Such technological developments are supported by bilateral research initiatives of Dept. of Science & Technology of both the nations.

The SKA project will provide India astronomy community direct access to one of the best experimental radio-astronomy facility in the world. This project will accelerate technological growth of antenna, low noise electronics, analogue and digital signal processing, high-speed computing, massive data storage and mining, image processing, large software systems etc in India. Such projects present great opportunities to Indian scientific community to showcase our technological and scientific capabilities on the global stage.

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Australia, India to enhance ties

Malcolm Turnbull

India and Australia discussed ways to enhance cooperation in tackling terrorism, radicalisation and cyber-crimes, the Home Ministry said in a statement.

The India-Australia Joint Steering Committee discussed the issues threadbare at its first meeting here.

During the meeting, the two sides discussed the scope for cooperation in counter-terrorism and checking extremism and radicalisation, besides steps to check illegal financial transactions, counterfeiting and cyber-crimes, the Home Ministry's statement said.

MoU on tackling terror

"The meeting is a follow-up to the Memoranda of Understanding (MoU) on Cooperation in Combating International Terrorism and Transnational Organised Crime exchanged between the two sides during the visit of Australian Prime Minister Malcolm Turnbull to New Delhi in April this year and his talks with Prime Minister Narendra Modi," the statement said.

Issues related to human trafficking and people smuggling, combating illegal drug trafficking, and sharing information between law enforcement agencies, were also discussed.

The two sides agreed to pursue further the agenda for cooperation in specific areas with meetings of operational joint working groups involving agencies concerned, the statement added.

Additional Secretary in the Home Ministry T.V.S.N. Prasad and Stephen Bouwhuis, First Assistant Secretary, International and Auscheck Division, Criminal Justice Group, Attorney-General's Department, led the India and Australia delegations respectively.

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Trump set to decertify Iran nuclear agreement

The Iran nuclear deal between Tehran and six world powers reached in 2015 appears to be in jeopardy as President Donald Trump is unlikely to issue a certification mandated by a U.S law for the country's continuing participation in the agreement.

Decertification by Mr. Trump will not directly result in the U.S withdrawal from the agreement, but could a trigger a series of events that may destabilise and eventually dismantle it.

The President is expected to give a speech explaining his position and a new, tougher policy towards Iran next week.

"We must not allow Iran to obtain nuclear weapons. The Iranian regime supports terrorism and exports violence, bloodshed, and chaos across the Middle East [West Asia]. That is why we must put an end to Iran's continued aggression and nuclear ambitions. They have not lived up to the spirit of their agreement," Mr. Trump told senior leaders of the U.S military at the White House on Thursday.

At odds with IAEA

The President's view that Iran is not in compliance with the deal, also called the the Joint Comprehensive Plan of Action (JCPOA), is at odds with International Atomic Energy Agency (IAEA) and the other five signatories to the deal — Russia, China, France, Germany and U.K.

The IAEA and these five countries maintain that Iran is in full compliance. Mr. Trump appears to be going by the advice of a segment of the Republican Party and two key American allies in region, Israel and Saudi Arabia, both bitter opponents of the deal negotiated by the Barack Obama administration. The deal has provisions to deal with an Iranian breach, but does not foresee an American non-compliance.

Four points

Under the Iran Nuclear Agreement Review Act of 2015, the President is required to issue a certification to Congress every 90 days that makes a determination on four points — that "Iran is fully implementing the JCPOA, Iran has not committed a material breach, Iran has not taken any action that could significantly advance a nuclear weapons programme, and suspension of sanctions is appropriate and proportionate to the measures taken by Iran and vital to U.S. national security interests."

The next certification is due on October 15. Mr. Trump has certified the deal twice, but has indicated that he does not intend to do it a third time. The last point about the deal being vital to U.S national interests is an entirely subjective one.

When the President refuses to certify, the onus is on the U.S Congress to decide the course of action. The Congress will get 60 days to decide whether or not to reimpose the sanctions on Iran, lifted as part of the nuclear deal. For now, supporters of decertification argue that this move could open the path for a stronger deal that could be negotiated.

'Fix it or nix it'

The U.S. could then ".. move forward on trying to find a way to actually strengthen the deal, fix the deal and get rid of some of the fatal flaws of the deal," Mark Dubowitz, CEO of the Foundation for

Defence of Democracies, who has been advising the White House on the issue, told the National Public Radio on Thursday. "Fix it, or nix it," said Israel PM Benjamin Netanyahu in his speech at the U.N. General Assembly last month.

Mr. Trump is in agreement with this view. "We cannot abide by an agreement if it provides cover for the eventual construction of a nuclear programme," he said in his speech at the UNGA. However, senior officials of his administration and the European allies fear that American withdrawal from the deal could destabilise the region further. Defence Secretary James Mattis told a Congressional committee earlier in the week that Iran was "fundamentally" in compliance with the agreement.

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China's North Korea conundrum

Show of force: A file photo of a missile during a military parade in Pyongyang. AP

Securing North Korea's missile launchers and nuclear, chemical and biological weapons sites would likely be a chief priority for China in the event of a major crisis involving its communist neighbour, analysts say, although Beijing so far is keeping mum on any plans.

Despite China's official silence, its People's Liberation Army likely has a "vast array" of contingency plans involving military options, said Dean Cheng, an Asia security expert at the Heritage Foundation think tank in Washington.

The PLA and paramilitary People's Armed Police could also be deployed to deal with refugees and possible civil unrest, he said.

What's less clear is whether and under what conditions China would commit troops as an occupying force should North Korean leader Kim Jong Un's regime fall apart, Mr. Cheng said. "We can hypothesise that they might, but, as the observation goes, those who know don't say and those who say probably don't know," he said.

With tensions between the U.S. and North Korea running high and relations between Beijing and Pyongyang at a historic low, questions are being raised about how China might respond in the event of a regime collapse. The scene along the China-North Korea border in the wild mountains of northeast Asia provides some clues.

Despite a dearth of traffic and trade, construction crews are at work on a six-lane highway to the border outside the small Chinese city of Ji'an along the Tumen River, a corridor that could facilitate the rapid movement of tanks and troops.

Strategic choice

Guard posts, barbed wire-topped fences and checkpoints manned by armed paramilitary troops mark the frontier along the border signs of concern about potentially violent border crossers or even more serious security threats.

China's unwillingness to discuss its plans is likely a strategic choice by the notoriously secretive PLA, but potentially threatens unintended consequences were a major crisis to emerge, experts say. Asked about Chinese preparations for a North Korean crisis, defense ministry spokesman Col. Wu Qian offered assurance but no details at a monthly news briefing on Thursday.

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Lack of access to Rakhine State unacceptable: UN

Survival instinct: Villagers are seen preparing to cross a river in the Rakhine. AP

The lack of humanitarian access granted by Myanmar's government to Rakhine State, where more than half a million Rohingya Muslims have fled violence, is "unacceptable", the UN said on Friday.

"The access we have in northern Rakhine State is unacceptable", the head of the United Nations humanitarian office, Mark Lowcock, told reporters in Geneva.

A small UN team visited the crisis-wracked region in majority Buddhist Myanmar in recent days and described witnessing "unimaginable" suffering.

Myanmar has tightly controlled access to the State since last month when attacks by Rohingya militants prompted an army kickback that has sent about 5,15,000 Rohingya fleeing to Bangladesh.

Scores of Rohingya villages have been torched.

Mr. Lowcock said he believed a "a high-level" UN team would be able to visit the area "in the next few days."

'Unfettered' access

He repeated the UN's call for the government to allow "unhindered [and] unfettered" access.

"Half a million people do not pick up sticks and flee their country on a whim," Mr. Lowcock added, stressing that the scale of the exodus was evidence of a severe crisis in northern Rakhine.

The UN has "substantial capacity" in Myanmar, which can be quickly deployed to northern Rakhine once clearance is granted he added.

Actual death toll

A Myanmar official tally says hundreds of people died as violence consumed remote communities, including Rohingya.

Hindus and ethnic Rakhine were also among the dead — allegedly killed by Rohingya militants.

Rights groups say the real death toll is likely to be much higher, especially among the Rohingya, while the UN has labelled army operations as "ethnic cleansing" against the Muslim group.

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India-South Africa Twenty Years of Strategic Partnership

India-South Africa Twenty Years of Strategic Partnership

Gandhi-Mandela Program on Grass Root Innovation

India and South Africa are celebrating twenty years of strategic partnership this year. The Union Minister for Science & Technology and Earth Sciences, Environment, Forests & Climate Change, Dr. Harsh Vardhan attended the celebrations of the collaboration in science and technology in Durban. The event was co-hosted by the Departments of Science and Technology of S. Africa and India. The South African Minister for S&T Ms. Naledi Pandor along with Dr. Vardhan released a booklet highlighting the two decades of fruitful cooperation in science and technology spanning across the knowledge chain which has resulted into a robust networking of the best researchers and academic institutions. Inter-governmental agreement on cooperation in the field of Science & Technology was concluded in 1995. Since then the S&T cooperation has progressively evolved as an important pillar in the India-South Africa strategic partnership based on mutual trust, warmth and friendship.

So far, the cooperation has been focussed on chosen areas like Astronomy & Astrophysics, Agriculture Sciences, Green Chemistry, Indigenous Knowledge System and Health Sciences where both countries have complementary strengths. Since the visit of Prime Minister Narendra Modi to S. Africa last year, the S&T cooperation has seen a significant boost with launch of 8 new projects on Astronomy which will help to augment the Square Kilometre Array (SKA) radio telescope project led by South Africa.

Earlier, Dr. Harshvardhan visited the SKA site in Karoo desert and was apprised of the progress of the mega-telescope project in which India is a member country. Indian scientists will be contributing in several design work packages of SKA, notably the Telescope Manager and the Central Signal Processing. Telescope Manager System will be the controlling nerve centre behind the functioning of the SKA observatory. The SKA project will address some of the most interesting science goals in astrophysics, ranging from the very early Universe to the search for intelligent life out there.

A multi-institutional project on HIV Vaccine Research Collaboration has been also initiated this year. This is aimed to develop preventive HIV vaccine and will also lead to the identification of biomarkers and development of novel techniques for diagnosis and management of tuberculosis. Dr. Harshvardhan remarked that this is a unique project, where two countries will use science for addressing the health care needs of people of both countries, in the area of HIV and TB.

Another hallmark of the vibrant collaboration was the launch of a new program on 'Grass Root Innovation' aimed towards sharing of open source technologies and IPR protection of traditional knowledge systems. This program is designed for co-development of products through value addition, validation through product deployment and market ready technology transfer with a focus on affordability. The Minister, added that both India and S. Africa have a rich pool of traditional knowledge which can be leveraged by providing

the scientific knowledge base required for technology development for societal benefit. This cooperation on grass root innovation will provide scientific and technological solutions for addressing the unmet needs of the common man. The novel initiative has been aptly named as 'Gandhi-Mandela Program on Grass Root Innovation'. National Innovation Foundation, Ahmedabad will implement this program on the Indian side.

Earlier in a bilateral meeting with the S. African S&T Minister, Dr. Harshvardhan suggested the future expansion of collaboration in the area of renewable energy including solar, wind and biomass which is a potential resource for both the countries. India is a leading country in the International Solar Alliance partnership and has extended an invite to S. Africa to join this alliance. It was also agreed that another area of potential collaboration is on blue economy looking at the marine eco-system including the living and non-living resources of the ocean. Both India and S. Africa are maritime nations and are a part of the Indian Ocean Rim Association. Indian expedition to Antarctica is also launched from Cape Town. The two countries stand to gain by understanding the ocean processes which shapes the climate and coastal eco-system.

While in Cape Town, the Minister also visited the famous Groote Schuur Hospital where the first open heart surgery was conducted by Dr. Christian Bernad in 1967. An interaction with scientists at the South African National Botanical Institute (SANBI) was also held and the ongoing cooperation with the Wildlife Institute of India (WII), Dehradun on bio-informatics was highlighted. Dr. Harshvardhan visited the national park and the herbarium showcasing the rich flora of the Cape region.

In Durban, besides the bilateral meeting with the South African side, Dr. Harshvardhan also paid his floral homage to the Father of the Nation, Mahatma Gandhi, at the Pietermaritzburg Railway platform, where the Mayor of the city welcomed him and conducted a tour of the Gandhi exhibition at the station. At the India House in Durban Dr. Harshvardhan interacted with the Indian community and highlighted the major programs of the Government and urged them to contribute and remain connected in the various development facets of India.

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India to conduct the First 'BIMSTEC Disaster Management Exercise- 2017' next week beginning 10th October

India to conduct the First 'BIMSTEC Disaster Management Exercise- 2017' next week beginning 10th October

The First 'BIMSTEC Disaster Management Exercise- 2017' (BIMSTEC DMEx-2017) will be conducted by the National Disaster Response Force (NDRF) as the lead agency next week from October 10-13, 2017 in Delhi and the National Capital Region (NCR). At the 17th BIMSTEC Senior Officials Meeting held in Kathmandu, Nepal on February 7, 2017, it was decided that India would organize the first annual Disaster Management Exercise for the region.

This Exercise will be a platform for sharing Best Practices on all aspects of Disaster Risk Reduction (DRR), strengthening regional response and coordination for Disaster Management among the BIMSTEC member countries. The main focus of the BIMSTEC DMEx-2017 will be on testing the region's preparedness and resilience towards effective activation of inter-Governmental interaction/dialogue/agreements for immediate deployment of regional resources for disaster response. It will help create synergy and synchronize efforts to institutionalize regional cooperation among the member countries. The exercise will help strengthen the effective utilization of the Search & Rescue Teams for Disaster Relief & Emergency Response, including Emergency Rapid Assessment Teams and Management of mass casualties especially in situations involving breakdown of infrastructure and communication.

Delegates from all seven nations of the 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC) grouping, - namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand, representatives from Embassies/High Commissions of BIMSTEC nations in Delhi, National Disaster Management Authority (NDMA), and Senior Officers from the Nodal Ministries will participate in the event.

At the end of the four-day Exercise, a publication will be brought out on the outcomes and recommendations of the Joint/Common Exercise and include Agreement among BIMSTEC Nations on regional cooperation for Disaster Management and Emergency Response. This would be presented to the BIMSTEC Leaders at the Summit to be hosted by Nepal in October/November, 2017.

The BIMSTEC DMEx-2017 is being conducted in two phases in Delhi and NCR. The main exercise will comprise of Table Top Exercise (TTX), Field Training Exercise (FTX) and After Action Review (AAR) which is scheduled for October 10-13, 2017. Earlier, the first phase comprising a Preparatory Meeting and field visit of site selected for FTX during the main exercise, was held in Delhi NCR on August 8-9, 2017.

India has been at the forefront of DRR efforts by hosting the South Asian Annual Disaster Management Exercise (SAADMEx) and the Asian Ministerial Conference for Disaster

Risk Reduction (AMCDRR). India has also offered its expertise and capabilities in DRR such as the South Asia satellite, GSAT-9, and the Tsunami Early Warning Centre to other countries. Disaster Management was one of the important Agenda items the BIMSTEC leaders deliberated upon during the Goa BRICS Summit in October last year where BIMSTEC leaders were the Special Invitees.

The BIMSTEC region is home to around 1.5 billion people, constituting around 22% of the global population with a combined GDP of US \$2.7 trillion economy. Majority of the BIMSTEC countries are situated in the South Asian Region (SAR), prone to natural disasters such as floods, cyclones, earthquakes, avalanches and drought.

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India's role in peacekeeping commended

Ukrainian Foreign Minister Pavlo Klimkin, on a three-day visit to India, held extensive discussions with his counterpart, Sushma Swaraj, on Saturday for the upcoming inter-governmental commission dialogue between two sides.

He briefed Ms. Swaraj on the situation in eastern Ukraine, which has left a part of its eastern province, Donbas, in the hands of the rebels that Kyiv claims are backed by Moscow.

"India is already a significant peacekeeper in the region and across the globe and could definitely play a similar role in our region," said Mr. Klimkin.

During last month's debate on reform of global peacekeeping at the UN Security Council, Ukrainian President Petro Poroshenko asked the organisation to send a peacekeeping mission that would control the violence, which has intensified in the last few weeks.

Preliminary talks

Mr. Klimkin said discussion on India's participation in the peacekeeping mission was at a preliminary level and further consultations were needed to fine-tune the composition of the mission. "The recipe is simple — Russia should go out of Ukraine," he said.

He also gave details of bilateral talks on the issue and said "Indian and Ukrainian Permanent Representatives at the UN have already met on this issue and we need to discuss conceptual approach for the mission. After we have convinced Russia on such an approach .. it is highly likely we will come back to our Indian friends".

Differing views

However, an issue with this peacekeeping mission is the location for the troops. While Ukraine insists that the troops should be stationed at the original Ukraine-Russia border, Russian sources indicated that Moscow would prefer the troops to be placed at the 'Line of Contact' between Ukraine and the rebel held territory.

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Navigating a changing world

Cementing bonds: “India and the EU should continue to welcome each other’s leadership roles in the world, primarily because of commonly shared values.” (L-R) European Council President Donald Tusk, Prime Minister Narendra Modi, and European Commission President Jean-Claude Juncker in New Delhi. | Photo Credit: [AP](#)

That the talks to negotiate the India-European Union trade pact, the Broad-based Trade and Investment Agreement (BTIA), have not progressed during the 14th India-EU Summit, held in New Delhi on October 6, is, among other things, a sign that both sides continue to recalibrate their bargaining power and understanding of their relative positions on the international stage. Nevertheless, there are some important positive outcomes of these interactions, which go beyond just trade. The very fact that the two sides are talking and working together in several areas is significant.

Much has changed for the EU since the last summit held in Brussels in 2016: Brexit; several key elections, including in France and Germany; and visible rifts between eastern and western European countries on what core EU values are and should be. The inauguration of Donald Trump as U.S. President and consequent retreat of America from its leadership role in the West has provided a significant external stimulus to the EU’s identity shift.

Interestingly, the EU leadership referred to India and the EU as being the “world’s largest democracies” — a statement usually made with regard to politically sovereign entities. The EU is a single market, the world’s largest, but comprises 28 sovereign democratic countries, i.e., it is not sovereign in itself (Britain has just driven home that point). This projection as one of the world’s largest democracies, which happened at the end of last year’s summit as well, is more notable this time in light of the U.S.’s uncertain position on the international stage and the fact that pro-EU leaders such as French President Emmanuel Macron have been pushing for a stronger union in Europe as Britain leaves the EU.

Also notable is that India and the EU reaffirmed their commitment to a “rules-based” international order and a “multipolar” world. This is significant in the context of the U.S. moving towards reneging on several international deals. Mr. Trump has said he is going to “decertify” the nuclear deal with Iran — a deal that the EU is keen to uphold — and his administration has given notice of intent to withdraw from the Paris Accord. He has shown a willingness to walk away from the game if the rules are not altered as per his taste. The reference to multipolarity is a recognition that there is more than just one chair at the top table, not just with the U.S.’s shifting position but also due to Russia and China’s ascent.

The India-EU joint statement on terrorism this year called for “decisive and concerted actions” against Hafiz Saeed, Dawood Ibrahim, Lashkar-e-Taiba and other purveyors of terror; this will further bolster India’s efforts to call out Pakistan on the issue of sponsoring terror. The EU itself has been no stranger to terrorism these last few years and the two sides have agreed to enhance cooperation at multilateral and bilateral interactions.

The centrepiece of the recent summits, the BTIA, however continues to be conspicuous by its absence. Among the reported causes for the failed talks is a disagreement on whether the protection of foreign investments will be part of the BTIA or dealt with in a stand-alone treaty. (India has allowed tens of bilateral investment treaties to lapse, including those with EU states, so it can bring these in line with a model treaty from 2015.)

Other sticky points in the negotiations have been India wanting a greater ease of movement of

temporary skilled workers to provide services in the EU and the EU wanting greater market access for its automobiles and its wines and spirits.

India is right to strike a hard bargain as far as the temporary movement of skilled workers is concerned. The EU and other developed countries have been historically reluctant about moving forward on this and the issue has become more challenging with the rise of populism and protectionism in Europe. Nevertheless, the liberalisation of services and access to EU markets for those who deliver them go hand in hand with the liberalisation of the goods market; wanting an open market for automobiles and liquor but unduly restricting the movement of natural persons seems to be a case of 'have your cake and eat it too' thinking. It bears repeating that there are winners and losers from globalisation on both sides of the border and it is up to governments to institute policies to redistribute the gains from trade. All too often, the movement of skilled workers from India to developed countries is made onerous with barriers to overcome in terms of salary thresholds, recognition of qualifications, visa fees, social security and so forth.

Another issue holding up the trade talks has been the EU not granting "data secure" certification to India — a condition that facilitates the cross-border transfer of personal data, key to a number of companies' services, especially in the IT industry. India does not have a stand-alone data privacy law yet and the state recently went to great lengths to create a false dichotomy between development and privacy during the right to privacy hearings in the Supreme Court, including, by (unsuccessfully) arguing that privacy was an elitist concern. On the other hand, the EU is, commendably, at the forefront of protecting citizens' rights as regards what happens to their data online. It will be no easy task for the government — whose approach to privacy can be described as casual at best (one got the impression that the government's equivocation on its position on privacy, apparent during the conclusion of the hearings in the case, were face-saving measures undertaken to resonate with the tide of public opinion and then the Supreme Court ruling itself) — to align its laws to a standard required by the EU to get the appropriate certification. It would certainly be a shot in the arm for consumer rights and privacy standards in the digital age if India were to adopt and implement strict standards for handling data, an outcome desirable in itself.

India and the EU should continue to welcome each other's leadership roles in the world, primarily because of commonly shared values. For those who prefer to take a more expedient view of the situation, reasons can perhaps be found in the fact that the EU is India's largest trade partner and it is also, like India, wary of China's political (the summit declaration makes a reference to freedom of navigation principles) and economic dominance. The EU is concerned about China flooding global markets with inexpensive steel and its response to China's Belt and Road Initiative has been lukewarm, but the strength of China's relationship with EU member states themselves is heterogeneous, with China trying to make inroads into Eastern and Central Europe through infrastructure investments. This makes it vital for India to cement its bonds with the EU further.

With around €100 billion in bilateral goods and services trade last year, India and the EU have a lot to gain from a trade deal. It's not just about trade. It is far from clear what presence the EU will have in a decade's time as this is a matter that can only be settled internally by its constituents. But the sands are shifting, both in Europe and the world, and spaces and opportunities for leadership and partnership are opening up. It will certainly pay for both India and the EU to keep each other close as they feel their way around the emerging international order.

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The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Next Door Nepal: Red versus rest

The coming together of like-minded people or political parties driven by a common ideology and principles would generally be taken as a welcome move. But a sudden declaration last week by three prominent left parties that they will contest the federal and parliamentary elections scheduled for November 26 and December 7 as allies and that the alliance is a precursor towards the formation of a single communist party has triggered skepticism. In response, Prime Minister Sher Bahadur Deuba, also the chairman of the Nepali Congress (NC), has initiated a move to bring together all non-left parties to counter the communists.

Nepal has been through political instability, frequent change of government and political equations in the past 11 years. This is not for the first time that the Nepal Communist Party (Maoist Centre) and the Communist Party of Nepal-Unified Marxist Leninist have come together - they have joined hands to form a government in the past. What no one anticipated were the moves to form a single party. When Maoist chief Pushpa Kamal Dahal and CPN-UML chief K.P. Oli announced the pre-poll alliance and subsequently the merger move on Tuesday, even cadres and mid-rank leaders were taken by surprise. Why did such a move come without enough debate in the party ranks? And why was the alliance and merger plan made in such a conspiratorial manner?

The first response to the tremor, expectedly, was felt in Delhi. The government of Nepal, especially the Prime Minister's Office, was expecting that New Delhi will officially announce the date of Prime Minister [Narendra Modi](#)'s visit to Kathmandu in less than two weeks - the third in three years and the first after the Indian blockade made him unpopular in Nepal - ostensibly to lay the foundation of the India-funded 900-MW hydro project. Chinese President Xi Jinping's visit to Nepal in October 2016 was called off at the last minute as the Oli-led government that China considered very friendly had quit three months before, following the defection of the Maoists to form a new coalition government with the NC. The Indian establishment as well a section of the pro-India political class in Nepal had hailed the formation of the NC-CPN (Maoist Centre) alliance as indication of New Delhi's success in promoting democracy and its own interest in Nepal. Two months ago during Deuba's state visit, Modi had heaped praise on the maturity of Deuba and Dahal, ostensibly for pursuing the political equation that India had helped to construct and pulling the rug off Oli's feet.

When Dahal ditched Deuba and joined ranks with Oli, it marked the failure of India's Nepal policy, yet again. This is, arguably, New Delhi's biggest diplomatic failure since it brought the Maoists to the centre stage of Nepali politics. Not only was the monarchy, the oldest cultural and diplomatic link between India and Nepal, sacrificed for this purpose, but the oldest democratic force of Nepal, the NC, a party that was active in India's freedom struggle, was forced to play a secondary role, having told by India to back Maoist agendas with reservation. In fact, the NC, all along believed that a constitutional monarchy and democratic forces working together was the best guarantor for Nepal's independent existence and economic stability. That belief was at the core of the constant refusal of B.P. Koirala, the legendary founder leader of the party, to launch a pro-democracy movement in the country. Instead, he gave a call for national reconciliation in December 1976. Throughout his political career, Koirala followed the mantra that "my neck is tied with the king". Is Koirala's prophesy coming true? The NC has never been so weak and confused in its seven-decade long existence.

Following the Maoists and their agenda under India's mediation has forced the NC to go on the defensive. New Delhi's assessment that the Maoists "are the real representatives of Nepalese people" has been proved wrong as the party, 11 years after joining the peace process, has accepted the status of a junior ally in the CPN-UML led Left alliance, content with 40 per cent of seats as against 60 per cent seats to the UML.

The new Left alliance may not officially assume an anti-India posture, but their worldview is fairly well-known. The Chinese ambassador to Nepal recently stated that Beijing wants to be the biggest stakeholder in Nepal. But all these issues will take time to become clear.

While the future of the three former prime ministers - Oli, Dahal and Baburam Bhattarai - together in one single party is still unclear, they at least have similar pasts. All three had begun their political career by practicing a politics of "annihilation of class enemies" - Oli in the 1970s and Dahal and Bhattarai in the 1990s.

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Can insecurity in Asia be managed?

Since the end of World War II, Asia-Pacific has been the locale of direct and indirect military confrontation (in Korea and Indo-China, respectively) between the two superpowers; experienced unprecedented economic growth, which did not translate into closer integration (particularly among the countries of the Association of Southeast Asian Nations or Asean); witnessed the economic and political rise of two ancient powers (China and India); and, consequently, experienced several wars interspersed with an uneasy peace.

In contrast in Europe, superpower military confrontation was avoided during the Cold War and did not lead to war; economic growth was facilitated by the generous Marshall Plan, which led to the establishment of institutions that promoted integration and cooperation; and resulted in a long and prosperous peace in the region. Consequently, Europe also emerged as a significant global player and—with the exception of Yugoslavia—was able to peacefully manage the collapse of the Soviet Union and the emergence of independent states in its region.

There are several reasons why the Asian experience was different from that of Europe, even though both were equally affected by World War II.

The post-war roots of insecurity in Asia were driven by the failure to create institutions that could accommodate former enemies, notably Japan and China as well as Korea and South-East Asia.

Japan's inability to either apologize for its wartime role and atrocities or reconcile with its enemies meant that any regional arrangement, despite the best US efforts, was a non-starter. Consequently, Washington and the region had to contend with a series of bilateral arrangements.

Similarly, the contestation between China and India first evident in the 1950, following Beijing's annexation of Tibet, meant that efforts to create a cooperative arrangement in Bandung with these two powers also came to naught. Whatever hope there was of a regional institution centered around China and India evaporated following the 1962 war.

While Asean did eventually emerge, its role as a regional organization was constrained by two factors: first, its unabashed anti-Communist stance during the Cold War and, second, its inability to include the regional hegemons, notably, China and India. Although this, clearly, allowed Asean to exist, it also limited its scope and appeal to just a small part of Asia.

Against this background, a recent report by an independent commission on regional security architecture established by the Asia Society Policy Institute, which included Thomas Donilon, former US national security adviser, Igor Ivanov, former Russian foreign minister, Shivshankar Menon, former Indian national security adviser, and Wang Jisi, former Chinese foreign minister, is noteworthy. Titled *Preserving The Long Peace In Asia*, the report identifies the challenges facing the region and suggests ways to build an effective security arrangement.

It warns that tensions between the US and China are causing a ripple effect among other Asian nations. While many still look to the US for security, they are increasingly dependent on the Chinese economy. Thus, as their economic and security interests diverge, the nations are being compelled to choose between the US and China “in uncomfortable ways”.

The report cautions that while the alphabet soup of regional organizations is “comforting”, it is also “hazardous”. The multiplicity of organizations in the region allows countries to “shop for the forum they find most suited to the issue at hand”. This trend “obviates the necessity of developing a stronger regional consensus around norms and rules of the road”.

In addition, there are at least four other challenges facing Asia's regional architecture. These are the fast-paced political and economic transitions and the need to manage them flexibly; the growing strategic competition among key actors; the risk of instability or even conflict on account of the inability to bridge the trust deficit that permeates key bilateral relationships; and the rapid proliferation of state-of-the-art military and dual-use technologies, which in combination with the growing mistrust, are "altering military operations in a manner that further enhances risk" of conflict.

Given this suite of challenges, the report identifies five ambitious functions that regional institutions need to perform, including "play a binding role," "mitigate against historical mistrust," "facilitate better management of crises and disputes", "rationalize and align the institutions and mechanisms" and have flexibility in setting a forward-looking agenda.

Predictably, none of the organizations fulfil all these functions. However, instead of suggesting the establishment of a new organization *ab initio*, the report calls for strengthening the East Asia Summit (EAS)—a grouping that includes Asean members plus Australia, China, India, New Zealand, South Korea, Russia, and the US. It suggests retaining the informal nature of the EAS for now but calls for greater institutionalization and an operational role in preventive diplomacy, crisis management, and confidence-building measures in the medium term. In the long term, the EAS should become a "more formal organization that brings together broader components of security cooperation across the region."

While the report is commendable and the proposals logical, the recommendations are likely to remain on paper unless there is a political impetus to implement it. So far, given the state of relations among the principal actors, the political drive is missing.

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Shri Dharmendra Pradhan meets Secretary General, OPEC**Shri Dharmendra Pradhan meets Secretary General, OPEC**

Minister of Petroleum and Natural Gas Shri Dharmendra Pradhan, today held a meeting with Secretary General OPEC, H.E. Mr. Sanusi Mohammad Barkindo in New Delhi. Mr Barkindo is in India to attend the first CERAWEEK India Energy Forum. The two had last met in Vienna in May 2017 for the 2nd India-OPEC Institutional Dialogue. India's engagement with OPEC is an important as India sources about 86% of crude oil, 75% of natural gas, 95% of LPG from OPEC member countries.

The two sides discussed the current scenario of oil and gas industry of the world and exchanged notes on the recent developments.

During the meeting, Sh. Pradhan highlighted that in today's oversupplied market, it was important for producers to understand the perspective of consuming countries and the changes that have taken place in these demand centers. In this context, he emphasized the need for a purposeful and improved dialogue among producer and consumer countries. Shri Pradhan reiterated that OPEC should work towards "Responsible Pricing" which is important for India for socio-economic and developmental reasons. He emphasized India's earlier view of 'Asian Dividend rather than charging Asian Premium' on the crude supplied to India and said that countries like India should actually be the "preferred destination". He suggested that OPEC at its Ministerial meetings give wider consideration to India's requests.

Shri Pradhan said that India is putting a lot of emphasis on diversifying its crude oil supply sources and tapping new supply sources. In this context, he highlighted the arrival of two shipments of crude oil cargo of 1.6 million barrels from US. The three Indian public sector refineries have already placed a cumulative order 7.85 million barrel from the US. In addition, a private sector refiner has also placed an order of 2 million barrel from the US.

Minister was accompanied by Senior Officials from the Ministry of Petroleum and Natural Gas and also CEOs of seven public and private sector refineries who together operate all 23 refineries in India processing over 235 MMT of crude annually.

Minister extended invitation to SG OPEC to attend the 16th Ministerial Meeting of International Energy Forum scheduled to take place in India in April 2018. SG accepted the invitation.

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1 TS Ships Visit Penang, Malaysia

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IN Ships Tir, Sujata, Sudarshini, Shardul and ICGS Sarathi are visiting Penang, Malaysia from 08 to 12 Oct 17. The visit is aimed to expose the trainees to the conduct of *IN* warship in foreign waters, port familiarisation and foster 'bridges of friendship' between the two countries. The ships belong to the First Training Squadron of the Indian Navy functioning under the Southern Naval Command, headquartered at Kochi and comprises six indigenously built ships, namely, Indian Naval Ships Tir, Sujata, Shardul, Indian Coast Guard Ship Sarathi and two Sail Training Ships, viz, INS Sudarshini and INS Tarangini.

The Southern Naval Command (SNC) is the Training Command of the Indian Navy which is headed by Vice Admiral AR Karve, AVSM, Flag Officer Commanding-in-Chief, Southern Naval Command.

Executive Branch trainee officers, after completing ab-initio training at the Indian Naval Academy, including the successful completion of B Tech degree course, join the First Training Squadron for intensive Practical Sea Training of 24 weeks designed to enable them get their 'Sea Legs'. The Sea Trainees are taught seamanship, basic navigation, ship handling, boat work, engineering aspects besides exposure to the rigours of life at sea. The curriculum also includes sail training onboard the Sail Training Ship, where the trainees are exposed to the elements and get to grips with the art of sailing and rope work. On successful completion of this phase, the trainees are appointed to various ships of the Indian Navy and Coast Guard for the Afloat Training Phase and Seamanship Board. At the First Training Squadron, the *IN* also trains officers from friendly foreign countries.

The Indian Navy has imparted training to international trainees for more than four decades, and approximately 13,500 personnel from over 40 countries have been trained. Presently **four** officers from Malaysia are undergoing various Ab-initio to advanced courses at SNC. The Command has gained the reputation of being the finest training destination by maintaining a focussed approach to provide high quality training and by constant adaptation to evolving tactics and technologies.

The Training Squadron is helmed by Captain DJ Revar, Senior Officer First Training Squadron, who is also Commanding Officer INS Tir. He has under him, a team of highly

motivated officers and sailors to assist him in conduct of the sea training.

DKS/AC

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Union Home Minister to inaugurate First BIMSTEC Disaster Management Exercise tomorrow

Union Home Minister to inaugurate First BIMSTEC Disaster Management Exercise tomorrow

The Union Home Minister Shri Rajnath Singh will inaugurate the four-day First 'BIMSTEC Disaster Management Exercise- 2017' (BIMSTEC DMEx-2017) here tomorrow. The Exercise will be conducted by the National Disaster Response Force (NDRF) as the lead agency from October 10-13, 2017 in Delhi and the National Capital Region (NCR). At the 17th BIMSTEC Senior Officials Meeting held in Kathmandu, Nepal on February 7, 2017, it was decided that India would organize the first annual Disaster Management Exercise for the region.

The BIMSTEC DMEx-2017 is being conducted in two phases in Delhi and NCR. The main exercise will comprise of Table Top Exercise (TTX), Field Training Exercise (FTX) and After Action Review (AAR) which is scheduled for October 10-13, 2017. Earlier, the first phase comprising a Preparatory Meeting and field visit of site selected for FTX during the main exercise, was held in Delhi NCR on August 8-9, 2017.

Delegates from all seven nations of the 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC) grouping, - namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand, representatives from Embassies/High Commissions of BIMSTEC nations in Delhi, National Disaster Management Authority (NDMA), and Senior Officers from the Nodal Ministries will participate in the event.

This Exercise will be a platform for sharing Best Practices on all aspects of Disaster Risk Reduction (DRR), strengthening regional response and coordination for Disaster Management among the BIMSTEC member countries. The main focus of the BIMSTEC DMEx-2017 will be on testing the region's preparedness and resilience towards effective activation of inter-Governmental interaction/dialogue/agreements for immediate deployment of regional resources for disaster response. It will help create synergy and synchronize efforts to institutionalize regional cooperation among the member countries. The exercise will help strengthen the effective utilization of the Search & Rescue Teams for Disaster Relief & Emergency Response, including Emergency Rapid Assessment Teams and Management of mass casualties especially in situations involving breakdown of infrastructure and communication.

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Annual *Dilli* Seminar - 'India and South East Asia Maritime Trade, Expedition and Civilisation Linkages'

Annual *Dilli* Seminar - 'India and South East Asia Maritime Trade, Expedition and Civilisation Linkages'

Indian Naval Academy (INA), Ezhimala is all set to conduct the fourth edition of the prestigious annual *Dilli* seminar on **12th and 13th of October 2017**. The theme for this year's seminar is 'India and Southeast Asia – Maritime Trade, Expedition and Civilisation Linkages'. Advisor Naval History Project at Integrated Headquarters Ministry of Defence (Navy) and former Flag Officer Commanding-in-Chief, Eastern Naval Command Vice Admiral Anup Singh, PVSM, AVSM, NM (Retd) would be the Chief Guest for the occasion.

Prof Priyadarsi Mukherji, Head of Centre for Chinese and Southeast Asian Studies, Jawaharlal Nehru University, Prof (Dr) Srikanth Kondapalli, Chairman of the Centre for East Asian Studies, Jawaharlal Nehru University, Prof (Dr) La Na Swamy, Professor and former chair for Maritime Studies and Research, Calicut University, Prof Ajay Pratap Singh, Head of Department, History and Faculty of Social Sciences, Banaras Hindu University, Prof Binda Paranjape, Faculty of Social Science, Banaras Hindu University, Prof (Dr) Ruby Maloni, Head of History Department, University of Mumbai, large delegation of serving senior Naval and Coast Guard officers, eminent academicians, distinguished luminaries, representatives from Archaeological Survey of India (ASI) and cadets of the INA would participate in the seminar.

INA conducts the annual *Dilli* seminar on elements and issues of maritime history and heritage of the nation to help the young officers and cadets keep an eye on future developments in the maritime domain with a strong foundation of the past. This year's theme is aimed to explore and elucidate the impact of historic maritime trade that existed between India and Southeast Asian countries on their society, religion, spirituality, art, architecture, language, literature, administration and other areas of civilization. The papers presented in the seminar would deliberate and analyse the impact of the historical maritime connections on the present, to extrapolate the future.

The *Dilli* series of seminar has always been an intellectually stimulating experience for all participants especially the young cadets and the 2017 edition promises to be equally informative, especially considering the growing significance of Southeast Asian countries in the present socio-economic, geographical and political situation.

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Trump's immigration plan may help Indians

U.S. President Donald Trump has proposed a merit-based immigration system that could benefit highly-skilled Indian workers but prevents them from sponsoring their extended families, as part of an aggressive plan which he said will serve national interest.

However, there was no reference to the H-1B visas, the most sought after by Indian IT professionals, in the proposal which Mr. Trump sent to Congress on Sunday.

Besides overhauling the country's green-card system, the Trump administration's wish list also includes the funding of a controversial border wall along the U.S.-Mexico border and a crackdown on unaccompanied minors entering the country.

Extended family

The move to establish a merit-based immigration system could benefit highly-skilled Indian immigrants, especially those from the IT sector.

However, the new policies would badly impact those thousands of Indian-Americans who want to bring in their family members to the U.S. particularly their aged parents.

The demands were denounced by Democratic leaders in Congress who had hoped to forge a deal with Mr. Trump to protect younger immigrants, known as "dreamers", who were brought to the U.S. illegally as children.

Trump last month announced plans to phase out the Deferred Action for Childhood Arrivals programme that had provided two-year work permits to the dreamers that Trump called "unconstitutional".

"Decades of low-skilled immigration has suppressed wages, fueled unemployment and strained federal resources," he rued.

Mr. Trump proposed ending extended-family chain migration by limiting family-based green cards to spouses and minor children and replace it with a merit-based system that prioritises skills and economic contributions over family connections. He called for establishing a new point-based system for awarding the green cards.

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Tehran complying with agreement, says IAEA

The UN atomic agency chief on Monday affirmed Iran's commitment to a 2015 nuclear deal, in a statement that came as U.S. President Donald Trump said Tehran was not living up to the "spirit" of the agreement.

"I can state that the nuclear-related commitments undertaken by Iran under the (nuclear agreement) are being implemented," International Atomic Energy Agency (IAEA) chief Yukiya Amano said.

An IAEA report had also affirmed Iran's compliance with the programme, which froze some of Tehran's nuclear activities. Iran's stock of low-enriched uranium — used for peaceful purposes, but when further processed for a weapon — did not exceed the agreed limit of 300 kilos, the report said. It added that Iran "has not pursued the construction of the Arak... reactor."

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At Bonn, stay the course

Between November 6 and 17 this year, world leaders, delegates from various countries and others from business, along with media and other representatives of civil society will gather at Bonn for the 23rd Conference of Parties (COP-23) of the United Nations Framework Convention on Climate Change (UNFCCC). The meeting will primarily concentrate on various aspects associated with the implementation of the Paris Agreement (PA), which was negotiated at COP-21 and entered into force, or became legally binding, on November 4, 2016.

COP-23 will be presided by Frank Bainimarama, Prime Minister of Fiji. It is fitting that a Pacific island nation chairs this year's COP as the very existence of low-lying islands is threatened by sea level rise due to climate change. The meetings in Bonn will cover a wide range of issues, including adjusting to living in a warmer world with the associated impacts, known as adaptation to climate change and reduction in greenhouse gases, referred to as mitigation. They will also include sessions on loss and damage, or the means of addressing economic and non-economic forfeitures and potential injury associated with climate change. Finally, the discussions will be about the implementation of targets that were decided by each country ahead of the Paris meeting, referred to as the nationally determined contributions (NDCs), and the finance, capacity building and technology transfer required by developing countries from rich nations.

According to the procedures of the UNFCCC, the meetings in Bonn will include the session of COP-23, the 13th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 13) and the second part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1.2). The decision-making bodies for the Convention, the Kyoto Protocol and the Paris Agreement are the COP, the CMP and the CMA, respectively. In addition, the Bonn meetings will include the 47th sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 47), which assists on science and technology, and the Subsidiary Body for Implementation (SBI 47), which supports the work of the three bodies through assessment and review. Also, the Ad Hoc Working Group of the Paris Agreement will meet and is tasked with important issues such as NDCs, adaptation, transparency, and global stocktake.

At the Paris COP, countries agreed to try and limit global warming to 1.5°C but since previous discussions had centred on the *Lakshman rekha* of 2°C, this required renewed understanding of the policies and actions required to stay within a lower target. Half a degree reduction may seem really small, but in terms of the impacts on ecosystems, geophysical cycles and diverse life forms on earth, this is a substantial difference. The Intergovernmental Panel on Climate Change (IPCC) has therefore undertaken the task of preparing a special report on the impacts of a warming of 1.5°C above pre-industrial levels and the global response needed to achieve these.

Many scientists who research climate change, however, believe that we are on our way to a world that is 4°C warmer and that limiting warming to less than 1.5°C is a pipe dream. A recent paper in *Nature Geoscience* by R.J. Millar and colleagues analyses scenarios to demonstrate that limiting warming to 1.5 °C is not yet a geophysical impossibility. But this would imply continuing to strengthen pledges for 2030, deepening the mitigation targets rapidly and deeply, and based on the current conditions in global discussions and national targets, it is not clear that emissions can drop precipitously.

Article 14 of the Agreement provides the details on the targets, taking stock and reviewing them and the progress made towards long-term goals. The first such stock-taking covering all aspects such as mitigation, adaptation communications, and support for implementation is expected to take place in 2023, but meetings to prepare for this have already begun and have to conclude by

2018. Adaptation is increasingly also expected to become central at the COP meetings, which for the most part have focussed on mitigation. To learn more about the implications of the stocktaking, see the policy brief on the Centre for Science and Environment website.

This is the first COP after the United States pulled out of the PA and the implications of this at a global platform are likely to become more evident. Several states and cities within the U.S. along with thousands of businesses and celebrities have used this chance to initiate voluntary actions across the country. For instance, billionaire and former Mayor of New York city, Michael Bloomberg, and California Governor Jerry Brown launched America's Pledge, an initiative that is expected to report on the efforts of U.S. states, and sub-state entities to reduce greenhouse gas (GHG) emissions and the Regional Greenhouse Gas Initiative (RGGI) of the nine northeastern states has proposed another 30% drop in power plant emissions from 2020 to 2030.

Moreover, it has been reported that a U.S. delegation will in any case attend the Bonn COP and all PA-related meetings until 2020, while other major signatories have reaffirmed their commitment to the PA. Nevertheless, there is speculation whether the formal withdrawal of the U.S. would alter the stance taken by Europe, Australia, and large countries at the COP and what role, if any, the U.S. would play behind the scenes.

According to earlier reports from the UN and other groups, the NDCs, when added up, fall short of what is needed to keep global temperature rise below 2°C and will likely take us about a degree higher. Further, most NDCs are conditional — they depend on financial and technological support from rich countries for their full implementation.

James Hansen, the distinguished climate scientist, writes in his blog that carbon dioxide and methane are increasing faster than a decade ago and that efforts being made now at the global and state levels are “half-measures”, and “soothing and baffling expedients”. As a result, young people will be “entering a period of consequences”. As disheartening as his remarks are, it is also evident that the political conditions prevalent today are not favourable to renegotiate the Paris Agreement. Since the planet and its inhabitants will still have to deal with the impacts of climate change, our only hope is to see a greater readiness on the part of all nations to compromise on their erstwhile hard positions, and sincerity to make progress in reducing emissions and building climate resilience in their development.

Sujatha Byravan is a scientist who researches science, technology and development policy

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Tail wags the dog in Kathmandu

The Dasain (Dushhera) holiday was a time of a secretive exercise in Kathmandu between the leaders of the mainstream left Communist Party of Nepal (Unified-Marxist Leninist) and the Communist Party of Nepal (Maoist-Centre) leaders on seat adjustment for the upcoming provincial and parliamentary elections slated for November-December.

The announcement took everyone by surprise, including the public, the ruling Nepali Congress that is actually in coalition with the Maoists, and the Ministry of External Affairs in New Delhi, which has long been invested in Kathmandu politics.

There has been every reason to look forward to the dual elections up ahead, following on local government polls already concluded, as this would mean the long-awaited 'normalisation' of the polity. We needed respite after the decade of conflict, the decade of Constitution-writing, and times of communal polarisation and foreign interventionism. The economic resurgence emanating from political stability would also serve the people well, as also India, especially the northern 'peripheries' of Uttar Pradesh, Bihar and West Bengal.

But one is confronted instead by this distasteful cohabitation between a communist party that was developing a home-grown liberal democratic ethos and the unapologetic radical force led by the opportunistic Pushpa Kamal Dahal ('Prachanda'). The latter wants simply to keep his past from catching up — *vis-à-vis* conflict era accountability and financial scam on demobilisation funds — by using his party and cadre to remain personally, politically relevant.

The deal provides respite for a Maoist party that has been in steady decline, and Mr. Dahal can now once again be expected to disrupt democratic evolution for sake of personal survival. Even Baburam Bhattarai, who broke from Mr. Dahal and was wandering in the political wilderness, has found refuge in the new alliance.

The UML, together with the Nepali Congress, constituted the democratic force that chaperoned Nepal out of the decade of excruciating conflict and into the new democratic era under a new Constitution. But today, not only is the UML going for electoral adjustment with the Maoists at an unbelievable 60:40 ratio, they have also declared plans for unification after the elections.

Why this desperation on the part of UML Chairman K.P. Oli, this risking of ignominy? Why has the UML seen fit to endanger Nepal's normalisation, cooperating with the unrepentant bosses of the 'people's war' who have proceeded to sabotage 'transitional justice' and generated hopelessness among conflict era victims?

To try for a rationale, one needs to go back to 2015, when Nepal was still in the middle of the second Constituent Assembly, with the NC and UML in a democratic alliance that was to remain for a year after the promulgation of the Constitution through to parliamentary elections. New Delhi made no bones about its dislike for the Constitution that was promulgated, and slapped a five-month economic blockade, which began during the prime ministership of the NC's Sushil Koirala and continued under Mr. Oli.

As Nepal reeled under shortages, the resulting public resentment gave Mr. Oli the political leverage to reach out to Beijing to sign 10 agreements, including on trade, transit, energy, commerce, infrastructure and investment. The blockade made Kathmandu's pivot northward possible, but New Delhi retained its ability to influence Nepal affairs, and its mandarins helped engineer the collapse of the NC-UML coalition and the power-sharing arrangement between the NC's Sher Bahadur Deuba and Mr. Dahal.

The latter became prime minister in August 2016, and relinquished the post to Mr. Deuba in June 2017. With an eye to post-election government formation, Mr. Deuba picked up tiny parties into the NC-Maoist coalition, creating the largest cabinet ever in national history. Claims of Indian involvement in Nepal's political affairs tend to be pooh-poohed by New Delhi's phalanx of 'Nepal experts', many of them former diplomats or think tank-walas closely aligned to Raisina Hill. But the wearer perhaps knows better where the shoe pinches, and the first qualification of Nepal's leaders became the ability to keep Delhi mollified but at arm's length — which in fact is how the Constitution ultimately got promulgated.

While certainly New Delhi does not spend its waking hours conspiring against the neighbour, the fact is even the modest swish of the wand at South Block creates a windstorm in Kathmandu. And the messages came loud and clear, including via a Rajya Sabha Television programme in August with heavyweight panellists speaking 'the line', that Mr. Oli must be prevented at all costs from becoming Prime Minister. Some Kathmandu players were pleased at the prospect, others naturally distressed.

Besides annoyance with Mr. Oli, New Delhi's concerns have been heightened by Beijing's accelerating proactivism in Nepal, signalling a shift in the hands-off policy that had survived since the days of Zhou Enlai. Beijing has long favoured a coming together of the 'communist' forces, which too is a result of an under-appreciation of the democratic sophistication of Nepal and lack of understanding of the democratic chasm between the UML and Maoists. It is obviously too much to expect Beijing to respect democratic nuance, but at the same time it would be wrong to claim that the northern neighbour engineered the dramatic announcement of Dasain.

Mr. Oli is the political leader who has been the most clear-headed about Maoist atrocities from the conflict era. It was during his time as Prime Minister, nine months till July 2016, that Mr. Dahal was brought close to accepting the principle of accountability for (stateside and rebel) excesses committed during the conflict. Which is why it is incongruous (some would say poignant) to see the shifting political sands pushing him now into the arms of Mr. Dahal.

It was hardly as if others had not collaborated with the Maoists before this, which is why the remonstrations of the NC faithful and New Delhi commentators lack credibility. Even as this is written, the NC, avowed 'democratic' party started by B.P. Koirala, remains in coalition government with Mr. Dahal's Maoist party, and had an electoral alliance with him in the local government polls.

The Maoists have in fact long been kosher for New Delhi, which has engaged, cajoled and intimidated Mr. Dahal for over a decade to get its way, even overlooking his 'anti-Indianism' on the altar of realpolitik. India has employed a carrot-and-stick approach on Mr. Dahal — even selectively making use of the platform of the UN Human Rights Commission in Geneva to put the fear of retribution in him — and so New Delhi may fulminate today but its options are limited.

Having worked tactically with the Maoists, it does not behove the NC to decry the UML-Maoist alliance. Instead the deal must be firmly questioned on objective considerations — because it denies the Nepali public's desires for peace and accountability, for being opportunistic and abandoning ideology and morality altogether. The alliance must be challenged because it opens the avenue for extended political instability when we thought the society was settling down at last.

Directly and indirectly, the alliance will contribute to the further enfeebling of state institutions, as has been the case over the past decade of Mr. Dahal's ascendancy. Rampant politicisation and skyrocketing corruption has already accelerated the deterioration of bureaucracy, judiciary, education (school and higher education), government services and economic activity.

If one were to desperately search for a silver lining, it would be the hope that the Nepali Congress will take advantage of being let off the Maoist hook, with new leaders to bring some civility back into the politics. The smaller, newer or regional parties may be attracted to work by the principles abandoned by the seniors, or there may be a useful consolidation of heretofore fragmented forces including the Madhes-centric parties of the plains. And, who knows, the UML's Mr. Oli may have something up his sleeve to bring the Maoists to the point of apologia and accountability.

New Delhi diplomats, meanwhile, will hopefully try and understand how meddling can lead to unexpected results that spiral beyond one's control. Certainly, they should desist the urge to rope in some Western powers and try to influence Kathmandu players for a postponement of upcoming elections. Such an effort to buy time would surely boomerang, as the Nepali public is primed and ready for the polls.

As the Maoist tail wags the UML dog, as it did wag the NC dog before this, it is important for the two large democratic parties to get back to ideology and come to a minimum understanding on democratic values and accountability. Elections have shown the commitment of the citizens of mountain, mid-hill and plain to representative democracy based on ideological differentiations. If only the parties showed the same commitment, resilience and acuity.

Kanak Mani Dixit, a writer and journalist based in Kathmandu, is founding editor of the magazine 'Himal Southasian'

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Bay of Bengal diplomacy

India will seek to reaffirm its regional leadership in environmental and climate diplomacy as it hosts the first Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation Disaster Management Exercise (BIMSTEC DMEEx 2017) starting October 10. Despite a decade of meaningful efforts in the sector, political and security tensions between members have hindered progress on regional cooperation and action. The renewed focus and enthusiasm of the regional leaders to rejuvenate BIMSTEC, after two decades of its existence, is therefore a welcome opportunity to boost effective cooperation in the sub-region.

The BIMSTEC region, comprising 22% of the global population, is exposed to an ever-increasing threat from natural disasters. Whether it is the recurrent floods affecting Assam, West Bengal and downstream in Bangladesh or Himalayan landslides in India and Nepal, regular disasters in the sub-region continue to cause transboundary impacts, damaging lives, livelihoods and assets, often leading to mass displacement and migration across borders. In the absence of a joint integrated mechanism to address the spurt in the scale, frequency and impacts of disasters, the response has largely been reactive and limited to post-incident crisis management. BIMSTEC, therefore, has the opportunity to enable a paradigm policy shift from a traditional relief centric, reactive approach towards a joint, proactive, holistic one that encompasses disaster preparedness, prevention, mitigation and risk reduction among member states. In order to strengthen inter-governmental coordination, among BIMSTEC members, the first step would be to devise a comprehensive Disaster Risk Reduction (DRR) regional action plan. The road map should reflect a clear strategy to integrate DRR in all development programmes of member nations, adopt a multi-hazard and multi-sectoral approach to DRR and work towards common outcomes through institutionalising partnerships across all levels of governance.

Building capacity

Given the regional nature of the threats, there is an urgent need for setting up of regional institutional capacity for threat assessment and designing response strategies. An important challenge for disaster preparedness is addressing the knowledge gaps among the member countries. Setting up of research taskforces on various climate change and environment risks in the BIMSTEC sub-region can develop a common understanding of the threats, create standards for emergency management and come up with cost-effective solutions.

India has volunteered to lead the Environment and Natural Disaster Agenda under BIMSTEC, and must make the best of this opportunity by translating the learnings from the disaster management experiences of SAARC and ASEAN. This is also an opportunity for India to take a measured approach and add value to its own regional agenda.

Like other regional blocs, this initiative is set to take place amidst a long-standing climate of political discord amongst some of the member nations — Bangladesh, India and Myanmar. India's tensions over transboundary Teesta river water sharing with Bangladesh, and the Rohingya refugee crisis between Myanmar and Bangladesh are cases in point. However, member nations must recognise that considering their regional setting and geographical proximity, the security of states in the sub-region is contingent upon each other and therefore, 'Environment and Natural Disaster' management would need to be prioritised as their common security agenda.

Aparna Roy is associate fellow, Observer Research Foundation

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Suresh Prabhu's litmus test: Marrakesh to Buenos Aires?

In 1994, Marrakesh heralded the onward march of multilateral trade liberalization. The fourth-largest Moroccan city and one of the busiest towns of Africa became famous after the Marrakesh Agreement led to the creation of the World Trade Organization (WTO). That agreement was signed by 124 countries, including India, on 15 April 1994. It was a pact which was hammered out after 12 years of Uruguay Round of multilateral trade negotiations. The Marrakesh Agreement marked the high tide of globalization.

The two trans-Atlantic elephants—the US and the European Union—largely carved out the rules in Marrakesh Agreement and its various annexes. They cover all aspects of international trade from agriculture to rules on safeguards, from trade in services to intellectual property rights, and from rules and procedures governing the settlement of trade disputes to plurilateral agreements limited to a few members of the coalition of willing. The developing countries, including India, embraced the Final Act embodying the results of the Uruguay Round. Then commerce minister Pranab Mukherjee, who led the Indian delegation, hailed the agreement for safeguarding India's interests in various areas, including agriculture.

Ironically, 23 years after that historic moment, trade ministers from over 35 countries congregated again in Marrakesh on 9 October to discuss the continued asymmetrical rules stemming from the Marrakesh Agreement. But this time the mood among them is one of extreme pessimism. They are not sure about the future of WTO. Reason: one of the trade elephants that played a central role in crafting the Marrakesh Agreement as per its interests has now turned roguish and running amok with its own trade agenda.

Against this backdrop, trade ministers from India, the European Union, China, Japan, Canada, Australia, Switzerland, Norway, New Zealand, South Africa, Singapore, South Korea, Hong Kong, Brazil, Argentina, Mexico, South Africa, Indonesia, Nigeria, Costa Rica, Rwanda, and Jamaica, among others, deliberated what they could possibly accomplish, if anything, at the upcoming WTO ministerial meeting in Buenos Aires in December. The notable absentee from the meeting was the US trade representative, ambassador Robert Lighthizer, who could not come because of a sudden cabinet meeting scheduled by President Donald Trump.

For commerce minister Suresh Prabhu, Marrakesh provided an opportunity to state what the Narendra Modi government's priorities for Buenos Aires are. He told his counterparts that the permanent solution for public stockholding programmes is a "must have" for New Delhi. Prabhu said the India-China proposal for eliminating the most trade-distorting domestic support or the Aggregate Measurement of Support in the developed countries such as the US, the EU, Norway, Canada, and Switzerland, among others, remains the basis for negotiations to reduce global farm subsidies. The proposal was endorsed by trade ministers from many members of the G-33 farm coalition led by Indonesia, Africa, and the ACP (Africa, Caribbean, and Pacific) countries at the meeting. Prabhu ruled out any negotiations for crafting rules on electronic commerce that is being pushed by a group of industrialized countries and their allies in the developing world. He said the special and differential treatment (S&DT) flexibilities for developing countries must continue without any disruption. Prabhu rejected attempts to introduce "graduation" among developing countries so as to deny the S&DT flexibilities to countries like India. Prabhu delivered a forceful message that India will not accept any outcome at Buenos Aires without a credible outcome on the permanent solution for public stockholding programmes for food security.

Ahead of the previous 10th ministerial conference in Nairobi, Kenya, Prime Minister Narendra Modi had told the African leaders at a summit in New Delhi on 19 October 2015 that "the Doha Development Agenda of 2001 is not closed without achieving these fundamental principles (at

Nairobi).” Africa and India, said Modi, must ensure that there is a permanent solution to public stockholding for food security and a special safeguard mechanism in place to address unforeseen surges in imports of farm products. But, India, however, left the Nairobi meeting without securing any credible outcome on the pledges it had made prior to the conference. If anything, India undertook commitments on export subsidies that adversely affected its ability to provide subsidies to its cotton farmers. Therefore, it remains moot as to what India will do when push comes to shove in Buenos Aires.

Of course, things are going to be much more difficult in the Buenos Aires meeting, which is beginning on 10 December. The America First trade priorities seem to have brought a significant change. The WTO’s 11th ministerial conference is going to take place at a time when Washington has launched a sustained assault on the organization it had created for advancing its core trade interests. “For too long, the American people were told that mammoth multinational trade deals, unaccountable international tribunals, and powerful global bureaucracies were the best way to promote their success,” President Trump thundered, in his speech at the United Nations General Assembly last month. “But as those promises flowed, millions of jobs vanished and thousands of factories disappeared,” he said.

The US has now paralysed the dispute settlement body by blocking an expeditious process for filling vacancies at the Appellate Body. It is in no mood to budge from its obstructionist positions at the global trade body because of its new trade priorities. It has nearly disengaged from negotiations for finalizing the permanent solution for public stockholding programmes for food security and other issues. Moreover, Washington chose to vehemently oppose improvements in S&DT flexibilities as demanded by the African Group. The US which sees China as its enemy number one in global trade, rejected Beijing’s proposal for transparency and due process in anti-dumping and countervailing (anti-subsidy) measures. Therefore, it remains to be seen how Prabhu will negotiate in Buenos Aires when the fiercest threat for multilateral trade liberalization is coming from India’s closest ally, Washington. Will Prabhu along with the huge alliance of countries that his trade envoy has built in Geneva muster courage to call a spade a spade if the permanent solution for public stockholding programmes is denied and the Doha trade negotiations are terminated in Buenos Aires?

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Is 'deep sea fishing' the silver bullet?

On September 8, the Tamil Nadu Fisheries University (TNFU) organised a one-day workshop in Chennai on deep sea fishing, the aim being to promote deep sea fishing as an alternative to trawling in the Palk Bay. Proponents of deep sea fishing argue that the lure of better catch in far-off seas and avoiding the risks of cross-border fishing in Sri Lankan waters will ensure its success. But is it as simple as that?

Deep sea fishing has always been an integral part of the country's Blue Revolution vision to exploit fishing resources to the maximum within the 200 nautical mile exclusive economic zone (EEZ). The present plan in the Palk Bay is to extract 2,000 trawlers from the bay and replace them with deep sea vessels that fish in the Bay of Bengal and Gulf of Mannar. The time period for this transition is three years (2017-2020), with 500 boats to be replaced in the first year alone. The Central and Tamil Nadu governments have committed 800 crore and 320 crore, respectively, to the plan. Each vessel will be fitted for tuna long-lining and/or gillnetting, and have a unit cost of 80 lakh. Of this unit cost, trawl owners have to only pay 8 lakh upfront and 16 lakh through a loan from the Pandyan Grama Bank. The balance 56 lakh will be a subsidy shared by the State and Central governments.

The Palk Bay fishing conflict has figured prominently in high-level meetings between India and Sri Lanka. The origins of the conflict are complex and it is difficult to resolve. The main issue is what to do with the oversized fleet of Tamil Nadu trawlers that fish regularly in Sri Lankan waters, often damaging the boats and gear of small-scale Tamil fishers from the Northern Province of Sri Lanka. The Sri Lankan government has not only passed a legislation banning trawling but its navy has also been vigilantly patrolling the International Maritime Boundary Line, 'capturing' Indian trawl boats and fishers.

The plan (as foreseen in G.O. (Ms) 139 (Animal Husbandry, Dairying and Fisheries Department, Tamil Nadu, July 14, 2017) is to remove as many trawl vessels from the Palk Bay as possible. Prospective beneficiaries of the deep sea fishing project should possess a registered, seaworthy trawl vessel of over 12m in length that must be scrapped or disposed of outside the Palk Bay. The disposed vessel should also have been physically verified. Equally important, new replacement tuna long liner boats cannot trawl or operate in the Palk Bay. The government is now creating a new deep sea fishing harbour at Mookaiyur, located just south of the Palk Bay in the Gulf of Mannar, where many of these vessels are likely to be berthed. Priority is to be given to owners who have had their boats apprehended or damaged in Sri Lanka. Beneficiaries are not allowed to sell their boats within five years of obtaining them though it is unclear how that will be enforced.

Administrators and scientists alike have raised questions. First, are there sufficient stocks of fish in the adjacent waters of the Bay of Bengal and Gulf of Mannar to make deep sea fishing economically viable for a large and new fleet of vessels? And do Palk Bay trawl fishers, who are used to one-day fishing, have sufficient skills and an interest for deep sea fishing?

The Indian government report of the Working Group for Revalidating the Potential of Fishery Resources in the Indian EEZ suggests that oceanic regions have a maximum potential yield of 208,000 tonnes. Importantly, however, while the report highlights that oceanic stocks are not fully exploited, it does not state where the remaining oceanic stocks in the Indian Ocean exist nor whether this might be in the Bay of Bengal or the Gulf of Mannar. Moreover, the report warns that oceanic resources are transboundary and hence are targeted by a number of other countries too.

In fairness, the authorities have taken note of training needs and are setting up special facilities in collaboration with the TNFU and the Central Institute of Fisheries Nautical and Engineering

Training. Applicant trawl owners also expect to employ a few specialised workers from the operational deep sea fishing fleet of Thoothoor, at least for the initial period of operation. The question of what will become of trawl crews remains largely unaddressed, potentially jeopardising the local economy of the region.

For trawl fishers, the main concern is whether deep sea fishing is a sound investment or not. Trawl owners are also either rich or have a hand-to-mouth existence. Some fishermen have expressed doubts about the high operational costs of deep sea fishing and the loan repayment schedule imposed by the Pandyan Grama Bank. Therefore, they have been pressurising the government to minimise the applicants' financial contribution.

Whether deep sea fishing will reduce the Palk Bay fishing conflict depends entirely on the downsizing of the existing trawl fleet. On paper, the necessary safeguards are in place: participant trawl owners have to surrender their boats while deep sea fishing vessels will not be allowed into the Palk Bay. But rules are not always followed. The government will have to ensure that remaining vessels are not upgraded in size or engine horsepower, as many trawl owners in the Palk Bay have been increasing their engine capacities surreptitiously, well beyond legal limits.

Equally of concern is the Tamil Nadu Fisheries Department's capacity to monitor, control and carry out surveillance (MCS) of the process of decommissioning. Regulations have always existed but have rarely been implemented judiciously. The deep sea vision, moreover, is monomaniacal with no other solutions to trawling offered. The Palk Bay conflict requires a multi-dimensional approach. Various other solutions such as buy-backs, alternative livelihoods and skill development need to be rolled out with a simultaneous focus on a strong MCS system. Only then can this intransigent fishing conflict be finally resolved.

Ajit Menon is with the Madras Institute of Development Studies, and Johny Stephen with the Tata Institute of Social Sciences, Hyderabad

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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India-EU discussions still in a muddle

Martin Ney

India and the European Union have “failed to live up to their potential”, said German Ambassador Martin Ney, expressing disappointment at the failure of the EU-India summit held in Delhi last week to agree on the resumption of talks on the investment and free trade agreement.

“There is no decision to resume negotiations on free trade agreement despite the possibility being at hand. There was no such decision taken at the last EU summit in March 2016, and the EU leaders and Prime Minister Narendra Modi failed to take such a decision during the summit two days ago,” the German Ambassador said at an India-German Media Dialogue organised in the capital on Monday.

‘Productive meet’

Significantly, Mr. Ney’s statement came on a day Commerce Minister Suresh Prabhu met Cecilia Malmstrom, European Union Trade Commissioner in Marrakech on the sidelines of a trade meet, which he described as “productive.”

Diplomatic officials say the tough comments are a signal of the growing unhappiness among European diplomats over the long period it has taken to get talks on the Bilateral Trade and Investment Agreement (BTIA), as it is known, back on track after they broke down in 2013. Since then, despite several commitments made by the leaders on the issue, including a statement by Prime Minister Narendra Modi and German Chancellor Angela Merkel in June, there has been no movement towards resuming the talks. Chief negotiators on both sides have met several times both formally and on the sidelines of other summit, and are expected to meet again in November, but diplomats hold that no real progress is yet on the cards.

Some disappointment

Diplomats who spoke to *The Hindu* said there was some disappointment that Mr. Modi did not refer to the trade negotiations or the BTIA directly during the EU-India summit on October 6.

There had been some hope the EU-India summit would yield a political decision on resuming the talks, as top leaders Donald Tusk, President of the European Council, and Jean Claude Juncker, President of the European Commission, met for the summit 18 months after they failed to make a breakthrough in Brussels last year.

“We will not restart talks for the sake of starting them; we want to conclude them. Once the circumstances are right — because the European Union cannot impose conditions on India because India has at least the same dignity as the European Union — we will resume,” Mr. Juncker said during the summit.

Commerce Ministry officials have repeatedly said that India is ready to restart talks, but would like to discuss a comprehensive Free Trade Agreement including investment, while the EU is keen to finalise the bilateral investment treaty first, given that India has allowed all its BITs with European countries and others to lapse in the past year.

Another point of disagreement has been over whether the talks would begin afresh, or will incorporate decisions from the previous talks that broke after 16 rounds in 2013.

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India, U.K. to firm up defence links

Sanjay Mitra

India and Britain hope to agree on concrete measures to take forward their defence partnership by next year, ahead of the next meeting of the two Prime Ministers, India's Defence Secretary Sanjay Mitra said during a three-day visit to the U.K. The meeting of the two leaders is widely expected to take place at the Commonwealth Heads of Government meeting in London in April 2018.

Following Prime Minister Narendra Modi's visit to London in 2015, the two countries agreed to hold regular dialogues, as part of the India-U.K. Defence Consultative Group. Since then, a step change in terms of depth had taken place in cooperation and dialogue in the area, Mr. Mitra said.

Wide-ranging dialogue

Mr. Mitra has met with Michael Fallon, who heads the Ministry of Defence, and the department's Permanent Secretary during his trip which focussed on meetings of the Defence Consultative Group.

"The military community dialogue has been going well and there have been a wide range of visits that have been taking place at the level of chief of staff, and senior operatives ... we have a road map going and we hope that by the time of the meeting of the Prime Ministers, we will have some meat on this," he said, adding that talks had ranged from capability development, defence equipment and cybersecurity to counter-terrorism.

'Make in India' push

India has pegged the defence sector as one of the major areas where the bilateral partnership could be expanded around the "Make in India" campaign. During Mr. Modi's visit in 2015, the two sides agreed to move towards a new Defence and International Security Partnership that would "intensify cooperation on defence and security, including cybersecurity, and maritime security" pushing for joint working in key strategic areas.

"We are very keen that U.K. firms participate in our 'Make in India' process and in our strategic partnership exercise that we've just begun," the Defence Secretary said.

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Indian Railways and German Railways sign Joint Declaration of intent regarding carrying out of feasibility study on existing Chennai-Kazipet corridor of Indian Railways for increasing the speed trains to 200 kmph .

Indian Railways and German Railways sign Joint Declaration of intent regarding carrying out of feasibility study on existing Chennai-Kazipet corridor of Indian Railways for increasing the speed trains to 200 kmph .

A Joint Declaration of Intent was signed between Ministry of Railways and Germany on 10th October, 2017 in Rail Bhavan in the presence of Shri Ashwani Lohani, Chairman, Railway Board regarding carrying out of feasibility study on existing Chennai-Kazipet corridor of Indian Railways by German Railways for increasing the speed of passenger trains to 200 kmph on 50.50 percent cost sharing basis.

The current Joint Declaration of Intent is intended to deepen the cooperation, more specifically towards the achievement in the priority area of Semi High Speed Rail: the upgrading of current passenger services to SHS (Semi High Speed) upto 200 kmph on the Chennai-Kazipet corridor (643 km).

The Project is envisaged to consist of three phases to be carried out over a 22 month period with the objectives to provide :

Phase 1: Definition of three demand-based Upgrade scenarios for the corridor

Phase 2: Selection of the preferred Upgrade scenario for SHS on the corridor, based on analysis of respective operations and economic-financial impact.

Phase 3: For preferred scenario, Reference design and technical Tender document:

1. Development of Reference design for technical solution on preferred Upgrade scenario.
2. Procurement concept for Construction works and Railway Systems.
3. Concept and Requirements for construction Phasing under railway Operations.
4. Preparation of technical tender documents for preferred Scenario usable for Design & Build tendering.
5. Development of recommendations on the implications for a larger SHS program for India.
6. Possible financing options for the implementation of the corridor.

The cost of the feasibility study will be shared 50.50 percent by the Ministry of Railways of the Government of India and Government of the Federal Republic of Germany.

The final terms and conditions of carrying out of this feasibility study shall be completed through signing a separate Agreement.

Earlier, a Protocol on cooperation in Rail sector was signed between both sides in May, 2016 in Germany, with following priority areas.

- a) Concepts for increasing the design and the actually driven speeds;
- b) Concepts for increasing the capacity of railway lines in passenger and goods transport;
- c) Concepts for improving operational safety to avoid incidents and accidents;
- d) Concepts for reducing operational costs, in particular by means of energy efficient railway operations;
- e) Concepts for the cooperation between education and training facilities in India and Germany with the objective of enhancing the railway know how;
- f) Supporting the expansion of the high speed and semi high speed network;
- g) Joint development of user oriented standards and norms for India with the participation of the competent regulatory authorities;
- h) Concepts for speed raising on longer stretches for multiple traffic;
- i) Concepts for station redevelopment on modern lines.

Salient Features of Chennai-Kazipet Corridor

Route: Chennai-Gudur Jn-Nellore-Tenali Jn-Vijayawada Jn-Warangal-Kazipet Jn Total length of the corridor – **643 km** (**135 km** in Southern Railway and **508 km** in South Central Railway) and the entire corridor is electrified.

Divisions Involved – Chennai (**135 km**), Vijayawada (**311 km**) & Secunderabad (**197 km**). The maximum sectional speed on the corridor is **110 kmph** in Southern Railway and **120 kmph** for South Central Railway.

There are **216** (Southern Railway-**68** & South Central Railway-**148**) level crossings on the corridor and all are manned.

There are **1979** (Southern Railway-**514** & South Central Railway-**1465**) number of bridges on this corridor.

There is only one direct train from Kazipet to Chennai i.e. **Train No. 12760/Charminar SF Express** taking **11 hours 20 minutes** with **13 stoppages** at an average speed of **57 kmph**.

Majority of the trains are from Warangal to Chennai (**638 km**) and the fastest train is **Train no. 12433/12434 Rajdhani Express** taking **8 hours 29 minutes** with average speed of **75.3 kmph** with one stoppage at Vijayawada.

Details of coaching trains on the route: **Gareeb Rath-1, Janshatabdi-1, Superfast-40, MailExpress-21 & Holiday Special-8, Total-71.**

Total number of enroute stations – **108** (Southern Railway-**28** & South Central Railway-**80**).

Total number of stations where platform is on the mainline – **29** (Southern Railway-**23** & South Central Railway-**06**).

Southern Railway – Automatic/Absolute signalling, South Central Railway – Mainly absolute and MACLS.

AKS/MKV/ENS

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Shri Rajnath Singh inaugurates the First BIMSTEC Disaster Management Exercise**Shri Rajnath Singh inaugurates the First BIMSTEC Disaster Management Exercise**

The Union Home Minister Shri Rajnath Singh inaugurated the four-day first Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation Disaster Management Exercise (BIMSTEC DMEx-2017) here today. The Exercise is being conducted by the National Disaster Response Force (NDRF) as the lead agency from October 10-13, 2017 in Delhi and the National Capital Region (NCR). At the 17th BIMSTEC Senior Officials Meeting held in Kathmandu, Nepal on February 7, 2017, it was decided that India would organize the first annual Disaster Management Exercise for the region.

Addressing on the occasion, Shri Rajnath Singh extended warm greetings to all delegates from BIMSTEC nations that have come together to participate in this joint exercise. He said that their presence for this exercise represents their governments' commitment to regional co-operation in the area of disaster risk management.

Expressing concern over the disasters, the Home Minister said, in the recent monsoon season, floods and landslides have affected millions of people across almost all the BIMSTEC countries. This is yet another reminder of the importance of improving our disaster preparedness, he emphasised. Shri Rajnath Singh said that over the period 1996 to 2015, the BIMSTEC countries have lost 317,000 lives to disasters. In these disasters more than 16 million people in BIMSTEC countries have lost their homes and economic losses are also high and escalating, he further added. He said, in terms of number of extreme weather events – floods, droughts, heat waves and cyclones – the future is not going to be any better and the frequency and intensity of such events is likely to rise in view of the climate change. However, if we make our communities, our towns and villages, and our economic activities resilient, we can reduce the losses, the Home Minister said. He said that the improved disaster preparedness is a corner stone of this effort and in this direction, all the BIMSTEC nations have made significant progress over the last two decades. Highlighting the progress of various nations, he said that the cyclone preparedness programme of Bangladesh is recognized as a global best practice and the last mile connectivity of Tsunami early warning system in Thailand has significantly improved preparedness in coastal areas.

Speaking on India's efforts in this direction, Shri Rajnath Singh said that we are making concerted efforts to reduce preventable deaths and other losses and are also analyzing

the patterns of disaster mortality and taking focused steps. He said that India's effective handling of Phailin and Hudhud in the recent past is the direct outcome of over a decade of policy initiatives and enhancement of early warning capabilities, advance preparation, training and capacity development.

He expressed hope that over next few days besides focusing on joint exercise, delegations will have opportunity to share their country's experience. He said that success of this joint exercise will depend on not only the work that will be done over next few days but also follow-up work after the exercise.

The Home Minister said that over a period of time we need to use exercises to develop a pool of BIMSTEC disaster responders spread across all participating nations. These building blocks will ensure that when need arises, we can mobilise an effective response and help each other in a timely manner. He expressed sincere belief that BIMSTEC nations need to join hands to mitigate disasters since they face problem of floods on a regular basis.

Shri Rajnath Singh said if the BIMSTEC member states start sharing the hydrological data of transnational rivers with downstream countries, it will certainly help the nations in risk reduction and better disaster preparedness. We need to build a consensus on regular sharing of hydrological data of transnational rivers, he emphasised.

Shri Rajnath Singh reiterated India's commitment to stand shoulder to shoulder with other BIMSTEC nations in achieving its common goals in reducing disaster losses and explore all possible avenues of collaboration. He said that India has established the Tsunami early Warning System for the Indian Ocean Rim Countries. We have deployed our National Disaster Response Force in other affected countries for response operations, he said. He informed that prior to BIMSTEC, India has hosted joint bilateral exercises with SAARC countries and also hosted a joint meeting on disaster risk management of all the BRICS nations. Last year we hosted the Asian Ministerial Conference for Disaster Risk Reduction, he said. Shri Rajnath Singh said that in May this year India launched South Asia Geostationary Communication Satellite that will improve communication, weather forecasting, etc. He assured that India will work with the same level of commitment under BIMSTEC and is indeed looking forward to moving hand in hand with the BIMSTEC nations. He thanked BIMSTEC country delegations for coming to India for this joint exercise.

BIMSTEC Secretary General, M Shahidul Islam said that it is a great honour and privilege for him to be present at the first disaster management exercise. He expressed happiness at the fact that this exercise is being organised when BIMSTEC is completing 20 years of its formation this year and this is the reflection of true spirit of regional cooperation. He said that disaster management is of high priority because Bay of Bengal region is one of the most disaster prone areas of the world and has witnessed many disasters in the recent past. He expressed concern that during disasters, apart from human loss, economic loss is also huge which affects the GDP of the country. He said that we have little control over natural calamities, so we need to focus on disaster risk reduction. We need to learn from each other and our past experiences, he added. He emphasised that coordination and quick response must go hand in hand. He further said that various structural and non-structural systems have been put in place which has reduced the human loss. The Secretary General also said that people to people contact is very important along with institutional framework. He said that this exercise is just a beginning for a larger cooperation.

During his welcome address, Shri Sanjay Kumar, DG, NDRF said that the first phase comprising a Preparatory Meeting was held in Delhi NCR on August 8-9, 2017, during which the modalities for this exercise were discussed. He said that this exercise will provide a platform to member countries to share best practices and coordination for disaster management among BIMSTEC nations. This is an opportunity to review and discuss the disaster management plans, he added. He said that this exercise will facilitate the regional cooperation for effective disaster response. The disasters cannot be prevented, but certainly be managed, Shri Kumar said. He also emphasised on integration of latest technology in this regard.

The Secretary (East), Ministry of External Affairs, Ms Preeti Saran said that BIMSTEC region has over one fifth of world's population and development of BIMSTEC countries is crucial for the development of world as a whole. She said that regional cooperation under BIMSTEC also spurs the development of North East region. She said that sharing information, joint action and capacity building are important and this exercise is a step in this direction.

Delegation and response teams of all seven BIMSTEC nations i.e. – Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand were present during the session. Representatives from Embassies/High Commission of BIMSTEC nations in Delhi, MHA, MEA, NDMA, NIDM, NDRF, SDRF, senior officers of CAPFs and state representatives

were also present. Over 150 delegates of BIMSTEC member nations are participating in this event.

During the four-day exercise, the delegates from the member nations will share their experiences in the varied fields of disaster, training and its mitigation. Various events during the exercise include a Table Top Exercise after the inaugural session to provide participants with an opportunity to review and discuss disaster response plans and sharing of best practices of one nation with the other. Other exercises such as Joint Field Training Exercise on earthquake disaster at Ghaziabad, Joint Field Training Exercise on Flood Rescue at Wazirabad will also be conducted.

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Cabinet nod for natural gas cargo-swap deal with Japan

Smoother flow:The cargo-swap arrangement is part of a broader bilateral pact to create gas exchange.

The Cabinet approved a cargo-swapping arrangement with Japan as part of a broader bilateral pact to create a gas exchange that could reduce India's logistical costs for natural gas import.

"With Japan, another important pact is being finalised by the Petroleum Ministry," Minister for Petroleum and Natural Gas Dharmendra Pradhan told the media after the Cabinet meeting on Wednesday. "As the world's largest importer of gas, Japan has pacts for supply with Qatar. We have similar pacts with Australia.

"As part of the gas exchange, we have a provision that will allow the swapping of these gas contracts which will save [on] transport costs. So, we can get gas from Qatar instead of Japan and they can source our quantum from Australia," Mr. Pradhan said.

"It is a relatively new approach," Deepak Mahurkar, leader, oil & gas, PwC India told *The Hindu* .

"But as more and more sources of LNG are emerging, versus earlier, this is allowing buyers to avoid unnecessary transportation. It is purely for logistics costs. It is a swapping of cargo and not of contracts, so the tariff at which the LNG is bought will not change."

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A less perilous world

The Nobel Peace Prize and nuclear disarmament have a long association, starting with the 1959 award to Philip Noel-Baker, and subsequently in the awards to people and organisations in 1969, 1962, 1974, 1982, 1985, 1990, 1995 and 2005. International Physicians for the Prevention of Nuclear War, Joseph Rotblat and Pugwash, and several others have received the prize over the years. This year's Peace prize to ICAN (International Campaign to Abolish Nuclear Weapons) comes at a time when the threat posed by nuclear weapons has been all too evident in the global crisis triggered by North Korea's nuclear programme. ICAN is a coalition of civil society groups and governments campaigning for total disarmament. Their prize was "for its work to draw attention to the catastrophic humanitarian consequences of any use of nuclear weapons and for its ground-breaking efforts to achieve a treaty-based prohibition of such weapons". Earlier this year, the Geneva-based group capped a decade of efforts for a n-ban with an international treaty that was negotiated and concluded at the United Nations.

The treaty will come into effect only when 50 nations have ratified it; so far, only a handful have done so. When it comes into force, it will be binding only on those who have ratified it. Predictably, none of the nine nuclear powers, including India and Pakistan, which between them possess nearly 15,000 warheads by ICAN's own estimation, associated themselves with the treaty or the negotiations at the UN leading up to it. It underlined that the treaty is likely to remain an aspiration for a long time, perhaps forever. Moreover, powerful strategic communities across the world, and especially in India and Pakistan, view the possession of nuclear weapons as deterrents to war.

Officially, India, holds up its commitment to a nuclear weapons-free world, but says there must be "universal, non-discriminatory and verifiable nuclear disarmament". It stayed away from the treaty citing the Conference of Disarmament as the right forum to negotiate a "step-by-step process" to achieve a nuclear weapons-free world. That seems almost unachievable. The Geneva-based CD works by consensus, and nuclear powers, including India and Pakistan, assemble there mainly to block each other. Still, the Nobel to ICAN is, at the very least, a snub to the nuclear powers. It has served to highlight that despite the growing influence of the nuclear deterrence school, the cause of disarmament is not easily dismissed.

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The art of the nuclear deal

An agreement signed between Iran and the P5+1 (the five permanent members of the U.N. Security Council and Germany) in 2015 that removed economic sanctions against the country after it agreed to a joint comprehensive plan of action (JCPOA). This plan ensured that Iran will drastically reduce its uranium enriching capacity and levels, enriched stockpiles and centrifuges, and will allow for stringent inspection and monitoring by international agencies. The IAEA certified in its latest quarterly report on August 31, 2017, that Iran has complied with the JCPOA and that its stock of low-enriched uranium and centrifuges for enrichment are in line with the nuclear pact. Free from the sanctions, Iran has seen its economy bouncing back with an accelerated growth rate of 9.2% in its latest quarter.

The Republicans were dead against the nuclear deal in the Congress in the run-up to it suggesting that the deal did not do enough to wring further concessions from Iran in terms of its support to groups opposed to U.S. ally Israel, its military programme, etc. Mr. Trump has always termed it “a bad deal” giving few specifics on why his administration thinks so. His thinking is in line with other decisions, where his administration has shown alacrity in reversing signature policy measures instituted in his predecessor Barack Obama’s tenure. The route Mr. Trump wants to take to do so is by de-certifying the deal, which he may do next week. Under U.S. law, the administration has to certify whether Iran is complying with the deal and if it is in the country’s national security interest to remain in it, every 90 days.

After de-certification, the U.S. Congress will review — in a process that will take 60 days — whether it is time to re-apply U.S. sanctions on Iran that were suspended after the JCPOA was signed. With Republicans in a majority in the House and the Senate, there is a possibility of this happening, but some GOP lawmakers have expressed reservations about returning to a sanctions regime.

The EU, Russia and China understand that Iran has complied with the deal and are not keen on breaking the consensus over it. Unilateral U.S. sanctions would entail stringent provisions applying to EU companies that deal with Iran. Some of them may buckle and refuse to continue economic ties with Iran, while some may seek the refuge of regulations that the EU used to shield entities from U.S.’s secondary sanctions.

This might also embolden hardliners in Iran to pressure its moderate regime to withdraw from the agreement, breaking up what was a remarkable international agreement that ultimately helped Iranian citizens weather a period of economic recession and limited its nuclear programme for peaceful purposes.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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Commerce & Industry Minister SureshPrabhuseeks permanent solution to world food security at WTO Informal Ministerial Gathering at Marrakesh**Commerce & Industry Minister SureshPrabhuseeks permanent solution to world food security at WTO Informal Ministerial Gathering at Marrakesh**

The Commerce and Industry Minister, Shri Suresh Prabhu attended an Informal WTO Ministerial Gathering in Marrakesh, Morocco from October 9 to 10. The meeting was held in preparation for the Eleventh Ministerial Conference (MC11) of the WTO scheduled to be held in Buenos Aires, Argentina from 10 to 13 December 2017. Ministers and delegates of 35 WTO member countries exchanged views on what could be realistically achieved and the possibilities for compromise. The objective of the informal gathering was to provide political impetus to the negotiations and guidance on potential outcomes.

Shri Prabhu, led discussions on behalf of the developing world and reiterated commitment to the Doha Round. He referred to the agreed objectives of the agriculture negotiations in the Doha Round and called for continuation of the reform process and to avoid further widening and perpetuation of the imbalance between developed and developing countries. He pointed out that any meaningful reform in agriculture must first seek to reduce the disproportionately large subsidies of the developed countries.

In his statements at the meeting, the Commerce & Industry Minister spoke about India's priorities and position as regards various issues under discussion in the WTO for outcomes at MC11. He emphasized that a permanent solution on the issue of public stockholding for food security purposes must be a part of the outcomes achieved, as this is an issue of tremendous importance not only to India but also several other developing countries. Shri Prabhupointed out that a solution on this issue would give a strong signal of determination to end hunger and achieve food security, as mandated in the UN Sustainable Development Goal 2.

Emphasizing on the importance of special and differential treatment for developing countries, the Commerce & Industry Minister said India would be willing to engage on proposals that recognized this right for all developing countries without exception. He pointed out that in India, the total number of people dependent on agriculture in one way or another is close to 600 million, with nearly 98 per cent of Indian farmers being low income or resource poor and mostly engaged in subsistence farming. Under such circumstances, it was imperative for India to balance trade liberalization with the need to protect the livelihood of its farmers, he said.

Shri Prabhucalled upon WTO members to first deal with the issues which were already under negotiation, before moving on to new ones.

On the issue of discipline on fisheries subsidies the Commerce & Industry Ministeralsostressed on the importance of suitable special and differential treatment provisions and the need to make a clear distinction between large scale commercial fishing and traditional fishing. He pointed out that in India a large number of small, largely resource poor fish workers depended on traditional fishing activity as a source of livelihood. He observed that developing countries like India, possessing very low fishing capacity, would also need to retain policy space to promote and create such capacity.

Shri Prabhu also spoke about the importance of a transparent and inclusive process of negotiationsat the WTO and the need to do all preparatory work before MC11, so that only issues, which have matured for conclusion, are taken forward to the Ministerial Conference. India's stance was very well received from all quarters making the visit a big success.

On the sidelines of the meeting, the Commerce & Industry Minister also held marathon bilateral meetings to push India's trade in a comprehensive manner. He met Ministers from the EU, South Africa, Argentina, Brazil, Russia, Rwanda, Morocco, as well as the Director General of the WTO.

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Cabinet approves MoC between India and Japan on the "Technical Intern Training Program (TITP)"**Cabinet approves MoC between India and Japan on the "Technical Intern Training Program (TITP)"**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the signing of "Memorandum of Cooperation (MoC)" between India and Japan on the "Technical Intern Training Program (TITP)".

This MoC is expected to be signed during the forthcoming visit of Hon'ble Minister for Skill Development & Entrepreneurship during October, 16-18, 2017 at Tokyo. The Technical Intern Training Program (TITP) is an ambitious program to send Indian technical interns to Japan for on the job training for a period of three to five years. It is expected that the MoC will pave the way for bilateral cooperation between the two countries in the area of skill development.

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Cabinet approves signing of the Memorandum of Cooperation between India and Japan on establishing a Liquid, Flexible and Global LNG Market

Cabinet approves signing of the Memorandum of Cooperation between India and Japan on establishing a Liquid, Flexible and Global LNG Market

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the signing of the Memorandum of Cooperation (MoC) between India and Japan on establishing a liquid, flexible and global LNG Market.

The MoC will promote bilateral relationship between India and Japan in the energy sector. It will contribute to the diversification of gas supplies for India. This will strengthen our energy security and lead to more competitive prices for consumers.

The MoC provides a framework to cooperate in facilitating flexibility in LNG contracts, abolition of Destination Restriction Clause and also explore possibilities of cooperation in establishing reliable LNG spot price indices reflecting true LNG demand and supply.

Background:

India and Japan are major consumers of energy in the world. In the LNG sector, Japan is the world's largest importer and India is the 4th largest importer. Under the Japan-India Energy Partnership Initiative signed in January 2016, the two sides had agreed to work together in promoting well-functioning energy markets and affirmed to promote a transparent and diversified Liquefied Natural Gas (LNG) market through the relaxation of Destination Restriction Clause.

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Cabinet approves MoU between India and Belarus for Cooperation in the field of Vocational Education and Training

Cabinet approves MoU between India and Belarus for Cooperation in the field of Vocational Education and Training

The Union Cabinet chaired by the Prime Minister Narendra Modi has given its ex-post facto approval for a Memorandum of Understanding between India and Belarus for cooperation in the field of Vocational Education and Training (VET). The MoU was signed on 12th September, 2017 during the State visit of H.E. Mr. Alexander Lukashenko, President of Belarus to India.

This is for the first time MoU for cooperation in area of vocational education, training and skill development has been signed with Eurasian country.

Belarus has a large concentration of industries, mainly into manufacturing and heavy industries, which draw their strength from available skilled manpower and a highly developed skill training system. The transfer of knowledge of their skilling methodology will immensely help in our initiatives like "Make in India" and "Skill India". This MoU would pave the way for systematic transfer of their expertise and knowhow in skilling the manpower specially in manufacturing sector.

Cooperation between two countries in identified areas would be implemented through establishing institutional partnerships between Republican Institute for Vocational Education" (RIPO) , an apex institution for development of Belarusian vocational education system and Directorate General of Training for transfer of technology in VET delivery & its sustainability. Cooperation with Sectoral VET/ Centres of Excellence of Belarus is proposed for Research and Development in the skilling ecosystem.

The areas of cooperation are as under:

1. The Belarusian side shall provide comprehensive transfer of know-how of emerging technologies, training and evaluation methodologies, content development for regular / distance learning / e-learning/training of master trainers, competency building of the assessors in area of their competency and network building & industry linkage;
2. Vocational education services for Indian citizens for skill development in the field of

construction, electric-power production and distribution, manufacturing industry, trade, auto service and household goods repair and maintenance, transport, communication, hotels and restaurants as well as other fields being in high demand in India;

3. Retraining, up-skilling, internship for Vocational Education and Training managers, teachers and trainers of India by the Belarusian Side;
4. Advisory services in order to enhance planning, management and delivery of Vocational Education and Training and Skill Development.

Major impact:

- The MoU would bring in Belarus experience and expertise for overall improvement in skill eco system of the country.
- Implementation of proposal includes innovation and improvement in the existing vocational education and skill development through Research and Development in the field.

The financial arrangement for the co-operative activities undertaken within the framework of this MoU shall be mutually agreed upon by the Parties on a case-by-case basis, subject to the availability of funds.

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Cabinet approves MoU between India and Morocco on cooperation in the field of water resources

Cabinet approves MoU between India and Morocco on cooperation in the field of water resources

The Union Cabinet chaired by the Prime Minister Narendra Modi has given its approval for signing of a Memorandum of Understanding (MoU) between India and Morocco on cooperation in the field of water resources.

The MoU intends to enhance cooperation in the field of water resources development and management within the framework of their expertise and their respective legislations. The domains of bilateral cooperation under this MoU include

1. conception, realisation and maintenance of the hydraulic infrastructure, notably big dams and water transfer projects;
2. integrated water resources management, i.e., conjunctive use of surface and ground water resources, enhancement of water use efficiency, resilience and adaptation to climate change, artificial recharge of aquifers, organisational, institutional and regulation aspects;
3. flood and drought management;
4. sustainable development and management of ground water resources including recharge augmentation; and
5. harvesting and valuation of rainfall water and resilience and adaptation to climate

The cooperation also includes

1. exchange of visits and missions of experts;
2. exchange of information on programs, publications, expertise and results of research in the field of water resources;

- develop projects in domains mentioned above, in Morocco and India: develop partnership mechanism with the socio-economic actors in the two countries;

1. ensure reciprocal participation of experts to the water related events and projects;
2. and promote cooperation between Hydraulic Basin Agencies of the two countries with an aim to share the expertise on the implementation of the principles of integrated water resource management in the Hydraulic Basins.

The MoU also provides for setting up of a Joint Working Group(JWG) consisting of equal members from both the sides to monitor the activities to be carried out in fulfilment of the

MoU. The Working Group shall hold its annual meeting alternatively in India and Morocco. In addition, the Working Group may interact at any time using telephone or video conferencing.

The cooperation, centered on the scientific, technical and technological fields, will encourage the establishment/development of bilateral relations between public and private organisations concerning water resources of both the countries. While exchanging the expertise and experiences on latest techniques and technologies, both the countries can learn and improve their skills.

Background:

The Ministry of Water Resources, River Development and Ganga Rejuvenation has been envisaging bilateral cooperation with other countries in water resources development and management through sharing of policy and technical expertise, conducting of training courses, workshops, scientific and technical symposia, exchange of experts and study tours. Keeping in view the ongoing India-Africa cooperation, it has been decided to have an agreement with Morocco to exchange experience and expertise in water resources.

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'U.S. withdrawal is a loss'

The United States' decision to withdraw from the UNESCO is "a loss for multilateralism", said the UN heritage agency's Director General Irina Bokova.

"This is a loss to UNESCO. This is a loss to the United Nations family. This is a loss for multilateralism," Ms. Bokova said in a statement.

The U.S. State Department cited the agency's "anti-Israel bias" as one of the reasons for its withdrawal. "The United States indicated to the Director General its desire to remain engaged with UNESCO as a non-member observer state in order to contribute U.S. views, perspectives and expertise on some of the important issues undertaken by the organisation, including the protection of world heritage, advocating for press freedoms, and promoting scientific collaboration and education," State Department spokesperson Heather Nauer said.

U.S. laws bar funding to any U.N. agency that recognises the Palestinian state. Ms. Bokova said "despite the withholding of funding, since 2011, we have deepened the partnership between the United States and UNESCO, which has never been so meaningful."

Mission and values

In a lengthy statement exceeding more than 1,000 words, the UNESCO chief underscored that the mission of the body is consonance with the "values of the people of America", and listed a series of initiatives it has taken to combat anti-Semitism. "Together, we have worked to protect humanity's shared cultural heritage in the face of terrorist attacks and to prevent violent extremism through education and media literacy... This is why I regret the withdrawal of the United States," she said. The U.S. had earlier once withdrawn from the UNESCO, in 1984, under President Ronald Regan who accused it of favouring the Soviet Union. President George W. Bush rejoined the organisation in 2002.

Israel and UNESCO have a contentious relationship, and Israel recalled its Ambassador to UNESCO last year, accusing it of ignoring Jewish views of the heritage of the region. In a stinging attack on the world body in September, Prime Minister Benjamin Netanyahu explained to the UN General Assembly the Israeli view on a recent UNESCO decision that triggered the U.S withdrawal from it.

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Hamas, Fatah ink deal on Palestinian reconciliation

On the same page: Fatah's Azam al-Ahmad, right, and Saleh al-Aruri of Hamas after signing the deal in Cairo. AFP

Rival Palestinian factions Hamas and Fatah signed an agreement on Thursday on ending a decade-long split following talks mediated by Egypt in Cairo, with President Mahmud Abbas calling it a "final" accord.

Under the agreement, the West Bank-based Palestinian Authority is to resume full control of the Hamas-controlled Gaza Strip by December 1, according to a statement from Egypt's intelligence agency, which oversaw the talks.

Mr. Abbas welcomed the deal and said he considered it a "final agreement to end the division" — though many details remain to be resolved and previous reconciliation attempts have failed. It was signed in Cairo by new Hamas deputy leader Salah al-Aruri and Azzam al-Ahmad, the head of the Fatah delegation for the talks.

Negotiations are now expected to be held on forming a unity government, with the various Palestinian political movements invited to another meeting in Cairo on November 21.

Abbas's first visit

An official from Mr. Abbas's Fatah movement said the Palestinian President was planning to soon travel to the Gaza Strip as part of the unity bid in what would be his first visit in a decade.

Sanctions taken by Mr. Abbas against Gaza will also soon be lifted, the Fatah official said.

The deal includes 3,000 members of the West Bank-based Palestinian Authority's police force redeploying to Gaza, a member of the negotiating team said on condition of anonymity.

The figure is, however, a fraction of the more than 20,000 police officers employed separately by Hamas.

Another party to the negotiations, speaking on condition of anonymity, said the agreement would see Palestinian Authority forces take control of the Rafah border crossing between Gaza and Egypt.

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Trump to announce new Iran nuclear deal strategy

Loud and clear:Iranians shout anti-United States slogans during Friday prayers in Tehran.AFP

The nuclear deal with Tehran is the worst in the history of the U.S. and he would no longer be certifying for its continuation, President Donald Trump announced on Friday, unveiling a new American strategy on Iran that could heighten tensions in West Asia.

The new policy abandons the focussed approach of the previous Obama administration on rolling back Tehran's nuclear weapons programme and threatens punitive measures against Iran for a range of alleged transgressions. Mr. Trump has also called upon American allies to join in the effort to confront Iran, adding that he would not allow it to obtain a nuclear weapon and threaten America like North Korea is currently doing.

Terming Iran the world's "leading state sponsor of terrorism," Mr. Trump said Tehran was in violation of the terms of the agreement, a doubtful claim as other countries party to it do not share that view. He blamed his predecessor Barack Obama for signing the deal when sanctions were leading to a "total collapse of the Iranian regime."

According to Mr. Trump, the deal would not stop Iran's nuclear pursuit. "... in just a few years, as key restrictions disappear, Iran can sprint towards a rapid nuclear weapons' breakout," the President said. "The Iran deal was one of the worst and most one-sided transactions that the United States has ever entered into."

With the President refusing to certify the deal as required by law, the onus is on U.S. Congress to decide the next course of action.

U.S. Congress key to deal

The Congress will get 60 days to decide whether or not to reimpose the sanctions on Iran that were lifted as part of the nuclear deal. "... I am directing my administration to work closely with Congress and our allies to address the deal's many serious flaws so that the Iranian regime can never threaten the world with nuclear weapons," he said adding that he would use his authority to scrap the entire deal otherwise.

Mr. Trump said he has asked the Treasury department to devise new sanctions against Iran, particularly targeting the Islamic Revolutionary Guard Corps, which he termed as a "terrorist militia."

He linked Iran to a litany of terrorism incidents around the world that targeted the U.S and its allies. He said the Iranian regime regime harboured "high level terrorists including Osama bin Laden's son" and accused it of supporting the Al Qaida, Taliban, Hamas and Hezbollah. The President also blamed Iran for the civil wars in Syria and Yemen.

The new approach would target "the full range of the Iranian regime's malign activities," the White House said in a statement ahead of the speech. The statement termed Obama's Iran policy "myopic" and repudiated the U.S policy towards Tehran "over the last decade and a half."

The new "comprehensive" strategy does not immediately upend the deal, but the administration's intent to decertify it, and to pursue a raft of punitive measures against Iran for other alleged transgressions, could make it unsustainable. Iran has said it would not renegotiate the deal.

The other five countries that are party to the deal, Germany, U.K, France, Russia and China, have all said the deal is working fine.

The new Trump policy warns of punitive moves against Iran for “ballistic missile development and proliferation, material and financial support for terrorism and extremism, support for the Assad regime’s atrocities against the Syrian people, unrelenting hostility to Israel, consistently threatening freedom of navigation....cyber-attacks against the U.S., Israel, and America’s other allies and partners in the Middle East; grievous human rights abuses; and Arbitrary detention of foreigners, including U.S. citizens, on specious charges and without due process,” the statement said.

Israel and Saudi Arabia, the American allies in the region, have been calling for scrapping the deal altogether. Following the nuclear deal that removed a range of sanctions against Tehran, Indian private and public sector entities had quickly reached out for opportunities in the country.

Increasing cooperation with Tehran is also meant to counter the Chinese-led One Belt One Road project, as Iranian ports of Bandar Abbas and Chabahar could be creating new transportation routes to Afghanistan, Central Asia and Europe for India. Mr. Trump’s Afghan policy, which involves a more unforgiving approach towards Pakistan for its inability to rein in terrorist groups, could also be under strain as more battlefronts open across the region.

Allies unnerved

While the Sunni regimes in the Asian Gulf and Israel would be pleased by Mr. Trump’s move. Other American allies, already unnerved by a series of recent moves by Mr. Trump — such as withdrawal from the Paris Climate Agreement and criticism of NATO — could find ties with America under unprecedented stress.

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U.S., South Korea to launch major Navy drill next week

Swords crossed: The USS Michigan, a nuclear-powered U.S. Navy submarine, arrives in the port of Busan on Friday. AFPYONHAP

The United States and South Korea will kick off a major Navy drill next week, the U.S. Navy said on Friday, a fresh show of force against North Korea over its missile and nuclear tests.

Tensions over North Korea's weapons programme have soared in recent months with Pyongyang launching a flurry of missiles and conducting its sixth and most powerful nuclear test in defiance of multiple sets of UN sanctions.

The United States has since ramped up military drills with South Korea and Japan, its two closest regional in the region.

In a statement the US 7th Fleet said the *USS Ronald Reagan* aircraft carrier and two U.S. destroyers would take part in the drill alongside South Korean Navy vessels.

The exercise, slated for October 16 to 26 in the Sea of Japan and the Yellow Sea, would promote "communications, interoperability, and partnership," the statement added. The move will likely rile Pyongyang which had previously warned against any upcoming joint exercises.

Escalating tension

"If US imperialists and the South Korean puppets ignite a nuclear war of aggression against us, it would only advance their own demise," the state-run *KCNA* news agency said.

There has been a flurry of U.S. military hardware movement around the Korean peninsula in recent days.

On Friday, the nuclear-powered *USS Michigan* submarine arrived at South Korea's southern port of Busan, according to Yonhap news agency, just days after another nuclear-powered submarine — the *USS Tuscon* — left after a five day visit.

Earlier this week the U.S. flew two supersonic heavy bombers over the Korean peninsula, staging the first night-time joint aviation exercises with Japan and South Korea. That mission came 17 days after four US F-35B stealth fighter jets and two B-1Bs flew over the peninsula.

President Donald Trump has engaged in an increasingly escalating war of words with North Korean strongman Kim Jong-Un, trading insults amid rising tensions between the two nuclear-armed rivals.

Options weighed

On Tuesday Trump discussed "a range of options" with his national security team to respond to North Korea's recent missile and nuclear tests.

It came days after he said that diplomatic efforts with North Korea have consistently failed, adding that "only one thing will work".

The North's missile and nuclear capabilities have made significant progress under Kim, who on Saturday told party officials that the country's atomic weapons were a "treasured sword" to protect

it from aggression.

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India to build more roads on China border

The Ministry of Defence has decided to significantly enhance infrastructure along the Sino-Indian border including near Doklam, where the militaries of both sides were engaged in a two-month standoff.

The decision was taken at the Army's commanders conference from October 9 to 15 which extensively deliberated on the recent face-off with China, besides analysing all possible security challenges on the northern border, according to official sources.

Bolstering capabilities

"It has been decided that there would be a concerted effort towards road construction activities in this sector. To that end four passes to Niti, Lipulekh, Thangla and Tsangchokla have been decided to be connected by 2020 on priority," Director General Staff Duties (DGSD) Vijay Singh told reporters here on Friday.

He said the commanders also examined organisational changes of some of the formations to enhance existing capability, indicating that the Army leadership was looking at bolstering its current operational preparedness.

Defence Minister Nirmala Sitharaman also addressed the conference and lauded the swift and effective response of the Army in dealing with external and internal threats.

The Minister emphasised "the need to guard against inimical forces", he said.

Integration of services

Referring to the government's 'Make in India' programme, Ms. Sitharaman also stressed on the urgent need to become self-reliant in the defence sector.

"She emphasised on jointness and integration by all services for emerging challenges," the DGSD said.

Chief of Army Staff (COAS) Bipin Rawat said the Army will have to be prepared for "all eventualities at all times" and therefore utmost priority has to be given to procurement of arms, ammunition and equipment.

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India to speak up at Bahamas meeting

India will strongly articulate the need to strengthen counter terrorism measures and prevent radicalisation of youth through information and communication technology (ICT) at the Commonwealth Law Ministers Meeting that begins on Monday in the islands of the Bahamas.

Law Minister Ravi Shankar, who will represent India at the meeting, said, "In particular, I would like to highlight that the promotion of terrorists is a phenomenon of which India has been a victim. From across the border, they come and create problems."

The international community needs to stand strongly against them, he said.

Terrorism in any form, whatever be the reason, is bad for the human race, the Minister added.

Addressing the issue of using ICT and social media platforms to recruit terrorists and radicalise youth is also part of the agenda. "Radicalisation slips into terrorism and we need to keep a close watch on the use of technology," said Mr. Prasad.

Face-off in UN

Like the September face-off at the United Nations General Assembly, India and Pakistan could once again spar here as well — Pakistan is also a member of the Commonwealth.

Cyber crimes, climate change, the practice of child marriage, and the need for effective laws, to deal with these issues are also important items on the agenda.

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Strike a balance on Rohingya, says SC

The government said “questions pertaining to deportation of illegal immigrants is essentially an executive function.”

It maintained that “questions regarding illegal migrants need to be examined keeping in mind diplomatic considerations, internal security situations, demographic changes in the country and such other administrative and diplomatic factors which are better left to policy making by the executives.”

“We know what to do... if Your Lordships say anything, it will have international ramifications. No such contingency has arrived so far,” Mr. Mehta submitted. “Make sure no such contingency arrives, in case of which petitioners [Rohingya] can come [to SC],” the Bench observed at one point.

Mr. Mehta continued to protest against the Bench mentioning anything in its order which may give the impression that a direction is being passed by the Supreme Court to the government regarding deportation.

He objected even when the court attempted to record in its order that the case is ‘sub judice’ or even tried to mention that the “government is sensitive to the problem.”

The Additional Solicitor General urged the court, at this point, to plainly record a line in its order that “Mr. Nariman says in case of contingency, he will approach the court.”

The Bench agreed even as the Chief Justice remarked that this was as an ‘extraordinary situation’ and an ‘issue of great magnitude’ in which the state has a pivotal role.

Chief Justice Misra pointed out that the Constitution is a protector of human rights, especially of children, women, the sick, the infirm and the innocent.

“By ‘innocent’ we mean the (Rohingya) children and women who know nothing about what is happening. As a constitutional court we cannot be oblivious of this fact, the state should also not be oblivious,” Chief Justice Misra observed.

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India Announces Several Capacity Building Scholarships For Neighbouring Countries

India Announces Several Capacity Building Scholarships For Neighbouring Countries

S&T Ministers Conclave at IISF 2017, Chennai

Science Diplomacy

India throws open its Science & Technology (S&T) Institutions to its friendly neighbouring countries and announces a slew of R&D programs for capacity building in these countries.

The Scientific Ministries and Departments of the Government of India have active international collaboration in science and technology both at the bilateral and regional level. Today India is engaged in active R&D cooperation with more than 44 countries across the globe including advanced, emerging and developing nations.

As a part of India's foreign policy initiatives of the present government like "Neighbours First", "Act East", and "India-Africa Partnership", India has now embarked upon a visible path of developmental diplomacy using science, technology and innovation that will not only help towards capacity building in R&D but also address the needs of the people through the application of science technology and innovation. To this end, for the first time, a Science and Technology Ministers Conclave was organised as a part of the 2017- India International Science Festival (IISF) being held in Chennai from 13-16 Oct. Invites were extended to S&T Ministers from Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal and Sri Lanka.

Inaugurating the Conclave, Dr. Harsh Vardhan, informed that the purpose of the S&T Ministers Conclave was to build and strengthen partnership between the countries by identifying the priorities, needs and mechanisms that will enable a fruitful cooperation through sharing and complementing each other's strength and resources. Afghanistan Minister of Higher Education, Abdul Latif Roshan, Bangladesh Minister of Science and Technology, Yeafesh Osman and Minister of State for Science and Technology and Earth Sciences, Shri Y. S. Chowdary, outlined the priorities, challenges and opportunities in science and technology in their respective countries.

The common denominators for the scientific cooperation which emerged from the Conclave included the need to address societal challenges through application of science and technology in emerging areas such as Affordable Health care, Water security, Climate change adaptation, Agricultural science, Renewable energy, Information & Communication Technology and Natural disaster prediction and management. Dr. Harsh Vardhan informed that this would be achieved by sharing best practices access to scientific opportunities in India to individuals from across our neighbourhood nations who desire and deserve it, promote connectivity and capacity building by fostering research and education linkages with scientific and academic institutions of India and facilitate transfer of such knowledge and technologies from India which are affordable and accessible for larger public and societal good in our neighbourhood countries.

In order to enable active collaboration, the Minister also announced that the Ministry of Science and Technology would offer concrete programs supported by India for desiring and deserving neighbouring countries including Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal and Sri Lanka.

The bouquet of schemes announced by Dr. Harsh Vardhan includes:

(1) For human capacity building in S&T, the 2018-India Science and Research Fellowship (ISRF)

scheme will provide a fully paid fellowship to researchers, scientists and academicians from Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal and Sri Lanka to undertake research and development work of their choice at any premier research and academic institution in India upto a period from 3 to 6 months.

(2) In order to address the need to support PhD students, a new element has been added in the 2018-India Science and Research Fellowship. The scheme for the first time will also include doctoral students in science, engineering and medical fields to undertake project related research work in any premier research and academic institution in India upto a period of 6 months. This will help to connect the next generation of the scientific community with India. The Department of Science and Technology will support this Fellowship scheme.

(3) Towards Training of Researchers the science agencies in India including CSIR, DBT, MOES, IMD, DST and SERB organizes tailor made hands-on training programs and advanced schools for Indian researchers. India would like to throw open these specialized training programs to participants from our desiring and deserving neighbouring countries to participate in these. 200 travel slots every year was announced for the researchers from these countries to be supported by the Department of Science and Technology to enable them to make the best use of these advanced training programs offered by India. This would help in capacity building and will also foster research networks with Indian scientific institutions.

(4) For institutional capacity building and technical assistance in Science and Technology a twinning program between Indian institution and a R&D or Academic institution in the neighbouring country was also committed by India. It was informed that a successfully model between the Institute of Biotechnology in Bangladesh with ICGB, Delhi where scientists from Bangladesh undertake regular research and training immersions and Indian scientists travel to Bangladesh to assist in setting up the technical infrastructure of the new laboratory in making is being implemented. On a similar fashion, this will be replicated in other desiring countries in atleast one such institution in each of the mentioned neighbouring countries.

(5) One of the key aspects agreed was a mechanism for knowledge transfer and adoption for societal development. India offered a Technology Transfer Program, the objectives of which will be to match the socio-economic needs of our neighbouring countries by linking the public and private enterprises with leading edge Indian technologies and innovations. India will share a basket of demonstrated and validated Indian technologies and innovations developed by our scientific institutions. A need based select list of such technologies can be transferred using a Business to Business or Business to Government model of joint venture through a process of adaption and adoption. It will replicate the model which we are already implementing in African countries like Ethiopia, Rwanda and South Africa. The joint ventures created will deliver sustainable social enterprises that will stimulate economic impact development including the components of skilling, training, mentoring along with capacity building and business planning in our neighbouring countries.

It is expected that these schemes will help to develop a close and robust partnership in science, technology and innovation with our friendly neighbouring countries based on the principles of mutual trust, friendship and goodwill. The visiting Ministers were also exposed to the Science Park in IIT-Madras where technology start-ups are being incubated, at CLRI where clean technologies for leather industry are being developed and were showcased the advanced marine technologies at NIOT, Chennai.

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4-day-long BIMSTEC Disaster Management Exercise – 2017 concludes**4-day-long BIMSTEC Disaster Management Exercise – 2017 concludes****India has emerged as a frontline state for Disaster Risk Reduction: Dr Jitendra Singh**

The first Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Disaster Management Exercise (BIMSTEC DMEx-2017) concluded here today. Members of the BIMSTEC i.e Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal participated in the four-day exercise, conducted by the National Disaster Response Force (NDRF) as the nodal agency in Delhi and the National Capital Region, which comprised of a Table Top Exercise (TTX), Field Training Exercises (FTXs) on Earthquake and Flood and an After Action Review (AAR).

Today, debriefing and 'After Action Review' (AAR) was conducted to share the important lessons learnt which would assist the countries to augment disaster response and coordination.

During the exercise conducted from October 10-13, 2017 various important suggestions/actions viz, Participation of women in Disaster Response Mechanism, Emphasise on psycho-social-trauma care, replication of ICS, Gender consideration during evacuation and rehabilitation, Utility of Civil Military Coordination Centre, Religious aid to motivate the affected people, Importance of maintaining Law & Order in the affected area to avoid human trafficking and other post-disaster crimes were shared by the participants.

Addressing the participants at the Valedictory Session, Minister of State (Independent Charge) of the Ministry of Development of North Eastern Region (DoNER), MoS PMO, Personnel, Public Grievances & Pensions, Atomic Energy and Space, Dr Jitendra Singh said that India has emerged as a frontline state for Disaster Risk Reduction (DRR). He said natural disasters know no manmade boundaries and hence countries will have to come together at global and regional levels. The Prime Minister Shri Narendra Modi's 10-point agenda on DRR could be the focal point to take us forward, he added.

Dr Jitendra Singh said India has pioneered the use of space applications and imaging in DRR and we have been able to reduce the loss of lives considerably. He said the Prime Minister himself personally micro-managed rescue and relief efforts during the 2014 Kashmir floods and also monitored the flood rescue and relief efforts in Assam, Bihar and

Gujarat this year.

Dr Jitendra Singh said such exercise provides a platform for sharing the best practices, methodology and response mechanism amongst the BIMSTEC member nations in the field of Disaster Management. He appreciated the commendable role played by NDRF as a lead Agency in conducting this First BIMSTEC DMEx- 2017 successfully. He emphasized the need of better coordination, cooperation and sharing of best practices for effective disaster management in the region. Forums like this are opportunities to share and learn from each other's experience, he added.

Shri Sanjay Kumar, Director General NDRF quoted that during the informal consultations at the BIMSTEC Leaders' Retreat held in Goa (India) on October 16, 2016, the leaders agreed to undertake BIMSTEC Annual Disaster Management Exercise. Further, during BIMSTEC senior officials' meeting in Kathmandu (Nepal) on Feb 7, 2017, India offered to host the first BIMSTEC Annual Disaster Management Exercise. Accordingly, the concept of first BIMSTEC DMEx was conceived and NDRF was entrusted to plan and conduct this first exercise as a lead agency. DG, NDRF thanked all the delegates and their team members for their active participation in the exercise & hoped that this Exercise would go a long way in formulating an effective disaster response mechanism among the BIMSTEC member nations. Further he added that it is very reassuring to be a witness to the progress made by all the countries in the region towards disaster preparedness in general and disaster response, in particular.

Shri Prashant Agrawal, Joint Secretary, MEA (BIMSTEC & SAARC) and Shri R K Jain, Member, National Disaster Management Authority (NDMA) also addressed during the valedictory session. They appreciated the active participation of rescue teams from all the BIMSTEC member countries and thanked organisers for successfully organizing of this mega event.

The four-day-long exercise was inaugurated by the Union Home Minister Shri Rajnath Singh on October 10, 2017.

All the delegates appreciated the efforts of Govt. of India and BIMSTEC Secretariat. The delegates were impressed by the efforts of NDRF in hosting this mega event.

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Opening Ceremony : EX Mitra Shakti 2017**Opening Ceremony : EX Mitra Shakti 2017**

The fifth India-Sri Lanka Joint Training Exercise MITRA SHAKTI 2017 started with a grand Opening Ceremony conducted at Aundh Military Station, Pune. The exercise is based on Counter Terrorist Operations and an Infantry company from both the countries is participating in the same. The Opening Ceremony commenced with immaculate parade, followed by skill displays carried out by troops from both the countries. The spectacular display of Unarmed Combat, Khukri Dance and Pipe Band was carried out by Indian Army and Udarata Narthanaya by Sri Lanka Army. The fly past by two Cheetah helicopters of Indian Army Aviation carrying national flags of both countries was held at the start of the opening ceremony. The ceremony was presided by Brigadier Alok Chandra, VSM and Brigadier Ajith Pallawela, RWP, RSP, Senior Indian Observer and Senior Sri Lanka Observer respectively. The India - Sri Lanka joint training exercise MITRA SHAKTI 2017 in its fifth edition will send a strong signal to the world that both India and Sri Lanka understand the emerging threat of terrorism and stand shoulder to shoulder in countering this menace. The exercise will be conducted for next 14 days upto 26 Oct 17 & will involve sharing and learning from each others experiences.

Col Aman Anand

PRO (Army)

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The Finance Minister, Shri Arun Jaitley holds bilateral meetings with his US counterpart and Treasury Secretary and the US Commerce Secretary; Discusses Indo-US Economic Cooperation, in particular, how bilateral trade and investment can be improved between the two countries among others.

The Finance Minister, Shri Arun Jaitley holds bilateral meetings with his US counterpart and Treasury Secretary and the US Commerce Secretary; Discusses Indo-US Economic Cooperation, in particular, how bilateral trade and investment can be improved between the two countries among others.

On the side lines of the World Bank and IMF Meetings, the Union Minister for Finance and Corporate Affairs, Shri Arun Jaitley today held bilateral meetings with the US Treasury Secretary and the US Commerce Secretary in Washington D.C., and discussed the Indo-US Economic Cooperation, in particular, how Bilateral Trade And Investment can be improved between the two countries. The Finance Minister highlighted the structural reforms India has undertaken through a series of bold measures, including the Goods and Service Tax (GST), Financial Inclusion and action against the shadow economy. The Finance Minister Shri Jaitley also highlighted the contribution skilled Indian professionals have made to the US economy, and that this must be suitably appreciated by the US side. He made a strong case for reforms in H1B/L1 visa processes and social security contribution so that high calibre Indian professionals serving American interest are not unfairly deprived of their well-earned money.

Earlier, the Secretary, Department of Economic Affairs (DEA), Ministry of Finance, Shri Subhash Chandra Garg delivered a Key note Address on Micro Pension where he dwelt on the big challenge of convincing policy makers and the potential young persons needing pension after their active life. He appreciated the efforts of organisers in bringing a well-researched book as country and thematic reforms action needed to realise the dream of providing pensions to over 1.2 billion people world-wide. Secretary (DEA) also met with the CEO, World Bank; CEO, Global Infrastructure Hub and the Executive Vice President and CEO, MIGA besides the India World Bank team led by Vice President South Asia.

The Finance Minister, Shri Arun Jaitley is currently on a one week official tour to Washington D.C. to attend the Annual Meetings of the International Monetary Fund (IMF) and the World Bank and other associated meetings. He is accompanied by Dr. Urjit Patel, Governor, RBI; Secretary, Department of Economic Affairs, Shri Subhash Chandra Garg and other officials.

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Minister of Commerce & Industry Suresh Prabhu kick-starts “Make in India: Sweden 2017” with series of industry and government meetings

Minister of Commerce & Industry Suresh Prabhu kick-starts “Make in India: Sweden 2017” with series of industry and government meetings

Make in India: Sweden 2017, organized by the Department of Industrial Policy and Promotion in Stockholm, from October 12-13 aims to enhance Indo-Swedish cooperation and explore new areas of partnership.

Several run-up events and high level meetings took place a day before the commencement of Make in India: Sweden 2017. The Indian delegation led by the Minister of Commerce & Industry, Shri Suresh Prabhu held a bilateral meeting with the Prime Minister of Sweden, Mr. Stefan Löfven. The meeting reiterated the dedication to further strengthening of the Indo-Swedish economic relationship and exploring new avenues of collaboration. Shri Prabhu said, “I am excited that almost all top Swedish companies are present in India. Sweden is an old and trusted friend who came to invest in India when it was a tough time to do business, now it is the time of business oriented structural reforms and time is ripe for these partnerships.” It was acknowledged that companies from both sides have immensely benefitted since the Swedish Prime Minister’s last visit to India during the Make in India Week 2016 in Mumbai. The Prime Minister of Sweden said, “I remember my last trip to India during the Make in India Week 2016, and am proud of the relationship, and how both sides have benefited so much. I look forward to intensely working with you. We are dedicated to making the relationship develop further”.

The Chief Minister of Maharashtra, Shri Devendra Fadnis, who was also present at the meeting, invited Swedish companies to visit India and assured them that requisite support will be extended to them. The Chief Minister said, “Maharashtra hosts more than 80 Swedish companies which have added great value to the economy. There are huge business opportunities in Maharashtra in Smart Cities. We look forward to collaborate with technology providers into solid and liquid waste management”. It was agreed that India’s rapid growth provides an immense pool of opportunities for Swedish companies.

Minister of Commerce and Industry also met the Co-Chair India-Sweden Business Leaders’ Round Table (ISBLRT) and Chairman, SEB, Mr. Marcus Wallenberg and President SAAB, Mr. Hakan Buskhe. The Commerce & Industry Minister acknowledged the importance of the partnership with SAAB, a pioneer Swedish company in the Indian market.

SAAB expressed interest in introducing full scope for development of industrial systems, from design and engineering to production. The importance of technological cooperation was highlighted with focus on creation of high-technology zones close to forward going universities. SAAB representatives appreciated the successful GST introduction in India that has resulted in growth of domestic trade. Importance of fostering an EU-India Free Trade Agreement was discussed, given its potential to open borders and enable products to compete. It was agreed that higher economic integration and interdependencies will help resolve global political issues.

The main highlight of the day was the second edition of the India-Sweden Business Leaders' Roundtable (ISBLRT) which focused on cooperation between the two countries, progress update of four joint working groups (Digitization, Smart Cities, Defence and Security and Skill Development) and the work plan for the year to come. The Prime Minister of Sweden inaugurated the second edition of ISBLRT and said: "I believe that Indo-Swedish cooperation would positively impact the global economy at large". The Swedish Minister for Enterprise & Innovation, Mr. Mikael Damberg, highlighted Indo-Swedish shared values for growth and cooperation. Shri Prabhuk said "I would like to invite ISBLRT members to share innovative ideas on sunrise sectors, India's upcoming industrial policy and assure that ideas will be taken to logical conclusions".

Earlier the run-up events began with a meeting at India House hosted by the Indian Ambassador to Sweden, Smt. Monika Kapil Mohta, where Indian Government representatives and business delegates met to re-emphasize the objectives of the event and anticipated outcomes.

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Indian Naval Ships Satpura and Kadmatt visit Sasebo, Japan**Indian Naval Ships Satpura and Kadmatt visit Sasebo, Japan**

In pursuance of India's Act East Policy and demonstration of India's commitment to peace and stability in the Indo-Pacific Region, Indian Naval Ships Satpura and Kadmatt are visiting Sasebo, Japan from 12th to 15th October 2017. The visit of these ships is part the Indian Government's initiatives to strengthen the long standing, mutually supportive and strong relationship between Japan and India. This historic relationship spans across the entire spectrum of engagement between both countries – cultural, spiritual, economic and security.

The visiting Indian Naval ships will engage with the JMSDF in formal calls, as also professional, social and sporting interactions. After completion of the harbour phase, the ships will take part in Passage Exercise (PASSEX) with the Murusame Class destroyer, JS Kirisame.

Since the first 'Navy to Navy Staff Talks' between the two nations in November 2008, naval ties have reached new heights with bilateral and multilateral exercises and enhanced cooperation in information sharing, meteorology and oceanography, disaster management and military training. The defence and security interaction between both countries has since expanded to encompass a Defence Policy Dialogue and a Maritime Affairs Dialogue.

Regular bilateral and multilateral maritime exercises have been the foundation for strong naval relations. The erstwhile Japan – India Maritime Exercise (JIMEX) led to Japan participating in the 'MALABAR' exercise (a tripartite naval exercise between India, the US and Japan) since 2014. JMSDF Ships Izumo and Sazanami participated in the recently concluded edition of ExMALABAR off Chennai. Both navies have participated in each other's International Fleet Reviews (IFR) by deputing ships and high level delegations – while INS Sahyadri participated in the IFR at Yokosuka in October 2015, JS Matsuyuki participated in the IFR at Visakhapatnam in February 2016.

The Indian Navy and JMSDF also have strong bilateral defence training cooperation, including at very senior levels. Further, in order to enhance interoperability and understanding, seminars and short term exchange programs are conducted regularly in both countries with participation from both navies. This exchange has expanded to

sporting interaction in the form of JMSDF participation in the annual international Admiral's Cup Regatta at the Indian Naval Academy for the first time in 2016. India looks forward to continued participation from the JMSDF and an invitation has been extended for the 2017 edition as well.

Both navies look forward to enhanced cooperation in the fields of military technology, white shipping, training, intelligence sharing, humanitarian assistance and disaster relief and exchange of subject matter experts in various fields. With relations between both countries at an all time high and more avenues under consideration, the future looks promising with safer sea lanes and highly modernised navies helping in fulfilling each other's obligations.

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The Union Finance Minister Shri Arun Jaitley calls for capital of the World Bank to be strengthened substantially to meet the Sustainable Development Goals, building quality infrastructure in developing countries, translating the Paris Climate Change Agreement and meeting the Addis Ababa Agenda among others.

The Union Finance Minister Shri Arun Jaitley calls for capital of the World Bank to be strengthened substantially to meet the Sustainable Development Goals, building quality infrastructure in developing countries, translating the Paris Climate Change Agreement and meeting the Addis Ababa Agenda among others.

The Union Finance Minister Shri Jaitley attended the World Bank Development Committee (DC) Lunch Session in Washington D.C. yesterday. The Session focused on the Capital Adequacy question. Speaking on the occasion, the Finance Minister Shri Jaitley stressed that the World Bank and the IFC are at the crossroads today on account of their deficient capital position which is also threatening to make them lose its much-valued role of being the agent of global development. He emphasized that the question of capital constraint of World Bank Group has been allowed to remain unresolved for too long but cannot be postponed any longer. He said that the enormous challenge of meeting the Sustainable Development Goals, building quality infrastructure in developing countries, translating the Paris Climate Change Agreement and meeting the Addis Ababa Agenda, calls for the capital of the Bank to be strengthened substantially. He strongly urged that the major shareholders must, as a collective, commit to a decision on the issues of voice realignment and capital infusion into the IBRD and IFC by Spring 2018.

The Finance Minister, Shri Arun Jaitley is currently on a one week official tour to Washington D.C. to attend the Annual Meetings of the International Monetary Fund (IMF) and the World Bank and other associated meetings. He is accompanied by Dr. Urjit Patel, Governor, RBI; Secretary, Department of Economic Affairs, Shri Subhash Chandra Garg and other officials.

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Iran-U.S. relations: On dangerous footing

By [refusing to certify the Iran nuclear deal](#), which curbed its nuclear programme in return for lifting global sanctions, U.S. President Donald Trump has put the two-year-old pact on dangerous footing. Under American law, the administration has to certify that Iran is technically in compliance with the deal that was struck between Iran and six other world powers, including the U.S., every 90 days. All other signatories, as well as the UN, insist that Iran is fully complying. But Mr. Trump, who had during his election campaign [threatened to tear up the deal](#) and as President continued to call it the “worst agreement in American diplomatic history”, disavowed it days before the next certification was due. From its early days, his administration has taken a hawkish line towards Iran, imposing new sanctions on its missile programmes and joining hands with its regional rivals in West Asia. But even as he withdrew certification, he did not scrap the deal. Instead, he passed the buck to U.S. lawmakers. The Republican-controlled Congress now has 60 days to decide whether sanctions should be reimposed. It is unlikely to do anything radical in the near term as any sweeping legislation would require bipartisan support in the Senate. Nonetheless, the damage Mr. Trump’s decision has done to the agreement and to American diplomacy in general is huge. He appears to be driven by political calculations rather than a realistic assessment of the agreement, which, by its own standards, is working.

With the withdrawal from the certification, Mr. Trump has put the final nail in the coffin of an Iran-U.S. reset that had appeared possible during the Obama days. Now the threat of sanctions will hang over the nuclear deal. This is a boon for hardliners in Iran, who have suffered a political setback in recent years. The deal became possible only because the reformists and moderates rallied behind President Hassan Rouhani’s agenda, despite strong opposition from the Iranian deep state. Even Mr. Rouhani, who promised a solution to the nuclear crisis, got the deal done and won re-election this year, will now find it difficult to mobilise public opinion behind the agreement in the light of continued U.S. hostility. The larger question is, what kind of example is the U.S. setting for the global non-proliferation regime? The Iran deal, despite its shortcomings, was a shining example of the capacity of world powers to come together and sort out a complex issue diplomatically. It assumed greater significance given the recent wars and chaos in West Asia. It should have set a model in addressing other nuclear crises. Instead, by going after Iran even though it complies with the agreement, the U.S. is damaging its own reputation.

Rajasthan’s ordinance shields the corrupt, threatens the media and whistle-blowers

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The emerging blocs in the Afghan Great Game

While unveiling its long-awaited Afghanistan strategy, the US embraced India and dropped Pakistan as its ally. Broadly speaking, it occurred against the backdrop of the formation of a tripartite alliance of Russia, China and Pakistan. Donald Trump's move can further push Pakistan towards Russia and its "iron brother" China, and away from the US. Also, the two blocs differ in their approaches towards Afghanistan, and the destiny of this war-ravaged country is aligned with the interests of these states. So in this prevailing geopolitical quagmire and hostile environment, will terrorism scale down and will Afghanistan progress in terms of peace and stability?

The US and its allies have spent a tremendous amount of dollars, shed their soldiers' blood, even used a munition popularly called "Mother Of All Bombs" in order to eradicate terrorists but to no avail. It seems that the US' Afghan approach is not the right one. Besides, the interests of many rival states clash in this unfortunate land, further breeding terrorism.

The growing domestic political conflicts and the consecutive shock waves in Kabul have taken a toll on Afghanistan's fragile security. The Afghan government is engaged in the centre while the Islamic State (IS) and the Taliban are booming in the periphery.

The Taliban and the IS are two regional rivals in Afghanistan. They are competing for power, influence and territory. Although a big number of Taliban militants defected to the IS, yet the Taliban remains the most prominent and strongest terrorist organization in the country.

From the geopolitical perspective, a need for switching the alliance was felt in the region quite early. For example, a crack in the Pakistan-US relationship occurred in 2011 when the US, in a special raid, killed Osama bin Laden in Abbottabad and, later, 27 Pakistani soldiers. In response, Pakistan closed its border and cut supply lines to international forces in Afghanistan.

Similarly, China was already not happy with the growing influence of the US in the region. Besides Xinjiang, China also does not want the IS to expand its "Caliphate" to Pakistan since China has invested in Pakistan, for example in the China-Pakistan Economic Corridor.

On the other hand, Russia's growing interest in Afghanistan cannot be ignored. Moscow is already engaged with the Taliban to keep the IS from sneaking into Russia. Iran followed suit.

Thanks to the IS-K (the Islamic State of Khorasan), the three countries have been brought closer. With the IS appearing in Afghanistan, Russia and China expressed their concern about the looming threat close to their borders.

A trilateral process of the three nuclear powers, Russia, China and Pakistan, was initiated last year in order to deal with the Taliban. But the process was vehemently opposed by Kabul, Washington and New Delhi since they were not taken into consideration. The reason appears to be that these countries are suspicious of the US having injected the IS into the region in order to achieve its interests and to counter China and a resurgent Russia. However, by excluding these important states, the emerging axis is less likely to bear fruit in dealing with terrorism. A shift could occur in the Taliban's policy in prioritizing enemies, though.

The IS-K is a grave menace to the region. Its geographical position is strategically important. To expand its Caliphate to South Asia, they have established strongholds in Nangarhar, Kunar and Nuristan, the eastern part of Afghanistan and a gateway to the rest of South Asia. And in the north, it is operating predominantly in Kunduz, Baghlan, Jowzjan and now in Badakhshan province, from where it can easily infiltrate central Asia and China.

Pakistan was infuriated when US President Trump asked India to deepen its economic relations with Afghanistan. Pakistan interprets India's engagement in Afghanistan as a direct threat to Pakistan. This is a misconception caused by the lack of trust between the two countries. "Pakistan should not object to our relationship with India. We assure that Kabul-New Delhi relations will not harm Islamabad," said Omar Zakhilwal, the Afghan ambassador to Pakistan.

In October, a mega trade and investment show was held in New Delhi. The US-sponsored event aimed at better regional integration and a strengthening of the economic nexus between India and Afghanistan. For Pakistan, this means the weakening of its economic leverage over Afghanistan.

All the versions of "The Great Game" will result in sheer loss to the players. Any bilateral or trilateral pacts with terrorists is a zero-sum game. Therefore, a win-win approach should be sought in order to tackle this challenge honestly. Terrorism is one of the most challenging phenomena the region has seen. No terrorist group has a proper hierarchy in Afghanistan. Even the jihadists are not loyal to their sponsors because at the end of the day they are foot soldiers who fight, and they know nothing other than waging jihad against infidels, including, sometimes, their allies.

The more cooperation there is among states, the better the prospects of stability in the region. However, in the long term, to curb terrorism in Afghanistan, a bottom-up approach is required; this means reaching out to the Afghan social structure, where the genesis of terrorism lies.

Irfan Yar is an international relations analyst specializing in counter-terrorism.

This is part of the Young Asian Writers series, a Mint initiative to bring young voices from different Asian countries to the fore. Comments are welcome at theirview@livemint.com

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Donald Trump, uncertainty, and Iran's economy

The 2015 Joint Comprehensive Plan of Action (JCPOA) signed by Iran and the P5+1 (the US, the UK, France, Russia, China plus Germany) on behalf of the international community signalled a shift in international affairs, and coincided with optimism for the Iranian economy. The agreement, which alleviated sanctions levied against Iran, in exchange for a scaling back of the Iranian nuclear programme (the reason for said sanctions), conveyed the P5+1's resolve in addressing the nuclear security threat and, of course, the detrimental impact the sanctions were having on Iran. In gross domestic product (GDP) terms, the 2013 interim Joint Plan of Action (JPA) negotiations led the Iranian economy to go from a 6.6% GDP contraction rate in 2012, to 4.3% GDP growth rate in 2014, with inflation (measured using the consumer price index) almost halving from 30.5% to 15.6% in the same period, demonstrating the positive impact of the negotiations. That being said, more recent developments have threatened to not only reverse these positive economic indicators, but also threaten the JCPOA altogether. Indeed, US President Donald Trump's questioning of the deal has cast a shadow over the survivability of the deal, which in turn threatens to negate Iran's economic recovery.

Trump's criticism was typified by his notion that the deal was one of the "worst and most one-sided transactions" in which the US has ever been involved. Further, the 2015 US Iran Nuclear Agreement Review Act requires the president to recertify to the Congress every 90 days as to whether Iran is holding up its end of the deal. This points to two things. First, this Act delicately balances the US president's oversight of the JCPOA. Second, the fact that the UN finds Iran compliant makes it difficult for Trump to contradict this view. Indeed, Trump has previously suggested that Iran has gone against the "spirit of the deal". Additionally, the 24 July, 2017 US Countering America's Adversaries Through Sanctions Act empowered the US president to impose sanctions on Iran if it was found to have dishonoured the deal by 15 October.

At the time of writing (before the 15 October deadline), further developments point to the uncertainty regarding the JCPOA's survivability, regardless of the decision made on the day. Specifically, Trump had the opportunity to unhinge the deal by the 14 September Congress-set deadline to re-impose sanctions on Iran (which would have effectively invalidated the JCPOA). As a consequence, the 15 October deadline has relatively less significance, as it pushes the decision back to Congress on whether to re-impose sanctions—which has no impact on the JCPOA itself, practically speaking. That being said, this uncertainty definitively points to one thing—the JCPOA's survivability is being tested.

Whilst it is difficult to identify a Trump administration strategy at this stage (particularly following the US department of defence secretary, James Mattis' commitment to the JCPOA), what is clear is that this uncertainty is feeding into domestic politics within Iran, with the Iranian economy's health in the balance.

Indeed, inside Iran, the hardliners continue to voice their dismay at the JCPOA, citing how it goes against the constitutional principles of preventing foreign actors from interfering in domestic affairs. Trump's criticisms fold neatly into this narrative, with oppositional figures pointing to how the JCPOA is also not accruing the promised economic benefits. Furthermore, Trump's questioning and criticisms of the deal have exacerbated private (and public) sector concerns over the stability of Iran's economy, feeding the hamstrung economic growth and improvement promised by President Hassan Rouhani's administration. At the moment, Ayatollah Ali Khamenei is in support of the deal (especially given the economic hardships faced by Iranians as a consequence of the sanctions), and Rouhani. However, should the economy not continue to grow (or indeed continue to have growth levels clipped by the uncertainty cloaking the Iranian economy), it is possible to foresee Khamenei scaling back this support.

This uncertainty is compounded by the Arab Gulf states, epitomized by Saudi Arabia's critiques of the JCPOA. Across the Gulf, the Saudi Arabia aims to offset what it sees as growing Iranian influence in the region, and is looking to use economic means to do so. This, of course, is not without precedent. One only has to look to how Saudi Arabia increased oil production levels in the 1970s by almost a third to stifle the then Shah of Iran's attempts (i.e. budget) to develop nuclear power capabilities—and successfully so. Returning to 2017, Saudi Arabia's strategy of maintaining high oil production levels, combined with the uncertainty surrounding the JCPOA, have similarly hampered economic growth in Iran.

In addition, the ongoing fight against the Islamic State continues to play a role in this dynamic. On the one hand, the endeavour has seen positive Iranian involvement, pointing to an avenue for Tehran to increase regional influence (fuelling Saudi concern). On the other, the conflict represents a welcome distraction for Iran, away from this same growing influence. The point here is that the battle against Daish has prompted increased Arab Gulf states' concerns and action (through rhetoric, as well as by maintaining high levels of oil production), and further prompted questions over the stability and thus certainty of the Iranian economy.

As a result, it is clear that Iran's economic health continues to be inextricably linked to the domestic, regional, and international political forces in play. The salient point is that the existence of JCPOA critics continues to highlight not only how successful it was in the first place to come into fruition, but also how the Iranian economy delicately hangs in the balance.

This is part of the Young Asian Writers series, a Mint initiative to bring young voices from different Asian countries to the fore. Comments are welcome at theirview@livemint.com

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Out of UNESCO

The U.S.'s decision to quit UNESCO is an attempt to reassert geopolitical influence in West Asia. But the withdrawal is, at best, a face-saver for President Donald Trump who has been unable to back his pre-election rhetoric on the Palestinian peace process with substance. In January, for instance, the Trump administration prepared orders to halt U.S. funding to global institutions that advocate membership for the Palestine Authority. In February, Washington blocked the appointment, at the eleventh hour, of a former Palestinian premier to serve in a senior UN position. These one-time decisions are doing nothing for the peace process. Moreover, Mr. Trump has been forced to defer the controversial relocation of the U.S. embassy to Jerusalem and push for a pause in Israeli settlements, even as he prevaricates on the two-state solution.

The U.S., UN and Palestine

The UNESCO, which designates world heritage spots, accorded recognition in 2011 to Palestine as its 195th member. Ever since, controversies over the historical status of the region's religious symbols, that have divided the Palestinian Authority and Israel, have come into sharp focus. Washington, long opposed to the admission of Palestine to world bodies until the question of its UN membership was resolved, promptly slashed funding, amounting to about a quarter of UNESCO's annual budget. The 2012 elevation to a non-member observer status at the UN came as a shot in the arm for Palestinians demanding separate statehood. In the meanwhile, Arab nations vested in decision-making positions at the UNESCO have sought to fast-track the designation of holy sites as endangered heritage sites, alleging Israeli attacks on their authenticity and integrity. Noteworthy is the agency's July declaration of the bitterly contested shrine in Hebron city as an endangered Palestinian heritage site. While most of Hebron is under Palestine administration, the core of the shrine is surrounded by Israeli military guards. A resolution last year condemned Israel for hampering access for the Palestinians to Jerusalem's holy places. Under a 2015 proposal, Arab members on the body's executive aimed to classify the Western Wall, one of the holiest spots of Judaism, as part of the Al-Aqsa Mosque compound in Jerusalem's Old City. A potential escalation was averted only because the Director-General prevailed against any attempt to reopen the status of this UNESCO heritage location. Israel has denounced these moves and deplored the distortions of the Hebrew context to these sites.

While Israel has also followed the U.S. lead, it would nevertheless be hasty to view Washington's exit from the UNESCO as a point of no return. The Reagan administration walked out of the body, objecting to its perceived Soviet slant, only for the U.S. to return during the presidency of George W. Bush, at the peak of U.S. world dominance. The election of Audrey Azoulay, former French Minister of Culture, as the UNESCO's new head comes at a critical juncture for the institution as it fights to regain its credibility. As globalisation accentuates the need among communities to amplify historical and cultural identities, the challenge could only intensify further.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Pakistan's uncertain road

Pakistan appears to be in the throes of interesting transitions. The NA 120 Lahore by-election result saw Pakistan Muslim League (PML-Nawaz) hold on to its bastion, albeit with a much reduced victory margin, enabling ousted PM Nawaz Sharif to sustain the narrative of being wronged by a biased judiciary.

Despite counsel from his own family to stay away, tending to his ailing wife in London, Nawaz decided to return and face the expected indictment before National Accountability (NAB) Courts on old corruption cases. Potential disunity within the party influenced his decision. His younger brother, Shahbaz and his son, Hamza have long suppressed their ambition to ascend to greater political responsibility. A disgruntled former interior minister with professed links to the army, Chaudhry Nisar Ali, has been sniping at the margins. PM Shahid Khaqan Abbasi is singing the right tunes for now but could switch loyalties to suit the military establishment.

The senate, where the People's Party (PPP) still has a numerical edge, passed by a slender majority of one vote an amendment in the Election Reforms Bill, 2017: It did away with the "sadiq" (honest) and "ameen" (truthful) disqualifying clauses in Section 5 of the Political Parties Order (PPO). This enabled Nawaz Sharif to be elected PML(N) chief again.

Though [Imran Khan](#) benefited politically due to his relentless pursuit of the Panama papers' case, his Pakistan Tehrik-e- Insaaf (PTI) has a long way to go before it can challenge the strong feudal and kinship ("biradari") hold of the PML(N) in Punjab. Winning sizeably in Punjab would be crucial to Imran's prime ministerial quest in 2018. However, Chief Justice Saqib Nasir's observations while hearing PML(N) politician, Hanif Abbasi's petition seeking Imran's disqualification for concealing facts behind purchase of his Bani Gala property, indicate he too could meet a similar fate.

With Jamaat ud Daawa (JuD) threatening to contest all seats in its Milli Muslim League (MML) incarnation, Punjab could have a fractured mandate. The planned mainstreaming of MML seems to be an effort by JuD's army/ISI handlers to embed radical Islamic groups in politics. Partly reflecting the army's exhaustion with political parties like PML(N), PPP and PTI, the tactic offers an opportunity to invest a non-lethal role and an umbrella of legitimacy, not least because of the JuD's professed anti-sectarian record in domestic conflict, while not abjuring the option of its proxy instrument loyally executing lethal attacks externally when needed.

Whether the 2018 elections can be held on time remains an open question as delimitation of constituencies based on the new census figures will pose complex administrative and political challenges, especially from Mohajirs in Karachi.

On the military front, Army Chief General Qamar Bajwa struck a measured note in his Defence of Pakistan Day speech (September 6), reiterating known positions of the deep state. Emphasising again that Pakistan had borne the brunt of terrorist reprisals, he asked "the world to do more". He said he was not seeking "aid but respect and trust". He mentioned alleged repression in Kashmir but urged India to "prioritise political and diplomatic solutions". The army could end terrorism but "monopoly over violence should be the prerogative of the state only".

Elsewhere, Bajwa denied instigating the judiciary to disqualify Nawaz Sharif. He professed the army's support for democracy. In what seems a healthy precedent, he called in members of the Defence Committees of the Senate and National Assembly for an interactive discussion. The Punjab government was prevailed upon to contend before the Lahore High Court that keeping Hafiz Saeed under detention was still necessary.

However, all does not seem comfortable within the army. In his latest military reshuffle, Bajwa has moved Lt. Gen Aamir Riaz, GOC XII Corps, Quetta to IV Corps, Lahore. Perceived by some PML (N) politicians to be anti-Bajwa and pro-Imran, Riaz's placement could be to oversee events in a politically turbulent Punjab, building up to the 2018 elections. Lt Gen Asim Saleem Bajwa, former Chief Raheel Sharif's "pet" at the Inter Services Public Relations (ISPR) makes a comeback as the new Southern Command head and GOC, XII Corps, Quetta. The Lahore Corps Commander, Sadiq Ali goes to the backwater post of DG, Arms in GHQ. Expressing his pique at not being considered for a corps command, Lt. Gen Rizwan Akhtar, former director general, ISI, currently in the sinecure National Defence University post, put in a request for premature retirement. Lt. Gen Sarfaraz Sattar, erstwhile defence attaché in India, promoted and posted as corps commander, II Corps, Multan only in December last year goes as DG, Strategic Plans Division (SPD). Sattar will be the senior-most lieutenant general after Bajwa retires in November 2019.

Civil-military tensions flared up again as interior minister, Ahsan Iqbal was prevented by Pakistan Rangers from entering the accountability court trying Nawaz. After he raised a hue and cry, the Rangers withdrew their entire security deployment outside Parliament. Corps commanders went into a seven-hour huddle on October 3, ostensibly for a security situation review and an appraisal of Bajwa's latest Afghanistan visit, even as the civilians decided to question the army about the Rangers' deployment. DG, ISPR Maj Gen Asif Ghafoor laboured hard in a long press conference to explain away this glitch, without convincing anyone.

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“Exercise INDRA - 2017: Indo-Russia Joint Exercise”**“Exercise INDRA - 2017: Indo-Russia Joint Exercise”****First Ever International Tri Service Exercise**

Giving the Indo-Russian defence cooperation a major boost, Exercise INDRA-2017, the first ever Tri Services Joint Exercise between Indian and Russian Armed Forces will be conducted in the Eastern Military District of Russia from 19 to 29 Oct 2017. Exercise INDRA in its previous nine avatars has been conducted as a single service exercise alternately between the two countries. The year 2017 marks a major milestone as this Exercise has been upgraded to involve all the three Services of the Armed Forces (Army, Navy & Air Force), which further accentuates the importance of Joint Services in the present world environment.

Exercise INDRA-2017 will be conducted at the 249th Combined Army Range Sergeevskiy and in the Sea of Japan near Vladivostok. The Indian contingent will comprise of 350 personnel from Army, 80 from Air Force, two IL 76 aircraft and one Frigate and Corvette each from the Navy. The Russian Federation Armed Forces will be represented by approximately 1000 troops of the 5th Army, Marines and Ships of Pacific Fleet and aircraft from Eastern Military District.

Addressing the Indian Contingent today, Lt Gen Satish Dua, UYSM, SM, VSM, CISC reminded them of the importance of the upcoming Exercise which will provide an opportunity to the armed forces of both countries to train in counter terrorism operations in a multinational scenario in a joint tri service environment. The scope of the Exercise includes professional interactions, establishment of joint command and control structures between the Indian & Russian forces and elimination of terrorist threat in a multinational environment under the UN mandate.

Exercise INDRA-2017 will strengthen mutual confidence, inter-operability and enable sharing of best practices between both the armed forces. It will be a landmark event in the history of Indo-Russian defence cooperation.

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First Investment Agreement signed between NIIF and a wholly owned subsidiary of Abu Dhabi Investment Authority

First Investment Agreement signed between NIIF and a wholly owned subsidiary of Abu Dhabi Investment Authority

Pursuant to the Memorandum of Understanding (MoU) between Department of Economic Affairs, Ministry of Finance, Government of India and the Government of United Arab Emirates (UAE) to mobilise long term investment into National Investment and Infrastructure Fund (NIIF), the first investment agreement between NIIF Master Fund and a wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA) has been signed today. The investment from ADIA Group would be 1 billion USD.

As a part of the agreement, ADIA will become the first institutional investor in NIIF's Master Fund and a shareholder in the NIIF's investment management Company.

Six domestic Institutional Investors (DIIs) viz. HDFC Standard Life Insurance Company Limited, HDFC Asset Management Company Limited, Housing Development Finance Corporation Limited, ICICI Bank Limited, Kotak Mahindra Old Mutual Life Insurance Limited, Axis Bank Limited will also be joining the NIIF Master Fund alongwith ADIA apart from Government of India.

Commenting on the development, Secretary Economic Affairs, Shri Subhash Chandra Garg, said: "This is a significant milestone in operationalisation of NIIF. This Agreement paves the way for creating significant economic impact through investment in commercially viable infrastructure development projects".

The NIIF was created, after a decision by the Union Cabinet on 29.7.2015 and was envisaged to be established as one or more Alternative Investment Funds (AIFs) under the SEBI Regulations. The proposed corpus of NIIF is Rs. 40,000 Crores (around USD 6 Billion). GOI's contribution to the NIIF shall be 49% of the total commitment at any given point of time. NIIF has been mandated to solicit equity participation from strategic anchor partners, like overseas sovereign/quasi-sovereign/multilateral/bilateral investors.

Two companies viz. NIIFTL, the trustee of the fund and NIIFL, the investment management company were incorporated in 2015. A Governing Council has been set up under the chairmanship of the union Finance Minister Shri Arun Jaitley to act as an advisory council to NIIF.

A few investors viz. Government of UAE, RUSNANO, QIA, RDIF and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) have signed MoUs with the NIIF. In addition, DEA has signed terms for cooperation on the NIIF with the US Treasury and the UK Treasury. An India-UK Green Growth Equity Fund (GGEF) has been announced in April 2017. The fund shall be set up under the fund of funds vertical of NIIF, and shall have anchor commitments of GBP 120 million each from Government of India (through NIIF) and Government of UK.

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President Xi set to consolidate authority

Chinese President Xi Jinping's status as a theoretician, in the same league as the country's tallest leaders Mao Zedong and Deng Xiaoping, is likely to be debated during the 19th Party Congress of the Communist Party of China (CPC) which begins its once-in-five-years session on Wednesday.

The Congress will review the work of its predecessor, and newly elected leadership will provide strategic direction for the future.

During a media conference on Tuesday at the Great Hall of the People, the spokesman for the Congress, Tuo Zhen, did not spell out whether an amendment by the outgoing Central Committee of the Party — technically the most powerful body when the Congress is not in session — had recommended that Mr. Xi's doctrinal contributions be bracketed at par with the theories proposed by Mao and Deng.

"The CPC will amend its Constitution at the upcoming National Congress to represent new governance concepts, thoughts and strategies proposed by the CPC Central Committee with Xi Jinping at its core," Mr. Tuo said.

Strategic thoughts

He added: "The amendment will include key theories and strategic thoughts presented by a report to be delivered at the Congress."

Wednesday's session is expected to begin with the presentation of a "work report" on the outgoing 18th Party Congress. It will be debated by the nearly-2,300 delegates participating in the Congress.

The 19th Party Congress will also separately discuss the work report of the 18th Central Commission for Discipline and Inspection (CCDI) — the Party's powerful anti-corruption wing. Besides, the delegates, through secret ballot will elect a new Central Committee.

In turn, the Central Committee will elect a 25-member Politburo, as well an apex seven-member Standing Committee of the Politburo.

Central leadership

The General Secretary of the CPC, the highest ranking official of the party — a position currently occupied by Mr. Xi — would be picked from the Politburo Standing Committee's ranks.

"A new central leadership will be elected at the first plenary session of the 19th Central Committee of the Communist Party of China (CPC), after the conclusion of the 19th CPC National Congress," Mr. Tuo observed.

Analysts say that Mr. Xi's position as the Party General Secretary, the President as well the Chairman of the Central Military Commission stands confirmed. But there is considerable speculation regarding the remaining six members.

In the last few days, a view has been gaining ground that Wang Qishan, Mr. Xi's top ally in the war against corruption, instead of retiring due to age, may assume a key leadership role in the new line-up.

Mr. Xi has been the architect of “four comprehensives”, which provide the theoretical foundation for achieving China’s two strategic goals. The first is to build a “moderately prosperous society” by 2021 — the centenary of the CPC.

Long-term goal

The second is to build an advanced socialist society by 2049 when the People’s Republic of China (PRC) completes 100 years of its formation.

Mr. Tuo underscored that the 19th Party Congress is of “vital importance as it is being held when China is striving to clinch final victory in building a society of moderate prosperity in all respects and the development of socialism with Chinese characteristics had entered a crucial period”.

Mr. Xi is not the first Chinese leader to make a numerically elaborated doctrinal contribution for advancing Chinese society. Zhou Enlai, the first Prime Minister of the People’s Republic of China is credited for theorising on ‘four modernisations’ — a blueprint which was later elaborated by Deng Xiaoping.

Mr. Tuo said that the 19th Party Congress would recognise theoretical contributions made by some of the previous leaders. He made a special reference to the theory of ‘Scientific Outlook on Development’, framed by former President Hu Jintao and ‘Three Represents’ by Jiang Zemin which, at the turn of the century, made a successful case for “opening up” the CPC to other members, including representatives of the business elite.

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Rohingya crisis worse than Syria's, says UN

Big tragedy: William Lacy Swing, Director-General, International Organisation for Migration, with Sarat Dash, Chief of Mission, Bangladesh, on the Tamru border. Suvojit Bagchi

The Rohingya refugee crisis is worse than the exodus from Syria, William Lacy Swing, Director-General of the UN's International Organisation for Migration (IOM), says.

The Rohingya exodus from southwest Myanmar to southeast Bangladesh is "man-made" and "needs a political solution", Mr. Swing said here on Monday.

He said the international community should treat the refugee influx as "a top priority" so that the problem was resolved quickly and refugees were able to go back to their country.

Mr. Swing, a career diplomat from the U.S., visited the Tamru border in Bandarban district in southeast Bangladesh, where thousands of Rohingya are stranded on no man's land between Bangladesh and Myanmar.

Talking to *The Hindu* after the border visit, he said: "This [Rohingya exodus] clearly is the one that has seen faster pace than any other. In terms of numbers of people — I don't think that anytime recently we have that many people crossing the border in a small period of time between four to five weeks," the IOM chief said, in reply to a question if the exodus was growing at a rate faster than it was in Syria in 2013.

Terrible atrocities

According to the Bangladesh government, between August 25 and October 11, a total of 5,36,000 Rohingya Muslims from Rakhine State in southwest Myanmar crossed over to southeast Bangladesh.

Many of them told this correspondent that their family members were killed and houses set on fire "by the Myanmar Army, local police and the ethnic community of Rakhine".

International humanitarian agencies, such as the IOM, vetted the recent refugee figure of the Bangladesh government's Refugee, Relief and Repatriation Commission.

"It [building pressure on Myanmar] has to be given top priority so that there [remains] a possibility of [the refugees] resuming their lives and returning to their livelihood and homes, which they have lost," Mr. Swing said. But, meanwhile, humanitarian relief should continue, he added.

"We are going back to our [IOM] headquarters in Geneva to take part in the pledging [for humanitarian aid] on October 23," Mr. Swing said.

The fund that the humanitarian agencies need to deal with the crisis is to the tune of \$450 million till March 2018.

Mr. Swing said they need to continue dialogue with the donors and the international community to support the people.

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More check-posts to come up on Bangladesh border

Trucks waiting at the Petrapole ICP in Bengal. Debasish Bhaduri

The Home Ministry will move a Cabinet note to construct seven integrated check-posts (ICPs) along the Bangladesh border to give a fillip to trade and business with the neighbouring country.

In all, 13 such check-posts have been planned, seven of them along the Bangladesh border.

The project was envisaged in 2007. A separate body — the Land Port Authority of India (LPAI) — was constituted in 2011 to boost trade via the land border points.

A senior Home Ministry official said the Expenditure Finance Committee (EFC) was studying the proposal estimated to cost Rs. 5,000 crore. “Once the EFC gives the green signal, the proposal will be sent to the Cabinet Committee on Security (CCS) for final clearance,” the official said.

Several facilities

The ICPs planned along the Bangladesh border are at Hili, Changrabandha, Ghoadanga, Mahadipur and Fulbari in West Bengal, Kawripuchhuah in Mizoram and Sutarkandi in Assam.

Eventually, 19 ICPs are expected to come up along the Bangladesh border. Besides the seven in West Bengal, three will be in Assam, two in Meghalaya and seven in Tripura.

An ICP has several facilities such as passenger terminal building, currency exchange counter, Internet hubs, cargo process building, cargo inspection sheds, warehouse, cold storage, quarantine laboratory, clearing agents, banks, vehicle scanners, isolation bay, parking and cafeteria.

Avoidable delays

Five ICPs — at Attari in Punjab (along the Pakistan border), Petrapole in West Bengal (Bangladesh border), Akhaura in Tripura (Bangladesh), Raxaul in Bihar (Nepal) and Jogbani in Bihar (Nepal) — are already functional.

“ICPs help put in place a system to secure the country’s borders against hostile elements. It also facilitates trade and commerce and boosts revenue,” said the official.

The official said currently various departments work in silos. “There are many vehicles waiting to cross over to Bangladesh or waiting to enter India that are stuck for over 20 days due to lack of clearance from customs or immigration authorities.

An ICP would help eliminate such unnecessary delays,” said the official.

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The right balance

The Supreme Court's observation that there is a need to balance human rights with national interest in the Rohingya case, and that there is a case for "holistic" hearings, is most welcome. A comparison with the Sri Lankan Tamil refugees may be useful. Even after the LTTE was banned as a terrorist group in India following the 1991 [Rajiv Gandhi](#) assassination, there were several influxes of Sri Lankan Tamils through the Tamil Nadu coast.

They were allowed to enter and register as refugees. Implicit in that was an acknowledgment that all Tamils were not LTTE. No Rohingya currently living in India has been blamed for any terrorist act. Indian security agencies believe the Arakan Rohingya Salvation Army (ARSA) - Myanmar began referring to it officially as a terrorist group only at the beginning this year's violence in August - has links with Pakistani jihadi groups, but they have not said the group is operational in India, unlike the LTTE, which was present and operating out of several places in the country.

Adding to the confusion is the term "illegal immigrants". There are thousands of illegal Indian immigrants in Europe and the US today, but the term cannot be legally or morally applied to people fleeing Myanmar's Rakhine State. If there was no military operation in Rakhine, and Rohingya were flooding India, arguably a case could be made out for using the term, applied usually to those who have crossed international borders without documents, looking for better economic opportunities.

The bone chilling, almost too difficult to read accounts of rape and massacre by the Myanmar security forces are not about people who simply upped and decided to head to India to make a better life. The Rohingya have never had papers as they have been denied citizenship of the country where they lived; they fled to save their lives. Beginning May 2012, there were clashes between Rohingya and Rakhine Buddhists, in which thousands of Rohingya had to abandon their burning villages.

The Centre still seems intent on "deporting" the Rohingya. The logistics of this "deportation" are still not clear. But if it means sending more than 40,000 people back into the fires in Rakhine, India, with its high global aspirations, will end up looking very small in the eyes of the world. It would be better off using its good offices with Myanmar to find a solution to this long-festered problem.

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India braces for 19th Communist Party Congress in China

Global attention has been on the "games of throne" taking place around the 19th Communist Party Congress gathering at Beijing this week which is expected to select the new sixth generation of leaders to steer the country for the next decade and a half. Explicitly, due to the current excessive focus on the political and military leadership selection issues, there will hardly be anything substantial pronouncements on external dimensions at the Congress, except for a few innocuous passages in the work report by the party secretary.

However, going by the previous such Congresses, even such pithy statements provide guidance to the foreign policy establishment of China for the next five years and beyond. The 16th Party Congress in 2002, for instance formulated a "three pillars" foreign policy strategy for China to include relations with major powers, neighbours, and developing countries. The next 17th Party Congress in 2007 extended these three pillars to five pillars to include multilateralism and soft power. The 18th Party Congress in 2012, which brought Xi Jinping to power, reiterated the five pillars in addition to directing the armed forces to play bigger role "commensurate to the international standing" of China.

By 2010, China had become the second largest economy with its outreach extending to faraway nooks and corners of the world. External Affairs Minister Sushma Swaraj noticed during her trip to Beijing in February 2015 that of the five pillars, China is reluctant to include India in the "new type of major power" category.

Since the 18th Party Congress, Chinese President Xi Jinping's several statements at Politburo meetings and outside have affected several countries, including India. Xi has told his party colleagues that China will not sacrifice its "core interests" even if these contradict with its developmental interests. He is not only likely to be re-elected to all his three powerful positions at the 19th Party Congress-as president, as general secretary of the CPC and as chairman of the Military Commission-there is talk that Xi will remain China's most powerful leader when the 20th Party Congress meets five years from now.

Xi's strong security language has been seen mainly as assuaging nationalist domestic constituents, but India has gradually noticed that China's armed forces and border guards have been ramping up their nibbling activities on the undefined border, in addition to claiming vast swathes of territory in the South China Sea and Japanese-claimed Senkaku islands.

Xi's first comments on relations with India were encouraging, even if bland. Speaking to the *PTI* correspondent before embarking on his first visit to Delhi in 2014 after taking over as President, Xi was moderate in his views and suggested the expansion of strategic communication among leaders, maintaining border stability, enhancing economic cooperation and people-to-people contacts. Next in command, Premier Li Keqiang also made his first overseas visit to India.

While such overtures are not lost on the Indian leadership, both the United Progressive Alliance and National Democratic Alliance were surprised with China's forays in the Depsang plains in April-May 2013, Chumar in 2014 as well as 2015 - both of which took place in the Western sector - as well as in the Barahoti area of the Middle sector in mid-2016; a few months ago, India braced itself as the Chinese brazenly attempted to build a road in Bhutanese claimed Doklam area.

Strategic communication bereft of a serious intent to resolve outstanding issues between the two countries convinced the Indian leadership to firm up on border management.

Following the 18th party injunctions, India also suddenly saw major Chinese forays in the Indian

Ocean Region with China opening a naval base at Djibouti, in addition to port facilities built at Hambantota in Sri Lanka and Gwadar in Pakistan.

Significantly, China had also dispatched several submarines to Colombo, Karachi and to the Indian Ocean. China's submarine signals are not lost on India given the German disruption of trade through submarine warfare during the World War II. India, then, will be carefully watching the missions the Communist Party entrusts to the Chinese military both in the continental and maritime spheres. Besides, cyber and space domains will also be watched carefully as new domains for possible conflict, competition or even cooperation between the two "simultaneously rising" countries in Asia.

India is also pondering about the endgame around China's One Belt One Road initiative launched since September 2013. While India joined the Asian Infrastructure Investment Bank and consented to the building of the Bangladesh-China-India-Myanmar economic corridor - the two projects that dovetail with the OBOR - the nationalist BJP government was unable to come to terms with the China-Pakistan Economic Corridor that passes through Pakistan-Occupied Kashmir.

Strategically, if China's intent through OBOR is to "set up a different kitchen" through a Sino-centric global order, then New Delhi is concerned about leadership issues in the region. Since the early 2000s, as a co-existence strategy, India and China have formulated "enough space in Asia" for both countries. However, with OBOR, China appears to be gobbling up such spaces in Asia and beyond. The 19th Party Congress is expected to further clarify on this issue.

This party Congress is also likely to reiterate China's support to the globalisation process, for which Xi Jinping campaigned at Davos earlier this year. Indeed, both China and India have been supporting such processes at the G-20, Doha Rounds and WTO meetings. Nevertheless, while China is dependent on Western markets for exports, India is predominantly concerned about financial flows.

Also, India is aware that despite several promises, total Chinese investments in India so far do not exceed more than \$4 billion even as India lost to China nearly \$400 billion in trade deficit in the last decade.

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Minister of Petroleum and Natural Gas & Skill Development and Entrepreneurship visits Tokyo, Japan for participation in LNG Producer-Consumer Conference 2017**Minister of Petroleum and Natural Gas & Skill Development and Entrepreneurship visits Tokyo, Japan for participation in LNG Producer-Consumer Conference 2017**

Union Minister of Petroleum and Natural Gas and Skill Development and Entrepreneurship, Shri Dharmendra Pradhan, led a delegation to Tokyo, Japan from 17-18 October 2017 to participate in LNG Producer- Consumer Conference. /

The conference organized by the Ministry of Economy, Trade and Industry of Japan (METI) and the Asia Pacific Energy Research Centre (APEREC) is a global annual dialogue which provides participants a forum for sharing the latest trends in the global LNG market and discussing opportunities and challenges with a view to developing global LNG market. /

Delivering the key note address shri Pradhan stated that the global LNG market is undergoing a major transformation driven by new supplies which has created a situation of oversupply. He urged the global LNG markets, in which producers and consumers of LNG have equal stakes, to join hands to design flexible terms such as pricing review, flexible take or pay, abolition of destination restriction clause in the LNG contracts. Shri Pradhan stressed that these reforms are essential for developing a transparent, efficient, truly global and balanced LNG market. /

Shri Pradhan held a bilateral meeting with Minister of Economy, Trade, and Industry of Japan Mr Hiroshige Seko. The two sides discussed ongoing cooperation in the hydrocarbon sector between our companies in India and abroad and explored ways to further enhance the engagement. They also explored joint cooperation in the areas of LNG sourcing, swapping and optimization of LNG sources and commercial exploitation of Methane Hydrates. Minister Pradhan invited Minister Seko to attend the 16th International Energy Forum (IEF) Ministerial meeting to be held in New Delhi during April next year. /

Both Ministers signed a Memorandum of Cooperation (MoC) on establishing a liquid, flexible and global LNG Market. The MoC provides a framework to cooperate in facilitating flexibility in LNG contracts, abolition of Destination Restriction Clause and also explore possibilities of cooperation in establishing reliable LNG spot price indices reflecting true LNG demand and supply. This would help in promoting bilateral

relationship between India and Japan in the LNG sector. /

Shri Pradhan also met Minister of Health, Labour and Welfare of Japan Mr. Katsunobu Kato and discussed issues of bilateral importance on promoting cooperation in the skill sector. Both also signed a MoC on the "Technical Intern Training Program (TITP). The TITP is an ambitious program to send Indian technical interns to Japan for on the job training for a period of three to five years. The MoC is expected to pave the way for bilateral cooperation between the two countries in the area of skill development. /

India and Japan are major consumers of energy in the world. In the LNG sector, Japan is the world's largest importer and India is the 4th largest importer. Under the Japan-India Energy Partnership Initiative signed in January 2016, the two sides had agreed to work together in promoting well-functioning energy markets and affirmed to promote a transparent and diversified Liquefied Natural Gas (LNG) market through the relaxation of Destination Restriction Clause. /

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A possible link between Pyongyang and Doklam

“I told Rex Tillerson, our wonderful secretary of state, that he is wasting his time trying to negotiate with Little Rocket Man...Save your energy Rex, we’ll do what has to be done!” tweeted US President Donald Trump about his secretary of state’s claims that the US has direct communication channels with North Korea.

With North Korean leader Kim Jong-un having previously referred to Trump as a “dotard”, not only is the level of conversation at a new low, but the prospect of a war is a little too close for comfort. Can we expect some damage control from China?

As mentioned in a previous column, it is against China’s interest to have an unstable nuclear power in its backyard, especially one that is consciously adopting a belligerent attitude towards its large western neighbour. Kim’s uncle and cousin, both considered close to China, have been assassinated. Kim’s missile tests have given the US a pretext to set up the Terminal High-Altitude Area Defence (THAAD) missile defence system in South Korea, giving it an asymmetric advantage over China. With North Korea averaging two missile tests a month since February, it is no longer in China’s interest to play cat-and-mouse while North Korea does its dirty work with respect to the US.

The Chinese dream sold by President Xi Jinping envisages the rise of China to the high table of nations. In this context, North Korea is not merely a threat. It also represents China’s “Pearl Harbour moment”— an opportunity to solve a pressing world problem and receive the widespread appreciation that would establish it as a moral force for good, complementing the material bases of its power. Everything points to the fact that getting rid of Kim without eliminating North Korea as a buffer state against the US is in China’s highest interest. Why then, despite calls in the mainstream Chinese press to reconsider the equation with North Korea, is China seemingly paralysed?

The main reason is that it is powerless to take on a nuclear-armed state possessed of the will to use its arsenal to protect itself. It is also hampered by the high-octane rhetoric from the US president that makes it an open question as to which is the rogue state in this face-off.

Some observers ask if Trump’s seemingly uncontrolled responses are part of a well thought strategy to create unpredictability and fear. To be fair, we must extend the same benefit of doubt to Kim’s actions as well. Trump’s no-holds-barred communication may strengthen his hold in his core base of supporters, but a growing section of the Republican caucus is beginning to ascribe his actions to a lingering childishness. Kim’s belligerence too may seem like a logical response to US’ long history of attempting to attack, assassinate, or otherwise emasculate its enemies—episodes in Cuba and Iraq come to mind. Yet one cannot ignore the psychological instability that is as much a part of Kim’s actions as his calculated chutzpah. We seem to be hostage to the idiosyncrasies of two leaders whose personalities are feeding off each other to bring the world to the nuclear precipice. As if this problem were not enough, Xi has opened a new front with respect to India in Doklam, and, with no apparent cause, Trump has refused to certify the Iran nuclear deal. Again, we ask, is there some method to this madness?

Xi’s stranglehold on power in a country facing stressful economic transformations is based on drumming up nationalistic fervour along with a war on corruption. With limited possibilities in North Korea, the face-saving strategy in the run-up to the 19th National Congress of the Communist Party of China, where Xi is expected to consolidate power by waiving the rule which limits the term of office of a Chinese president, is expansionist action on other fronts. Once we understand China’s limitations vis-à-vis North Korea, the diversionary role of Doklam (and other such

missions) in Xi's strategy becomes clear. Trump's actions on Iran may well stem from the same desire to deflect interest from his lack of options in North Korea.

While India's swift response to China's Doklam incursion deserves plaudits, given the underlying incentives, one should assume the provocations will continue. As two neighbouring great powers, India and China can expect to remain in a relationship of simultaneous conflict and cooperation. Both sides should not let historical disputes come in the way of exploring win-win possibilities in other avenues. Ideally, India should leave most of the political and economic costs of containing China to the US and its immediate allies (as indicated by Trump's recent about-face on Pakistan, getting too close to the US would allow it to play India and Pakistan against each other). Hence, the recent renewal of disputes is an undesirable irritation. India would do well to aggressively negotiate with China using its importance as a source of demand for Chinese goods (India has a \$51 billion trade deficit with China) to minimize border skirmishes.

And yet, one wonders if the Indian government's need to demonstrate its newly discovered "strength" since 2014 prevents it from taking steps that would defuse tensions. The refusal to speak to the Hurriyat in Kashmir, the chest-thumping on "surgical strikes", the non-participation in the meeting on China's "One Belt One Road" project over objections to the passage of the economic corridor through Pakistan-occupied Kashmir indicate, in my view, an unnecessary intransigence. With little to show on the economy, in India as in the world, the primacy of domestic power struggles over international relations constitutes a new and deadly prisoners' dilemma.

Rohit Prasad is a professor at MDI Gurgaon, and author of Blood Red River. Game Sutra is a fortnightly column based on game theory.

With inputs from Nikash Pandey, student at MDI Gurgaon.

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India's balancing act on Rohingya crisis

As you read this, the Rohingya exodus from Myanmar's Rakhine state to neighbouring Bangladesh could touch 600,000. It has stretched Bangladesh, but raised its profile from a country in need of humanitarian assistance to freely offering it. It is far from India's profile in this instance.

As you know through a series of articulated positions by those in the government of India, Rohingyas constitute a threat to the national security of India. Not Bangladesh, but India, where an estimated 40,000 Rohingyas, mostly Muslim, have already sought refuge under United Nations' auspices, after they escaped earlier atrocities in Myanmar. The matter is in court, and even without that intervention already colours India's policy—that of treading lightly with Myanmar.

The government of India has been battling it out in the Supreme Court with lawyers representing Rohingya petitioners. The government maintains its right to deport Rohingyas who may cross the border into India since the latest wave of violence and exodus broke in late August. On 3 October, a Supreme Court bench questioned that right. A subsequent hearing scheduled for 13 October has been deferred to 21 November, but not before a three-judge bench delivered a lecture on the need to balance national security and human rights. "Children and women do not know anything about it," the court maintained. "As a constitutional court, we cannot be oblivious to it. We expect that the executive will not be oblivious to it."

The executive is obligated to policy, so the government of India's position is unlikely to change in a month. It is unlikely to change even if the court directs the government to stop deportation of Rohingyas. Government will find a way to circumvent it. That will make human rights practitioners see red, but a policy of convenience, for better and worse, will continue to trump a petition of conscience. It will be what-should-happen versus what-will-happen.

The geopolitical and geo-economic argument to India's Myanmar-Rohingya response, and India's related Bangladesh response, bears repetition.

Myanmar, and particularly the Sagaing area bordering India and its neighbouring Rakhine is a crucial link for India's hydrocarbon and trade ambitions that seek to connect north-east Indian states to Sittwe port in Rakhine province through road, railways and fuel pipelines. This is a trade and investment bulwark as much as an intended corollary, to throw a counter to China's influence in that region and country. This has led India's policy since the days of a Congress-led centre turned its back on the then darling of democrats, Aung San Suu Kyi, to embrace Myanmar's generals. The Bharatiya Janata Party (BJP)-led centre has merely tightened that embrace, now ironically with Suu Kyi, the leading light of Myanmar's politics.

While the link with Myanmar could certainly light up India's North-East, the fullest expression of regional networking will come when India liberally uses Bangladeshi territory for movement of people as well as goods from that country and Myanmar, bringing bounty to eastern India through hubs in West Bengal. The relationship between India and Bangladesh has grown rapidly since Sheikh Hasina became Bangladesh's prime minister in 2009. Bilateral trade has since more than doubled, and diplomatic relations in the Modi years since May 2014 have been highlighted by a series of positives, from exchanging of exclaves to further curtailing of sanctuary for anti-India rebels in Bangladesh.

The relationship is now buffeted by the Rohingya crisis, which India has kept at arm's length by keeping up a narrative of Rohingya-related militancy to prevent an influx.

In July 2013, explosions rocked the Buddhist temple complex in Bodh Gaya. The narrative

reminds us of the media widely quoting confessions offered up by arrested Islamist militants—as offered to media—that the atrocity was planned to avenge the killings of Muslim Rohingyas in Myanmar.

Rohingyas came up for discussion in Parliament in March 2016, with a question in the Lok Sabha as to whether passports were issued to “Myanmarese Rohingya Muslims” to traffic them to Saudi Arabia and points beyond as ready recruits for the Islamic State, among other groups.

Yes, the home ministry replied. “In January 2016, the security agencies ... busted a module involved in arranging fake/fraudulently obtained Indian travel documents for Bangladeshis/Rohingyas and arranging visas of West Asia countries. So far, 13 persons have been arrested. As per initial information, the module has linkages with certain terror outfits operating from Pakistan.”

This narrative will win. India will occasionally send relief, as it first did in mid-September, airlifting 50 tonnes of relief supplies to Chittagong, the entrepot for Rohingya relief, to assuage both international opinion and Bangladesh’s irritation at being left to fend largely for itself. Indeed, in some quarters in Bangladesh, India’s relatively scant aid is seen more as *goru maira joota daan*, a colloquialism that translates as killing someone’s cow and then gifting the person shoes made from its skin.

Sudeep Chakravarti’s books include Clear.Hold.Build: Hard Lessons of Business and Human Rights in India, Red Sun: Travels in Naxalite Country and Highway 39: Journeys through a Fractured Land. This column, which focuses on conflict situations and the convergence of businesses and human rights, runs on Thursdays.

Respond to this column at rootcause@livemint.com

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Spain moves to suspend Catalonia's autonomy

Opinion divided: People hold a Catalan flag during a demonstration in Barcelona earlier this week. AFP/LLUIS GENE

Spain said on Thursday that it will move to seize some of the Catalan regional government's powers after its leader warned that he could declare independence, escalating the country's worst political crisis in decades.

The central government in Madrid had given separatist leader Carles Puigdemont until 10:00 am (0800 GMT) on Thursday to say whether or not he was declaring a breakaway state in the semi-autonomous region following a chaotic referendum on October 1.

Prime Minister Mariano Rajoy had warned he would trigger Article 155 of Spain's Constitution — a never-before-used measure allowing it to impose direct rule over the wealthy northeastern region — unless Mr. Puigdemont backed down.

Control over police force

There are fears that such a move, allowing Madrid to potentially suspend Mr. Puigdemont's government and take over its police force, could spark unrest in a region where even Catalans who oppose independence cherish their autonomy highly.

Mr. Puigdemont responded on Thursday that Catalan lawmakers could vote to declare secession unilaterally if Madrid triggers Article 155.

"If the central government persists in preventing dialogue and continuing repression, Catalonia's Parliament could proceed... to vote for a formal declaration of independence," he wrote in a letter to Mr. Rajoy, adding that a cryptic "suspended" independence declaration he issued last week did not amount to breaking away.

The government hit back by saying it intends to push on with triggering Article 155 — a process that would take several days — to "restore legality" in the region.

It called an emergency Cabinet meeting for Saturday to specify how it will take control over the region.

The Catalonia crisis has prompted a series of huge street rallies, worried investors and added to the woes of a European Union already grappling with Brexit.

Mr. Rajoy was heading to Brussels on Thursday afternoon for a summit with other EU leaders, where the Catalonia crisis was likely to come up for discussion.

Catalonia's 7.5 million residents are fiercely attached to their own language and culture but are divided on whether to break away from the rest of Spain.

Mr. Puigdemont says his regional administration has a mandate to declare independence from what he says was a 90-% "Yes" vote on October 1, marred by a heavy-handed police crackdown on voters.

But turnout was given as only 43%. Many voters who oppose independence stayed away from a referendum that had been declared illegal by Spain's Constitutional Court.

Fresh regional elections?

Madrid had on Wednesday offered the separatists a potential last-minute way out by proposing fresh regional elections sanctioned by the central government. A government source told AFP that would allow the region to “return to legality”.

But Joan Tarda, spokesman from the leftist ERC party which is part of Mr. Puigdemont’s coalition, told lawmakers in Madrid: “The Catalan government will not call elections.”

On the streets of Madrid, residents were warily eyeing the prospect of Spain entering uncharted waters with Article 155.

“The 155 scares me,” said Jorge Arias, a 32-year-old librarian who wants Catalonia to stay in Spain but backs voters’ right to have a say on the matter.

“It’s an extreme measure of Rajoy’s government and it won’t solve anything.”

But Alfons Fernandez, a retired engineer, said Mr. Rajoy had no choice.

“There is no other way out than Article 155 — if one person wants to talk but doesn’t respect the law, then you can’t talk,” he said.

Pro-independence protesters were due to stage a rally outside central government offices in Barcelona at 1600 GMT.

Separatists complain that Catalonia, which represents about a fifth of Spain's economic output, pours more into the national coffers than it gets back, and say it would prosper if it went its own way. But opponents say the region has more clout as part of Spain and that the instability could be disastrous for its economy.

The current standoff is already taking a toll on one of Spain’s most important regional economies.

More than 800 companies have moved their legal headquarters out of Catalonia, citing the risk of instability, while Madrid has cut its national growth forecast for next year to 2.3%.

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Xi's theory to be codified

Chinese state media signalled on Thursday that President Xi Jinping could join the league of Mao Zedong and the Deng Xiaoping — the country's tallest leaders — for making major theoretical contributions for the advancement of socialism.

Xinhua reported that Mr. Xi's 'Thought on Socialism with Chinese Characteristics for a New Era' has been codified, according to some members of the outgoing apex Standing Committee of the 25-member Politburo.

"The Thought is the biggest highlight of the 19th National Congress of the Communist Party of China (CPC) and a historic contribution to the Party's development," said Zhang Dejiang, member of the Politburo, on Wednesday.

Inclusion in Constitution

Mr. Xi's 'Thought' could be included in the Constitution. During a media conference on Tuesday at the Great Hall of the People, the spokesman for the Congress, Tuo Zhen, said: "The CPC will amend its Constitution at the upcoming National Congress to represent new governance concepts, thoughts and strategies proposed by the CPC Central Committee with Xi Jinping at its core."

Two other members of the Politburo's Standing Committee — Yu Zhengsheng and Liu Yunshan — also praised Mr. Xi for adapting Marxism to the Chinese context attuned to building "socialism with Chinese characteristics".

Mr. Xi's theory builds on and further enriches Marxism-Leninism, the Mao Zedong Thought, the Deng Xiaoping Theory, the Theory of Three Represents, and the Scientific Outlook on Development, according to a report delivered at the opening of the Congress, Xinhua reported.

"As China enters a new era, the CPC must write a new chapter of 21st century Marxism..." Xinhua quoted Chen Shuguang, a professor with the Party School of the CPC Central Committee, as saying.

Mr. Xi's predecessors, Hu Jintao and Jiang Zemin, have not been given personal credit for their ideological contributions.

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'India, Pakistan are both important to U.S. policy'

India and the U.S. are “two bookends of stability — on either side of the globe” and the “emerging Delhi-Washington strategic partnership” has the potential to anchor the rules-based world order for the next hundred years, Secretary of State Rex Tillerson has said.

Mr. Tillerson, who will be travelling to India and Pakistan next week, said both countries are “important elements” in the U.S. policy for stabilising South Asia and characterised China a destabilising force. “China’s provocative actions in the South China Sea directly challenge the international law and norms that the United States and India both stand for,” he said, speaking at the Centre for Strategic and International Studies (CSIS) on ‘U.S.-India Partnership of the next 100 years.’

Mr. Tillerson said the new “regional approach” on Afghanistan also involved seeking a resolution to tensions between India and Pakistan. “We intent to work closely with India and Pakistan and we hope to ease tensions along their borders as well... Pakistan has two very troubled borders. We would like to help take the tensions down on both of those,” he said.

“We see it as a regional issue. We solve Afghanistan by addressing the regional challenges. Pakistan is important element in that, India is important element in that,” he said.

Mr. Tillerson’s explanation of the new South Asia policy calls into question the interpretation of it as an acceptance of the Indian line, and a rejection of Pakistan’s position. He was also categorical in his support for the Indian position on China and its aid and financing support for other countries in the region, terming it “predatory economics”.

Repeatedly referring to India’s democratic politics, Mr. Tillerson also referred to India’s Muslim minorities. “India’s diverse population includes more than 170 million Muslims — the third-largest Muslim population in the world. Yet we do not encounter significant numbers of Indian Muslims among foreign fighters in the ranks of IS or other terror groups, which speaks to the strengths of Indian society,” he said.

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Taking off from Down Under

India and Australia share a strong bilateral relationship based on historic ties, cultural links and extensive people-to-people connections. As large democracies, the two countries play a central role in strengthening geopolitical cooperation and maintaining peace and security in the region.

During Australian Prime Minister Malcolm Turnbull's visit to India earlier this year, significant steps were taken towards strengthening this long-standing relationship. They included signing agreements for combating international terrorism and promoting civil aviation security, besides agreements on health and medicine, environment and the climate, among others. While the Comprehensive Economic Cooperation Agreement (CECA) is still uncertain, the proposed Regional Comprehensive Economic Partnership (RCEP) can be more effective in deepening trade, investment and economic partnership between the two nations. However, a plethora of collaboration opportunities still exist across sectors in both countries, particularly in the areas of Smart Cities, agriculture, education, energy, among others.

For instance, there is a need to look beyond agricultural exports from Australia to India and explore synergies in the larger agricultural value chain. While accelerating India's agricultural productivity growth is of prime importance, the high dependency on the monsoon has been a key challenge. Water scarcity in many arable areas has also been an area of concern for Australia. Stakeholders from both the nations can collaborate for joint research towards innovation in crop cultivation under varied environmental conditions for higher yields. Additionally, India can benefit from Australia's expertise in building a strong cold storage industry to ensure a robust agricultural supply chain. With heightened government focus on the food industry and 100 per cent FDI in setting up of cold storage units, the sector presents an attractive opportunity for Australian investors. Further, partnerships in areas of dairy farming and technology, breeding and genetics, food processing and research can emerge as key pillars of the bilateral relationship.

In the context of renewable and clean energy, the civil nuclear deal between the two nations and the Australia-India Energy Security Dialogue stand as testaments to the mutual interest in achieving energy security and developing clean energy models. Key discussions during the bilateral Energy Security Dialogue last year laid the foundation for increased engagement in the energy sector and the Australian businesses stand to gain significantly from access to the huge energy market in India. On the other hand, India can look at increasing LNG supplies from Australia to diversify its concentrated supply from the Middle East.

Education and skill development are other important areas. For India to become a global talent hub, it is critical to make corresponding changes to its education system by overcoming key challenges of low levels of employability, research and entrepreneurship; and, adopting a structured education system that fosters Design, Innovation and Creativity-led Entrepreneurship (DICE). India can partner Australian universities, several of which are globally ranked, to bring the best practices, encourage faculty development, improve quality assurance protocols and greatly enhance student achievement. Through innovative digital platforms, India and Australia can offer Massive Open Online Courses (MOOCs) to facilitate knowledge and cultural exchange.

Smart Cities infrastructure is another key aspect. India has been witnessing rapid urbanisation with the highest annual growth in urban population among the major economies. With urban population expected to reach 50 per cent by 2051, there is an immediate need for our cities to be 'Future Ready' to accommodate this steep demand. While the Government of India has launched its ambitious Smart Cities Mission to develop 100 Smart Cities over a period of five years, international collaboration can fast-track the actualisation of the same.

Australia, as one of the most urbanised nations in the world, can be an important partner for India in building sustainable urban design, improving construction productivity, enhancing water resource management and designing smart urban transport.

Finally, and crucially, there's healthcare and life sciences. India and Australia have been working closely in the field of healthcare. The Australia-India Strategic Research Fund is being utilised to conduct joint high-level research in this important sector and several bilateral MoUs have been signed including a recent one, on cooperation in the field of communicable diseases and mental health, earlier this year.

Vast opportunities for collaboration exist in the field of telemedicine, digital health and pharmaceuticals among others, which can immensely boost accessibility of healthcare services in our country. Further, India can greatly benefit from Australia's expertise in providing aged-care, while Australian investors can leverage the untapped potential of this sector in India.

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INDRA-2017**INDRA-2017**

India and Russia have had longstanding military and diplomatic ties and to preserve these bonds of cooperation, India and Russia undertake annual military exercise INDRA. This milestone in military cooperation of the two nations epitomizes their strong and resilient relations. INDRA-2017 is the first tri-service bilateral exercise between the two countries.

On 18 Oct 2017, Indian contingent flew in IL-76 aircraft of the Indian Air Force to Vladivostok comprising of Army and Air Force personnel. The contingent, led by the Task Force Commander, Maj Gen ND Prasad was accorded a warm welcome by Commander of the Fifth Army of Russian Eastern Military District, Maj Gen Kutuzov.

On 19 Oct 2017, two indigenously built Indian Naval ships INS Satpura and INS Kadmatt arrived at Vladivostok Port and were given a traditional ceremonial welcome. Rear Admiral Anatoliy Zelinsky, Deputy Commander, Pacific Fleet of the Russian Navy was present on the occasion.

Earlier in the day, the delegation led by Maj Gen ND Prasad, Task Force Commander called on Mr Alexey Litvinov, the acting Mayor of Vladivostok. Maj Gen ND Prasad thanked the Mayor for the extremely warm welcome accorded to the Indian contingent and expressed the hope that the exercise would lead to increased mutual cooperation between the two countries. Also, the Naval Component Commander Rear Admiral Biswajit Dasgupta interacted with Admiral Sergei Avakyants, Commander-in-Chief of the Russian Pacific Fleet in a warm and cordial atmosphere.

An observer delegation led by Lt Gen JS Negi along with Air Vice Marshal VR Chaudhari and Rear Admiral V Sreenivas visited the 249 Sergeyvsky Training Ranges where a major part of the Army and Air Force component of tri-service exercise INDRA-2017 will be conducted. The delegation was briefed on the overall conduct of the exercise, after which they visited the camp where the contingent was being accommodated.

INDRA-2017 will serve towards strengthening mutual confidence and interoperability as well as sharing of the best practices between the armed forces of both the countries. The joint tri-service exercise will be a demonstration of the increasing commitment of both nations to address common challenges across the full spectrum of operations.

MJPS/RP**END**

U.S. should shed its bias, says China

China has said that U.S. Secretary of State Rex Tillerson's assertion to shore up ties with India and his criticism of Beijing smacked of "bias", as state-run media termed it an attempt by Washington to lure New Delhi to counter-balance Beijing.

Ahead of his first visit to India, Mr. Tillerson said the U.S. "will not shrink from China's challenges to the rules-based order and where China subverts the sovereignty of neighbouring countries and disadvantages the U.S. and our friends."

"In this period of uncertainty and angst, India needs a reliable partner on the world stage. I want to make clear: with our shared values and vision for global stability, peace and prosperity, the U.S. is that partner," Mr. Tillerson had said at the Centre for Strategic and International Studies, a Washington-based think tank.

Playing down his criticism of China and remarks to deepen ties with India, Chinese Foreign Ministry spokesman Lu Kang told reporters on Thursday that "many media are very interested in the development of relations between India and the U.S." "We are happy to see the development of relations between these countries as long as they are conducive to the peaceful development of the region," he said.

On Mr. Tillerson's remarks branding China a "predatory rule breaker," especially in the South China Sea, and leaving countries in debt, Mr. Lu said the U.S. should take more objective look at China's development.

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As IS' role in Syria wanes, other conflicts take the stage

U.S.-backed forces have barely begun to clear the land mines from Raqqa, Syria, after pushing the Islamic State from the city, the de facto capital of its self-declared caliphate.

But the militants' defeat there is already setting the stage for a new round of conflict and instability in Syria's long civil war.

Fleeing jihadists are regrouping in remote areas, rearming with the help of desert smugglers. Tensions are brewing over who will ultimately control Raqqa, where U.S.-backed Kurdish and Arab forces declared victory on Tuesday.

And as the Islamic State threat wanes, the Syrian government is expected to return its military attention to the Syrian rebels, intensifying the kind of bombardment that has led to mass civilian casualties, with no sign of a political solution in sight.

To defeat Islamic State, myriad international and Syrian combatants — many of them sworn enemies — banded together or put their conflicts on the back burner. Now, even as they close in on Islamic State's last territories near the Iraqi border, their submerged tensions are rising to the surface.

Raqqa was taken by a U.S.-backed militia made up of Syrian Kurds and Arabs. Soon after, celebrating Kurdish fighters raised flags adorned with the face of Abdullah Ocalan, a Kurdish militant leader. Many of Raqqa's Arab residents, who consider Ocalan a terrorist, were appalled. Some are calling the Kurds new occupiers.

Others downplayed the prospect of tensions between Arabs and Kurds. The U.S.-backed militia says it will soon hand formal control of Raqqa to a civilian city council made up of representative local residents.

"We are all on the same ship," said Hassan Mohammad Ali, a Raqqa resident involved in rebuilding the local government. Both Arabs and Kurds want "a democratic, pluralistic Syria," he said, and would not try to impose their will on each other.

Assad's control

But the Syrian government has no intention of letting that arrangement stand.

The government of President Bashar al-Assad now controls most of the country, having taken back much of the territory once held by rebel groups who took up arms after the government cracked down on protests in 2011. Backed by Russia and Iran, Mr. Assad has vowed to recapture all of Syria, including Raqqa and the areas beyond it where the Kurds have established a semi-autonomous zone. It remains unclear how far the U.S. would go to stop him.

Pentagon officials say, for now, the U.S. military will continue to defend areas like Raqqa. In June, the military shot down two Syrian drones that U.S. officials said were threatening U.S.-backed troops.

That posture has not changed, the officials said, and Syria experts say they expect it to continue for the next few months. What happens after that — and how willing the United States is to become engaged in a war against the Assad government and its international backers — is an open question. "The issue of self-defence will certainly continue as long as the fight against ISIS

continues,” said Andrew J. Tabler, a Syria expert with the Washington Institute for Near East Policy. “But what goes on after that with the political process, I don’t know.”

Military campaign

Trump administration officials acknowledge privately that the military campaign in Syria has by far outstripped the diplomatic campaign, to the point now where there is no real plan for what to do in a post-Islamic State Syria.

That is not for lack of trying by John Kerry, the Secretary of State under President Barack Obama, who sought a political solution for a post-Islamic State Syria, and Brett H. McGurk, the Trump administration’s point man on Syria.

With the Islamic State far from defeated the U.S.-backed coalition is “not quite ready to take their foot off the gas pedal yet,” said Eric Robinson, an analyst with RAND Corp.

The militant group still controls close to 6,400 sq. km. of territory on either side of the Iraq-Syria border, harbouring an estimated 6,000 to 10,000 fighters.

As its fighters are pushed out of their strongholds, many are going underground, vowing to continue their battle as hit-and-run insurgents. There are growing pockets of them in the eastern desert areas of at least three Syrian provinces, including many hiding in areas under government control, according to fighters and residents of the areas. NY Times

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Unravelling of the Iran deal

Last week U.S. President Donald Trump announced that he could no longer certify that continuing the sanctions waiver for Iran, under the Joint Comprehensive Plan of Action (JCPOA), contributes to U.S. national security interests in view of Iran's aggressive behaviour. However, he carefully refrained from accusing Iran of violating the JCPOA given that International Atomic Energy Agency (IAEA) Director General Yukiya Amano has publicly stated that Iran is in full compliance with the deal and subject to the world's most robust nuclear verification regime. Mr. Trump's new policy therefore aims to "neutralize Iran's destabilizing influence and constrain... its support for terrorism... and ballistic missile [programme]".

Mr. Trump's decision does not re-impose the nuclear-related sanctions that were waived (though he could also have done so) but passes the ball to the U.S. Congress. Though Secretaries of State Rex Tillerson and of Defence James Mattis as well as Chairman Joint Chiefs of Staff General Joseph Dunford had bluntly stated that they were not in favour of the U.S. scrapping the deal, Mr. Trump's mind had been made up long ago.

For the first time since 1945, a clear divide with European allies has emerged, with German, French and British leaders jointly declaring that preserving the JCPOA is in their shared national security interests. The European Union (EU) foreign policy chief Federica Mogherini that the world cannot afford "to dismantle a nuclear agreement that is working". Only two countries have applauded Mr. Trump's decision — Saudi Arabia praised the U.S.'s firm strategy and Israeli Prime Minister Benjamin Netanyahu conveyed his congratulations.

Also read

The art of the nuclear deal

The JCPOA, signed on July 14, 2015, was the result of prolonged negotiations between Iran and P5+1 (U.S., U.K., France, Russia, China, Germany and EU). Talks began in 2003 between Iran and E-3 (Germany, France and U.K.), and in 2005 expanded to the P5+1 format. Negotiations frequently stalled leading to new sanctions on Iran but became purposeful after Hassan Rouhani's election as President in 2013.

In 2004, Iran had around 1000 centrifuges, and by 2015 the number had grown to 20,000. The U.S. concluded that Iran had recovered from the Stuxnet debacle and was barely months away from producing enough highly enriched uranium (20-25 kg) to produce a nuclear device. While other aspects of Iran's regional behaviour remained worrisome, the rationale driving the Obama administration was that a nuclear armed Iran would be more threatening. Therefore the JCPOA focussed exclusively on rolling back Iran's nuclear activities.

Under the JCPOA, Iran ended certain activities (converting the underground Fordow enrichment facility into a research centre and dismantling of the Arak heavy water research reactor), accepted restraints on other activities (reducing the number of operational centrifuges to 5060 at Natanz for 10 years, restricting enrichment level to 3.6% for 15 years, limiting the low enriched uranium stocks to 300 kg by shipping out nearly 10 tonnes of extra stocks and refraining from setting up a research reactor for 15 years) and accepted a highly rigorous inspection regime. In return, about \$100 billion of Iranian assets were unfrozen and Iran was allowed to resume sales of oil. January 16 last year was declared Implementation Day when the IAEA certified Iranian compliance and sanctions relief kicked in. The UN Security Council (UNSC) unanimously adopted Resolution 2231, endorsing the JCPOA and lifting the UNSC sanctions.

However, U.S. sanctions relief was more convoluted because of a multiplicity of sanctions (relating to nuclear and missile activities, human rights violations and terrorism) which also had extra-territorial application, implying that third country companies would be penalised if they engaged in activities from which U.S. companies were barred. Here, the relief was limited to “secondary” nuclear sanctions since U.S. companies still remained barred from dealings with Iran on account of the other sanctions, but third country companies were now free to engage with Iran. An exception was made in the civil aviation sector that enabled Boeing to secure a deal for nearly a hundred aircraft; otherwise Airbus would have locked it out of the Iranian market.

Since the Obama administration’s negotiations with Iran did not enjoy support in the Republican-dominated Congress, an additional piece of legislation, Iran Nuclear Agreement Review Act (INARA) was passed in May 2015 under Senator Bob Corker’s stewardship as chairman of the Senate Foreign Relations Committee. The objective was to constrain presidential authority to waive sanctions on Iran by obliging him to certify every 90 days that Iran was in full compliance with the deal and that continuing the waiver contributed to U.S. national security interests. INARA also obliged the President to provide a report on Iran’s support to terrorism, human rights violations and ballistic missile activities.

Given the hostility to the JCPOA, Barack Obama did not submit the JCPOA to the Senate for ratification as is mandated for a “treaty”; instead, JCPOA was described as a “political commitment” between P5+1 and Iran which lies within executive purview. According to a study carried out by Professors Jeffrey Peake and Glen Krutz, 94% of U.S. agreements with other countries, since 1930, have been on the basis of ‘executive agreements’. The JCPOA assumed legal character when it became part of the UNSC resolution 2231. However, unlike the JCPOA and the mandatory lifting of the U.S.’s secondary nuclear sanctions which is part of international law, INARA is U.S. domestic law.

In January, before handing over, the Obama administration had provided both the certification under INARA (to be renewed every 90 days) and the waiver of secondary nuclear sanctions under section 1245 of the National Defense Authorization Act (2012) that needs renewal every 120 days. Mr. Trump provided the INARA certification on April 18 and July 18 but drew the line last week.

He also renewed the waiver on secondary sanctions on May 17 and last month on September 14. This is why the U.S. sanctions have not kicked in because the current waiver will hold for 120 days, till mid-January 2018.

Since Mr. Trump had made his opinion about the JCPOA quite clear, describing it as the “worst deal ever”, he could have withheld renewal of sanctions waiver last month but that would have triggered re-imposition of secondary nuclear sanctions and violated international law since Iran remains in compliance with the JCPOA. It was therefore politically expedient to kick the ball to the Congress. Mr. Trump would like Congress to end some of the sunset clauses of 10/15 years in the JCPOA by making it permanent and also establish new benchmarks on missile activities and regional behaviour for continuing sanctions relief. This would imply an implicit renegotiation of the JCPOA, something that would attract a veto by both Russia and China were it to be taken up in the UNSC.

Amending INARA would require 60 votes in the Senate, eight more than the current Republican strength and not all Republicans will support Mr. Trump. Relations between Mr. Trump and Senator Corker have deteriorated with Mr. Trump blaming Mr. Corker for the “horrendous deal” and Mr. Corker comparing the White House to “an adult day care centre”. Congress could also do nothing, which would put Mr. Trump in the awkward position in January 2018 of either renewing the sanctions waiver for another 120 days or withholding it, which would put the U.S. in violation of the JCPOA.

In either case, the deal has broken down because Iran is not prepared to renegotiate it. Other countries have promised to uphold it but their ability to do so will depend on how their companies can be firewalled from U.S. sanctions if they continue their engagement with Iran.

However, implications of the breakdown are not limited to U.S.-Iran relations. Iran can make things difficult for the U.S. in Afghanistan as also in Iraq and Syria. The U.S.'s ability to work with Russia in Syria or with China regarding North Korea will also be impacted. And sooner or later, questions will be asked in Iran about why it should continue with the restrictions and inspections that it accepted under the JCPOA, which would have far-reaching implications for the global nuclear architecture. Coming after the rejection of the Trans-Pacific Partnership, the Paris climate change accord and the North American Free Trade Agreement, Mr. Trump's decision further diminishes U.S. credibility.

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The new Asian game

The 19th Chinese Party Congress, and the emerging shape of a US response, sharpens the edges of diplomatic confrontation in Asia. The Party Congress left no doubt about Chinese ambition and assertiveness. The Congress reaffirmed China's place in the world. The markers around China's territorial interests were clearly laid down. It was a call to rejuvenation. It left no one in any doubt about the distinctiveness of the Chinese political model.

The Communist Party will remain firmly in charge, demanding increasing ideological purity, but buttressed by its claims to inheriting a 5,000 year-old civilisational legacy. Xi Jinping's political theory gets recognition in the constitution and the centralisation of power continues. Economically, China will chart a distinctive trajectory. Socialism with Chinese characteristics remains the mantra, where the market will remain firmly embedded in the needs of the state, and reform will mean a better state rather than handing over China's destiny to anonymous market discipline. The Chinese model asserts China's exceptionalism, but also hints it is a model to be emulated. And China has a development plan: Through the One Belt One Road (OBOR), to stitch Asia in a new set of interdependencies.

The Congress acknowledged China's challenges, including uneven development and corruption. But the script was, not surprisingly, choreographed to paper over areas of brittleness in the Chinese development model. The need to impose ideological conformity, and the turn towards greater authoritarianism within China is a sign of those vulnerabilities. But it is hard to see those vulnerabilities posing a systemic threat to the Chinese model.

There will, doubtless, be crises. But so long as there is elite political unity, the state structures respond in unison, and enough nationalists rally around the party, it will be hard to envision change. The Congress was, if anything, an emphatic reassertion of the capacity and resolve of the Chinese state. The combination of greater authoritarian resolve, nationalism, faith in one's development model and immense ambition will make for a more assertive China. This is a diplomatic reality for Asia.

The strengths and weaknesses of Rex Tillerson's speech to the Centre for Strategic and International Studies (CSIS) should be seen in this larger context. In India, the speech was, with some justification, welcomed as a vindication of India. India and the US are cooperating more on terrorism; the commitment to an "Indo-Pacific" order is music to Indian ears, as is deeper defence cooperation. India's stand on the OBOR was vindicated. India was declared a more "responsible" power and a key element in Washington's apparent desire to build a coalition against China. The speech was a sign of India's handling of the Donald Trump Administration, which has been, under the circumstances, deft.

But the euphoria over the American embrace needs to be tempered. The nature of leadership matters. Trump's credibility and reliability is, to put it mildly, still an open question. The timing of Tillerson's speech may be a coincidence. But in a status-conscious global order, it is not difficult to interpret this speech as one where the US decides to fire a salvo on China using India's shoulders, just to coincide with the Party Congress.

China's assertiveness may drive India to seek a deeper partnership with the US; India may have its own reasons to up the strategic play with the US. But it is risky for India, if India's choices are consistently framed by the US in terms of a US narrative. This, in a sense, risks hijacking India's choices for American purposes and makes Indian power projection more difficult. It is one thing to combat China for your own reasons, and to even seek partnerships to do it; it is another to be mischievously co-opted in a narrative of Sino-American competition in Asia that is not your own.

The triumphalist and public ideological framing of an India-US entente does not help.

Tillerson's speech hinted at alternative financing mechanisms to counter the OBOR. But there is no sign that the US is actually going to devote more resources to counter China's development strategy. The OBOR is rightly criticised for being more a series of bilateral deals, put together in an ambitious Chinese framework and on terms that may not exactly favour the beneficiary countries in the long run. But the OBOR arose in a context where global development priorities paid short shrift to the centrality of infrastructure, and global institutions were increasingly rendered irrelevant. There is very little evidence that the Trump administration has the commitment or wherewithal to renewing or creating new kinds of multilateral institutions that can give countries credible development options.

India is doing the right thing by trying to team up with countries like Japan, but without an invigorated multilateralism on development, it is hard to see it countering China. It is not clear the US will be an ally in this endeavour. China's infrastructure financing remains important for the world (just ask how much of Digital India depends on it). The best hope of avoiding polarising conflict in Asia is to give China its intellectual due on the OBOR, while bringing it in a multilateral and collaborative framework. But this looks like an increasingly tall order.

The Iraq war was the first strategic windfall for the Chinese. Trump's election has been the second. Xi Jinping was clear that China is also playing an ideological game. At the moment, the democratic model is on hard times. The decaying quality of democracy, both in the US and India, makes them less robust competitors in the ideological space. Freedom has always been a hypocritical currency in world politics, and sanctimonious grandstanding on democracy can be counterproductive. But by largely turning their back on values of human rights and humanitarianism (for example, in Myanmar), India and the US are letting China define the terms of engagement. It is a measure of how far the US's credibility has fallen that when Xi talks about China being more the custodian of an open global order, and a custodian of "nature's laws," these words sounds less implausible.

Greater cooperation between India and the US is desirable. But as heartwarming as Tillerson's words were to Indian ears, we should recognise their hollowness as well. They were the words of a power that has no conviction in its own values, and used a proxy to make a point. They are the words of a power that is not demonstrating the steadiness of a mature power. An authoritarian, assertive China is a big challenge for India. But it is premature to jump to the conclusion that the US will be the saviour in the Asian Game.

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Tillerson's South Asia rhetoric must translate into action on the ground by both India and US

India and the United States are the world's largest democracies, separated by different worldviews. That has been the fundamental source of friction in the Indo-US relationship. US Secretary of State Rex Tillerson on Wednesday outlined Washington's big picture view of the Indo-US relationship. The degree of consonance with New Delhi's present strategic perspective was striking.

The strategic core of the speech was his declaration that "the Indo-Pacific – including the entire Indian Ocean, the Western Pacific, and the nations that surround them – will be the most consequential part of the globe in the 21st century" and that the greatest challenge to a stable, rules-based Indo-Pacific is a China that has taken to reworking the international system to its own benefit. In contrast, India has been responsible and law-abiding even as it acquires greater power. The US secretary of state took direct aim at China's Belt Road Initiative, echoing Indian arguments that the strings Beijing attaches to its projects, most dangerously in the form of its financing structures, result in a loss of sovereignty and minimal economic gain. Finally, he commits the US to partnering with India and doing what it can to help India in facing this challenge, especially in the field of defence.

This is a hand-in-glove fit with the prevailing sense in New Delhi that control of the Indian Ocean will be their primary security concern in the coming decades. The speech puts geopolitical icing on a series of positive Indian interactions with the Trump administration. However, India has heard similar words from earlier US administrations, notably that of George W. Bush. The question is why such sentiments have struggled to become action on the ground.

Both sides have been to blame. Washington has found it hard to keep focussed on India, finding itself easily diverted by other immediate international problems. New Delhi retains a blinkered approach to a number of policy areas such as trade where it echoes global attitudes of a previous century. Tillerson was silent on the degree of convergence India and the US had on international economic policy. And that is no surprise: India's commerce ministry remains bereft of any sense of strategic thinking. Defence cooperation is another bureaucratic labyrinth that continues to trap the best of political intentions. Solving economic problems is what the Narendra Modi government claims to be all about. It needs to channel some of that energy in the direction of its US policy so that an overlap in worldviews becomes an overlap in tangible reality.

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1TS Ship Visit JAKARTA, INDONESIA**1TS Ship Visit JAKARTA, INDONESIA**

IN Ships Tir, Sujata, Shardul, and ICGS Sarathi are visiting Jakarta, Indonesia from 18 to 22 Oct 17. The visit is aimed to expose the trainees to the conduct of *IN* warship in foreign waters, port familiarisation and foster bridges of friendship between the two countries. The ships belong to the First Training Squadron of the Indian Navy functioning under the Southern Naval Command, headquartered at Kochi and comprises six indigenously built ships, namely, Indian Naval Ships Tir, Sujata, Shardul, Indian Coast Guard Ship Sarathi and two Sail Training Ships, viz. INS Sudarshini and INS Tarangini.

The visit of the ships coincides with the visit of Vice Admiral AR Karve, AVSM, Flag Officer Commanding-in-Chief (FOC-in-C), Southern Naval Command, which is the Training Command of the Indian Navy. On 18 Oct, The Admiral called on Vice Admiral ADE Taufiq R, Vice Chief of Staff, Indonesian Navy and discussed matters of mutual interest to both the countries. The Commanding officers of the Indian ships called on the Naval area commander, Jakarta.

Executive Branch trainee officers, after completing ab-initio training at the Indian Naval Academy, where they earn a B Tech degree, join the First Training Squadron for intensive Practical Sea Training of 24 weeks designed to enable them get their 'Sea Legs'. The Sea Trainees are taught seamanship, basic navigation, ship handling, boat work, engineering aspects besides exposure to the rigours of life at sea. The curriculum also includes sail training onboard the Sail Training Ship, where the trainees are exposed to the elements and get to grip with the art of sailing and rope work. On successful completion of this phase, the trainees are appointed to various ships of the Indian Navy and Coast Guard for the Afloat Training Phase and Seamanship Board. At the First Training Squadron, the *IN* also trains officers from friendly foreign countries.

The Indian Navy has imparted training to international trainees for more than four decades, wherein approximately 13500 personnel from over 40 countries have been trained. Presently **seven** officers from Indonesia are undergoing various Ab-initio to advanced courses at SNC. The Command has gained the reputation of being the finest training destination by maintaining focussed approach to provide high quality training and by constant adaptation to evolving tactics and technologies.

The Training Squadron is helmed by Captain DJ Revar, Senior Officer First Training

Squadron, who is also Commanding Officer INS Tir. He has under him, a team of highly motivated officers and sailors to assist him in conduct of the sea training.

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Trump's decision strengthens the hands of hardliners in Iran

As political roller coasters go, there is none as steep and unpredictable as the one shared by the United States and Iran. Consider how the relationship has changed in the past three years. A consortium of nations, including the US, had come to an agreement on Iran's nuclear status in 2015 that put the country's rogue programme on hold for eight years. The newly elected Iranian president, Hassan Rouhani, came to power strongly supporting better relations with the West and had offered to continue negotiations on the future of the agreement.

But the new US president, Donald Trump, came to power expressing strong reservations about the nuclear deal and Iran in general. Last week Mr Trump, overruling his own cabinet and ignoring most of Washington's strategic community, refused to certify that Iran was in compliance with the terms of the agreement. This has now opened the door for the US Congress to impose even more stringent sanctions against Iran if it wishes. Mr Trump has called for the other countries that negotiated the deal to make it more stringent and more dependent on Iran changing its support for insurgencies and terror groups. Iran has publicly rejected the idea.

The US president's decision was flawed at a number of levels. By ripping apart an existing agreement, Mr Trump has ensured there is no incentive for Iran to consider further negotiations as he has signalled the US will not honour such texts in any case. At a time when a moderate like Mr Rouhani had come to power, the arbitrariness of the act only strengthens the hands of hardliners in Iran who believe developing a nuclear arsenal is the country's best security bet.

The timing of his announcement could not be worse. Iran's geopolitical standing could not be better. The Islamic State's collapse has meant Iranian-backed regimes are now dominant in Iraq and Syria. Tehran's bitterest opponent, Saudi Arabia, is on the back foot as its famed oil power has been defanged by shale oil and gas and the violent civil war within the Sunni world. There is little incentive for Iran to stop its more unsavoury actions when things are going so well. The US president has torn apart a source of stability in the world system without offering a clear alternative. While Iran is hardly a saint in the international system, it can only be hoped that saner minds will prevail elsewhere in Washington and put any further sanctions on hold.

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Decoding Xi's road map for China

Delegates participating in the twice-a-decade conference of the Communist Party of China (CPC) are poring over President Xi Jinping's marathon opening address on Wednesday, especially his emphasis on the "principal contradiction" facing China.

An explainer published by the state news agency Xinhua has tried to decode the hidden meaning behind the "principal contradiction," purposefully highlighted by President Xi.

"Principle contradiction" is not an "obscure piece of political jargon," but a central part of the "dialectical materialism" through which Marxists interpret the world, the commentary observes.

"Contradictions — or dynamic opposing forces — are omnipresent in society and drive social change. The 'principal contradiction' is what defines a society. By identifying and solving it, society develops peacefully. Left unsolved, it can lead to chaos and eventually, as Marx predicted, to revolution," it adds.

An inaccurate reading of the "principle contradiction" can lead to disastrous consequences. China faced "prolonged social turmoil" after the party wrongly diagnosed "proletariat versus bourgeoisie" or an irreconcilable class war between the working people and the affluent as the "principle contradiction" during the late Mao-era.

But in 1981, the CPC changed its assessment of the "principal contradiction," which led to structural market economic reforms, leading to near 10% expansion of the Chinese economy for the next 30 years.

Today's scenario

The situation has changed yet again. Pointing to the dawn of a "new era," Mr. Xi has stressed that the principle contradiction was now "between unbalanced and inadequate development and the people's ever-growing needs for a better life."

The commentary explains that aspirations among many Chinese have spiralled. Many Chinese are now seeking an education at Oxford or Cambridge, a vacation in California, or a villa in Sydney.

'Inability to satisfy'

"This demand for a better life overseas is derived from an inability to satisfy these desires at home. The very highest level of education is not available or in acute short supply. There are long waiting lists in the very best hospitals. Tourist sites are crowded and services there have hardly advanced at the same pace as people's expectations."

Chinese regions have also developed unevenly. Besides, the gap in personal wealth is a major concern.

"The country's three richest men — two Internet gurus and one property magnate are each worth more than \$30 billion. Meanwhile, millions of people struggle to get by on less than a dollar a day," the report observes.

The fulfilment of aspirations for equitable growth, a cleaner environment, a richer cultural life, and a secure external environment identified by the current "principle contradiction," will guide policy

formulation in the coming decades.

During his address, President Xi pointed to the twin centenary goals — making China a moderately prosperous country by 2021, leading to the emergence of an advanced socialist nation by 2049 when the

People's Republic of China (PRC) was established.

“His [President Xi's] two-stage development strategy spans 30 years, with the objective of making China a “great modern socialist country,” the commentary observed.

Ning Jizhe, a Vice Chairman of the National Development and Reforms Commission (NDRC), China's top planning body, pointed to a mammoth Greater Bay Area plan that would help achieve the “centenary goals”.

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The limits of China's influence over North Korea

Friends in the 1950s: A picture of Mao Zedong and North Korea's leader Kim Il-sung on the Hekou Bridge which links the two countries. AP/Eugene Hoshiko

North Korea and China share a long, porous border, several millennia of history and deep ideological roots. Tens, and possibly hundreds, of thousands of Chinese soldiers, including Mao Zedong's son, died to save North Korea from obliteration during the Korean War, and China is essentially Pyongyang's economic lifeline, responsible for most of its trade and oil.

However, their relationship is less about friendship or political bonds than a deep and mutually uneasy dependency. Nominally allies, the neighbours operate in a near constant state of tension, a mix of ancient distrust and dislike and the grating knowledge that they are inextricably tangled up with each other, however much they might chafe against it.

This matters because if China is not the solution to the nuclear crisis, then outsiders long sold on the idea must recalibrate their efforts as the North approaches a viable arsenal of nuclear-tipped missiles capable of reaching the U.S. mainland, something the CIA chief this week estimated as only a matter of months away.

China's disdain

One clue about how Chinese see the North can be seen in two widespread nicknames for Kim Jong-un — Kim Fatty The Third and Kim Fat Fat Fat.

A growing disdain among the public is reflected in China's willingness to permit criticism of the North in the press, and to allow tougher sanctions at the UN Beijing has suspended coal, iron ore, seafood and textiles from the North.

Still, nothing China has done offsets its underlying fear that too much external pressure could collapse the government in Pyongyang. The nightmare scenario for Beijing is North Korean refugees flooding into its northeast after Seoul takes power in Pyongyang and U.S. and South Korean troops occupy lands that were once considered a buffer zone.

One way to gauge Pyongyang's feelings for Beijing is to consider that Kim Jong-un has yet to visit his only major ally, a country that accounts for 90% of North Korean trade, since taking power in December 2011.

Since communication at the highest levels has now virtually disappeared, Mr. Kim feels little need to pay attention when Beijing calls on him to stop testing nukes and missiles.

In fact, North Korea has seemingly sought to humiliate Beijing by timing some of its missile tests for major global summits in China.

It can be argued that the North Korea-China relationship never really recovered from Beijing's decision in 1992 to establish formal diplomatic relations with Seoul.

But a big part of North Korea's "profound sense of mistrust" and "long-term effort to resist China's influence" stems from the 1950-53 Korean War, according to James Person, a Korea expert at the Wilson Center think tank in Washington. The war is often seen as the backbone of the countries' alliance, he said, but the North blamed the failure to conquer the South on Beijing, which had seized control of field operations after the near-annihilation of North Korean forces.

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China stretches its long arm to Djibouti

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The People's Liberation Army's overseas garrison conducted its first live-fire drills from China's base in Djibouti last month. The base on the Bab-el-Mandeb Strait, where the Red Sea meets the Indian Ocean, was inaugurated in July, and is embedded in Djibouti's new Doraleh Multi-Purpose Port. At the port's opening ceremony two months earlier, two vessels, one owned by Ethiopian Logistics & Shipping Enterprise (ESLSE) and the other by China's state-owned COSCO Shipping Lines, berthed at the port, and fêted Djibouti's President Ismail Omar Guelleh with a long whistle.

The state-owned China Merchants Port Holding has invested \$580 million in the port's construction and owns almost a quarter of Djibouti's ports holding company. It is now in talks to take a stake in ESLSE, in Djibouti's landlocked hinterland. Ethiopia's Prime Minister Hailemariam Desalegn has announced that the ruling Ethiopian People's Revolutionary Democratic Front plans to liberalise the state monopoly that controls the country's seaward and inland transport. Roba Megerssa Akawak, ESLSE's CEO, told this writer he's been informed "at a ministerial level" that China Merchants will be considered for the bid. ESLSE handed the relevant documents, including an inventory of its assets, to a committee at Ethiopia's Transport Ministry before May, when he became CEO, Mr. Roba said.

The committee, overseeing due diligence and a valuation in preparation for the bid, is headed by the chair of ESLSE's board and Transport Minister Ahmed Shide. (Mr. Shide and China Merchants did not respond to requests for comment). Ethiopia's ruling party has not informed Mr. Roba about the size of the stake on offer but once the government decides on a partner, he expects his role will be contracted to a foreigner, or be supervised by "shadow managers".

Prime Minister Hailemariam and China Merchants Group's chairman Li Jianhong met in Beijing in May at the first summit of Xi Jinping's Belt & Road Initiative. The Hong Kong-listed conglomerate then announced that it reached an "agreement" with Ethiopia to build a "logistics channel to improve logistics operational efficiency", but did not mention ESLSE, most of whose cargo is channelled through Djibouti.

Strategic partnership

ESLSE's assets amount to 16.28 billion Ethiopian Birr (\$700 million), according to the monopoly's provisional balance sheet as on June 30. These include inland dry ports, terminals, buildings, land and 11 vessels, according to Mr. Roba. Shortly before the monopoly was formed in 2011 after a merger between three state enterprises, nine vessels were bought from Chinese shipbuilders for almost \$400 million, Mr. Roba said. China Civil Engineering Construction is expanding two of ESLSE's inland dry ports, he said, and these ports are planned to be connected to a road to Djibouti's Doraleh port by a rail link that's also being built by the state enterprise.

Li Qingjie, deputy general manager of China's Ministry of Railway Logistics, attended an August 18 meeting in Beijing between the Vice Chair of China's Central Military Commission, General Fan Changlong (deputy to President Xi Jinping) and the Chief of Staff of Ethiopia's Army, General Samora Yunis. The PLA is willing to contribute to a "comprehensive strategic partnership" with Ethiopia, General Fan said. Ethiopia's Defence Ministry spokesperson couldn't comment on whether the PLA will be permitted to use the dry ports or the railway to Djibouti. The specifics may be released later, but what's beyond doubt is that the Chinese dragon is only growing big in African hinterlands.

China Merchants Port Holding, which owns almost a quarter of Djibouti's ports holding company, is now in talks with Ethiopia's logistics monopoly ESLSE to buy a stake

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India gifts war memorabilia to Bangladesh

Proof of a bond: External Affairs Minister Sushma Swaraj hands over the 1971 war memorabilia to Bangladesh Prime Minister Sheikh Hasina. Special Arrangement

India on Sunday gifted to Bangladesh Prime Minister the memorabilia of the Bangladesh Liberation War of 1971 when an estimated 10 million Bangladesh people took refuge in India and the two neighbours fought together to drive out the Pakistani occupation army.

The memorabilia, handed over to Prime Minister Sheikh Hasina by visiting Indian External Affairs Minister Sushma Swaraj, includes military equipment utilised by the joint forces of India and Bangladesh during the Liberation War as well as large number of artefacts and documents including historical photographs, archival audio and video clippings, maps, battle records, newspaper clippings, documentary films.

Display in museums

The collection is proposed to be displayed at the Bangladesh National Museum in Shahbagh and the Museum of Independence in Suhrawardy Udyan in Dhaka.

Ms. Swaraj called on Ms. Hasina at her official Ganobhaban residence where they held discussions.

The Minister conveyed greetings from Prime Minister Narendra Modi and informed the Bangladesh leader about the discussions at Sunday's Joint Consultative Committee meeting. Various aspects of the bilateral relationship including security, trade and connectivity, development cooperation, power, energy and sub-regional cooperation were discussed.

On the ongoing Rohingya crisis, the Minister reaffirmed India's continued support. Under 'Operation Insaniyat', India provided 1000 tonnes of relief material for about 5,00,000 displaced persons, she said.

Rohingya crisis

She also stressed that India was "deeply concerned" at the situation in the Rakhine State of Myanmar, and added: "It is imperative that normalcy in the State is restored expeditiously and a lasting solution found at the earliest."

Ms. Hasina thanked India for the support it had rendered for the distressed Rohingya humanity.

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India for safe return of Myanmar nationals

The Commission has suggested a number of measures for a “peaceful, fair and prosperous future for the people of Rakhine.”

Ms Swaraj said the only long-term solution to the situation in Rakhine is rapid socio-economic and infrastructure development that would have a positive impact on all the communities living in the state. India, for its part has committed to providing financial and technical assistance for specific projects to be undertaken in Rakhine in conjunction with the local authorities, she added.

Mr. Mahmud Ali said Dhaka has urged India “to contribute towards exerting sustained pressure on Myanmar to find a peaceful solution to the crisis including the sustainable return of all Rohingya to their homeland.”

Though the Minister was in Dhaka for the India-Bangladesh Joint Consultative Commission meeting, the Rohingya issue dominated talks as the crisis took a new turn, with more than half a million of them entering Bangladesh since August 25, fleeing ethnic cleansing. Bangladesh has been seeking international support, including from India, for their safe return.

The Bangladesh Foreign Minister thanked India for its support and said India is “our most important, trusted and friendly neighbour.” He added that the relations now stand on a “historic new height” due to initiatives taken across sectors.

Attaching the “utmost importance” to its relations with Bangladesh, Ms. Swaraj said, “Our relations are based on fraternal ties and are reflective of an all-encompassing partnership based on sovereignty, equality, trust and understanding that goes far beyond a strategic partnership.”

“India has always stepped in to assist Bangladesh in times of need,” she said recalling the 1971 war of independence when the Indian army shed blood with Bangladeshis to liberate the country.

The India-Bangladesh meeting, which was co-chaired by Sushma Swaraj and her Bangladesh counterpart, reviewed cooperation in countering terrorism and extremism with both sides vowing to maintain zero tolerance to terrorism and extremism.

Bangladesh Foreign Minister Ali said both reiterated their commitment “not to allow use of our soils against each other’s interest”.

Teesta sharing

The pending Teesta water sharing issue was also discussed, with Mr. Ali recalling the statement by Prime Minister Narendra Modi in April during Sheikh Hasina’s visit to India that the Teesta agreement would be signed during the current tenure of the two Prime Ministers.

Both ministers also witnessed the signing of three bilateral documents which include capacity building in SMEs, sale-purchase agreement between Bangladesh Petroleum Corporation and Numaligarh Refinery of India. Ms Swaraj also met Prime Minister Sheikh Hasina, Leader of the Opposition Raushan Ershad and BNP Chairperson Khaleda Zia on Sunday.

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Rules to be eased for Tibetan refugees

India is all set to simplify travel rules for Tibetan refugees who want to visit foreign countries. Currently they have to secure an “exit permit” from the Home Ministry before applying for a visa with any foreign mission.

The Centre wants to do away with the “redundant” procedure, a senior official told *The Hindu*.

The official said the refugees would be provided with a no-objection certificate at the time of issuance of identity certificates and that would be enough for them to travel to any foreign country.

“The present rules are such that a Tibetan refugee has to apply for an exit permit every time he or she has to travel abroad. Since identity certificates are issued after carrying out due diligence and background check, the exit permit is an unnecessary requirement,” said the official.

He said the Home Ministry would soon get approval from the Cabinet Committee on Security. The Ministry of External Affairs will then issue a notification informing all foreign missions of the exit permit clause being removed. As per the latest Home Ministry data, more than one lakh Tibetan refugees are settled in India. Major concentrations of the Tibetan refugees are in Karnataka, Himachal Pradesh, Arunachal Pradesh, Uttarakhand, West Bengal and J&K. Tibetan refugees began pouring into India in the wake of the flight of the Dalai Lama from Tibet in 1959.

The government decided to give them asylum as well as assistance towards temporary settlement.

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In a foreign policy haze: on India-US relations

In an ambitious statement ahead of his visit to India this week, [U.S. Secretary of State Rex Tillerson set the course for India-U.S. relations](#) going ahead, mapping convergences in connectivity, trade and economics and counter-terrorism cooperation. He said the “most profound transformation” was their growing strategic convergence, and agreed that “the world’s two greatest democracies should have the two greatest militaries.”

His comments were welcomed in New Delhi, especially as they contained several broadsides on China’s actions in the [Indo-Pacific and on its Belt and Road Initiative \(BRI\)](#), which India has fiercely opposed. He also displayed a keen understanding of India’s strengths as a “diverse, dynamic, and pluralistic” democracy.

Despite Mr. Tillerson’s effusive words, however, it may be necessary to curb any enthusiasm until the U.S. policy compass itself is more settled, given that the policies of the Trump administration have thus far defied a clear reading. Worse, they have sent out confusing signals, with policy, public statements, and Twitter bursts often contradicting each other. A case in point was the Coleman hostage release story last week, that led to a slew of statements on the U.S.’s relationship with Pakistan.

Starting to develop much better relationship with Pakistan: Trump

Just days before U.S. Defence Secretary James Mattis and Joint Chiefs of Staff Chairman Gen. Joseph Dunford had told a Senate armed service committee that Pakistan’s Inter-Services Intelligence (ISI) has proven links to terror groups and suggested the partnership with Pakistan was all but over. After the release, President Donald Trump tweeted that he was beginning to “develop a much better relationship with Pakistan and its leaders”. Shortly after, his Chief of Staff John Kelly referred to Pakistan as a “great partner”, while Mr. Tillerson said Pakistan was critical to regional stability.

Yet, reports that the raid by Pakistan had come not through intelligence cooperation but coercion — a team of Navy Seals had threatened to go in, Zero Dark Thirty-style, if Pakistani forces didn’t rescue the five-member Coleman family before they were transferred across the border with Afghanistan — called into question these fulsome words of praise.

Even more confusing were the actions. As U.S. forces resumed drone strikes in the Af-Pak region, their big kill was Omar Khalid Khorasani, the leader of the Jamaat-ul-Ahrar, which targets Pakistan, not Afghanistan. Meanwhile, the U.S. rejoined the Pakistani-led Quadrilateral Coordination Group along with Afghanistan and China, that seeks to bring the Afghan Taliban to the table for talks, a group that’s carried out deadly attacks across Afghanistan just last week. As a result, it may seem that the U.S.’s South Asia policy has mixed up its carrots and sticks in the Af-Pak region.

For India, it is disappointing that Washington has not been similarly pro-active in condemning the Pakistan government’s decision to drop terrorism charges and paving the way for 26/11 [mastermind and Lashkar-e-Taiba leader Hafiz Saeed’s release from detention](#), while it is hoped that Mr. Tillerson will make those statements in Islamabad. Instead, Mr. Tillerson appears to be keen on brokering dialogue between India and Pakistan, saying that he hopes to “ease tensions along their border.”

Some of the confusion in public statements clearly stems from the ‘disconnect’ in Washington, with the White House, the U.S. military establishment, and the State Department on different pages. It

is no secret that Mr. Trump, Mr. Tillerson and other decision makers have often been at odds over policies on Afghanistan, Iran, North Korea, Qatar, climate change, etc. In an interview last week Mr. Tillerson admitted to the differences, and even that he was often informed of presidential policy by tweet.

"I wake up the next morning, the President's got a tweet out there," Mr. Tillerson told *The New York Times*, a circumstance that saw the U.S. President praise Saudi Arabia for its moves to isolate Qatar, even as Mr. Tillerson travelled there to play the part of neutral mediator. Similarly, during American talks with North Korea, Mr. Trump all but scuttled Mr. Tillerson's efforts with a tweet that said he was "wasting his time trying to negotiate with Little Rocket Man".

Several American media outlets have confirmed that Mr. Tillerson wanted to resign in July, and called Mr. Trump a "moron", and even as he headed out to West Asia and South Asia, at least one national daily speculated that he would quit within the week. While the U.S.'s internal politics should not, normally, concern others, the fact is that this level of instability and incoherence in foreign policy is unprecedented.

Trump says he has 'total confidence' in Tillerson

The contradiction in U.S. policies is even more significant for India, as the two policies announced by Mr. Trump for the region, his South Asia policy for Afghanistan and his policy on Iran, are at odds with each other.

According to Mr. Trump's Iran strategy, announced on October 13, the [U.S. will increase sanctions on Iran to ensure it can no longer "finance terror"](#), while refusing to certify its nuclear programme as required. Theoretically, this may not mean much to India. Practically, it will have a three-fold effect. To begin with, trade with Iran, which is already constrained by previous U.S. sanctions and diktats, will be very hard to enlarge. At present only a couple of Indian banks and almost no European banks can be used for non-oil trade, and Mr. Trump's statement will ensure few others will venture to do so. Indian oil imports from Iran have also been decreasing, mainly due to American pressure.

Second, if Iran is unable to conduct more trade, it will have less incentive to focus on the new Chabahar port over the pre-existing trade through Bandar Abbas. This would certainly impact India's plans for connectivity to Afghanistan and Central Asia.

It also remains to be seen whether the Trump administration would countenance Indian investment in Chabahar, the development of the railways through to Zahedan, and regular trade through Iran in order to increase assistance to Afghanistan, as the U.S.'s South Asia policy encourages, given the tough language it has employed in its Iran strategy. What guarantees would there be that Mr. Trump, who is willing to overturn the Iran nuclear deal, would not expect friendly countries like India to follow suit in helping 'squeeze' Iran?

As Mr. Tillerson touches down in Delhi for his first visit to the region as Secretary of State, New Delhi must prepare for the challenges ahead with this wobbly compass in hand.

The government has a multi-fold challenge before it, to address its concerns on all these issues, while keeping the focus on the India-U.S. bilateral relationship, which is largely more beneficial for India. This will be yet more complicated as Delhi hosts Afghan President Ashraf Ghani on the same day that Mr. Tillerson arrives, and the talks could give the appearance of a trilateral. As Mr. Tillerson travels to Delhi from Islamabad, he will also carry the Pakistan perspective to his talks, a scenario of 'hyphenation' India had previously worked hard to avoid. In the absence of a clearer path ahead for the Trump administration, New Delhi should proceed with caution, before being

drawn into the larger strategic web that the U.S. wishes to weave, both in the Af-Pak and Indo-Pacific regions.

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The Tillerson turn

US President Donald Trump surprised India last August with a major departure from America's South Asia policy by asking Delhi to play a larger role in Afghanistan and demanding that Pakistan immediately shut down the terror sanctuaries on its soil. Last week, it was the turn of Secretary of State Rex Tillerson, who put India at the very heart of America's efforts to balance an increasingly assertive China. In a speech before his visit to the Subcontinent, Tillerson said America wants to be India's most "reliable partner" in an increasingly uncertain world. Looking beyond the bilateral, Tillerson affirmed that India and America "are two bookends of stability on either side of the globe" with shared political values and converging economic interests. As he lauded India's rise, Tillerson did not mince words about the challenges that Beijing poses to freedom of navigation, China's attempts to "subvert the sovereignty" of its neighbours, and its "predatory economic policies". Tillerson called for a more intensive regional collaboration between the US and Asian democracies - India, Japan and Australia - to ensure peace and promote prosperity in the Indo-Pacific.

Delhi has been quick to welcome the Trump Administration's new approach to Pakistan and China - two factors that have long complicated India's relations with America. In facing up to India's concerns about Pakistan's use of terror as an instrument of foreign policy and China's quest for hegemony in the Indo-Pacific, Trump and Tillerson have certainly raised hopes for a closer regional alignment between Delhi and Washington. But there is no dearth of sceptics who caution India against premature celebration. The US foreign policy establishment that is appalled at the Trump Administration's incoherence and wild policy vacillations is barely saying two cheers to America's renewed enthusiasm for India. The traditionalists in the Indian strategic community have always questioned the potential for any basic shift away from US partnerships with Pakistan and China.

To be sure, Rawalpindi's critical role in stabilising Afghanistan and America's worries about Pakistan becoming a rogue nuclear state have tended to stop the US from dealing with the sources of terror there. America's extraordinary economic interdependence with China and Washington's need for Beijing's cooperation on a range of regional and global issues deter the US from an explicit balancing strategy. But India should resist the temptation for an endless debate on whether America can move away from China and Pakistan and be India's reliable partner. Delhi should focus, instead, on strengthening practical cooperation wherever possible with Trump's Washington. In the talks with Tillerson this week, Delhi must seek to stiffen America's resolve to confront the Pakistan Army's sponsorship of terror, encourage him to discard the residual bureaucratic hesitations in Washington about supporting India's rise and delineate the pathways for constructing a stable balance of power system in the Indo-Pacific.

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Donald Trump's Iran folly and India's dilemma

On 13 October, US President Donald Trump, in a much-anticipated move, declared Iran a “rogue regime”, a sponsor of terrorism, and an aggressor in the Middle East. Although none of this relates to the hard-negotiated Joint Comprehensive Plan of Action (JCPOA) on Iran's nuclear programme, Trump announced that he would no longer certify—as mandated by the US congress' Iran Nuclear Agreement Review Act (Inara)—that Tehran was in compliance of the deal. In doing so, Trump may have set the stage for war with Iran and for further nuclear weapons proliferation in the Middle East and North-East Asia. Trump's pronouncement also has major implications for India.

Trump's populist speech ignored International Atomic Energy Agency (IAEA) reports, which have consistently noted that Iran has been in compliance of its JCPOA obligations. He also disregarded pleas of his own cabinet as well as other parties to the JCPOA, particularly the European allies, who were also involved in the painstaking negotiations with Iran. Instead, the speech was primarily aimed at appeasing his domestic base and allies like Israel and Saudi Arabia. This is evident from the emphasis on “the regime's destabilizing activity and support for terrorist proxies in the region”, “financing of terror”, and “proliferation of missiles and weapons that threaten its neighbours”. Although all of these are of concern to Washington, it is not clear how abandoning the deal would compel Tehran to alter its behaviour in the region.

Yet, despite the shrill tone of Trump's declaration to decertify Iran, he stopped well short of pulling out of the JCPOA—for now. Trump's speech was, at best, an effort to preserve the JCPOA for the present but also threaten its future. Instead, he warned a Trump-weary, Republican-dominated congress that he would terminate the deal if it did not address the JCPOA's “sunset clause”, which concludes the deal around 2030, as well as restrictions on Iran's missile programme. Worse, Trump imposed unilateral sanctions against Iran's elite Islamic Revolutionary Guards Corps, the first time that the US has imposed sanctions against the armed forces of another country. This myopic and dangerous move is likely to instigate Iran's force to step up its activities, particularly in Syria.

Against this backdrop, the US congress has three options. First, it could ignore Trump's decertification. Given that the IAEA is authorized to regularly report on Iran's compliance, the congress could simply accept these reports in lieu of certification by the Trump administration. This move, however, would render Inara ineffective. Second, the congress could insist that the administration has to justify with much more evidence its decision to decertify. At present, the administration has offered mere innuendos and argued that Iran “is not living up to the spirit of the deal”, implying that it is in compliance with the letter of the deal. Any intransigence on the part of the White House might compel the congress to block other items put forward before it by the administration. A third possibility is that the congress, which has never been very fond of the JCPOA to begin with, might actually take up the administration's call to either sanction Iran again or to agree that the deal should be renegotiated. Given the differences within various congress factions and the difficulty of renegotiating a complex multi-party deal, this is the least likely option.

Clearly then Trump's decertification move is unlikely to have any significant impact on either Iran's missile programme or its behaviour in the region. Unilateral sanctions have never forced any country to change course. Besides, by disengaging with the deal Washington is also leaving the path open for its European allies as well as Russia and China to benefit from the peace dividend via trade and sale of equipment, such as civilian aircraft.

On the other hand, Trump's move to renege on the JCPOA will also send a clear signal to North Korea to both step up its nuclear and missile programmes and also treat any US offer of negotiations or an agreement with the deepest of suspicions. Pyongyang has been wary of US

deals, given its experience with the poorly executed 1994 framework agreement and the fate of Libya's Muammar Gaddafi after he willingly gave up his nuclear programme. The Iran decertification move will merely offer yet another excuse for North Korea's regime to ensure its security by building up its nuclear arsenal.

For India, the revival of the US-Iran spat is likely to have geopolitical and geo-economics repercussions. As the second largest importer of crude from Iran, India will be haunted by the spectre of having to drastically reduce its supplies again, just as it was forced to in the pre-JCPOA period.

Similarly, despite the warm speech by US secretary of state Rex Tillerson on the eve of his maiden official visit to New Delhi, hailing India as a key partner in the Indo-Pacific, renewed tensions between Washington and Tehran might also cast a shadow on the burgeoning Indo-US relations. While both countries will seek to manage their differences, as evident from the absence of any reference to Iran in Tillerson's speech, it may still dampen the otherwise sunny prospects. Moreover, how India responds to Trump's virtual call to arms against Iran will also have an impact on New Delhi's relations with Israel and Saudi Arabia. Clearly, Trump's myopic and dangerous move against Iran imposes an additional burden not only on bilateral Indo-US relations but also India's Link West policy in general and the Chabahar project in particular. The price of Trump's folly might prove exorbitant for India.

W.P.S. Sidhu is professor at New York University's Center for Global Affairs and associate fellow at the Geneva Centre for Security Policy. Comments are welcome at views@livemint.com

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Pakistan's economic dependence on China is dangerous

Something is rotten in the state of Pakistan's external finances. One would think that Pakistan, the home of the flagship project of China's trillion dollar Belt Road Initiative, would have an overflowing external account. It is early days yet, but so far the China-Pakistan Economic Corridor's economic consequences have been disastrous. The World Bank recently warned Pakistan it would face an external financing crisis next year. It noted the country would need \$17 billion to cover a rising current account deficit and debt payments. The State Bank of Pakistan, the country's central bank, had sounded a note of alarm earlier when the current account deficit for the 2016-17 fiscal year unexpectedly jumped 149% from the previous year – from less than \$5 billion to over \$12 billion.

There is little evidence of Chinese munificence in Pakistan's foreign exchange reserves and trade figures. Pakistan's foreign exchange reserves have fallen to \$13.8 billion in September, the lowest since 2013. And partly because its improving connectivity with China is resulting in a flood of imports, its trade deficit has widened dramatically. While China is by far the largest source of foreign direct investment in the country, this is less impressive when one realises Pakistan attracted a total of \$2 billion in FDI last year. While an improvement on the previous year, it is less than half of what the country used to attract even five or six years ago. At a time the world is flush with cheap capital and the Pakistan economy is growing at over five per cent a year, the lack of foreign investment is more than a bit surprising. Even China's \$ 800 million plus investment flows are hardly eye-popping.

There are a number of reasons for Pakistan's financial condition. It has long depended on the foreign exchange earned from remittances, flows which have halved as the Persian Gulf economies slow down. The restrictions of some Gulf states on Pakistani migrant labour is also part of the story. But what may be most telling is the lack of serious attempts to attract foreign capital. Pakistan's establishment seems to have concluded that the CPEC will provide for all of their economic needs and that, therefore, they need not actually do the hard work of reforming their economy. For example, to save the Pakistani rupee from crashing, the country has twice run to China this year alone and borrowed \$ 1.4 billion. The question is how long Beijing is prepared to be so generous or what price will it extract in return.

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Not just strategic ties with Dhaka: Sushma

Sushma Swaraj inaugurates the new chancery of Indian High Commission in Dhaka on Monday. PTI/Twitter

India will resolve all irritants in ties with Bangladesh with sincerity, External Affairs Minister Sushma Swaraj said on Monday as she inaugurated 15 Indian-assisted development projects worth about \$8.7 million.

On the second and concluding day of her visit, Ms. Swaraj lit the ceremonial lamp to mark the opening of the sprawling chancery complex of the Indian High Commission here.

During the ceremony, she also launched 15 development projects being funded by India. "India is following a policy of neighbours first, and among the neighbours Bangladesh is foremost," Ms. Swaraj said at the function, describing bilateral relations as having gone beyond a strategic partnership.

'Ironing out irritants'

She also referred to the peaceful solution of the land and maritime boundary issues. She said the relations between the neighbours were now outstanding, and that both countries were working to resolve irritants in the spirit of "friendly relations and with the right intention". She did not specify the nature of the issues, but the water sharing of common rivers, particularly the Teesta, had long been pending.

The development projects, worth about \$8.7 million, include installation of 11 water treatment plants in the southwestern coastline of Pirozpur, 36 community clinics and reconstruction of Dhaka's historic Ramna Kali Temple destroyed by invading Pakistani troops in the 1971 liberation war.

Bangladesh's Foreign Minister A.H. Mahmood Ali, Health Minister Mohamad Nasim and Prime Minister Sheikh Hasina's political affairs adviser H.T. Imam were among those present.

Ms. Swaraj also gifted books, computers, multimedia equipment to the Hindi and Sanskrit departments of the University of Dhaka, Chittagong and Rajshahi.

Ms. Swaraj arrived in Bangladesh on Sunday for the annual meeting of the India-Bangladesh Joint Consultative Commission. She returned on Monday.

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The Abe manoeuvre

Prime Minister [Shinz Abe's Liberal Democratic Party has secured a resounding victory](#) for a third term in the poll to the Lower House of Japan's Diet. The development bucks the recent trend in advanced economies of incumbents being returned with much-reduced margins. A vindication of his decision to call elections a year ahead of schedule, the outcome increases Mr. Abe's prospects of winning a third term next year as leader of his conservative party and becoming Japan's longest-serving premier. The deeper import of the verdict, however, lies in the requisite two-thirds mandate to press ahead with plans to revise the country's U.S.-backed post-War pacifist constitution to reflect current geopolitical realities. The prospect of securing such a large majority had seemed in doubt given the public scepticism over amending the charter, coupled with a drop in Mr. Abe's personal ratings. Now, having cleared that hurdle, he would hope to garner support to accord legal status to the Japan Self-Defence Forces, leaving intact the no-war provisions in the 1947 constitution. In this, he would count on the backdrop of escalating tensions over North Korea's nuclear belligerence and China's growing military influence in the region. But public approval of the proposal in a plebiscite will be the all-important challenge. Sunday's verdict was otherwise largely a foregone conclusion, as the charismatic Governor of Tokyo, Yuriko Koike, did not even contest the race from the new platform she had launched, the Party of Hope. In any case, her fundamentally conservative orientation, even on the constitution, left voters with no real alternative. The opposition Democratic Party, facing months of internal turmoil, initially considered fielding candidates under the banner of Ms. Koike's party. But the latter's insistence on a loyalty test for nominees led to a split within the opposition.

Japan introduces negative interest rate to boost economy

With a firm mandate, the government should be able to focus more on the Abenomics strategy to further stimulate growth and demand. A June assessment of the International Monetary Fund points to the country's sustained growth and record unemployment as evidence of the success of the model. Also significant is the Fund's support for the Bank of Japan's continued loose monetary policy in the face of weak demand. Mr. Abe's poll promise to further boost the fiscal stimulus should please critics who say that concerns over public debt were being overplayed. Whereas Mr. Abe is weighing a sharp increase in the controversial consumption tax up to 10% by 2019, the Fund has proposed a more calibrated approach. Such an alternative may be the right course in a country with a declining working-age population, and faced with persistently low consumer spending. Mr. Abe has his eyes set on seeing the country through the 2020 Tokyo Olympics. Japan will by then be a very different country from what it was in 1964, when it first hosted the Summer Games.

Rajasthan's ordinance shields the corrupt, threatens the media and whistle-blowers

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With or without the veto

Hand drawn simple vector prohibition icon, brush drawing red realistic stop symbol, hand-painted not allowed sign isolated on white background.

Some recent statements of Nikki Haley, the U.S. Permanent Representative to the UN, suggest, in a somewhat befuddled manner, that the American position on an expansion of the [Security Council is evolving to favour India's permanent membership](#) without the power of the veto. But instead of exploring the idea further with the U.S., the Indian "government sources" which responded to Ms. Haley took a combative position and stated that there was no change in India's stand that it should have "the same obligations, responsibilities and prerogatives as the existing permanent members of the Security Council." India seemed unaware that it had, together with the others in G-4 (Brazil, Germany and Japan), conceded that veto should not be an issue, at least for the present.

In March, Ms. Haley had candidly admitted that she did not know much about Security Council reform. In June, she seemed more informed, but not fully. "We have told all members of the UN that we are in support of Security Council reform, as long as they don't take our veto away," she told members of the House Foreign Affairs Committee during a Congressional hearing. If the only issue was protecting the veto of the U.S., the expansion could have taken place long ago, as no one had ever suggested that veto of the permanent members should be taken away. The new candidates were only demanding the same veto power for themselves, and the U.S. and other permanent members were firm in rejecting such demands.

India can help U.S to keep an eye on Pakistan, says Nikki Haley

Ms. Haley's latest comment was even more specific about the veto: "So, the key to getting India on the Security Council would have to be not to touch the veto." She said the U.S. was already on board, but there was need to focus on Russia and China, the two permanent members of the Security Council who do not want to see any changes.

If Ms. Haley's statements indicate the present thinking of the Trump administration, it is a definite advance in the U.S. position. When India put forward the proposal for an expansion of the non-permanent membership of the Security Council in 1979, the U.S. opposed it vehemently. But after the end of the Cold War, when the pressure mounted for expansion of permanent membership, the U.S. took the position that it could live with "one or two" additions to permanent membership, without identifying the countries.

Between the two options that then Secretary General Kofi Annan had given in his report, "In Larger Freedom" in 2005, the permanent members had supported "Model B", which did not envisage any kind of expansion of permanent membership. It provided for no new permanent seats but created a new category of eight four-year renewable-term seats and one new two-year non-permanent (and non-renewable) seat, divided among the major regional areas. "Model A" was placed in the report at the insistence of the Indian representative, Gen. Satish Nambiar. It provided for six new permanent seats without the veto, and three new two-year term non-permanent seats, divided among the major regional areas.

During his visit to India in 2010, President Barack Obama had said he looked "forward to a reformed UN Security Council that includes India as a permanent member." This gladdened India, but the U.S. delegation did not take any follow-up action at the UN.

The compilation of the views of member states, published two years ago, clearly indicated that the

U.S. merely favoured a “modest expansion”, without supporting any formula under consideration and no alteration or expansion of the veto. Unlike France and the U.K., the U.S. made no mention of support to India as a permanent member. Among the permanent members, the opinion of France was closest to India’s in the sense that it supported the addition of five new permanent members, including India, without any objection to veto being extended to them. The U.K. supported the G-4 without the power of veto. Russia, an old supporter of India, was non-committal and China indicated that the time had not come for any serious negotiations on the subject.

Ms. Haley’s statement opens up the possibility of permanent membership for India without veto. A draft resolution circulated by the candidates had already conceded that they would not expect to have the veto at least for 15 years. Thus a meeting point has emerged between the U.S. and G-4. But since it appeared that she had framed her comment for the consumption of Indian Americans, it looks like a PR exercise, nothing more.

India should pursue the lead Ms. Haley has given. If nothing else, the present impasse in negotiations will end and there will be new vigour in Security Council reform.

T.P. Sreenivasan, a former Ambassador, was the Governor for India of the IAEA and Executive Director of the IAEA 2020 Programme

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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Brinkmanship in Spain: on Catalan conflict

The [Catalan conflict continues to deteriorate](#) with every passing day. In the aftermath of the referendum on October 1, both the Spanish and Catalan governments have continued to adopt a hard line. This has made it impossible for a productive dialogue to emerge, which could have steered the situation towards a resolution. At the same time, the Spanish king has also not taken control of the situation. In a televised address after the events of October 1, King Felipe VI merely condemned the Catalans for their 'illegal' actions and urged them to cease and desist.

The Catalan Parliament is to now meet over the coming days to respond to the Spanish government's unprecedented and recent decision to impose direct rule. Meanwhile, speculation mounts that the Catalan regional president, Carles Puigdemont, is planning to press ahead with a unilateral declaration of independence. He has accused the Spanish government of "slamming the door on his appeals for dialogue to resolve the country's worst political crisis since its return to democracy 40 years ago".

In the absence of any productive dialogue, threats and flashes of extremism have found their way into the discourse. The Catalan government went ahead with the 'illegal' referendum on October 1, with complete disregard for Spanish legal norms. The Spanish government retaliated with the use of force. The Spanish constitutional court has also banned parliamentary activity in Catalonia.

Spain could invoke Article 155 of the Constitution, which allows for direct rule to be imposed in a crisis in any of the country's autonomous regions and effectively allows the Spanish government to forcibly take control of Catalonia's administrative bodies. Stuck in the middle of these extremist positions, the peaceful and quiet life of Catalonia is in peril. The highly politicised situation has seen neighbours turn on neighbours and friendships destroyed.

All you need to know about Catalonia's independence referendum

The political escalation of the situation has made Catalan society more polarised. While a large and highly public section of the population demands independence, a potentially equivalent but subdued section wishes to remain within Spain. In recent days, the latter group has found greater representation in the public sphere, with people sporting combined flags and flag posters at bus stops across Barcelona. The referendum saw 90% of the 2.26 million Catalans vote in favour of independence. The region has an estimated 5.3 million voters. Officials said 770,000 votes were lost due to disruption after polling stations were raided by Spanish police. Reports also suggest that a large number of the pro-Spain population of Catalonia could take to the streets. This polarisation of Catalan society does not bode well for peace and quiet.

Violence between pro-independence and anti-independence groups is highly uncharacteristic of the laid-back and peaceful Catalan lifestyle. Its emergence underlies the fact that the conflict is extremely serious and must be resolved quickly.

The impact on Catalan society doesn't stop there. Already, there has been a drop in the demand for apartments and hotels in Barcelona. Sabadell and Caixa, two of Spain's biggest banks, are shifting out of Barcelona. The Spanish government has also facilitated similar moves by allowing companies to expedite shifting out of Catalonia without having to consult shareholders first. If Catalonia does manage to gain independence, it would not bode well for its economy. It would have to set up new, independent institutions of governance to control air traffic, immigration, diplomatic relations and a new currency. It would risk losing European Union (EU) membership, and isolating the Catalan economy. Questions have also been raised regarding Catalonia's share of Spain's national debt. Political independence would come with a huge economic cost. Are the

people of Catalonia willing to accept these consequences for independence?

Historically, the [conflict between the Catalans and the Castilians](#) can be traced back to 1714, when Catalonia was first incorporated into the Spanish Empire by King Philip V. Generalissimo Francisco Franco's Fascist regime in the 20th century reopened this conflict. The clear motivation of Franco's regime – and his Spanish nationalistic agenda – was the elimination of everything Catalan. He banned public use of the language, education in Catalan and even the use of Catalan names. These totalitarian restrictions were combined with use of force and imprisonment. This has left a lasting feeling of otherness in the Catalans. The memory of Franco is fresh in their minds.

The Spanish government's recent activities — arresting Catalan ministers and police violence at voting stations — encourage parallels drawn with Franco. On the streets of Barcelona, young adults believe that the rights their grandparents fought for have been lost again to the Spanish.

Pro-independence Catalans point out that the referendum was authorised by a Bill in the democratically elected Catalan Parliament. The demands they invoke — democracy and the right to vote — are cornerstones of the modern political regime. However, the referendum is also in direct conflict with the Spanish Constitution, which expressly prohibits secession. The Parliamentary Bill has been suspended by the constitutional court and the referendum declared illegal.

Regardless of the situation, the law is paramount and holds precedence over everything else. Any demand for independence must come from within the structure of the law, and not beyond it. Therefore, as it stands, the Catalan referendum is a violation of the rule of law and democratic principles.

But these are courtroom arguments and hold no merit when compared to the feeling of persecution among Catalans. In the past, the Spanish government has glossed over Catalan demands for greater autonomy. The complexities of the Catalan revolution are not lost on a student of politics. Both sides believe their conduct is correct, when in fact they can just as easily be perceived to be wrong in their actions. The EU has distanced itself from the situation, calling it an internal conflict. Yet, this is the first time in history that a revolution has begun in an established liberal democracy where citizens enjoy a comparatively high degree of personal rights and freedoms. This highlights the peculiar nature of the conflict and the reasons for discontentment among the people.

International mediation by the EU seems the most plausible non-violent solution. It is the only solution capable of bringing both sides to the table and having a rational dialogue of demands and counter-demands. The Spanish King could also perform this role, but has chosen not to. Regardless of the potential costs, pro-independence Catalans will go to any end for their demand of a state of their own and will not stop before they have some measure of success. A solution must be found before the situation descends into mass violence.

Armin Rosencranz is a professor of law at Jindal Global University, Sonapat, where Pranay Modi is a law student

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Raja Mandala: The road to partnership

In calling for an ambitious 100-year partnership with India last week, US Secretary of State, Rex Tillerson, has drawn attention to an enduring paradox that marks the relationship between India and America. One dimension of the paradox is about the gap between expert expectations and actual outcomes. Pundits in both countries have been consistently sceptical about the prospects of India-US cooperation. No other major Indian relationship has been subjected to such intense bureaucratic suspicion and negative public scrutiny. Yet, the partnership has advanced faster than any other that India launched in the last quarter of a century.

The other is about the fact that the relationship remains way below potential. Neither side has taken full advantage of all the possibilities that have emerged. Consider, for example, the domains of commerce and defence. Gone are the days when trade between the two countries was "flat as a chapati". Annual trade between the two countries has now advanced to \$115 billion, with the surplus in India's favour. Yet multiple obstacles remain in boosting two-way trade to the proclaimed goal of \$500 billion.

In defence, the scale and scope of the exchanges have expanded. America, for example, has become a major arms supplier for India. The volume of Indian defence imports has grown from near zero at the turn of the century to about \$15 billion now. Yet there are residual issues in Washington about supplying advanced defence technologies to India and Delhi remains reluctant to inject greater political content into the security partnership.

One explanation for the enduring gap between public scepticism and the positive trajectory of the India-US partnership lies in the under-estimation of the bipartisan political commitment in both countries to build a strong strategic partnership. Consider the role of the last three US presidents. [Bill Clinton](#) overruled his advisers in deciding to travel to India in 2000 - the first visit by a US president to India in 22 years. The non-proliferation community in Washington said the president should not head to India without significant nuclear concessions from Delhi. Clinton, however, understood that the world's largest democracy cannot forever be put in the nuclear dock. The Clinton visit helped launch a long overdue effort to remove much of the accumulated poison in the bilateral relations during the Cold War.

President [George W. Bush](#) went two steps further. He invested huge political capital to reconcile America with the reality of India's nuclear weapons programme and lifted the decades-old domestic and international restrictions on atomic energy cooperation with India. Bush also got the Washington establishment to end the perennial temptation to mediate between India and Pakistan on Jammu and Kashmir. In what was called the "de-hyphenation" of ties with Delhi and Rawalpindi, Bush put the relations with the two countries on separate tracks. President [Barack Obama](#) resisted the temptations to connect the problems in Kashmir and Afghanistan, completed the negotiations on the nuclear deal, and elevated India to a central position in America's strategy towards Asia and the Indo-Pacific.

The political enthusiasm for India in Washington was matched by the desire of successive recent governments in Delhi to transform the partnership with America. Although the initiative goes back to the 1980s, when [Indira Gandhi](#) and [Rajiv Gandhi](#) sought to end the stalemate between the two nations, it was the end of the Cold War that nudged India towards America. P.V. Narasimha Rao said the "sky is the limit" for the India-US partnership. Vajpayee declared India and the US as "natural allies". [Manmohan Singh](#) presided over the negotiation of the historic civil nuclear deal and the 10-year framework for defence agreement. But the Congress party panicked at the thought of a strong engagement with the US and slowed the pace down.

Prime Minister [Narendra Modi](#), however, shed many of the "historic hesitations" that dogged India during the decades after the Cold War. He has put the relationship on a fast track and raised hopes for realising the full potential of the bilateral relations. Meanwhile many had expected trade and immigration issues might derail ties between India and the US. But both Trump and Tillerson have signalled renewed strategic enthusiasm for India. The greatest potential contribution of the Trump Administration to the partnership could lie in bringing America's regional posture in alignment with India's interests.

Historically, the biggest drag on India-US relations has been the seemingly unbridgeable differences on Pakistan and China. More broadly, Delhi and Washington could rarely come up with a common assessment of the political dynamic in Asia and the Indo-Pacific. In the last couple of decades, Delhi and Washington made progress by setting aside their differences on Pakistan and China. The Trump Administration is promising to change that.

In demanding that Pakistan suspend cross-border terrorism and asking that India play a larger role in the region - from stabilising Afghanistan to balancing China - Trump and Tillerson have begun to clear the path for strategic regional coordination between India and the United States. The India-US conversation about burden-sharing in the Indo-Pacific will necessarily be a prolonged one. Delhi and Washington will need to iron out many wrinkles and progress is bound to be slow and uneven. One thing, though, is quite clear. In the past, US power tended to limit India's room for regional manoeuvre. Now it could contribute to India's leadership in the Indo-Pacific.

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Is China ready to occupy the 'centre stage'?

While 18 October was the day of Diwali in some parts of India, the day was important for a few other things too. In China, the 19th congress of the Communist Party opened with President Xi Jinping delivering a three-and-a-half-hour address. On the same day, Rex Tillerson, the US secretary of state, delivered a speech at the Centre for International and Strategic Studies on the Indo-Pacific and came down hard on China while holding up India as a potential long-term partner. On the same day, I finished reading Y.V. Reddy's *Advice And Dissent: My Life In Public Service*.

According to Reddy, Chinese policymakers do their homework, come well prepared for meetings, are very punctual, share information only to the extent necessary and do not answer questions if the questions have not been given to them in advance. They made it clear that they wanted to beat the US by 2020 in every aspect of the economy. He had observed these traits in the early 1990s. He thought they had the work ethics of the developed world and would grow rapidly. This was his experience in 1993-95. They have proven him right, for the most part.

Xi's address informed the world that China was prepared to take centre stage and offer guidance to the rest of the world on development. He had laid down markers along the way—a moderately prosperous society by 2020; one of the most innovative countries by 2035; and a first-class military by 2050. Commentators also made much of the fact that the target of doubling gross domestic product (GDP) by 2020 had been omitted and this was taken to mean that there would be focus on the quality rather than quantity of economic growth going forward. But we have seen this movie before. Indeed, on the day, the Chinese stock market managed to close with gains due to some last-minute buying in stocks of big companies. This has happened before. It is not hard to guess how.

The People's Bank of China (PBoC) releases China's annual financial stability report in June or July, with the English version following a month later. In July, when the Mandarin version for 2017 came out, Ambrose Evans-Pritchard wrote (for *The Telegraph*, London) about the fact that the size of the Chinese banking system's off-balance sheet assets had been quietly bumped up to 109% of the on-balance sheet assets. The new estimate of off-balance sheet assets of the banking system is 253.52 trillion renminbi, as of 2016.

The English version for 2017 is not yet available on the PBoC's English language website in the usual place, "Financial Stability". But in the "ZeroHedge" blog, I found a link to the English version of the 2017 Financial Stability Report. It confirmed the figure that Evans-Pritchard wrote about. So, now China's off-balance sheet assets in the banking system are about 340% of GDP! In fact, between on- and off-balance sheet assets, based on PBoC calculations, the banking system's assets are about 6.5 times the nominal GDP of 74.4 trillion renminbi for 2016.

Prof. Victor Shih at the University of California at San Diego thinks that the PBoC estimates of banking system assets are overstated because there could be double-counting. He has come up with his own calculations in a new brief for the Mercator Institute for China Studies in Germany (Merics' *China Monitor*: "Financial Instability In China: Possible Pathways And Their Likelihood", 20 October). According to him, overall credit to the non-financial sector (including households, Central and local governments) from banking and non-banking channels (including shadow-banking channels) was around 328% of GDP in May. For comparison, the Bank for International Settlements puts this number at 257.8% as of March. Given this huge debt burden, China's interest payments are rising much faster than its nominal GDP. He notes tersely, "China as a whole is a Ponzi unit." That does not leave much room for doubt.

The massive amount of credit that is being created has become incrementally inefficient.

According to a JP Morgan research note from June, China now needs more credit units per unit of economic growth than it did before the crisis of 2008. The Conference Board, a business lobby and research group in the US, publishes global productivity tables twice a year. Its figures for China are now based on two estimates of economic growth—official and alternative (theirs). According to the “alternative” estimates, China’s GDP growth in 2015 and 2016 was 3.6% (7.5%), 3.9% (7.2%). For 2017, the estimate is 4.1% (6.9%). The official figures are in brackets. These figures are adjusted for purchasing power parity. Similarly, the International Monetary Fund has its own estimate of China’s general government debt and deficit ratios. The estimates are 62.2% (36.6%) and 10.4% (3.7%), respectively, for 2016, with the official figures in brackets. By 2022, it sees these rising to 91.5% and 10.7%, respectively.

China’s leadership might well be aware of these issues. But they have concluded that Western nations are far worse off than them—politically in disarray and economically vulnerable too—and that their relative decline presents them with a “strategic opportunity”. Therefore, they are betting that they would be better off solving their economic problems through a dash for the centre stage now. But heavier reliance on debt in recent years to sustain economic activity has made the case for “hiding and biding” only stronger.

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Read Anantha’s Mint columns [here](#).

Comments are welcome at baretalk@livemint.com.

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India needs to keep an eye on Xi Jinping's 'Chinese dream'

Over the past five years, Xi Jinping has spoken of a "Chinese dream", moved to legitimise it through a philosophy of Xi Jinping Thought and, now, at the 19th National Congress of the Communist Party of China bundled it altogether into a promised "new era" for his country. This seems only reasonable given the power that Xi has accumulated in his first term and the even greater authority he is expected to gain after the Congress is over. Nearly 70% of the party's central committee will be replaced by Xi. He has already carried out the most wide-sweeping purges of the Chinese military and diluted the considerable policy space once enjoyed by the provincial and municipal party units.

China is today the second largest economy in the world and easily the world's number two power. Another several years of sustained economic growth will elevate it to superpower status. If Xi is able to firmly set his country on this track during a second five year term, elevating himself to the same rank as Mao Zedong and Deng Xiaoping may not be too much of a stretch.

However, this may not be as pre-determined as Beijing claims. China's successful investment-based, export driven economic model has been running out of steam the past several years. Growth is being sustained by huge debt infusions that cannot be kept up forever. At the Congress and over the past five years, Xi has argued this has to change. But remarkably little has been accomplished in terms of structural reforms so far. One reason the Chinese leader has centralised authority back into the hands of Beijing was because Xi had to overcome powerful interests who opposed reforming the economy. He has also mobilised support by pushing a nationalist agenda which has included an aggressive foreign policy, especially when it comes to China's territorial squabbles with Japan, Southeast Asia and, to an extent, India.

Xi has signalled that his second term will be more of the same, but with less words and more deeds. In that real economic reforms would produce a more prosperous and more stable China – and thus presumably a Middle Kingdom more at ease with the world -- this would be welcome. However, if Xi continues to believe an assertive, unilateralist foreign policy must remain inherent to a new China, then countries like India will have no choice but to keep a wary eye that the Chinese dream does not mean sleepless nights for the rest of the world.

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New U.S. policy is a game-changer: Ghani

Convergence of ideas:Narendra Modi with Afghanistan President Ashraf Ghani at Hyderabad House in New Delhi on Tuesday.Shanker ChakravartyShanker Chakravarty

India and Afghanistan discussed regional counter-terror efforts and enhancing New Delhi's defence assistance to Kabul during a day-long working visit by Afghan President Ashraf Ghani to India. In contrast to previous bilateral summit meetings, no agreements were announced, but both sides expressed an appreciation for the U.S.'s new South Asia policy, even as Secretary of State Rex Tillerson continued his travels in the region, landing in New Delhi late on Tuesday.

Meets with Tillerson

On Monday, Mr. Tillerson held talks with President Ghani at the U.S.-controlled Bagram Base outside Kabul, while on Tuesday he met the Pakistani leadership in Islamabad.

Mr. Ghani's talks with Prime Minister Narendra Modi, held against the backdrop of those talks, included several bilateral issues, the security situation in Afghanistan, as well as the dialogue process with the Taliban.

"President Ghani exchanged thoughts with Prime Minister Modi following the new U.S. Strategy, agreeing that the strategy is an opportunity for lasting peace and stability in Afghanistan & South Asia; expansion of cooperation between the countries and the region," the Afghanistan Presidential twitter handle said shortly after the leaders met, referring to Washington's new policy of encouraging greater Indian involvement in Afghanistan's development.

Defence support

According to the Ministry of External Affairs, Mr. Modi and Mr. Ghani spoke about India's security support as a strategic partner, including the training of Afghan personnel at Indian military academies.

"The Indian side agreed to extend further assistance depending on the needs of the Afghan defence and police forces," the MEA statement added, although officials told *The Hindu* no specific defence needs were discussed, Afghanistan has pending requests for ammunition and engineers to maintain aircraft and other hardware in Afghanistan as it transitions to newer acquisitions.

When asked at an interaction later about Afghanistan's expectations from India in defence areas, Mr. Ghani said the four Mi-25 Russian helicopters [gifted by India in 2015] were a "lifesaver". "More helicopters will be welcome," he added, with a smile.

In a speech at the Vivekananda International Foundation (VIF), a think-tank, in Delhi, Mr. Ghani also called the new U.S. strategy a "game-changer" aimed at ensuring a regional approach to fighting terrorism, including making Pakistan act against "state sponsorship of sanctuaries" along the border with Afghanistan.

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Xi joins the league of Mao and Deng

The Communist Party of China (CPC) on Tuesday bracketed its General Secretary, Xi Jinping with its star icons, Mao Zedong and Deng Xiaoping.

Mr. Xi's status as a theoretician has been elevated at a time when China is gearing up for a major transition. At the closing session of the 19th Party Congress, the CPC enshrined the "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" in its Constitution.

Only Mao's 'Thought' and Deng's 'Theory' have been embedded in the basic law of the Party-state. Deng's name was added after his death in 1997.

Guide for the party

The contribution of two other former Presidents — Jiang Zemin Hu Jintao — do not carry their names in the Constitution. Mr. Xi's 'Thought' would act as a guide to the Party's work in the coming decades.

As expected, the amended Constitution affirmed that Mr. Xi's signature fight against corruption will continue. The "Belt and Road" initiative, an ambitious programme to build infrastructure linking China with its neighbours and beyond, was also included in the party Constitution.

During his work report read out at the inaugural on October 18, Mr. Xi unveiled a two-stage plan. China, he said would become a "moderately prosperous" society by 2021 — the centenary of the formation of the CPC.

That status would be consolidated till 2035. From 2035, China will aspire to become an advanced socialist country — a target that it wishes to accomplish by 2050, a year after the People's Republic of China (PRC) celebrates its centenary.

During the day, 2,336 delegates approved the new Central Committee consisting of a total of 204 members along with their 172 alternate members. On Wednesday, the Central Committee will endorse the 25-member Politburo, and the top seven leaders comprising the apex Standing Committee of the Politburo. Candidates on Tuesday also voted for the 133 member Central Commission for Discipline Inspection (CCDI) — the county's top anti-corruption body.

There were some indications of likely changes in the Standing Committee, where only the names of Mr. Xi and Prime Minister Li Keqiang stand confirmed. Dousing earlier speculations, Wang Qishan, the spearhead of the anti-corruption drive, will not be part of the new Standing Committee. The 69-year old anti-graft czar has not been included in the new Central Committee, from where the apex leadership is drawn.

Analysts say that there is a strong likelihood that Mr. Wang would be replaced by Zhao Leji, who has been included in the new CCDI list. Mr. Zhao is currently the head of the Party Organisation Department.

Li Zhanshu, another rising star, who is expected to make it to the top seven, is not among the new CCDI members, signalling that he may have been earmarked for another role in the new Standing Committee line-up.

Mr. Li, currently the President's Chief of Staff, has known Mr. Xi since the early eighties, when both served as provincial county chiefs in the northern Hebei Province.

Other possible candidates for the Politburo include Wang Huning, a well-established thinker from Shanghai, who is likely to run the CPC's Central Secretariat focussing on ideology — his prime area of interest. Observers say that Han Zheng, with roots in Shanghai, where he is the Party Secretary, could also be elevated to a top leadership slot.

Another candidate likely to make it to the Standing Committee is Wang Yang. Already a Vice-Premier, he has extensive administrative experience in the Guangdong Province and Chongqing.

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India, U.S. to take up 'high tariff', visa curbs in Washington meet

Suresh Prabhu

India and the U.S. are slated to hold high-level talks this week to boost bilateral trade and investment. On the agenda of the India-U.S. Trade Policy Forum (TPF), scheduled to be held in Washington DC on October 26, are ways to iron out irritants including 'visa curbs' of the U.S. and India's 'high tariffs' on manufactured products and 'restrictions' on e-commerce, as well as steps to expedite the conclusion of negotiations on a bilateral social security pact (or totalisation agreement).

IPR issues

The TPF, which is the main forum to resolve bilateral trade and investment issues, is also likely to take up the 'challenges' that American innovative industries face due to India's 'weak' Intellectual Property Rights regime. It would also discuss the 'non-tariff barriers' of the U.S. that are adversely impacting India's agriculture, pharmaceuticals and other industrial exports.

Commerce and Industry Minister Suresh Prabhu will meet U.S. Commerce Secretary Wilbur Ross and a few other senior Trump administration officials including U.S. Trade Representative Robert Lighthizer. He will also hold discussions with U.S Congress members, business leaders and industry bodies such as the US-India Business Council (USIBC). Both countries aim to increase bilateral goods and services trade to \$500 billion soon, from about \$115 billion in 2016.

Industry bodies including USIBC and US-India Strategic Partnership Forum (USISPF) are working with the governments of both the countries on mechanisms to ensure greater engagement at the State-level, instead of focusing entirely on the Central/Federal-level discussions.

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Rex Tillerson goes long on India-US relationship

Rex Tillerson is currently on his first visit to India in his capacity as the US secretary of state. The stage for the visit, however, was set last week with Tillerson's speech on "Defining our relationship with India for the next century" at the Center for Strategic and International Studies (CSIS), a premier Washington, DC-based think tank. In an extremely warm speech, Tillerson highlighted a number of points of convergence between the two erstwhile "estranged democracies". India and the US, Tillerson noted, share not just common values but also a common vision for the future. The latter is very important: After all, the two countries did share democratic values even when the US imposed sanctions on India for the 1998 Pokhran nuclear tests. It was during the Jaswant Singh-Strobe Talbott talks that followed that the two countries formulated the need to work together in light of their common vision for Asia's future.

Tillerson's speech laid great emphasis on "a free and open Indo-Pacific" and the crucial role of India and the US in realizing this goal. While designating India and the US as "the two bookends of stability", Tillerson was quite forthright on the implications of China's rise. In fact, he was more critical of China than one could expect of any Indian official speaking on record. While China has risen, Tillerson said, it "has done so less responsibly" than India. China was also blamed for subverting the sovereignty of neighbouring countries, undermining the international rules-based order and pursuing "predatory economics".

This was also the first instance of the Donald Trump administration giving a glimpse of its evolving position on China's Belt and Road Initiative (BRI). While recognizing the need for infrastructure financing for a number of countries in the region, Tillerson expressed his concerns about the opaque financing structures used by China that saddle recipient countries with unsustainable levels of debt. This perfectly echoes the reasons stated by India when it decided to sit out the inaugural Belt and Road Forum in May. More importantly, the US has begun deliberating, Tillerson informed, along with other like-minded countries, on an alternative financing mechanism to counter the BRI.

On Afghanistan, Tillerson reiterated Trump's desire to involve India more in contributing to developmental assistance to the war-ravaged nation. He urged Pakistan to take decisive action against terrorist groups on its soil but also recognized Islamabad as an important partner in the region. Offering more clarity on the US' Pakistan policy, Tillerson said in Afghanistan on Monday that the US' relationship with Pakistan is "conditions-based", that is, based on whether Islamabad takes the action Washington feels is necessary.

The Tillerson speech, however, has failed to impress the sceptics. Some of the issues raised by them are important and should be acknowledged and, to the extent possible, addressed. One, they suggest that President Trump cannot be relied upon. After castigating Pakistan for harbouring terrorists in his August speech, Trump recently praised Pakistan for the help it provided in securing the release of an American woman and her family from the Haqqani network's captivity. But Trump's remarks and tweets were contextual to this case. Tillerson's remarks, on the other hand, lay out the contours of American policy.

Two, the sceptics point to reports in the American media on a rift between Tillerson and his President. It is being widely speculated that Tillerson will either resign—he apparently has already threatened to resign once—or will be shown the door anytime. But irrespective of his prospects in the state department, Tillerson was speaking for the Trump administration in his CSIS address. It seems unlikely that he could have said all that he did, especially on China and the BRI, without Trump being on the same page.

Three, it has long been understood that the US' inclination to involve India in East Asia is not matched by its desire to accommodate New Delhi in the Af-Pak region. The unstated aspect of US policy on South Asia has involved maintaining a balance between India and Pakistan and this has been so even in a period of significant bilateral progress over the last two decades. Trump's Afghanistan strategy is a marked departure on this count. But Tillerson's relative softness on Pakistan—calling it an important US partner in the region—his recent tweets and remarks, and chief of staff John Kelly referring to the Pakistanis as “great partners”, have raised suspicions about a reversion to the historical mean. Indian policymakers will watch the developments on this front closely.

And last, the sceptics are right in underscoring the contradictions in Trump's Afghanistan strategy and his rhetoric on Iran. US-Iran confrontation is unlikely to end well for India's Afghanistan ambitions. But one has to acknowledge at the same time that the US remains the pre-eminent power in Afghanistan and New Delhi can hardly achieve anything if it is on the wrong side of Washington.

These are early policy pronouncements from the Trump administration—execution remains the key. However, New Delhi's initial concerns over not having a familiar face in the Trump administration have now been allayed by Tillerson, defence secretary James Mattis and national security adviser H.R. McMaster. If Tillerson continues in his role, he has shown the promise to be India's Ashton Carter—the former defence secretary was a great friend of India—in the Trump administration.

Will the Trump administration stick to the initial contours of the Asia policy that Tillerson has sketched out? Tell us at views@livemint.com

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For the sake of the Indo-Pacific

US Secretary of State Rex Tillerson's visit to New Delhi this week comes at an important moment for both countries and governments. The US-India relationship occupied high priority and visibility during the Obama administration. The Donald Trump administration, too, has shown its commitment to the relationship, hosting Prime Minister [Narendra Modi](#) in Washington DC, earlier this year. Last week, Secretary Tillerson articulated the importance of India and of US-India ties. He spoke of maintaining stability, security and prosperity across the Indo-Pacific region in the coming decades.

The US and India will increasingly need to work together on the political and security challenges across the Indo-Pacific region, from mounting tensions with North Korea, the Rohingya crisis, and India's own standoff with China over Doklam to the lingering challenges in Afghanistan. In a welcome move, the strategic and security partnership between our nations seems set for greater advancement, with the announcement of a ministerial dialogue which will bring Secretary Tillerson and US Secretary of Defense General James Mattis into direct engagement with their Indian counterparts, Sushma Swaraj and Nirmala Sitharaman.

However, as Secretary Tillerson noted in his speech, the geo-economics of the Indo-Pacific are as important as the region's geopolitics. He was blunt in reminding us all about the need to put options on the table in order to encourage private capital and cutting-edge technology to invest in the region. While two-way trade, and investment, between the two countries has increased significantly in the past five years, there is much room to expand the economic partnership.

There is much anticipation about the discussions between India's Commerce Minister Suresh Prabhu and US Trade Representative Robert Lighthizer at the US-India Trade Policy Forum, in conjunction with the US-India Commercial Dialogue. These parallel talks place a centrality on economic cooperation, giving both governments an opportunity to talk in a comprehensive manner on some of the outstanding trade issues. First, it is important to note that US-India commercial ties have seen an uptick in recent years with PM Modi's market-oriented reforms. India is currently the US' ninth largest goods trading partner. India is also one of the fastest growing sources of foreign direct investment in the US, at nearly \$11 billion. In a groundbreaking development illustrating growing economic convergence, the US delivered its first shipment of crude oil to the Paradip port a few weeks ago. This will lay the foundation for a burgeoning cooperation in the energy sector.

During this week's US Trade Policy Forum, US and Indian leaders will have an opportunity to generate a constructive dialogue on challenges American businesses encounter as they compete in the Indian market: Market access barriers for medical devices, tariff and non-tariff barriers on ICT products and agricultural goods, and the need for a strong intellectual property framework that benefits innovation and entrepreneurship. On the US side, movement - even incremental - on a totalisation agreement would be a welcome relief for temporary Indian workers and Indian companies from paying an annual social security payment. Just as American companies create jobs in India, Indian companies too are responsible for direct and indirect job creation in a range of sectors, creating innovation labs, extensive nationwide STEM education programmes, and academic partnerships. It would benefit the economic relationship if the US government, in its review of immigration programmes, could reassure job creators about high-skilled workers from around the world who contribute to American businesses' growth and expansion. This contribution enhances the job opportunities for all sorts of American workers and makes the US more competitive.

Secondly, the US-India commercial dialogue and November's Global Entrepreneurship Summit in Hyderabad, will present another opportunity to discuss convergent interests and multilateral issues

- particularly in entrepreneurship, tourism and setting global standards for trade. When PM Modi announced his vision for "Startup India" in early 2016, the buzz reverberated throughout Silicon Valley. Start-ups have the potential to create 3.5 million jobs in India and contribute billions to the economy in the next decade. Indian start-ups are now open to receiving 100 per cent funding from foreign venture capitalists - a recent reform implemented by the government of India. As India continues its economic reforms, Indian and global companies look forward to further improving India's ease of doing business, removing infrastructure bottlenecks, and encouraging entrepreneurship and value creation in Indian businesses.

A recent report predicts dramatic shifts in the global economic order by 2050 - six of the seven largest economies will be emerging economies led by China and India. At the same time, India will need \$4.5 trillion in investment by 2040 for infrastructure and economic growth. In this regard, Secretary Tillerson's remarks pin the arc of the next generation of US-India ties. India's position in a part of the world that contains the most important trade corridors necessitates deeper economic linkage with the US. It is crucial for India to be able to develop its infrastructure, attract capital and cutting-edge technology, grow its economy and advance opportunities for its people. India will only benefit by working with American businesses in order to attract private investment in a way that follows global standards for international development.

The time to act on shared goals and shape the destiny of the Indo-Pacific region will begin this week. A fully realised US-India economic partnership is necessary to accomplish that goal.

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Is India ready to face US heat on bilateral 'trade imbalance'?

Is India a ripe pear ready to be plucked for new market access in agricultural products, including beef, and services? That is the question being raised repeatedly by the senior US commerce and trade officials these days. "The US-India trade imbalance [in] bilateral trade between the United States and India is growing, but the growth is all in India's favour because barriers continue to keep exports out of the market," said the billionaire US commerce secretary Wilbur Ross while addressing US-India Business Council in Washington on 12 September. The US, he said, wants "growing and balanced" trade with India. But right now statistics show that India's market is still not open despite a recent spate of reforms undertaken by the Modi government, he has complained, according to a report in *Washington Trade Daily* on 13 September.

While bilateral trade doubled over the past decade to \$114 billion last year, the trade deficit tripled over that same period to \$27 billion in favour of the US. Ross also mentioned "barriers to free flows of services" into India because of New Delhi's insistence that foreign electronic payments to the country be handled by local suppliers. US companies like Visa and Mastercard are adversely affected by such practices, he suggested.

The Trump administration's nominee to be United States trade representative's chief agricultural negotiator, Gregory Doud, told the Senate Finance Committee that India "is a growing market for US agriculture, including beef", according to *Washington Trade Daily* of 15 October. Despite India having emerged as a major agricultural exporter with exports of agricultural products having surged from \$5 billion in 2003 to a record of more than \$39 billion in 2013, India offers vast opportunities to US agricultural producers "due to the country's growing population and increasing demand for food and agricultural products," according to a [report](#) of the US Department of Agriculture on 11 October.

India is also rapidly becoming the main target-country for American services, pharmaceutical companies for Intellectual Property Protection and agricultural exporters. The US has also complained incessantly about input subsidies provided to farmers in India at the World Trade Organization. During a meeting on 18-19 October, the US asked India pointedly how it has increased its agricultural production and become a world-leading exporter of a number of major commodities despite 99% of its farmers being low-income or resource-poor and 99% of its farms failing to generate enough income to maintain a minimum standard of living. It sought to know what mechanisms exist in India to ensure that its programs benefit low-income farmers.

Repeated bouncers are being hurled at India on its agricultural support programmes by the US, Australia and Canada among others. They rarely acknowledge the stark realities of poverty in India, including the suicides by farmers. The US insists that the input subsidies availed by India must go. Article 6.2 of the World Trade Organization's Agreement on Agriculture (AoA) allows "government measures of assistance, whether direct or indirect, to encourage agricultural and rural development", which "are an integral part of the development programs of developing countries." It provides that "investment subsidies which are generally available to agriculture in developing country Members and agricultural input subsidies generally available to low-income or resource-poor producers shall be exempt from domestic support reduction commitments that would otherwise be applicable to such measures." But the US has been on a warpath to eliminate Article 6.2 flexibilities for developing countries, including India, for some time now.

After having benefited from a range of agricultural subsidy programmes for more than two centuries, which sadly continue till date with impunity, it seems somewhat strange to witness trade-missiles being fired constantly by the US against India, one of its closest strategic allies in Asia. There is a pattern in the US' trade demands which seldom change, regardless of the

administration in power, including the current Trump administration with its aggressive policy of 'America First' in global trade.

During a heated discussion at a closed-door meeting of a dozen trade negotiators in the Canadian Mission in Geneva nearly a decade ago, a former chief Indian trade negotiator Gopal Pillai asked his US counterpart what the US was willing to do to reduce its farm subsidies before asking others to agree to onerous commitments. The US official was livid that such a question had been posed by an Indian official.

Even in the arena of trade in services, the US has imposed numerous barriers on Indian short-term services providers. India, for example, has consistently demanded that the US settle for a "totalization" agreement involving the protection of benefit rights of workers and short-term IT (Information Technology) and other service providers who divide their working career between two or more countries.

The US and India have already signed such totalization agreements with several countries.

But when it comes to signing a totalization agreement with India, whose IT companies lose more than \$1 billion on social security payments in the American market, Washington has consistently rejected India's demand, according to an IT analyst who asked not to be quoted. "Effectively, the Indian IT companies are annually paying a tax of more than \$1 billion to the US," the analyst said. The US also refuses to agree to India's demand for treating short-term IT service providers "as a trade and not an immigration problem". According to a report in *The Hindu* on 24 October, "nearly 100 Indian H-1B visa holders and their dependents reached out to US lawmakers on Monday (23 October), pleading for clearance of the massive backlog of green card petitions."

The fact is, for the US, dollar-and-cent interests in trade matter the most. Washington treats trade priorities religiously and separately from any strategic interests with its allies, including Israel and India. The priorities on trade are seldom compromised for maintaining strategic/political interests. But the mandarins in the Indian foreign office refuse to accept this reality. When Suresh Prabhu commences his maiden visit to Washington as India's trade policy chief on Wednesday he must ensure that New Delhi's bilateral and multilateral trade priorities involving hundreds of millions of poor farmers and millions of unemployed IT graduates are not eclipsed by the aggressive 'our way or highway' demands of Uncle Sam.

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Government of India and the Asian Development Bank (ADB) Sign \$300 Million Loan to Promote Further Fiscal Reforms in West Bengal

Government of India and the Asian Development Bank (ADB) Sign \$300 Million Loan to Promote Further Fiscal Reforms in West Bengal

The Asian Development Bank and the Government of India signed a \$300 million loan today to continue a series of fiscal reforms in the State of West Bengal to improve the quality of public service delivery.

The Second West Bengal Development Finance Program targets a further increase in public investment through reduction of unproductive expenditure, and savings from efficiencies in revenue collections. The Program will build on earlier intervention under Phase I of the project through the \$400 million Program that targeted a comprehensive fiscal consolidation program in the state.

“The Program aims to further deepen the reforms with focus on expenditure rationalization, improvement in revenue administration, and facilitation of more private investment in the state” said Mr. Sameer Kumar Khare, Joint Secretary, Department of Economic Affairs, Ministry of Finance who signed the loan on behalf of the Government of India.

“The new Program will create the fiscal space necessary to sustain higher public investment in the State which could put the state’s finances on a balanced and sustainable path,” said Mr. Kenichi Yokoyama, ADB Country Director for India, who signed for ADB. The program agreement was signed by Mr. Parwez Ahmad Siddiqui, Secretary, Finance Department, Government of West Bengal.

ADB’s first Program focused on augmenting public investments that reached almost 1.3%, as a percentage of gross state domestic product, in FY2016 from 0.5% in FY2012 while the fiscal deficit reduced to 2.2% from 3.4% in the same period. The new Program will not only target public investment but would also support private investments more directly by creating an infrastructure facility to support project preparation, development, and appraisal, with emphasis on public-private partnerships in health and education. It also seeks to simplify the registration and licensing procedure for micro, small and medium enterprises.

Spread over two years, the Program will also carry forward reforms such as linking medium term expenditure plans to actual budgets, supported by strengthening internal

audit system, and enhancements in the integrated financial management system (IFMS). Other activities under the program include improved tax monitoring and continued support for information technology systems in strengthening tax and land administration.

Capital outlay as a percentage of gross state domestic product is expected to rise to 2.2% by FY2022 under the second program, with improved budget allocations geared toward development expenditure.

Accompanying the loan is a technical assistance grant of \$500,000 to strengthen key institutions responsible for carrying out fiscal management reforms in the state.

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Getting back on a firm footing with Dhaka

There has been a steady tempo of high-level visits between India and Bangladesh in the past few months of which external affairs minister Sushma Swaraj's recent visit is the latest. Her Bangladeshi counterpart was not long ago in India and finance minister Arun Jaitley dropped by Dhaka earlier. And this does not even count the bilateral and multilateral meetings the two countries have held with each other in third countries, including on the sidelines of the United Nations General Assembly session in September.

The Centre is known to have decided to make official interactions between New Delhi and Dhaka a part of its bilateral firmament — and hopes to replicate this with other South Asian neighbours over time. A similar pattern of back and forth, for example, is becoming evident with other strategically important neighbours like Nepal and Afghanistan.

There are a number of positives in such frequent-flying diplomacy. Ms Swaraj has spoken of India's determination to "resolve all outstanding issues" between India and Bangladesh. As many of these issues are highly sensitive to domestic interest groups in both countries regular contact helps both sides get a sense of the lay of the political land in real time.

Additionally, if India and Bangladesh are to become as close as the Narendra Modi government wants them to be, meetings between ministers and other high-level officials from both governments should come to be seen as normal rather than an aberration.

Summit meetings are all to the good, but if they also indicate a certain distance between two countries, a sign that convergence is taking place only at the head of government level. As the foreign minister noted, India is heading to issue 1.4 million visas to Bangladeshis this year making the delta state the single-largest source of travellers to India. With people-to-people relations doing so well, it makes sense that every level of officialdom should be equally familiar.

Finally, such regular visits inevitably help boost the profile of the Sheikh Hasina government and other groups who believe India is logically Bangladesh's primary strategic and economic partner. As the fallout of the Rohingya refugee crisis showed, the India-Bangladesh relationship is still vulnerable to sudden political storms and squalls.

The kind of connectivity projects and deliberate intertwining that the two countries are carrying out will take decades to complete. The unconscious acceptance of this special relationship among the larger public requires an even longer-term vision. Both of them will require much political hand-holding which regular interactions can only be beneficial.

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INS Sukanya at Indonesia for Coordinated Patrol of IMBL**INS Sukanya at Indonesia for Coordinated Patrol of IMBL**

In pursuance with India's 'Act East Policy', Indian Naval Ship Sukanya under the command of Commander SA Deodhar, NM arrived at Belawan Indonesia this morning to participate in the 30th edition of CORPAT (Coordinated Patrol) and 3rd Bilateral exercise between the Indian Navy and the Indonesian Navy. The exercise is aimed to foster closer maritime ties with countries located on the rim of the Indian Ocean.

The upcoming bi-lateral exercise CORPAT scheduled from 24 Oct – 05 Nov 17 is a demonstration of India's commitment to its ties with Indonesia and to the maritime security in the Indian Ocean Region. The two navies have been carrying out Coordinated Patrols (CORPAT) on respective sides of the International Maritime Boundary Line (IMBL) twice a year since 2002. The aim of the CORPAT is to enhance mutual understanding and inter-operability between the navies, prosecute vessels involved in unlawful activities, conduct SAR and take measures against Sea Pollution.

Defence relations between India and Indonesia have been growing steadily with regular joint activities and interactions between the armed forces of the two countries. These interactions would also provide opportunities for extensive operational and training engagements and contribute substantively to the maintenance of good order at sea. The exercise seeks to strengthen the existing bonds of friendship between India and Indonesia, and underscore India's partnership and solidarity with friendly countries of the region. As part of the Indian Government's vision of SAGAR (Security and Growth for All in the Region), the Indian Navy has also been involved in assisting countries in the Indian Ocean Region with EEZ surveillance, Search and Rescue and other capability enhancement activities.

During the stay at Port Belawan, various activities such as official calls, formal reception on board ship, ship open to visitors, guided tours for Indian naval personnel and professional interaction between naval personnel of both the nations have been planned.

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BIMSTEC Forum provides an ideal platform for fostering of Traditional Medicine**BIMSTEC Forum provides an ideal platform for fostering of Traditional Medicine**

Ministry of AYUSH, Government of India hosted First Meeting of BIMSTEC Task Force on Traditional Medicine on 24-25 October, 2017 at Parvasi Bhartiya Kendra, New Delhi.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is an International Organisation involving a group of countries in the South Asia and South East Asia namely, Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal. India being a major stake holder in the field of Traditional Medicine plays an important role in influencing the policies and strategies related to the Traditional Medicine in the BIMSTEC Forum

Delegations from the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, and the Republic of the Union of Myanmar, the Federal Democratic Republic of Nepal, the Democratic Socialist Republic of Sri Lanka and the Kingdom of Thailand along with the BIMSTEC Secretariat participated in the Meeting.

The Meeting was inaugurated on 24 October 2017 by Vaidya Rajesh Kotecha, Secretary, Ministry of AYUSH. While welcoming the delegates from the BIMSTEC Member States, Secretary AYUSH referred to the rich heritage of Traditional systems of Medicine in the BIMSTEC Member States. He emphasised that the BIMSTEC Forum provides an ideal platform for fostering collaborations among the Member States in the area of Traditional Medicine. He highlighted the recent developments in the International Cooperation activities of the Ministry. He hoped that the deliberations during the Meeting would bring fruitful outcomes in strengthening the cooperation amongst the BIMSTEC Member States in areas of Traditional Medicine.

Sh. Pramod Kumar Pathak, Joint Secretary, Ministry of AYUSH and Head of Delegation of India was elected Chairman of the Meeting and Dr. Yi Yi Myint, Head of Delegation of Myanmar was elected Vice-Chair. All the Delegations made Country Presentations on the status and best practices of Traditional Medicine in their respective country. The Meeting discussed the following important agenda :-

- (a) Implementation of Strategies of BIMSTEC Task Force on Traditional Medicines (BITFM)
- (b) Priority Areas for technical and research collaboration among the Member States on Traditional Medicine
- (c) Regional strategy on the protection of Genetic Resource associated with Traditional Medicine Knowledge and Intellectual Property Rights and develop a work plan
- (d) Human Resource Development and Capacity Building among the BIMSTEC Member States
- (e) New Initiative, proposals and programmes for cooperation on Traditional Medicine among the BIMSTEC Task Force on Traditional Medicine.

The Meeting also acknowledged that in accordance with the ToR of the Task Force, the BITFTM Meetings shall be held on rotational basis among the BIMSTEC Member States..

The Meeting considered and adopted the draft Report of the First Meeting of the Task Force for submission to the Fourth Meeting of the BNNCCTM to be held in Bangladesh. The Meeting conveyed its deep appreciation to the Government of the Republic of India for the warm hospitality extended to the participants and for the excellent arrangement made for the Meeting.

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Shri Narendra Modi to inaugurate International Conference on Consumer Protection for East, South and South-East Asian Countries with the theme of “Empowering Consumers in New Markets” tomorrow

Shri Narendra Modi to inaugurate International Conference on Consumer Protection for East, South and South-East Asian Countries with the theme of “Empowering Consumers in New Markets” tomorrow

“Empowering Consumers in New Markets” International Conference on Consumer Protection to be held on 26-27 October, 2017

Curtain Raiser

The United Nations Guidelines for Consumer Protection (UNGCP) were adopted by United Nations General Assembly on 16 April 1985 and revised in December 22nd 2015. The new guidelines call for greater International cooperation. Against this backdrop, the Department of Consumer Affairs, Government of India and the United Nations Conference on Trade and Development (UNCTAD) are organizing an International Conference on Consumer Protection for South, South East and East Asian Nations on the theme “Empowering Consumers in New Markets” on 26-27 October, 2017 in New Delhi. This is the first time an international conference on consumer protection is being organised by India for countries of the region which account for a majority of the global consumers and share common challenges and experiences. 22 countries from East, South and South-East Asia are participating in the international conference.

The Conference will be inaugurated by the Prime Minister, Shri Narendra Modi. The Union Minister of Consumer Affairs, Food & Public Distribution, Shri Ram Vilas Paswan and Secretary General, UNCTAD will also address the participants. Besides the delegates, the inaugural session will be attended by the dignitaries from the Centre and States including Ministers, Heads of Consumer Commissions, Heads of Regulatory authorities and Senior officials.

The Conference will have six working sessions on the subjects of the United Nations Guidelines for Consumer Protection and Implementation, Stakeholder Participation in Consumer Protection, Protection of Online Consumers, Stakeholders participation, Fostering Consumer Inclusion in Financial Services, Protection of vulnerable Groups of Consumers and Consumer empowerment through education. Experts from different Countries and India will be presenting their papers and views.

The Conference will provide a platform to discuss and deliberate upon different aspects of consumer protection in the backdrop of revised UNGCP, aimed at shared learning and will explore a way forward for enhanced regional cooperation on the subject.

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Like Mao and Deng, Xi Jinping enshrines China's miracle

The Communist Party of China (CPC) has paid Xi Jinping, who was confirmed as President for a second five-year term during the 19th party congress which concluded on Tuesday, the ultimate accolade of enshrining Xi Jinping Thought in the Chinese constitution. As many commentators have pointed out, this puts Xi in the same league as [Mao Zedong](#) and Deng Xiaoping.

To put this in perspective, it is worth recalling that for Deng this accolade was posthumously given. Xi's de facto pre-eminence within the CPC therefore has been made de jure, and along with it comes enormous power to shape China's path well beyond the five years of his second presidential term.

This has been likened by some to the absolutist monarchs of China's feudal past, rubber-stamped by a supine, if not fawning, CPC. Others with less historically inclined imaginations see it simply as a power grab which bodes ill for China and the rest of the world, as Xi begins to flex his muscles on the world stage.

But Xi's current pre-eminence was not always given. Flashback to the 18th Congress of the CPC in November 2012. The Bo Xilai scandal that rocked the CPC had barely subsided, and more importantly, it represented a political challenge from the left of the CPC. Xi himself had mysteriously disappeared two weeks prior to the Congress. The world economy's meltdown post the financial crash of 2008 threatened to upturn China investment and export driven growth model. Most analysts predicted what economists call a hard landing—a sharp slowdown in output growth accompanied by a deep devaluation—with dire consequences for the Chinese as well as the global economy.

All of this seemed to be vindicated when China devalued its currency in 2014, stunning global financial markets. Added to this were the clear environmental costs of rapid growth. In November 2012, then, the Chinese economy was faced with a near perfect storm—political instability stemming from inequalities associated with rapid growth based on globalisation; the real dangers of a hard landing; and an environmental challenge the size of China. Not a propitious moment for Xi to assume power and certainly not a pre-eminent position.

The situation could not be more different when the 19th Congress was inaugurated last week and Xi was paid this rare accolade at its end. The economy has slowed down but achieved a soft landing. The currency has appreciated and made good the ground lost as a result of 2014 devaluation. Per capita income has increased by more than 30% in real terms between the two Congresses. Savings growth has decelerated faster than investment growth, allowing consumption to grow at unprecedented levels. Exports volumes have decelerated faster than import volumes.

One outcome of this is a substantial decline in the current account balance as a percentage of GDP, as growth is fuelled much more by the domestic economy. Therefore the rebalancing of the economy, which many doubted could happen, has had a successful start.

To meet the environmental challenge, this rebalancing in turn has meant a restructuring of productive capacity away from what are called smoke stack industries. For example, according to a Morgan Stanley report of September this year, in 2016 and 2017 China shed more than 200 million tonnes of steel capacity which led to an increase in global steel prices.

To put this in perspective, India produced 95 million tonnes of steel in 2016, while Japan's production was 105 million tonnes. The same story in varying degrees repeats itself in coal and

aluminium as well. As a result, China has begun the switch to renewables, adding in 2016 as much as 35 gigawatts of solar energy generation, almost equal to Germany's total capacity. Little wonder then James Thornton of Client 2 Earth, a public interest environmental law firm, and one of the world's leading environmental lawyers and campaigners, is so enthused by China's recently articulated notion of an "ecological civilisation" and the institutional structures that are being put in place to achieve it.

All of this-the soft landing, the start of economic rebalancing, restructuring towards a low-carbon economy and taking on the environmental challenge-has happened under Xi's leadership. Xi's relative success has also meant that the challenge from the left has been quelled, at least for the moment. For a stability and legitimacy-obsessed CPC this is no small victory.

One then begins to understand why the CPC is singing paeans to Xi's leadership and why he was accorded this rare honour. More often than not we tend to view China through our own prisms which may have its own value but also often obscures Chinese reality. The CPC uses consensus as its decision-making procedure. It is not something we use or understand well. But that is little reason to dismiss it, because we then misread and misjudge.

This is not to say that China doesn't face serious challenges or that it is the land of milk and honey. It does and it isn't. Ethnic unrest, ethnic discrimination, rampant inequality, weak labour rights, the curbing of political dissent, growing regional suspicion of a rising China not to mention Hong Kong and Taiwan-the challenges are many and various.

It is to say, however, that this consensus-based decision making has exhibited a remarkable ability to course correct without being forced to do so as a result of a crisis. The course correction has not always worked and sometimes has had unintended consequences, but nonetheless it has mostly successfully tailored strategy to changing circumstances.

This inability to understand how the CPC functions has meant that commentators have been predicting China's imminent collapse ever since the Communist Revolution of 1949. But China has survived, grown and prospered. As Xi and the CPC attempt another course correction towards a consumption driven, low carbon, more equal and participative economy, they are very self-conscious that one phase of the long march of decolonisation is over and China today has the wherewithal to be a technologically dynamic society with a sustainable economy.

There will be many more challenges, of course, and how China overcomes them will have global repercussions. I am not for a moment saying that we should become Chinese (or Japanese, German or American for that matter). All that I am trying to say is that we will be doing ourselves great injustice if we continue to view China through our own narrow, national prisms.

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U.S. opposes Iran's 'destabilising' activities

Sushma Swaraj

Visiting U.S. Secretary of State Rex Tillerson said here on Wednesday that Washington does not intend to oppose Iran's business with India.

He was addressing a joint press conference with External Affairs Minister Sushma Swaraj.

"It's not our objective to harm the Iranian people nor is it our objective to interfere with legitimate business activities going on with other businesses in Europe, India or agreements that are in place to promote economic development," he said.

Mr. Tillerson said U.S. opposition to Iran was limited to Tehran's "destabilising activities" in the wider West Asian region and sought help from countries with ties with Iran to push it to stop its regional activities.

Dialogue as a means

Ms. Swaraj also indicated that the U.S. may have to consider dialogue as a means of resolving the North Korean issue, and said, "India's trade relation with North Korea is minimal and the Indian embassy in Pyongyang is very small. But we do have an embassy. I have told Secretary Tillerson that some of your friendly countries should maintain embassies there so that some channels of communication remain open. On many occasions you may have to talk to them to resolve issues through dialogue so at least let one country that you consider friendly maintain its embassy. I think he has understood and appreciated our position to maintain our embassy in Pyongyang," the Minister said.

India and North Korea have maintained diplomatic offices in each other's capitals, though New Delhi recently banned trade of most goods with the country, except in food or medicine.

The discussions also covered the H1B visa issue and Ms. Swaraj noted that some bills pending with the U.S. Congress may harm the skilled professionals of India. "I have again raised the issue because in view of the close India-U.S. ties, skilled professionals of India expect that they should not be harmed," she said, explaining that India has engaged both the Congress and the White House to prevent any negative step on this issue.

It's not our objective to harm the Iranian people or interfere with legitimate business
Rex Tillerson

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U.S. makes H-1B visa renewals tougher

Fresh changes in rules notified by the U.S. Citizenship and Immigration Services for renewal of non-immigrant visas will severely impact H-1B visa holders. Petitions for renewal of H-1B visas, particularly when the underlying facts that supported the original petition have not changed, are currently considered with a presumption of approval, but that will no longer be the case, USCIS said in a statement issued late on Monday. Consequently, the burden of proof will be on the petitioner to substantiate his application even when nothing has changed since the previous petition.

The new rules are in line with the Donald Trump administration's Buy American, Hire American policy, USCIS said. The new changes were announced even as a comprehensive review of the H-1B programme is under way.

Primarily, an H-1B worker goes to the USCIS for three types of changes to his status — amendment, transfer and renewal. Amendments are sought when an H-1B employee changes the location within the same company; transfer is sought when he moves from one company to another; and a renewal is sought at the expiry of the visa, which is usually issued for three years at the beginning.

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The life of Xi

When [Xi Jinping was elected the leader of China](#) and the Communist Party five years ago, many had predicted that he would become the most powerful leader since Deng Xiaoping, the architect of the country's economic rise. They may be wrong. With the 19th party congress, which concluded on Tuesday and has written his name and ideas into the party constitution, Mr. Xi now appears to be the strongest leader since Mao Zedong. This amassing of Mao-like powers could also allow Mr. Xi to stay in power beyond the usual two terms. Two of Mr. Xi's predecessors had stepped down after two terms to ensure an orderly transition in the party and the government, where there is no dearth of talented and ambitious leaders. The practice has been for the mid-term party congress to choose the likely successor of the incumbent and groom him over five years to eventually take over the reins. However, the party doesn't seem to have chosen anyone this time. All five new faces in the seven-member Politburo Standing Committee, the highest decision-making body in China, are in their 60s, which lends credence to speculation that Mr. Xi is not planning to step down when his second term ends in 2022. Even if he does step down from the government, given the stature he has already achieved within the party, he could retain a Deng-like sway over policy matters.

Xi Jinping unveils China's new leadership lineup

In Mr. Xi's world view, China has passed two eras — the revolutionary era launched by Mao and the economic reforms spearheaded by Deng. The "Xi Jinping thought on socialism with Chinese characteristics for a New Era" that has been written into the party charter marks "a new era". This one is about making China economically stronger and geopolitically more influential. In his three-and-a-half-hour speech at the congress, Mr. Xi placed great emphasis on strengthening the military and resisting "the whole range of erroneous viewpoints". The message is that the era of "peaceful rise" is over. The more combative foreign policy Mr. Xi's administration is pursuing will continue, perhaps more aggressively, while at home he will consolidate more power. But this doesn't mean it will be a cakewalk. If China takes a more aggressive, militaristic view of its neighbourhood, it could trigger an aggressive response from neighbours such as India and Japan. North Korea remains as much a foreign policy problem for Mr. Xi as for President Donald Trump. China's export-oriented economy is still not free from the global economic whirlwinds. Mr. Xi will have to factor in global market concerns while taking key economic decisions at home. Besides, though the transition in the Communist Party has been orderly at least in the last 30 years, it was not free from troubles. Mr. Xi would be mindful of how he projects his own power, lest it triggers a backlash. The challenge before him is to find a balance between his ambitions and the realities that China confronts today.

Rajasthan's ordinance shields the corrupt, threatens the media and whistle-blowers

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Trump and the new world disorder

U.S. Secretary of State [Rex Tillerson's speech on relations with India on October 18](#) was ambitious in scope and sought to define it for the “next hundred years,” when both countries will be “standing firm in defence of a rules-based order.” The speech has been received with justifiable enthusiasm among well-wishers of India. There is absolutely no two opinion about the desirability of long-standing commitments between the two big democracies, notwithstanding the challenges of social frictions and illiberal tendencies that they both currently face.

For some context to the speech by Mr. Tillerson, who is currently on a South Asian visit, it would be appropriate to recall the following. Five days earlier, on October 13, President Donald Trump destabilised an international agreement that the U.S, the four other UN Security Council members and Germany had reached with Iran; on October 12, Mr. Tillerson himself had conveyed to the head of UNESCO the U.S decision to quit the organisation. In the first nine months of the Trump administration, other international commitments that the U.S. had unilaterally reneged on include the [Paris climate agreement and the Trans-Pacific Partnership Agreement](#). The North American Free Trade Agreement is gasping for breath; and treaty allies South Korea, Japan and Germany have been threatened for trade surplus with America.

The rest of the world might think that the world order has been designed to America's advantage but Mr. Trump has been categorical that he is committed to dismantling it — because he is convinced that America does not benefit from it. To understand his, and his administration's, views on the issue, and to look for signs of what to expect now, we need to take a collective view of three events that happened over the last four weeks. Mr. Trump's first speech to the UN General Assembly; the annual meetings of the World Bank and the International Monetary Fund (IMF); and the [Chinese Communist Party's 19th Congress](#) in Beijing.

The UN, the World Bank and the IMF have been the instruments of American hegemony for decades. What is relevant to the current context is the last three decades. The collapse of the Soviet Union was validation for the U.S. of the power of market economy and liberal democracy. The globalising world required a gradual depreciation of the concept of national sovereignty, including the U.S.'s own, its liberals and conservatives agreed, though not from entirely overlapping perspectives. Promotion of market economy and democracy, defence of human rights and environment, etc were assumed to be part of the U.S.'s global hegemony. The U.N. and the World Bank-IMF became instruments of this American authority over the world. The World Bank and IMF through aggressive promotion of neoliberal economics, and the UN through its non proliferation, climate protection, and Responsibility to Protect doctrines expanded the rules of the new order that chipped away at national sovereignty. The U.S. and its camp followers bankrolled these institutions. Moreover, the U.S.'s own example of prosperity — “the shining city upon a hill,” according to Ronald Reagan — would lead the rest of the world to accept its model of democracy and market economy, it was assumed.

Mr. Trump calculates the price of everything and perhaps understands the value of nothing. “The United States is one out of 193 countries in the United Nations, and yet we pay 22% of the entire budget and more. In fact, we pay far more than anybody realises,” he told the UNGA. It is national sovereignty — he mentioned the words 10 times — that will safeguard the world and not globalism, he declared, upending the U.S. gospel that guided the order. “For too long, the American people were told that mammoth multinational trade deals, unaccountable international tribunals, and powerful global bureaucracies were the best way to promote their success... Now we are calling for a great reawakening of nations.”

In a foreign policy haze

At the World Bank-IMF meetings, the rift between the Trumpian world view and these institutions played out in a two-pronged fashion. The IMF is no longer advocating neoliberalism as its core credo, and called for more redistributive measures by governments, including higher taxes on the rich, to deal with the inequality created by market. These institutions have in recent years rolled back their trickle-down growth dogma. The Trump administration is meanwhile pushing for massive tax cuts, stuck on the trickle down approach, putting it at odds with the IMF-World Bank approach.

Second, like in the case of UN, the Trump administration feels that America is paying too much for these institutions. U.S Treasury Secretary Steven Mnuchin called on the World Bank to reduce lending to middle-income countries, four days before Mr. Tillerson spoke about providing alternative financing to countries that may be coming under Chinese influence for infrastructure financing. As strategic expert Alyssa Ayres noted, Mr. Tillerson “provided no further specific proposals to sketch out in greater detail how the United States and India should work together to provide alternative financing.”

The World Bank was also upbeat about the Belt and Road Initiative (BRI), on which India and the U.S. are expected to join hands in resisting Chinese manoeuvres. Bank President Jim Yong Kim, an American appointee, said during the annual meetings, “Two things that the world needs very much right now are strong leadership and an embrace of multilateral approaches to solving difficult problems, and [BRI] is both of those things.”

It is in this context of Mr. Trump’s rejection of multilateralism and adherence to a questionable economic philosophy that Chinese President Xi Jinping exhorted other countries to follow the Chinese model as opposed to Western liberalism, in his Make China Great Again speech last week at the party congress. Such a prospect is of concern for India.

Though Indian leaders repeatedly say that a strong U.S. and American leadership of the world are in India’s interest, the history of that dynamic is more layered and nuanced. While American leadership and ability to arm twist other countries, including China and Pakistan, have benefited India on occasions, the space for New Delhi’s global ambitions come only from America’s retreat. It was the U.S. that forced China to accede to Nuclear Suppliers Group waiver for nuclear commerce for India and forced Pakistan into resolving the Kargil conflict. But a relatively weakened U.S. is what took a more friendly view of India to begin with. “We are going to come down on those guys like a ton of bricks,” President Bill Clinton declared at an Oval Office meeting the day after India landed a blow to his non-proliferation agenda, with Pokhran 2 in May 1998. But he could not stay the course of seeking to punish India, primarily because of domestic American issues.

The Trump administration’s disregard for the ‘world order’ would open opportunities for India’s ambitions to be a ‘leading power,’ but a gradual retreat of the existing order is what could benefit India. The transition from a U.S President (Barack Obama) who reminded India about its own Constitution to a leader (Mr. Trump) who does not bother much about even the U.S’s Constitution could be welcome from the perspective of the Narendra Modi government’s nationalist agenda.

However, any abrupt creation of a power vacuum in the event of American abdication of its global role would invite conflict and chaos. Having already demonstrated his inability to lead either America or the world, Mr. Trump still has the means to force his way on account of having the world’s most formidable military. More than the reassurance of order, what India should be watchful of should be the threats of conflict.

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Echoes at Doklam

In his address to the 19th National Congress of the Communist Party of China (CPC), Chinese President [Xi Jinping unveiled his vision to make China](#) a great power so that it “leads the world in terms of the composite national strength and international influence.”

The days to the run-up of the much awaited, once-in-a-five-year event saw some symbolic posturing along the India-China border, especially at Doklam. After a lull following the disengagement, the continued presence of Chinese troops in the vicinity of the stand-off site came to light and a wait and watch game ensued. Recently, the Indian Air Force chief, Air Chief Marshal B.S. Dhanoa, expressed hope that Chinese troops who were in the Chumbi valley for their annual summer exercises would move back at the onset of winter. The Army believes that there could be increased transgressions by China at other vulnerable points along the over 4,000km long Line of Actual Control (LAC). This is possible, if Mr. Xi’s address is any indication.

While Mr. Xi stressed that China did not “pose a threat to any other country”, he reiterated the centrality of China’s territorial integrity and called on the People’s Liberation Army (PLA) to go hi-tech, saying that technology is at the core of combat strength.

How this transition unfolds domestically could have a fallout on the border given the tussle between the PLA and Mr. Xi. In the last couple of years, the PLA has been systematically stripped of its power by Mr. Xi, first through the formation of the theatre commands and later in a series of changes in the top leadership. In 2015, Mr. Xi announced reorganisation of the seven military regions into five theatre commands with all three services effectively integrated, which reduced the clout of the PLA generals by bringing the military under stronger grip of the Central Military Commission chaired by him. He has also managed to project the end to the Doklam stand-off to the domestic audience as his victory. As Mr. Xi looks toward consolidating his grip on the Party and the crucial Politburo Standing Committee, it is in his interest to project himself as being firm and decisive in preserving core Chinese national interests.

The life of Xi

However, based on past instances, Beijing has used local disputes to establish a permanent presence, it can be argued that the PLA may stay put in the Chumbi valley using Doklam as a ruse. The 2012 stand-off with the Philippines over the Scarborough Shoal is an example. Therefore, will there be a repeat of the SCS sort of situation on Indian borders? In fact this is exactly what India has attempted to prevent.

The Indian Army’s unusual assertiveness in stopping PLA personnel from extending a road from their side into the Doklam tri-junction was as much out of necessity as other considerations. India had no option but to prevent the change of status quo by preventing the PLA from drastically altering the balance at the strategic location.

As events in the SCS show, the cost of non-intervention is extremely high. With China’s rapid land reclamation and subsequent militarisation, there are now new facts on the ground for Beijing to enforce its claims. In fact, in his Beijing speech, Mr. Xi took credit for the reclamations by saying that “construction on islands and reefs in the South China Sea has seen steady progress” and added a note of caution that while China did not seek global hegemony, “no one should expect China to swallow anything that undermines its interests”. Through a process of normalisation, it is only a matter of time before it is accepted as a fact.

In that context, even given the bilateral tensions that came with the Doklam stand-off, not

responding was never an option. Standing its ground was, in fact, the least escalatory move that New Delhi could have made, given that the cost of intervention at a later stage is disproportionately higher and the risk of confrontation even so.

Adding to this are other issues of disagreement such as India's refusal to be a part of Beijing's grand plans with the Belt and Road Initiative, citing sovereignty issues apart from deepening engagement with the U.S., and a jostling for space in the Indian Ocean Region. The stalemate has been generally viewed as a victory for India and China would not want to be perceived to be weak by other countries in the region.

So, it is highly likely that China will test India in other areas. But one thing is certain. The ground status along the LAC has changed forever. How this will affect the contours of future boundary talks is still not clear. As Mr. Xi rolls out his grand vision, the ramifications could be much wider and far beyond the borders.

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The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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The confluence of two seas

Three developments in the last few days have set the stage for some real competition for promoting connectivity in Asia and opened up fresh opportunities for India to shape the outcomes. Only a few months ago, Delhi seemed alone in opposing China's trillion dollar Belt and Road Initiative (BRI) that has been viewed with awe around the world and enthusiastically embraced by most of its neighbours in the region. Now Delhi may be in a position to work with its partners - especially Japan and the US - to offer a credible alternative to the BRI.

When Beijing convened a high-level international gathering last May to seek political endorsement of the BRI, India refused to participate at any level despite much diplomatic pressure from China. Instead it offered a stinging public rebuke. Arguing that projects under China's BRI have not met international norms for infrastructure development, Delhi insisted that the "connectivity initiative must follow principles of financial responsibility to avoid projects that would create unsustainable debt burden for communities; balanced ecological and environmental protection and preservation standards; transparent assessment of project costs; skill and technology transfer to help long term running and maintenance of the assets created by local communities." Delhi also affirmed that "connectivity projects must be pursued in a manner that respects sovereignty and territorial integrity" of other states.

At home, critics of the government fretted that Delhi might be isolating itself on the BRI. They pointed to the fact that even Japan and the United States, which were wary of China's BRI, had sent representatives to the Beijing conference. Since then, though, much water has flown under the bridge. The US and Japan have supported Delhi's criticism of the BRI during Prime Minister [Narendra Modi](#)'s visit to Washington in June and Prime Minister Shinzo Abe's visit to India in September. Delhi, Tokyo and Washington have also begun a serious conversation on working together on Indo-Pacific infrastructure development.

But first to the three recent developments that underline the growing political momentum behind the BRI and the prospects for finding an alternative. Chinese leader Xi Jinping's consolidation of power at the just-concluded 19th Congress of the Chinese Communist Party lends new momentum to his signature external project - the Belt and Road Initiative - that seeks to connect Europe and Asia as well as the Indian and Pacific Oceans. In a measure of the project's importance and Xi's current dominance over the party, the 19th Congress has agreed to write the BRI into the CCP's constitution.

Meanwhile, the return of Prime Minister Abe with a sweeping mandate in the snap general elections to the lower house of the Japanese parliament on Sunday should help reinforce Tokyo's own programme to promote connectivity in Asia. In 2015, Abe had announced the partnership for quality infrastructure (PQI) with a fund of nearly \$110 billion. In an enhanced version of the initiative announced in 2016, Japan plans to spend about \$200 billion during the next five years on infrastructure projects around the world. Unlike China, Japan brings much greater experience in executing development projects in third world countries and is offering much better terms for its assistance.

Well before Xi announced the BRI in 2013, Abe had unveiled a new vision of regional connectivity. During his first term as prime minister, Abe visited India in 2007 and in his address to Parliament talked about "confluence of the two seas". More recently, he expanded on the concept by talking about a "Free and Open Indo-Pacific". It now calls for connecting "two continents" - Asia and Africa - and "two oceans" - the Indian and Pacific through trans-border connectivity corridors.

In a major speech last week, the US Secretary of State, Rex Tillerson, outlined a strong critique of

China's Belt and Road Initiative. Describing China's development assistance as "predatory economics", Tillerson accused Beijing of undermining the sovereignty of its neighbours in Asia. He echoed India's criticism of the BRI by saying China's projects burden host countries with large debt and conditions that force a swap of debt for equity and strategic control of assets.

India has every reason to be pleased that its views on the BRI are finding resonance. But it is not enough to win the argument against the BRI. What India needs is to provide a real alternative. Delhi has seen countries like Sri Lanka and Burma express political reservations against some of the Chinese infrastructure projects, suspend some of them, but eventually renew the engagement with Beijing.

Tillerson, for example, recognised that "many Indo-Pacific nations have limited alternatives when it comes to infrastructure investment programmes and financing schemes, which often fail to promote jobs or prosperity for the people they claim to help. It's time to expand transparent, high-standard regional lending mechanisms - tools that will actually help nations instead of saddle them with mounting debt. India and the United States must lead the way in growing these multilateral efforts."

The US has also begun to put some money down for infrastructure development in the region. Tillerson pointed to the \$500-million agreement between Washington and Kathmandu that will "invest in infrastructure to meet growing electricity and transportation needs in Nepal and promote trade linkages with partners in the region like India". He also revealed that the US has begun consultations with other countries in the region about providing alternative financial mechanisms to China's BRI.

India's emphasis in the coming days must be three-fold. One is to press ahead vigorously with the large number of infrastructure projects that it has undertaken with its own resources in the Subcontinent and the Indian Ocean. Second is to intensify the current discussions with the US, Japan, Europe and other partner countries to coordinate their regional infrastructure initiatives as well as take up joint projects in the Indo-Pacific. Third, Delhi must quickly find ways to overcome its many institutional limitations in implementing projects in other countries.

Offering an alternative to China's BRI is not about a zero-sum rivalry with Beijing. By demonstrating the possibility for sustainable infrastructure development, Delhi and its partners can improve the bargaining capacity of smaller countries vis-a-vis China and might eventually encourage Beijing to discard its predatory geoeconomics and turn the BRI into a genuinely cooperative venture.

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Shinzo Abe's win will shape Asia's future

Just a few months back, Japanese Prime Minister Shinzo Abe's political future was looking uncertain as his unpopularity rose and corruption scandals took the sheen off his governance agenda. And now he has bounced back, and how. Abe's ruling coalition has won a clear majority with more than two-thirds of Parliament's 465 seats, with the Liberal Democratic Party holding a majority even without its coalition partner. Abe's gamble of calling snap elections earlier this month has paid off, which was underlined by him in his post-victory comments: "We were able to earn the powerful support of the Japanese people, well surpassing our goal."

Flush from his win, Abe went straight to business by focusing on his priority: "My immediate task is to deal with North Korea. It will take tough diplomacy. With the mandate given by the people, I would like to exercise my command in diplomacy." Even during the congratulatory call from US President Donald Trump, Abe's focus was on the need of being united to increase pressure on North Korea.

Along with a focus on the North Korean threat, a victory for Abe means a continuation of his earlier policies, which include strengthening the alliance with the US, a more robust defence and foreign policy vis-à-vis China, as well as a super-loose monetary policy. With a so-called supermajority in both houses, Abe can now move forward on pushing for a revision to Japan's war-renouncing constitution, a long-cherished goal of his and his nationalistic supporters. While Article 9 technically bans the maintenance of armed forces by saying that "land, sea and air forces, as well as other war potential will never be maintained", it has been interpreted by successive Japanese governments to allow the nation's Self-Defence Forces for exclusively defensive purposes. As Chinese regional ambitions rise and uncertainty over America's willingness to continue contributing to regional security continues, Article 9 is viewed by some as something of an anachronism. Abe had set a deadline of 2020 to revise Japan's constitution though this remains a highly divisive issue.

Abe will be welcoming Trump during the latter's first trip to Asia early next month at a time when China under Xi Jinping is convinced of the inevitability of its emergence as a global superpower. And the Trump administration's chaotic foreign policy is causing consternation about the future of its commitments to Asia. Abe has invested a lot in reaching out to Trump but he has also developed other regional partnerships.

An assertive Japan will be welcomed by India. Of all of Tokyo's neighbours, India is perhaps the most comfortable with Japan's rise. The two nations already share a close relationship across various sectors—economic, defence, nuclear—and even personal chemistry. Prime Minister Narendra Modi shares a close personal rapport with Abe that has only grown over the last three years. And the Indo-Japanese partnership is key to maintaining a stable balance of power in the wider Indo-Pacific. Abe always had a special place for India in his vision of the emerging order in the Asia-Pacific. Much before anyone else, he could foresee the need to view the Indian and Pacific oceans as a cohesive unit. In Modi he has found a kindred spirit. Both have a vision for the region in which the Indo-Japanese relationship plays a central stabilizing role.

India and Japan are keen on building a broader coalition of like-minded countries with the US and Australia to manage unfolding strategic realities in the broader Indo-Pacific. Abe had articulated a need for such a security architecture way back in 2012 when he had suggested "a strategy whereby Australia, India, Japan, and the US state of Hawaii form a diamond to safeguard the maritime commons stretching from the Indian Ocean region to the western Pacific". China's aggressiveness has only made this idea more tangible.

India and Japan complement each other economically and this has allowed the two to leverage each other's strengths. While Japanese investment in India continues to grow and India's need for Japanese technology in the infrastructure sector keeps on expanding, India has also decided to send 300,000 youth to Japan for on-job training for three-five years as part of the government's skill development programme. India is the largest recipient of Japanese foreign aid. Japanese investment in India is booming, with the Japanese making record investment in private equity and venture capital in India. Japan made an exception to its rule of not conducting nuclear commerce with any state that is not a signatory to the nuclear Non-Proliferation Treaty (NPT). The two nations are working on an ambitious programme, the Asia Africa Growth Corridor (AAGC), which will find place in the Abe-Modi summit. With a Japanese commitment of \$30 billion and an Indian commitment of \$10 billion, the project is aimed at building capacity and human resource development in Africa as well as developing infrastructure and institutional regional connectivity.

As Abe begins to work on his ambitious agenda for Japan, he will find in India a reliable friend. And as Modi works to project India as a leading global power, he will find in Japan an important and powerful interlocutor at a time of unprecedented change in the larger Asian landscape. Delhi and Tokyo will need to continue to nurture this very important bilateral partnership but Abe's victory augurs well for the relationship.

Harsh V. Pant is a distinguished fellow at the Observer Research Foundation and professor of international relations at King's College London.

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India, Sri Lanka ink housing project deal in Hambantota

Weeks after pro-Rajapaksa protesters clashed with the police outside the Indian consulate in Hambantota, Sri Lanka signed an agreement with India to build 1,200 houses in a public ceremony held in the southern port city on Thursday.

Following the agitation against the government's reported move to lease out a nearby airport to India, police arrested eight protesters, including Hambantota parliamentarian Namal Rajapaksa, the son of former President Mahinda Rajapaksa. They were all granted bail the following week.

The coastal city of Hambantota gained strategic significance after President Rajapaksa built a massive port and an airport with huge Chinese loans. In July this year, his successor government sold majority stakes of the port to China to service an outstanding \$8-billion debt it owes China, fanning concerns of countries with competing strategic interests, particularly India and the U.S.

Local residents, including supporters of Mr. Rajapaksa, have earlier protested the selling of "national assets to foreign entities", some of them leading to violent clashes.

Indian interest

The agitation outside the Indian consulate earlier this month followed media reports about India's interest in running the nearby Mattala airport, which is mired in heavy losses.

The signing of the MoU in Hambantota amid assumes significance not only in its timing, but also in taking India's housing project to the Sinhala-majority Southern Province.

One model village

As many as 46,000 homes have been built in the Tamil-majority north and east, while 4,000 houses are currently being built in the hill country in the Central and Uva provinces, where several thousand Sri Lankans of recent Indian origin live and work.

Of the 1,200 houses to be built following Thursday's MoU, 600 will be constructed in the Southern Province, while the remaining would be built across Sri Lanka, through one model village in each of the country's 25 districts, according to a press release from the Indian High Commission in Colombo.

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India for 'constructive' Rohingya policy

Seeking a 'constructive' approach to dealing with the exodus of the Rohingya, India said on Thursday that the displaced members of the community will have to return to their place of origin in the Rakhine province of Myanmar.

Speaking at a think tank event here, on the prospects of India-Japan cooperation in the Bay of Bengal and Asia-Pacific regions, Foreign Secretary S. Jaishankar highlighted India's regional humanitarian responsibilities and growing convergence with Tokyo.

"The exodus of a large number of people from the Rakhine state to Bangladesh is clearly a matter of concern. Our objective will be to see how they can go back to their place of origin. Clearly that is not easy," he said. "We are talking to Bangladesh and separately engaged with Myanmar and we feel that this is a situation better addressed with practical measures and constructive conversation, rather than doing very strong condemnations and, having checked the condemnation box, moving to the next issue."

He highlighted the need for "a sober, sensitive and locally sensitive approach" in dealing with the humanitarian emergency that the exodus had become.

Regional cooperation

Mr. Jaishankar also brought up the ties between connectivity, regional cooperation and humanitarian response to evolving crises. "One of the areas we want to see in the agenda of BIMSTEC is collaboration on the HADR— that, we would like these member countries to cooperate on humanitarian assistance to disaster situation. In the last three years, Nepal earthquake relief, (India's response to) Yemen civil war, Maldivian water crisis, and even Operation Insaniyat for the Rohingyas are part of cooperation."

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Look beyond Af-Pak

Coming after an excellent address to the Centre for Strategic and International Studies in Washington DC on US-India relations, described by a DC think-tank official as a "love letter" to India, US Secretary of State Rex W. Tillerson's visit attracted greater attention. The sentiment in the Donald Trump administration about US-India relations has been generally positive and upbeat. The president had a very cordial meeting with Prime Minister [Narendra Modi](#) in June. His South Asia policy speech on August 21, coming three days after the Camp David deliberations with his cabinet colleagues, was full of statements that were music to Indian ears.

In that speech, President Trump came down heavily on Pakistan, warning that it has "much to gain" from partnering with the US in Afghanistan, but "much to lose by continuing to harbour criminals and terrorists". "We have been paying Pakistan billions and billions of dollars at the same time they are housing the very terrorists that we are fighting. But that will have to change, and that will change immediately. No partnership can survive a country's harbouring of militants and terrorists who target US service members and officials. It is time for Pakistan to demonstrate its commitment to civilisation, order, and to peace", he thundered in his typical aggressive fashion.

In his CSIS address, Tillerson turned attention primarily to the Indo-Pacific region. It became clear from his address that the US wants India to play a significant role in the affairs of this region. "As we look to the next 100 years, it is vital that the Indo-Pacific, a region so central to our shared history, continued to be free and open", he said. "When our militaries conduct joint exercises, we send a powerful message as to our commitment to protecting the global commons and defending our people. This year's Malabar exercise was our most complex to date, the largest vessels from American, Indian and Japanese navies demonstrated their power together in the Indian Ocean for the first time, setting a clear example of the combined strength of the three Indo-Pacific democracies".

For India, the repeated use of the phrase "Indo-Pacific" by Tillerson marks a shift in the US position. Until now the phrase in vogue has been "Asia-Pacific". At some point, people like Admiral Harry B. Harris of the Pacific Command started using the phrase "Indo Asia Pacific". But things have changed after PM Modi's visit to Washington in June this year. The phrase "Indo-Pacific" found place in the joint statement issued by President Trump and PM Modi. Ever since, the phrase has been used in at least six US State Department briefings. It implies that the US acknowledges the centrality of the Indian Ocean to global peace and security.

India has great ambitions in the Indian Ocean region. It realises the potential that the Indian Ocean offers to it, economically and strategically. India's Act East policy involves strengthening its engagement in the Indian Ocean region. India enjoys certain advantages in the region because of its centuries-old civilisational and cultural linkages with a number of countries. The Indian Ocean Conference that is co-hosted by countries in the region like Sri Lanka, Singapore and India is steadily emerging as a forum for engagement of stakeholder countries. This forum can help restore balance in the region.

However, the US seems to be looking at India's role in the Indian Ocean region as a counter-balance to China. Tillerson, in his CSIS address, wanted India to be a "partner" with the US so that together they can be "standing firm in defence of a rules-based order to promote sovereign countries unhindered access to the planet's shared spaces, be they on land, at sea, or in cyberspace". He actually surpassed the conventional red line by directly accusing China of "less responsible" behaviour.

"China, while rising alongside India, has done so less responsibly, at times undermining the

international rules-based order, even as countries like India operate within a framework that protects other nations' sovereignty. China's provocative actions in the South China Sea directly challenge the international law and norms that the United States and India both stand for. The United States seeks constructive relations with China, but we will not shrink from China's challenges to the rules-based order and where China subverts the sovereignty of neighbouring countries and disadvantages the US and our friends". These are rather strong words coming from the Secretary of State.

For India, its regional role involves managing relations with all the countries, including China, while at the same time adhering to basic principles like rule of law and freedom of navigation etc. Its regional ambitions are propelled by its security concerns on one hand and its trade and commerce imperatives on the other. Essentially, under PM Modi, India has come out of its shell of reticence and is proactively engaging in regional and global affairs.

Of equal importance to India is the US's South Asia policy. India wishes to see greater consistency in action in the region. When President Trump spoke about South Asia in August, he had harsh things to say to Pakistan. Is that enough? In the last 15 years every American President has done so in varying degrees. Even a moderate like Obama described Pakistan as a "disastrously dysfunctional country". The Bush administration had threatened to bomb it "back to the stone age".

But rhetoric was not followed up with action. Pakistan got billions, not bombs. More importantly, the South Asia policy for the US leadership is actually only Af-Pak policy. This has to change. The South Asia policy needs to anchor around not just Pakistan and Afghanistan, but also India. India's views and sentiments need to amply reflect in it.

The State Department has a job in hand. US military divides Af-Pak and India into Centcom and Pacom respectively. The State Department has to bring both under one South Asia policy.

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The Tillerson tone

The two-day visit to India by the US Secretary of State, Rex Tillerson, could mark the beginning of a new political conversation between India and the United States rooted in strategic realism and promises to narrow down long-standing regional differences on Pakistan and China. Few were willing to bet that the Trump Administration would move towards a potentially decisive break from US regional policy that was tilted traditionally in favour of Pakistan and China. But some of its many critics in Washington have begun to admit, if cautiously, that the Trump Administration has hit some right notes on its India policy.

Of course, it is a work in progress, and there will be hurdles - to begin with, Tillerson may not last long enough in the State Department and Trump could well change his mind on India. But for Delhi, there could be an opportunity at hand with the US to rework the geopolitics of the Subcontinent and, more broadly, the Indo-Pacific.

It is true that Trump and his team have only built on the big ideas about India that have been around in Washington for nearly two decades. Their achievement, if the Tillerson tone is indeed taken forward, could lie in cutting through much of the clutter in American policy about southern Asia. Washington, for example, has long been aware that sanctuaries of terror in Pakistan are the principal source of destabilisation in the Subcontinent.

The US has also watched warily the growing assertion of Chinese power but seemed incapable of responding vigorously. In the last few weeks, the Trump Administration has come out swinging against Pakistan's support for terrorism and laid out a critique of China's regional policies. Delhi, which welcomed these statements from Washington, had an opportunity this week to hear first-hand from Tillerson on the Administration's approach to Pakistan and China - Tillerson seemed ready to walk the talk on Pakistan's support for terror and China's quest for regional hegemony. He also reaffirmed a strong commitment to back India's leading role in the Indo-Pacific.

On its part, Delhi has moved a long way from the intense suspicion that greeted President George Bush's offer to end India's nuclear isolation. During 2005-08, Delhi had torn itself debating if Bush's offer was an opportunity or a trap. Prime Minister [Narendra Modi](#) may have contributed towards mainstreaming the idea that partnering America is in India's interest. Delhi is also comfortable enough to publicly express differences with America, for example on North Korea. This new self-assurance augurs well for taking forward India's engagement with America through the many inevitable twists and turns that they are likely to encounter in the coming years.

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The success of Rex Tillerson's India visit will depend on deliverables

United States secretary of state Rex Tillerson's India visit must be seen at the backdrop of US President Donald Trump's South Asia policy — that Mr Tillerson touched down in Kabul and Islamabad before New Delhi proves this.

While unveiling his South Asia policy in August, the US President factored in a large role for India in Afghanistan; Mr Trump was also critical of Pakistan's role in combating terror. This sentiment was reflected by Mr Tillerson when he said: "Too many terror groups find safe haven in Pakistan which is now threatening stability of the Pakistan government." Mr Tillerson's tough words, much on the lines expressed by Mr Trump and US secretary of defence James Mattis, are reassuring.

External affairs minister Sushma Swaraj rightly observed that action "by Pakistan against all terrorist groups without distinction is critical to the success of the new Strategy of President Trump." But the US is unlikely to drastically change its approach towards Pakistan. That 26/11 Mumbai terror attack mastermind Hafiz Saeed's name did not feature in the list of 75 militants the US handed over to Pakistan points towards Washington's reluctance to go for the jugular when it comes to terror.

The challenge will be in how the US balances the geographic necessity of Pakistan with its larger interest in the region. In other words: How will the US make Pakistan behave?

An important takeaway for New Delhi from the visit is the increasing India-US appetite to find points of convergence when it comes to "strategic partnership and collaboration on security and prosperity" in the Indo-Pacific region, especially in matters regarding China. The discussion, as Hindustan Times reported, of an India-US partnership for an alternative to Beijing's One Belt One Road (OBOR) initiative is an example. This fits into the larger template of the US' relationship with India, echoed by Mr Tillerson in his CSIS address last week.

There is a general stress between narratives and tangible deliverables in foreign policy discourse. Mr Tillerson's visit is high on the former. The success of the visit will be measured in the deliverables — be it on India's expanded role in Afghanistan, reining in Pakistan's terror hubs, or even balancing China's ambitions in the region.

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Act or we will, U.S. tells Pakistan

The Trump administration has firmly told Pakistan that if it fails to take “decisive” action against terror groups, it will “adjust” its tactics and strategies to achieve the objective in a “different way.”

Secretary of State Rex Tillerson has told Pakistan that it must take action against terrorist groups and dismantle their safe havens on its soil, a State Department spokesperson told PTI, a day after Mr. Tillerson concluded his maiden trip to Afghanistan, Pakistan and India.

“We have communicated our expectations to Pakistan numerous times that they must take decisive action against terrorist groups based within their own borders,” the spokesperson said.

At a news conference in Geneva, his last stop on his overseas tour, Mr. Tillerson said the U.S. had “a very healthy exchange of information on terrorists, which is what we really hope to achieve with Pakistan.”

Blunt message

He said the message to Pakistan was: “Here’s what we need for Pakistan to do. We’re asking you to do this; we’re not demanding anything. You’re a sovereign country. You’ll decide what you want to do, but understand this is what we think is necessary. And if you don’t want to do that, don’t feel you can do it, we’ll adjust our tactics and our strategies to achieve the same objective [in] a different way.”

Mr. Tillerson said that he would not characterise his direct discussions with the Pakistani leadership as lecturing at all.

‘Open exchange’

“It was a very good and open exchange. In fact, we probably listened 80 per cent of the time and we talked 20 per cent. And it was important to me, because I have not engaged with Pakistani leadership previously. And, so my objective was to listen a lot, to hear their perspective,” he said.

“We put our points forward. We put our expectations forward in no uncertain terms. There has been significant engagement prior to my visit, and there will be further engagement in the future, as we work through how we want to exchange information and achieve the objective of eliminating these terrorist organisations, wherever they may be located,” Mr. Tillerson said.

He described his communication with the Pakistani leadership as very frank and very candid.

“There’s nothing to be achieved by lecturing, but we should be very clear about expectations and what we’re asking. And either people will step up and meet those expectations or they won’t. We are going to chart our course consistent with what Pakistan not just says they do but what they actually do,” he said.

Based on conditions

Noting that the future course of action would be based on conditions on the ground, he said the entire South Asia strategy is a conditions-based strategy.

Pakistan Foreign Minister Khawaja Asif in a meeting on Thursday with the National Assembly Standing Committee on Foreign Affairs said that Pakistan will neither surrender to the U.S. nor

compromise on its sovereignty.

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Tokyo for quadrilateral talks

One side less: The Malabar Exercise includes India, the U.S. and Japan, with Australia keen on joining it. SPECIAL ARRANGEMENT

Citing growing international partnerships, India on Friday said it was “open” to working with partner countries for regional issues that are “relevant”. The comments from the External Affairs Ministry came after Japanese Foreign Minister Taro Kono declared in a media interview that Tokyo would call for a quadrilateral dialogue with Australia, India and the U.S.

“India is open to working with like-minded countries on issues that advance our interests and promote our viewpoint. We are not rigid in this regard. Because of our broad acceptability as a country, there are a number of such initiatives which are trilateral in nature. For example, we did the trilateral meeting with Russia and China on the topic of Asia-Pacific last year. We also do an India-Sri Lanka-Maldives trilateral on security matters,” Ministry spokesperson Raveesh Kumar said.

Chinese build-up

The official indicated that India was not alarmed about the regional situation especially in the context of reports about continued Chinese military build-up in the Doklam region.

Dismissing reports of a build-up on the contested plateau, Mr. Kumar said, “I would like to reiterate that there are no new developments at the face-off site and its vicinity since the August 28 disengagement.”

The Ministry’s reaction to the quadrilateral came days after the re-election of Prime Minister Shinzo Abe, indicating that the new government is expected to push for overhauling of the post-World War strategic doctrine of Japan.

However, the comment indicated that such regional partnerships will have to suit Indian interests and said, “As far as we are concerned, we have an open mind to cooperate with countries with convergence but obviously on an agenda which is relevant to us.”

Significantly, Foreign Secretary S. Jaishankar also indicated India’s willingness to work with Japan and the United States to deal with regional issues on Thursday.

Speaking at a think tank event, Mr. Jaishankar said U.S. investments in the power sector of Nepal will be in Indian interest, adding, “Regionalism will grow if there are higher comfort levels. Having Japanese or the Americans in room will be more helpful.”

Indications of regional partnership between India and Japan came also during Mr Abe’s visit, with both sides indicating willingness to manage the maritime domain from Indian Ocean and the Asia-Pacific zone.

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India, France to boost defence ties

Strategic partnership: Nirmala Sitharaman with her French counterpart, Florence Parly, in New Delhi. V. Sudershan

India and France on Friday decided to expand military cooperation in the strategically key Indo-Pacific region, besides resolving to ramp up the overall defence and security ties.

Defence Minister Nirmala Sitharaman and her French counterpart, Florence Parly, held extensive talks covering a variety of issues, including the regional security situation, joint development of defence platforms and expansion of military-to-military ties.

At their delegation-level talks, the two sides also agreed to expand counter-terror cooperation, and said a lot more could be done in the maritime sphere, particularly in the Indo-Pacific region, where China was trying to expand its footprint, official sources said. Ms. Parly described her interaction with Ms. Sitharaman as “excellent”.

The sources said the French side explored the possibility of a follow-on order of additional Rafale fighter jets being placed by India.

India had signed a Rs. 58,000-crore deal with France for the supply of 36 Rafale jets last year and the IAF was pitching for procuring another fleet of 36.

In a statement, the Defence Ministry said the Ministers reviewed ongoing initiatives to strengthen bilateral defence cooperation further as a key pillar of the strategic partnership between the two countries.

Maritime security

“Recognising the growing significance of maritime security in the Indo-Pacific and the need for greater maritime domain awareness, India and France will further expand information sharing arrangements,” it said.

It is Ms. Parly’s first visit to India as Defence Minister and her trip is expected to lay the ground for French President Emmanuel Macron’s upcoming trip.

“A range of measures to expand military to military ties were agreed upon,” the Defence Ministry said.

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Reign of King Xi

In another time, the announcement that the Communist Party of China has enshrined President Xi Jinping's political doctrine and his name in its Constitution would have been called a coronation. World leaders have scrambled to hail the move, led by US President Donald Trump who called it an "extraordinary elevation". Few, though, appear to have fully understood what the new development portends for China, and the world.

President Xi's ideology - which will now be taught, alongside that of [Mao Zedong](#), to school-children, like a socialist variation on religious instruction - represents a profound ideological rupture at the heart of China's ruling party. Xi's "Thought on Socialism with Chinese Characteristics for a New Era" may sound a lot like "Socialism with Chinese characteristics", the guiding mantra coined by Deng Xiaoping, leader of China from 1978 to 1989.

But where Deng sought to marry capitalist economics with a socialist state apparatus, Xi voices the concern of neo-Maoists who believe "socialism with Chinese characteristics" was not socialism at all. Even though Deng's policies raised hundreds of millions out of poverty, neo-Maoists believed it bred a decadent society, where income disparities rose to unacceptable levels, workers were exploited, and corruption flourished. Proclaimed "core leader", and thus elevated to the same stature as Mao and Deng, Xi speaks to these concerns, promising to create a society where collective interests will be secured. In this sense, Xi's rise is not dissimilar to that of populist leaders elsewhere in the world who have triumphed on the back of the manifest failures of capitalism.

Ever since Deng's retirement, the Communist Party of China has been seeking to address the problems of legitimacy his policies created. In 2012, then-President Hu Jintao at the 18th Party Congress said the post-Deng party was "bravely promoting the implementation of basic theoretical innovation" to address "new thinking, new views and new arguments closely connected to the support and development of socialism with Chinese characteristics." Xi today pursues this through what he calls the "China dream" - described in *The People's Daily* as early as 2002 as the pursuit of "spiritual power to realise the great rejuvenation of the Chinese nation." Xi's spiritual renewal has come in the form of an anti-corruption campaign - adroitly used to remove rivals and consolidate power - and the fuelling of nationalism through military adventure on China's policies.

In essence, Xi promises not just prosperity, but greatness. As the scholar Simone van Nieuwenhuizen has perceptively pointed out, he "is not fostering a cult of personality, but a cult of the Party". For the rest of the world, this could be reason to worry: A Party that does not found its legitimacy on prosperity, after all, is one that is likely to seek it through nationalism-driven geopolitical adventure.

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All the roads that lead to Kabul

The optics could not have been more significant. Just a day after U.S. Secretary of State Rex Tillerson was in Kabul and on the day he landed in New Delhi, Afghan President [Ashraf Ghani was hosted by India](#). As Mr. Tillerson chided Pakistan for not doing enough against terrorists operating from its soil, Mr. Ghani in New Delhi was underlining that the time had come for Islamabad to make a choice between abandoning state sponsorship of terrorism and facing the consequences. It was as perfect a piece of diplomatic choreography as it could get, aimed at sending a message to Pakistan that regional equations are shifting in a direction which will only isolate Islamabad if immediate corrective measures are not taken.

A day in Delhi for Ghani and Tillerson

Mr. Ghani's visit came at a time when the Trump administration's South Asia policy has underscored India's centrality in the 'Af-Pak' theatre. As Washington plans to increase its military footprint in Afghanistan, it is tightening the screws on Pakistan for supporting terrorism as an instrument of state policy. Both Washington and Kabul now view New Delhi as a player with considerable leverage over the evolving regional dynamic.

A central feature of the [Trump administration's new Afghanistan policy](#) is an outreach to India. "We appreciate India's important contributions to stability in Afghanistan, but India makes billions of dollars in trade with the U.S. and we want them to help us more with Afghanistan, especially in the area of economic assistance and development," Mr. Trump had said in August while outlining his new South Asia policy.

Indo-Afghan trade: Castles in the air?

Kabul has wholeheartedly embraced this strategy, with Mr. Ghani terming it a "game-changer" for the region as it "recommends multi-dimensional condition-based approach for the region." In Delhi, he was categorical in attacking Pakistan by suggesting that "sanctuaries are provided, logistics are provided, training is provided, ideological bases are provided." In a remarkable move, he went on to suggest that Afghanistan would restrict Pakistan's access to Central Asia if it is not given access to India through the China-Pakistan Economic Corridor (CPEC) project. He referred to the Indo-Afghan air corridor as an effective response to Pakistan's attempt to deny India and Afghanistan any direct access. He also strongly rejected Islamabad's claims that India was using Afghanistan as a base to destabilise Pakistan. He made it clear that there were "no secret agreements" between Kabul and New Delhi.

Mr. Ghani also rejected "Pakistan-managed" efforts to broker peace in his country, and in line with this India too has emphasised that it believes peace efforts in Afghanistan should be "Afghan-led" and "Afghan-controlled". India continues to maintain that renunciation of violence and terror, and closure of state-sponsored safe havens and sanctuaries remain essential for any meaningful progress and lasting peace. Afghanistan had participated in the sixth Quadrilateral Coordination Group meeting along with the U.S., China and Pakistan in Muscat, Oman, on October 16 in an attempt to revive stalled peace talks with the Taliban. National Security Advisor Ajit Doval had gone to Kabul to assess these developments on the same day.

In recent years, India has not shied away from taking a high-profile role in Afghanistan. It remains one of the biggest donors of aid to Afghanistan, having committed \$3.1 billion since 2001. Recently, it announced that it will be working on 116 new development projects in more than 30 areas. India's agenda is to build the capacity of the Afghan state as well as of Afghan security forces, enabling them to fight their own battles more effectively. This is in line with the

requirements of the Afghan government as well as the international community.

New U.S. policy can boost Indo-Afghan security ties: Abdullah Abdullah

Expanding India's development role further and enhancing its security profile with greater military assistance to Afghanistan should be a priority as new strategic opportunities open up in Afghanistan. While the U.S. has its own priorities in the 'Af-Pak' theatre, India's should be able to leverage the present opening to further its interests and regional security. The recent bout of diplomatic activity in the region is a clear signal that India can no longer be treated as a marginal player in Afghanistan. Even Russia wants to keep India in the loop, as was underscored by Moscow's special envoy on Afghanistan Zamir Kabulov's visit to New Delhi for consultations in September.

Mr. Trump's South Asia policy is a remarkable turnaround for Washington which had wanted to keep India out of its 'Af-Pak' policy for long for fear of offending Rawalpindi. India was viewed as part of the problem and now the Trump administration is arguing that India should be viewed as part of a solution to the Afghan imbroglio. This is a welcome change and holds significant implications for India, Afghanistan and the wider region.

Harsh V. Pant is a Distinguished Fellow at Observer Research Foundation, New Delhi and Professor of International Relations at King's College London

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Big vision, hazy detail: on India-US relations

Of the seven countries he visited last week, U.S. Secretary of State [Rex Tillerson chose to focus on India](#) while spelling out his strategic vision. Just before starting the tour, he gave a speech on India-U.S. ties that was as broad as it was deep, talking of the road ahead together for “the next 100 years”. He reserved his most ambitious words for the role of India in the U.S.’s plans in two spheres. In Afghanistan, as a part of President [Donald Trump’s new South Asia policy](#), and in the Indo-Pacific, as part of U.S. plans to counter China’s influence and contain North Korea. On both counts, Mr. Tillerson’s talks in New Delhi with External Affairs Minister Sushma Swaraj and Prime Minister Narendra Modi made progress in developing a common vision, but appear to have made little movement on the specifics. For instance, he is said to have “minced no words” when it came to tackling Pakistan’s support to terrorist safe havens. Yet, the groups he referred to are not those that directly threaten India, but Afghanistan and, by extension, the U.S. soldiers based there. As for Indian hopes of increasing trade and development [aid to Afghanistan through the Chabahar route](#), Mr. Tillerson’s assurance that Washington does not seek to bar legitimate trade is welcome. However, it remains to be seen whether India can significantly ramp up cooperation with Iran to further its interests in Afghanistan at a time when the U.S. maintains its policy of isolating the Iranian leadership.

Trump and the new world disorder

Finally, both Indian and U.S. officials spoke in detail, and in public statements, about building an alternative coalition to counter China’s Belt and Road Initiative as well as its aggressive moves in the South China Sea — yet Mr. Tillerson did not add clarity on where the funding would come from. For its part, India desisted from any clear commitments on joint patrols to ensure freedom of navigation in the SCS, or even on the foundational agreements the Indian and U.S. militaries must conclude to deepen cooperation in the region. While India and the U.S. have taken great strides in aligning their vision and their hopes for future partnership, reality often trips up such lofty goals. One reason is geography — while American troops remain in Afghanistan, it is difficult for the U.S. to completely disengage from Pakistan. For India, while a maritime relationship with the U.S. is desirable, geographic proximity to China makes a very close alliance with the U.S. difficult. The other issue pertains to the strategic confusion within Washington and Mr. Trump’s withdrawal from U.S. commitments in Asia, Europe and at the UN, drawing questions about its reliability as a partner. Given this, it may have been too much to expect more than the warm handshake and the encouraging words of hope Mr. Tillerson delivered.

Rajasthan’s ordinance shields the corrupt, threatens the media and whistle-blowers

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Government of India and the Asian Development Bank (ADB) sign \$65.5 Million Loan to support Coastal Protection in Karnataka

Government of India and the Asian Development Bank (ADB) sign \$65.5 Million Loan to support Coastal Protection in Karnataka

The Asian Development Bank (ADB) and the Government of India signed a \$65.5 million loan agreement yesterday here in the national capital to continue interventions to check coastal erosion on the Western Coast in Karnataka.

The loan is the Second Tranche of a \$250 million financing facility under the Sustainable Coastal Protection and Management Investment Program. The financing will be used to address the immediate coastal protection needs and for strengthening institutional capacity of Karnataka's Public Works, Ports and Inland Water Transport Department.

Mr. Sameer Kumar Khare, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Govt of India signed the Loan Agreement on behalf of the Government of India, and Mr. Kenichi Yokoyama, Country Director of ADB's India Resident Mission, signed for ADB. A separate Project Agreement was signed by M. Lakshminarayana, Additional Chief Secretary on behalf of the Government of State of Karnataka.

After signing the loan agreement, Mr Khare said that Coastal area development is one of the priority sectors for Government of India. He said that the program has introduced innovative techniques for managing coastal erosion that will ultimately benefit local communities, and would also help address concerns pertaining to the climate change.

Speaking on the occasion, Mr. Yokoyama said that the investment program has already demonstrated the benefit of adoption of softer options such as artificial reefs, beach nourishments, and dune management for coastal protection. He said that the project will consist of eight coastal protection subprojects to address the issues of medium to severe coastal erosion resulting in protection of about 54 km of coastline in Karnataka.

Karnataka's coast supports the state's major economic sectors, which include fisheries, agriculture, tourism, ports and other major transport and communication sectors. Coastal erosion in the state, where the project is focused, poses a high risk to human wellbeing, economic development, and ecological integrity through loss of land, infrastructure, and business opportunities. Under increasing threat from climate change impacts, coastal protection and management has evolved as a major challenge to development. Effective and sustainable management of the shoreline is thus vital to sustainable economic and social development of the coastal regions in the state.

The Second Tranche Loan from ADB's ordinary capital resources has a 20-year term. The State of Karnataka, acting through its Department of Public Works is responsible for implementation of overall program, which is due for completion by September 2020.

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Despite Tillerson, US won't abandon Pakistan for India

It has become commonplace to caution American policymakers against irrational exuberance when dealing with India: Keep expectations low (conventional wisdom goes) and you won't be disappointed. In the wake of US Secretary of State Rex Tillerson's visit to New Delhi this week, perhaps the same advice could be directed to India's leadership. Despite warm welcome by Prime Minister [Narendra Modi](#), the pleasantries at Gandhi Smriti, and the promises of "an even brighter future," don't expect a radical change in US policy. There are structural reasons for India to moderate its expectations of what it can realistically expect from the Trump administration, regardless of anything the Secretary of State- or even the President- might say.

There is no new US policy towards Pakistan-and there won't be one soon. On August 21, Trump announced a "change [in] the approach and how to deal with Pakistan. We can no longer be silent," he stated. Ears pricked up in Islamabad and New Delhi alike. But in the two months since the administration's roll-out of its new strategy for South Asia, no significant actions towards Pakistan have been made public. If a sea-change is underway, it is hidden beneath the waves.

This should not be a surprise: So long as the US has troops in neighboring Afghanistan, it will be reliant on Pakistan for logistical support, transit, and-perhaps most importantly-Islamabad's influence with both the Taliban and its affiliated Haqqani Network. With the addition of about 5,000 U.S. troops to the effort in Afghanistan-roughly a 50 percent increase over the baseline at the end of the Obama administration- US exposure will grow rather than recede.

A concrete demonstration was provided just two weeks ago: On October 12, an American woman, her Canadian husband, and their three children were released after five years of Haqqani captivity. Whether this was a conveniently-timed military rescue or a secretly-negotiated operation, it reminds the US of Pakistan's ability to help- and to harm. Afterwards, Tillerson expressed his "deep gratitude to the Government of Pakistan and the Pakistani Army," and posited "a U.S.-Pakistan relationship marked by growing commitments to counterterrorism operations and stronger ties in all other respects."

The US and India don't see eye-to-eye on China. Earlier this month, Tillerson made a major speech contrasting the America's relationships with India and China. "We'll never have the same relationship with China, a non-democratic society," he said, "that we can have with a major democracy" such as India. He criticized China's Belt-and-Road-Initiative (BRI) infrastructure program, and proposed a joint Indo-U.S. effort towards "countering that with alternative financing measures."

But Tillerson said nothing about where the funds for such an ambitious venture might come from. China has pledged \$46 billion for the Pakistan piece of its framework alone. The U.S. administration plans to reduce its foreign affairs budget by 28 percent-a cut that Tillerson fully supports. India is unlikely to spend countless crores for the construction of roads and railways in other nations when it has so many infrastructure needs of its own. Moreover, India has consistently balked at any suggestion of a de facto alliance geared at limiting China's influence. Perhaps this summer's stand-off at Doklam will turn out to be a game-changer? If so, Delhi may remember that the Trump administration-in contrast, for example, to that of Japan's Prime Minister Shinzo Abe-refrained from any statement in support of India throughout its most serious confrontation with China in a quarter-century.

The U.S. and India have different visions for Afghanistan-and for Iran. The Trump administration views Afghanistan as an American project, and sees India's role there in transactional terms. "India makes billions of dollars in trade from the United States," the president said in his August 21

speech, "and we want them to help us more with Afghanistan." But India has already, for its own reasons, supplied about \$3 billion in aid and investment. Much of this assistance is geared towards linking Afghanistan's road network to the Iranian port of Chabahar. India's development of Chabahar Port is perhaps its most noteworthy counter to China's BRI network, and a secure road-rail-harbor connection would enable landlocked Afghanistan to forge trade relationships around the world without transiting Pakistan.

Such connectivity would be good for Afghanistan, good for India, and good for Iran-but that's the hitch: The Trump administration is actively seeking to choke off Iran's global economic activity. On October 13, the president declined to certify a key provision supporting the 2015 nuclear deal forged between the U.S., Iran and six other parties-an agreement he described as "one of the worst and most one-sided transactions the United States has ever entered into." Trump announced several new sanctions, and has been quite clear about his intention to step up economic pressure on Tehran. Any Indian investment in Afghanistan geared towards connectivity with Iran-that is, the lion's share of it- will likely run into a buzz-saw of U.S. opposition.

The visit of Secretary Tillerson will not be the last moment of irrationally high hopes during the current US administration. At some point, there will likely be a presidential visit to India. If the Washington rumor mill is accurate, US Ambassador to the United Nations Nikki Haley may eventually succeed Tillerson and serve as the first Indian-American Secretary of State. At such moments, many commentators will predict a revolution in U.S.-Indian relations. And then-as now-they are likely to be wrong.

But the good news is quieter, and more durable: the relationship between the two nations has grown progressively closer over the past two decades: under three US presidents and three Indian prime ministers, representing the full range of both countries' political spectrums. There will be ups and there will be downs; in international policy, there always are. But the warming trend in Indo-U.S. relations is almost certain to continue-no matter who sits in the White House, or who comes calling at South Block.

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Spain seizes control of 'independent' Catalonia

Spain moved on Saturday to assert direct rule over Catalonia, replacing its executive and top officials to quash an independence drive that has pushed the country into uncharted waters and sent shock waves through Europe.

As thousands rallied in Madrid in support for Spanish unity, a government notice officially deposed regional leader Carles Puigdemont and his deputy Oriol Junqueras.

The announcement placed Deputy Prime Minister Soraya Saenz de Santamaria in charge of administering the region.

It is the first time the central government has curtailed autonomy in the region since dictator Francisco Franco's repressive 1939-75 rule.

Police chief fired

Madrid also fired regional police chief Josep Lluís Trapero, seen as an ally of Catalonia's separatist leaders, and put the interior ministry in charge of his department in a move likely to further escalate tensions in Spain's worst political crisis in decades.

A day after Catalan lawmakers voted to break with Spain, the regional and national flags still fluttered side by side over the seat of the Generalitat, the name for the regional government.

The streets of Barcelona were largely empty after a night of firework-lit celebrations, and security was reinforced around the regional headquarters of the national police.

Y viva Espana

Some 3,000 people gathered on Madrid's central Plaza Colon, waving the Spanish flag as loudspeakers blared the popular song "Y viva Espana" (long live Spain).

A small child was pushed by its father in a buggy sporting a sign proclaiming: "Together", and some in the crowd wave placards calling for Puigdemont to be jailed.

"It is a shame what happened in Catalonia," lamented anti-secessionist protester Carlos Fernandez, a 41-year-old mining engineer.

Moving to quash what he termed an "escalation of disobedience", Prime Minister Mariano Rajoy responded to Friday's Catalan vote by assuming sweeping powers granted to him by the Senate under a never-before-used constitutional article designed to rein in rebels among Spain's 17 regions.

He fired the government and parliament and called December 21 elections to replace them.

The Spanish government has received unwavering support from the U.S. and its allies in the European Union. The bloc is increasingly wary of nationalistic and secessionist sentiments.

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A court to fix all investor-state rows?

Embroiled in 22 arbitration proceedings against it in disputes with prominent global investors, including Vodafone and Cairn Energy, India has cautiously welcomed a proposal to establish a 'World Investment Court' (WIC).

The World Court, a plan pushed mainly by the European Union (EU), is to be a "permanent, independent, legitimate, accountable, consistent and effective" global body framework with a mechanism for appeal as well, to resolve the current and future investor-State disputes including the ones that India is/could be involved in.

The matter is coming up for discussion next month at the United Nations Commission on International Trade Law (Uncitral), of which India is a member along with 59 other nations representing 'various geographic regions and the principal economic and legal systems of the world'. The Uncitral works on the 'modernisation and harmonisation' of international business rules.

Responding to a questionnaire sent by an Uncitral Working Group mandated to look into issues including the proposed WIC, India said it "welcomes the move to have discussions and deliberations on the proposal, and further comments could be provided in due course."

However, it said, "The legal and practical challenges to establishing a WIC should not be underestimated." It added, "one of the most critical areas in designing a permanent investment court relates to its composition, structure and certainty."

Currently, such disputes are being dealt with by the Investor-State Dispute Settlement (ISDS) regime, but with varying provisions in more than 3,300 International Investment Agreements (IIA) — including Bilateral Investment Treaties (BIT) and Treaties with Investment Provisions (TIPs). India had inked 83 BITs, and is a party to 13 TIPs.

As per the Uncitral, the ISDS regime was created to enhance confidence in the stability of the investment environment. The regime is used to solve investor-State disputes in a neutral and flexible manner. Uncitral said the ISDS provisions in investment treaties vary, with some providing for ISDS in any dispute arising from the investment concerned, and others restricting ISDS to claims arising from breach of certain treaty provisions, or to claims relating to 'expropriations' (or measures including nationalisation).

'Inconsistent awards'

Global think-tank OECD said, "Such variation...is likely to both motivate and complicate possible harmonisation of international investment law. It may also affect the apparent consistency of arbitral awards, and increase arbitration costs..." India, in its reply to the Uncitral questionnaire, had also said, "One of the drawbacks of the current landscape of BIT arbitrations is the number of inconsistent or even contradictory awards..."

The WIC — alternatively called 'International Tribunal for Investments' or 'Multilateral Investment Court' — is proposed to "replace or supplement" this ISDS arbitration regime in investment treaties.

According to the EU Trade Commissioner Cecilia Malmström, "This system [ISDS] has operated for more than forty years: and the main beneficiaries are EU investors, who bring over half of the world's ISDS cases. But ISDS is old-fashioned and it is far from perfect."

'ISDS criticised'

Ms. Malmström further said, in a speech in February, that the WIC is an idea the EU has begun to present in the international community including “at the World Trade Organisation (WTO)... to discuss the issue and get their support.” The ISDS regime has been criticised due to its “absence of or limited legitimacy, consistency and transparency, the lack of a review mechanism, as well as ad hoc constitution of tribunals, lengthy duration and high costs.”

As per the UNCTAD, the United Nations agency on trade, investment and development, as on July 31, globally there were 817 ‘known treaty-based investor-State arbitrations’.

This includes 26 such matters that India is involved in. In 22 of the 26 cases, India is or was the ‘respondent State’ (with proceedings initiated against it), while in four other matters, India is or was the ‘Home State’ of the investor that sued another country. The report of the High Level Committee — ‘to review the institutionalisation of arbitration mechanism in India’ — had said that in the early years, India saw few claims (from investors), and even settled the dispute regarding the Dabhol power project. However, it said, the award in the ‘White Industries’ case against India (the tribunal awarded a compensation of \$4.1 million to White Industries) not only resulted in many fresh notices against India, but also caused much consternation — as the primary grounds for the award was based on delays of the Indian judiciary.

It added, “The award in White Industries triggered a spate of investment treaty claims being raised against India... The most prominent among these claims was the one raised by Vodafone... [which] invoked the India-Netherlands BIT and issued a notice of arbitration to the Government for its failure to protect investor rights.”

In 2015, India released a ‘revised’ Model BIT Text, in the backdrop of many arbitration proceedings against it, where investors cited provisions in its bilateral investment treaties to seek huge compensation for ‘economic harms suffered due to reasons including policy changes’. India said the ‘revised’ Text was necessitated as extant treaties were signed with partner nations after negotiations on the basis of the Model BIT Text adopted in 1993 (amended in 2003), that had provisions “susceptible to broad and ambiguous interpretations by arbitral tribunals”.

The ‘revised’ Text will be used to re-negotiate India’s existing treaties, as well as negotiate future treaties and investment chapters in its ‘Treaties with Investment Provisions’. However, India has become wary of ISDS. It is learnt that the recently ‘finalized’ India-Brazil BIT has no ISDS. In the light of the ISDS problems and efforts to harmonise the related norms globally to resolve such issues, the European Commission will next month hold a stakeholder meeting on the proposed World Court by pitching it as a solution.

'Not in India's interest'

On the proposed Court, the earlier-mentioned High Level Committee suggested that, “The efficacy of such an investment court may be assessed based on experiences of other countries and a position adopted on the usage of such investment court mechanisms.” Abhijit Das, head and professor, Centre For WTO Studies, Indian Institute of Foreign Trade, however, said, “It (the World Court) may not be in India’s interest as many of the shortcomings of the ISDS, including the expansive interpretation of certain investment treaty terms that has been a bone of contention in many cases, are likely to continue in the WIC.”

“Besides, many developing nations including India, Indonesia and South Africa are either moving away from BITs or are making fundamental changes to their BITs. In these circumstances, perhaps it is not in India’s interest to support the WIC.”

'Resistance exists'

Mukhisa Kituyi, Secretary-General, UNCTAD, said, "... there are some countries which are still very resistant to it (the World Court).... you are not going to be able make any international mechanism without their express consent... in many ways, they would like to internationalise their domestic jurisprudence on such disputes."

He added that the UNCTAD, along with the EU, is helping in developing a rules-based investor dispute resolution mechanism that goes beyond the traditional dispute mechanism.

"But we are putting greater emphasis on investment facilitation, and on a rules-based framework for a new regime of investment agreements that are more sustainable, and that balances rights and obligations that do not erode or abuse social and ecological considerations in a way we see in the old stock of investment agreements, particularly in the BITs."

Andreas Esche, director, Program Shaping Sustainable Economies, Bertelsmann Stiftung, a German-headquartered private operating foundation, said "it (the World Court) is a reliable proposal as it is not following any national interests."

In a veiled reference to many Indian firms investing abroad including in Africa and Latin America, he said considering the World Court is important especially if "you are interested in protecting your investments in countries with a legal system that is not so well-established."

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Multilateral subjects set to top talks with Italy

Fresh start: Italian PM Paolo Gentiloni and his wife, Emanuela Gentiloni, arriving in New Delhi on Sunday. R.V. Moorthy R_V_Moorthy

A range of multilateral and bilateral subjects are likely to be in focus during the visit of Italian Prime Minister Paolo Gentiloni that begins on Monday.

The visit, which comes after both sides managed to contain the diplomatic fallout of the marines crisis, is for a day. Diplomats indicated that India's global push for the Nuclear Suppliers Group (NSG) membership and bilateral trade are likely to be on top of the agenda.

During the visit, Mr. Gentiloni will meet with External Affairs Minister Sushma Swaraj and Prime Minister Narendra Modi, following which a number of bilateral agreements are to be signed in the Hyderabad House. Mr. Gentiloni is also scheduled to deliver a lecture at the Observer Research Foundation on Monday evening and hold talks with President Ram Nath Kovind and Vice President Venkaiah Naidu.

Natural partners

Italy's support for India's candidature at the Missile Technology Control Regime (MTCR) in 2016 was an important marker in multilateral collaboration and indicated Rome's long-term commitment to supporting India's role in the export control regimes.

"Italian supportive role in the EU and NSG will help our cause with the EU-India FTA (Free Trade Agreement) and our bid for NSG membership. Italy and India are natural partners and this partnership must be allowed to take free flight," said former ambassador to Rome Anil Wadhwa, indicating that the support will boost India's campaign for membership in the global nuclear suppliers club. India's bid for membership at the NSG has so far been scuttled by repeated opposition from China.

However, sources indicated that apart from the NSG, India is also seeking Italian support at the FATF (Financial Action Task Force) meeting that begins on Monday in Buenos Aires, where India has been pushing for stringent measures against Pakistan on terror funding issues.

A difficult phase

The visit by an Italian PM comes after a decade. The period from 2012 to 2016 marked a difficult bilateral phase as the marines issue, which included two of Rome's marines became a national debate in Italy.

The case is now with the International Court of Justice, where a round of arbitral proceedings is expected to be completed by 2018.

However, several meetings were held between the two sides as political ties warmed up following the change of government in Delhi in 2014. In July 2017, Prime Minister Narendra Modi met Mr. Gentiloni on the sidelines of G20 summit in Hamburg. Prior to that, External Affairs Minister Sushma Swaraj met him on 4 September 2016 when he was the foreign minister.

Apart from the expected issues, Italy and India may also discuss the tension between the U.S. and Iran after President Donald Trump decertified the nuclear deal with Iran, where both Italy and India have strong contacts. As one of the signatories in the nuclear deal, Italy's role is crucial in this

matter.

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Kabul will get Indian wheat via Chabahar

The move also indicates that Chabahar, which India has been developing for some years, will soon be fully operational. India had earlier sent goods through the Iranian port of Bandar Abbas in 2003 as Pakistan had not eased land access to Afghanistan.

“The two foreign ministers welcomed the fact that this is the first shipment that would be going to Afghanistan through the Chabahar port after the Trilateral Agreement on Establishment of International Transport and Transit Corridor was signed during the visit of the Prime Minister of India to Iran in May 2016,” the MEA said.

During the video conference, Ms. Swaraj reiterated India’s continued support to reconstruction, capacity-building and socio-economic development of Afghanistan, including under the framework of the New Development Partnership that she and Mr. Rabbani jointly announced last month at the India-Afghanistan Strategic Partnership Council.

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More Abenomics

Within days of being elected for a third term to lead the world's third largest economy, Japanese Prime Minister Shinzo Abe has declared a war on low wages by urging the private sector to implement a 3% pay rise from next year. This bold intervention could infuse substance to the third arrow (structural reforms) of 'Abenomics' as part of the broader strategy to unshackle Japan from two decades of on and off deflation. Monetary easing and fiscal stimulus are the other two elements of the now widely acclaimed three-pronged strategy launched in 2012 to meet a 2% rate of inflation and boost growth. Accordingly, the Bank of Japan's (BoJ) policy of negative interest rates and quantitative easing — the purchase of sovereign bonds worth trillions of yen — to stoke the current nearly zero rate of inflation has yielded spectacular results. For instance, the country recorded an unbroken six consecutive quarters of growth until June in gross domestic product (GDP), the longest spell in over a decade. The 4% annualised growth in the April to June quarter was remarkable in a predominantly export-driven economy, underpinned as it was by a boost in domestic demand and private consumption.

Similarly, Japan's current labour market conditions are said to be the strongest since 1974, with unemployment hovering below 3%. But prices have evidently not kept pace with these improvements as inflation has remained close to zero, underscoring the limits to how much ultra-loose monetary policy by itself can do to trigger demand. In fact, the BoJ has repeatedly deferred its decision to achieve the 2% target rate. Another instance is the lack of rise in wages commensurate with the growth in employment, impacting prices and consumption.

Against this backdrop, there is growing perception that the objectives of Abenomics could be thrown into jeopardy unless reforms are given a rigorous push. On the strength of a massive mandate, Mr. Abe has now specified an annual 3% pay rise, unlike his more general pleas in the past for hikes larger than the previous year. Such a direct appeal echoes the International Monetary Fund's 2016 suggestion to designate pay rise as a fourth arrow of Abenomics, when it argued for an incentive-based annual 3% wage increase. Mr. Abe's call will further strengthen the bargaining power of trade unions, which, during annual wage negotiations, have sought to counteract the effects of the controversial 2014 hike in consumption tax. Potentially more radical perhaps is the IMF's recent appeal to the government to push further on reforms to the labour market — in particular, the disparities between the country's full-time employees and temporary staff. There has been a decline in Japan's population in the working age, and the country stands 111th in the World Economic Forum's ranking of gender equality. It needs a transformation of cultural attitudes to maintain its industrial might. Clearly, Japan is moving further and further away from the "lost decade" of the 1990s. The question is only how far and how fast.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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Walk like a great power

In a talk at the Centre for Strategic and International Studies on October 18, US Secretary of State Rex Tillerson accused China of destabilising the global order while promising to deepen cooperation with India. He said, "China while rising alongside India, has done so less responsibly, at times undermining the international, rules-based order even as countries like India operate within a framework that protects other nations' sovereignty."

The Indian Ministry of External Affairs spokesperson called this a "significant policy statement" which reflected "our shared commitment to a rule-based international order." This sentiment was reinforced during Tillerson's visit in which he said that India and the US are natural allies.

How should we view this latest attempt, which appears to rope India into America's strategic competition with China? An answer to this lies in understanding great power behaviour.

There are two theories in international relations - liberalism and realism. Liberals believe that high levels of economic interdependence, democratisation, and strong international institutions enhance cooperation and lessen the likelihood of conflicts.

Realists take a more pessimistic view and argue that the international system is anarchic. There is no hierarchical global authority which can enforce order in international affairs. Sovereign states are independent and will always put their self-interest before the interests of the international community. The stronger powers will covet more power.

As we look around the globe today, we see the powerful nations, including America, behaving in a realist rather than liberal manner. Only lip-service is paid to global cooperation and a rule-based order. In the last one year, the Americans have pulled out of the Paris Climate Agreement and the Trans Pacific Partnership, UK exited the European Union and the Russians withdrew from the International Criminal Court. China has refused to accept the ruling of the UN Tribunal on South China Sea.

The media regularly carries stories of the US "Freedom of Navigation" operations in the South China Sea. Freedom of navigation is a principle of international law but the US is not a signatory to the Laws of the Sea. The compelling reason for these operations is that the US, with the strongest navy in the world, must retain its ability for power projection around the globe. It is a little known fact that freedom of navigation operations have been routinely carried out against friendly countries like India, against whom they have been conducted each year in the last 10 years.

The realism of American thought is reflected in their national security strategies. The 2002 strategy, at a time when American power was unchallenged, stated that the US should do everything to maintain its position as the sole superpower by maintaining a military capability far superior to any potential rival. The 2015 strategy, drafted when Russia and China were increasingly challenging the US, acknowledged that, "As powerful as we are and will remain, our resources and influence are not infinite."

It is a reality that a rising China is seen by the US as a competitor for global power. Both countries will jockey to limit each other's influence. In his book, *The Tragedy of Great Power Politics*, John J. Mearsheimer, the author of the "offensive realism" theory, writes that one of the principal strategies used by great powers when facing a dangerous adversary, is buck-passing. "A buck-passer attempts to get another state to bear the burden of deterring or possibly fighting an aggressor, while it remains on the sidelines. The buck-passer fully recognises the need to prevent the aggressor from increasing its share for world power but looks for some other state that is

threatened by the aggressor to perform that onerous task."

I am not suggesting that India should look with suspicion at every proposal made by the US. However, it is important to understand the context in which great powers takes decisions in international relations. We must also be wary about the inconsistencies that we see in the Trump Administration. Obama's rebalance to Asia and Pacific has been laid to rest. In March this year, Acting Assistant Secretary of State Susan Thornton said, "Pivot, rebalance, etcetera - that was a word that was used to describe the Asia policy in the last administration. I think you can probably expect that this administration will have its own formulation. We haven't really seen in detail, kind of, what that formulation will be or if there even will be a formulation."

Asia today has two rising powers in India and China. Potential flashpoints in Asia exist in North Korea, East and South China Seas, the northern and western borders of India and in the scourge of terrorism emanating from Pakistan and Afghanistan. How India navigates this uncertain geopolitical landscape will define the future trajectory of our country. There is no doubt that China will attempt to establish its hegemony in Asia and that India will resist this attempt. With China's overwhelming economic advantage and a rapidly rising defence budget, it is also obvious that India needs strong alliances and that the US is the only country which can keep a check on China's hegemony in Asia, now or in the future. Therefore an alliance with the US seems to make good strategic sense.

However, we also cannot totally engage China in a mode which makes her more suspicious about an attempt to encircle and check her. This could only trigger more assertiveness and tensions. The Americans look at the rise of China from a world stage where there is a competition for global superiority. India should look from the perspective that a conflict in Asia could hamper the natural growth of our country.

Robert D. Kaplan in *The Revenge of Geography*, writes, "As the United States and China become great power rivals, the direction in which India tilts could determine the course of geopolitics in Eurasia in the twenty-first century. India... looms as the ultimate pivot state." This will require a delicate balancing act, based on nothing but our self-interest. But that is how great powers behave and if we aspire to become one, and we have the potential, let us be unabashed about it.

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Why did the Arab Spring begin in Tunisia?

The radical change that took place in Tunisia in January 2011, that the rest of the world calls the "spark that lit the movement for democratic reform across the Arab world," would never have happened without the strong determination and courage of the people of Tunisia. This peaceful and civilized uprising for dignity, freedom and democracy was unprecedented and was applauded and praised by the whole world.

Yet, to this day, the question, "Why Tunisia succeeded?" is being answered in very different ways by scholars, researchers and commentators. For some, Tunisia was just a lucky country, a homogeneous and united nation, both developed and highly literate, with a strong labor union, active civic associations, and professional groups. Others see the foresight of Tunisia's political leaders, the moderation of its Islamists, and the respect by its military for civilian institutions as crucial factors for Tunisia's transition success.

But the fact, is that there is no secret to Tunisia's peaceful transition success. Inclusive dialogue, consensus, and the strong commitment and determination of the Tunisian people to build a better future were the magic formula. For us the answer is very simple: It was absolutely clear from the beginning that the political elite, secular and Islamist, were deeply committed to meet the aspirations of the Tunisian people through the establishment of solid democratic institutions. As the great [Mahatma Gandhi](#) said once: "The Future depends on what you do today".

Nevertheless, the reformist tradition deeply rooted in the Tunisian society that goes back to the beginning of the 19th century, the largely educated youth, the unique status for women, and the largely middle class, were also key ingredients for the success of the transition process. Indeed, since its independence, Tunisia evolved into a politically tolerant and progressive country. Under the leadership of late Habib Bourguiba, who led the national movement of independence, the country became a showcase for development, moderation, and openness with a far-reaching policy of gender equality as well as an ambitious education program.

Thanks to dialogue and consensus, the Tunisian people made history again in 2014, by adopting a new progressive constitution that paved the way for free and fair parliamentary and presidential elections. A historical achievement that granted the Tunisian National Dialogue Quartet the prestigious Nobel Peace Prize in 2015.

As any young emerging democracy, today Tunisia is facing significant challenges that the Government of National Unity is working to tackle to meet the aspirations of the Tunisian people for prosperity and progress. We are confident that with the strong determination of the Tunisian people and government, the leadership of President Beji Caid Essebsi and the precious support of friendly countries like India, Tunisia will be able to continue on the path of reforms and fully complete its democratic transition.

My return to Incredible India, a country that I deeply admire and passionately love, over 30 years after I finished my first diplomatic assignment, to co-chair with Her Excellency Mrs Sushma Swaraj, Minister of External Affairs, the 12th Session of the Tunisia-India Joint Committee Meeting to be held today, on October 30 in New Delhi, is yet another opportunity to further boost our bilateral engagement both at the political leadership and official levels and to give a new dimension to our friendship and cooperation.

Our vision is to build on the momentum of the achievements of previous years and establish a new, bold and transformative agenda to further broaden our partnership in key areas and sectors of shared interest, including trade, investment promotion, finance, education, IT, research and

innovation, security, agriculture, cyber-security, energy, renewable energy, pharmaceuticals, skills development, tourism, sciences and technology, and health.

We will also closely collaborate to develop and strengthen our collaboration in the security field to effectively deal with today's threats, such as terrorism, radicalism and extremism, both bilaterally and multilaterally. Like India, Tunisia has "zero tolerance" towards terror and violence and strongly condemns terrorism in all its form and manifestations.

Today, no nation and no state is immune from the threat of terrorism. And however rich or powerful, no single country can defeat terror alone or face the current challenges posed today by a phenomenon with links beyond the borders.

Joining the international coalition against ISIS is part of our country's contribution to regional and international efforts to effectively fight terrorism and extremism. Defeating terrorism and criminal entities such as ISIS is today a high priority for the international community in order to help bring a lasting peace, and stability and security cross the globe.

I take this opportunity to reiterate our deepest gratitude to the Republic of India and to the Indian people for their longstanding friendship and constant support to Tunisia during this critical time of its history.

H. E. Khemaies Jhinaoui is the Minister for Foreign Affairs of the Republic Tunisia. He tweets @Jhinaoui_MAE

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Next Door Nepal: The clash of institutions

As key actors untiringly claim that the upcoming election to seven provincial legislatures and the federal parliament will end Nepal's prolonged transition to a constitutional democracy and lead it to economic prosperity, fresh developments appear to be pushing it to the brink of disaster and a much greater constitutional crisis. On Thursday, the recently formed Left Alliance comprising the Communist Party of Nepal-Unified Marxist Leninist and the Nepal Communist Party-Maoist demonstrated its totalitarian character by warning the Supreme Court that it will not honour the verdict if it is against the alliance.

Six senior leaders - three each from the CPN-UML and Maoists including three former prime ministers, K.P. Oli, Jhalanath Khanal and Pushpa Kamal Dahal - asked the Election Commission not to heed a show cause notice the SC had issued a day earlier: The SC wanted to know the progress in printing ballot papers for the federal and provincial legislature in separate sheets of paper, as mandated. The EC, following an understanding with the ruling Nepali Congress and the Left Alliance, had begun to print the ballot-papers for central and provincial polls on the same sheet of paper. The court had issued a show cause notice after a former minister, Sarvendranath Shukla, moved a petition seeking separate ballot papers as it was "clearly mentioned in the law".

The EC has said it is impossible to print the ballot papers in different sheets on time for the polls scheduled on November 26 and December 7. The Left Alliance seems determined to defy the SC if it rules in favour of postponement. The alliance has also openly accused the ruling Nepali Congress Party and the SC of "conspiring" to defer elections to stall its ascent to office. "We have not spoken on the poll date. We simply said that it is mandatory to have ballot papers on independent sheets of papers," a senior functionary in the apex court said. He added that "not doing so will amount to the apex court abdicating its constitutional responsibility".

The emerging trend - the SC's show cause notice, an aggressive Opposition and a quiet government - may not offer a conducive climate for holding elections, the first under a controversial and an inadequate constitution that its proponents claim "is the best in the world". Over a period, the Supreme Court has been packed with judges who are linked to the three main political parties and activist groups. However, political equations have changed. Allies of the past are now becoming sworn enemies and electoral rivals.

The question is who will blink first. Elections may take place on schedule only if the SC withdraws its observation and acts more like a political manager, and not as an interpreter of the law. But a demoralised Supreme Court and a belligerent Opposition would defeat the stated objective of this election, which is the consolidation of democracy and the implementation of constitutional values.

Different power groups and stakeholders - internal and external - are watching how the situation will unfold. Former king Gyanendra Shah told mediapersons last week that he was ready to take over, obviously as monarch once again, if people so desired. He clarified that "he was not trying to be active", but made it obvious that as someone representing a dynasty that not only unified the country but also kept its independence intact all through without being ever a "colony", he can appeal to the people. His comment was followed by some rallies in different parts of the country and invoked a positive response on social media. But the discredited political leadership, except Oli, chose not to respond. Oli said: "If someone is keen to take leadership, there is still time to file the nomination." The jibe was clearly directed at the former king.

The government seems to have taken note of the public resentment at decisions like declaring Nepal a secular republic being undertaken by half a dozen leaders without involving the people. On October 16, President Bidhya Devi Bhandari gave her assent to a legislation that makes

"religious conversion" by force a cognisable offence inviting up to five years imprisonment. This law has been strongly opposed by some European countries and western rights groups who said that "secularism" without the right to conversion is a "farce". Coming on the eve of elections, the move is aimed at securing the politically organised Hindu votes. This substantial section believes that sacrificing Nepal's identity as the world's only Hindu kingdom was part of a larger external design. The Left Alliance, despite its commitment to "secularism", has maintained silence on the issue.

The tussle between competing political parties at the time of elections is routine and, perhaps, an essential feature of democracy. The test of the commitment of political parties to democracy, however, is whether they uphold democratic values. The Opposition's threat to the Supreme Court and the government's reluctance to defend the judiciary is a discomfiting development.

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Towards a less-restrained China

The recent 19th National Congress of the Chinese Communist Party concluded with an apotheosis of President Xi Jinping. He now occupies a position in the party's pantheon next only to Mao Zedong. In a bid to burnish his credentials for such an elevated position, Xi spoke for no fewer than three-and-a-half hours—outlining his doctrine of “Socialism with Chinese Characteristics for a New Era”. There was nothing particularly revealing in the speech: the centrality of the Communist Party, “law based governance”, furthering of economic reforms, and the drive towards a “moderately prosperous society”. Xi's calls for a “new type of international relations” were also continuous with his approach to foreign policy and his desire to gain recognition for China as a great power in the same league as the US.

The overall message underlined by most commentators is that China is now poised for a period of strong authoritarian leadership at home and assertive and aggressive behaviour abroad. US secretary of state Rex Tillerson's recent call for greater engagement between democratic powers of the Indo-Pacific was frankly aimed at countering China's economic initiatives such as Belt and Road as well as the security challenges posed by its quest for global influence. Much of the geopolitical analysis in this vein tends to overlook other ways in which China's domestic preoccupations might impinge upon its external behaviour.

In an interesting paper published (goo.gl/xyqJ8b) some months ago, William J. Norris considers the geostrategic implications of what he calls China's “twin economic challenges”. By 2021, the Chinese Communist Party hopes to have accomplished the building of a “moderately well-off society”, defined as doubling of GDP (gross domestic product) per capita from the 2010 figure of around \$4,400. This objective, reiterated by Xi in his recent speech, hinges on China's ability to structurally transition its economy from an investment and export oriented model to one based on larger role for consumption and market forces. Simultaneously, China also has to cope with the inevitable slowing down of its economic growth and the attendant consequences. Norris argues that as China's economy reorients domestically and becomes less dependent on international ties, its foreign policy will be less restrained.

This argument fits the trajectory of China's foreign policy over the past three decades. Deng Xiaoping engineered a remarkable turn in China's external orientation from Mao's obsessive focus on external threats. Instead, he placed economic development at the centre of China's strategic vision. For Deng and his successors, the key lay in securing China's integration with the global economic order. In consequence, they were willing to place China's security concerns and regional ambitions on the back-burner. Until the financial crisis of 2008, China's foreign policy was driven by the clear imperative of export-led growth in a globalizing world economy. This model paid handsome dividends by way of double-digit growth for nearly three decades. As Norris observes, this was predicated on China's steady access to a relatively stable international environment. And Beijing was keen to ensure this by advertising a policy of “peaceful rise”.

In particular, the nature of China's economic relationship with the US acted as a significant check on its strategic behaviour. Although US-China relations since the 1990s were marked by considerable tension over trade deficits, exchange rate policy and accusations of unfair competition, there was an important complementarity between their economies. Chinese households tended to save too much even as Americans tended to consume too much. China exported and ran trade surpluses while the US imported and ran trade deficits. China's mammoth accumulation of dollar assets was seen as the financial version of “mutually assured destruction”.

Proponents of the “Chimerica” argument tended to overstate their case; nevertheless, its geopolitical implications were difficult to deny. Since 2010, however, there has been a clear and

steadily increasing assertiveness in China's quest for security and influence. This has coincided with a sharp fall in China's dependence on exports. The ratio of China's exports to GDP has dropped about 40% in the period before the financial crisis to nearly 20% in the following years. Indeed, China's trade surplus now stems mainly from its relatively low level of manufacturing imports. To be sure, China's surplus in manufacturing goods as a share of its GDP has not changed much from the pre-crisis level. In other words, China remains a large manufacturing economy—one that currently needs initiative like the Belt and Road to offload its excess engineering and construction capacity as well as liquidity. Still, the geopolitical consequences of the twin economic shifts are likely to be significant.

Hitherto, China has been heavily reliant on the import of raw materials and semi-finished goods for re-export. A consumption-driven China, Norris argues, will import luxury goods, consumer products, international brands and services. The disruption of these imports may at best be an inconvenience to China rather than a constraint on its rise. China's heavy dependence on imports of oil will perhaps be the only exception. What is more, the aggregate demand from a consumption-driven economy may enable China to partly displace the US as the dominant export market for the Asia-Pacific region. This, in turn, will give the Chinese greater leverage in their dealings with the region. While traditional American allies with treaty commitments such as South Korea, Japan and Australia will have greater freedom of manoeuvre, other countries in the region may find it difficult to avoid becoming more solicitous of Chinese strategic interests.

Although the Trump administration has made some noises about countering China's growing economic clout, it is not clear that it has any tangible instruments to put to work. Having pulled out of the Trans-Pacific Partnership, the US stands incapable of taking the lead in forging a new economic order in Asia-Pacific. Whether countries like Japan, Australia and India can do anything significant remains to be seen.

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Comments are welcome at views@livemint.com

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Arming India's response to Xi Jinping thought

The 19th National Congress of the Communist Party of China (NCCPC) held at the Great Hall of the People in Beijing came to a conclusion last week. The NCCPC is held every five years in the fourth calendar quarter and is technically the apex body of the single party that has ruled China since the Communist revolution in 1949. In recent years, the NCCPC has lasted about a week each time and it is commonly understood that all important decisions are taken before the meeting convenes. The NCCPC is a giant career-defining body that shifts people upwards, laterally or out. Younger members are inducted every five years and older members are retired. The purpose of the NCCPC, at least in the Deng Xiaoping era, was to prevent the concentration of power and to institutionalize succession at different levels of the party. While members to the congress are elected, those making it up the ranks are elevated in an opaque system that most Sinologists are still attempting to decipher.

The 19th congress enshrined President Xi Jinping's political thought into its constitution. As is customary, after a first term each Chinese president comes up with his political philosophy that adds a layer to previous such amendments. Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era gets added to Marxism-Leninism, and Mao Zedong Thought. Deng Xiaoping, Jiang Zemin and Hu Jintao had to be content with the less exalted status of originators of "theory". Other than Xi, six leaders have been anointed, five of them new (and all of them old!). They are: Li Keqiang, 62, premier since 2013, Li Zhanshu, 67, head of China's parliament, Wang Yang, 62, executive vice-premier, Wang Huning, 62, director, policy research office, Zhao Leji, 60, head of the powerful anti-corruption agency, and Han Zheng, 63, Shanghai party chief. Prior to the meeting, there had been speculation that Xi would elevate his protégés Chen Miner and Guangdong party secretary Hu Chunhua, both of whom are in their 50s. It is now believed that Xi has appointed sexagenarians so there will be no challengers when the time comes five years later for a potential and unprecedented third term as president.

Using hagiographic terms for an incumbent president, the resolution passed at the congress states that "under the guidance of Xi's thought, the CPC has led the Chinese people of all ethnic groups in a concerted effort to carry out a great struggle, develop a great project, advance a great cause, and realize a great dream, ushering in a new era of socialism with Chinese characteristics". It emphasizes markets for resource allocation but completely disavows any political competition. Open and shut at the same time.

In recent weeks, there has been much commentary on Xi's centralization of authority. He has declared himself "core" leader. He is also the chairman of the Central Military Commission. In this capacity, he replaced three of the four top generals at the congress and appointed several allies as the new leaders of the military. Nearly 90% of the military delegates to the 19th congress were new.

There are likely to be major strategic implications of this centralization of Chinese political and military control for India and the rest of the world. Xi has already called for a major military modernization plan. Xi's reforms are already underway, with seven military regions being remade into five combat commands. The goal is to make units more agile and war-ready. As one example, China has built its second aircraft carrier and a blue-water navy will set sail in coming years. Xi believes he can close the gap on weaponry with Russia in a decade, and with the US by 2050. This weaponization and modernization will likely trigger an arms race in Asia. With Shinz Abe, an ardent nationalist, just having won another term, Japan is likely to remilitarize. Similarly, with the sabre rattling in the Korean peninsula and US President Donald Trump's inconsistent support, South Korea is likely to weaponize as well. An arms race in Asia comes at an inopportune moment for India. India would have preferred to use its expanding resources to distribute prosperity among

its people. It may have no choice but to increase military spending to maintain balance in Asia.

The uncharacteristic exertion of external influence in the South China Sea and beyond is also a new reality in the Xi construct. If you add the political and security implications from the Belt and Road Initiative, then you have a China not merely focused on its own internal trajectory but keenly projecting that in near and far zones. This could call for India's resources to be diverted away from a necessary focus on structural changes to its economy.

India's intelligence apparatus will have to study not only the likely institutional response of the politburo but the specific personalities of Xi and his appointed protégés. Indian intelligence has historically had a tough time penetrating China's opaque strategy; it will be doubly difficult now. India would do well not to get sucked into a mega race with China on military spending or geopolitics. The best bet for India is a combination of focus on the economy to build resources, and a partnership strategy with Japan and Australia in particular, to hedge against a dramatic erosion in relative position.

P.S.: "Mastering others is strength, mastering yourself is true power," said Lao Tzu. "It is man's own mind, not his enemy's, that lures him to evil ways," said the Buddha.

Narayan Ramachandran is co-founder and fellow at the Takshashila Institution. Read Narayan's Mint columns at www.livemint.com/avisible hand. Comments are welcome at narayan@livemint.com.

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Visit of Chief of the Air Staff to Vietnam**Visit of Chief of the Air Staff to Vietnam**

Air Chief Marshal Birender Singh Dhanoa, Chief of the Air Staff is on an official visit to Vietnam from 30 Oct 17 to 03 Nov 17.

During his visit, he is scheduled to hold bilateral meeting with top brass of the Vietnam People's Air Force and Air Defence (VPAF) on security challenges in the current geopolitical scenario and explore ways to deepen the defence cooperation further. The main focus of the visit would be on improving bilateral relations, promoting defence ties and evolving steps to further strengthen defence cooperation between the two Air Forces.

The CAS would visit the Headquarters of Vietnam People's Air Force and Air Defence (VPAF) and a few operational air bases as well.

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Global road-building projects may be disastrous: study

Representational image

The massive growth of major road projects across the world can be potentially disastrous for the environment and the economy, a study warns.

Researchers analysed major roads and infrastructure projects around the world.

“We have scrutinised major roads and infrastructure projects around the world, and it is remarkable how many have serious hidden costs and risks,” said William Laurance, professor at James Cook University in Australia.

According to the study, published in the journal *Science*, the most urgent priority is limiting millions of kilometres of new roads being planned or built in high-rainfall areas, mostly in developing nations of the Asia-Pacific, Africa and Latin America.

This is where ambition for quick profits meets nearly impossible engineering. Rainfall-drenched roads develop pot-holes, giant cracks and landslides so fast it is nearly unbelievable. They can quickly turn into giant money-losers, researchers said.

“Many roads that are planned for wet, swampy or mountainous regions should not be built, and that is based only on economic criteria,” said Mr. Laurance.

“If you add in environmental and social costs, then the pendulum swings even harder against new roads, especially in forested areas with high environmental values,” said Irene Burgues Arrea, an economist with the Alliance of Leading Environmental Researchers and Thinkers (ALERT) in Costa Rica.

By the year 2050, it is projected that there will be an additional 25 million kilometres of new paved roads on Earth - enough to encircle the planet more than 600 times, researchers said.

In just the next three years, paved roads are expected to double in length in Asia's developing nations, they added.

“The public often ends up with major debts from failed roads. A few road developers and politicians get rich, but vital development opportunities are easily squandered,” said Mr. Laurance.

“It is remarkable how many nations, investors, and lenders are failing to see the profound risks of road expansion in wet tropical environments, which are also the world's biologically richest ecosystems,” Mr. Laurance added.

Jaggi Vasudev's Rally for Rivers claims they will, but this is not based on the most nuanced science

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Raja Mandala: New equations in Indo-Pacific

One of the interesting features of Japan's latest plan to revive the Indo-Pacific quadrilateral dialogue is the move to associate the European powers with it. Speaking to the Nikkei Asian Review last week, the Japanese foreign minister, Taro Kano, said that early next month he would present a formal proposal to convene a high-level dialogue between the officials of Japan, India, Australia and the United States. Exploratory talks on the Japanese initiative are likely to take place between the officials of the four countries on the margin of the East Asia Summit next month in The Philippines.

Kano added that consultations are also on with France and Britain to associate them with the quad. This is not surprising. For Shinzo Abe, who first discussed the idea of a quad a little over a decade ago, the four-nation forum is, in essence, a coalition of "maritime democracies". Abe argued that the maritime democracies have a stake in securing a rules-based global order, liberal trading system and freedom of navigation.

As a realist Abe is conscious of the fact that the growing power imbalance in Asia amidst the rapid rise of China can't be addressed by America's Asian alliance system alone. Abe has consciously courted special relationships with India, Australia and other regional powers. He also sees the need to keep the quad an open-ended organisation that can also benefit from the partnership with European powers.

That France and Britain are democracies with maritime traditions which shaped the contemporary Indo-Pacific makes them natural candidates for working with the quad. Thanks to the colonial inheritance, they have huge networks of political and military influence in the region. The European powers, especially France, have many overseas territories in the Indo-Pacific.

The British-led Commonwealth has many small island states scattered all across the Indo-Pacific. The term Indo-Pacific is only a new name for the vast sphere of influence - from Aden to Malacca and from South Africa to Hong Kong and Australia - that Great Britain presided over from the early 19th to the mid-20th century. This sphere of influence was, of course, built on the foundation of men and material resources provided by the Subcontinent.

Both France and Britain have military presence and security arrangements in the Indian Ocean. France has many military facilities in the Indo-Pacific, including those in Reunion, Djibouti and the United Arab Emirates. Britain continues to control Diego Garcia. It also leads the Five Power Defence Arrangement (involving Singapore, Malaysia, Australia and New Zealand) set up in 1971. France has a variety of coordination mechanisms in the Pacific with the United States, Japan, Australia and New Zealand.

The Indo-Pacific is also a major market for the European arms industry. While the Middle-East has always been a major destination for European arms sales, China's military modernisation, and the response from its neighbours, has heated up the Asian arms bazaar. There is a rush to build or modernise the submarine arm of most Asian navies, and the European powers are major contenders.

After the Cold War came to an end, both Paris and London seemed preoccupied with the geopolitics of Europe and its immediate neighbourhood in Eurasia and the Middle East. As Asia and the Indo-Pacific emerged as the world's most important strategic theatres, France and Britain began to pay greater attention.

After the US announced its pivot to Asia at the beginning of this decade, France and Britain

signalled that they will no longer neglect the Indo-Pacific. Both countries stepped up their maritime activity in the Indo-Pacific. Germany, which did not succeed in establishing substantive presence during the colonial era, has also begun to focus on the Indian Ocean.

As one of the world's top trading nations, Germany, of course, has a special interest in keeping the sea lines of communication in the Indo-Pacific. That is true of Europe as well. More than 70 per cent of its trade passes through the Indo-Pacific. As a collective, the European Union has also begun to take an active interest in the security affairs of the Indian Ocean.

Whether France, Britain and other European states associate themselves with the quad or not, India already has a strong bilateral security engagement with countries like France and Britain. Issues relating to maritime security have been at the top of the growing partnerships with the European nations. India's maritime dialogue with France has begun to advance in the last couple of years.

Last week, during the visit of French defence minister, Florence Parly, the two sides decided to expand information sharing and explore operational cooperation between the two navies. As Delhi scrambles to cope with China's rapid naval advances in the Indian Ocean and deploys its ships far from the Indian shores, it needs to bring together its bilateral cooperation with individual European countries into a comprehensive strategic framework.

To be more effective in the vast littoral, India needs to intensify the exchange of maritime intelligence, negotiate agreements to share naval infrastructure facilities in the littoral and put in place logistical support arrangements with its European partners. Japan's plans to bring France and Britain on board the quad can only reinforce India's maritime partnerships with Europe.

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Terrorism is a global concern that demands global attention and requires global cooperation: Vice President

Terrorism is a global concern that demands global attention and requires global cooperation: Vice President

Interacts with Italian Prime Minister, Mr. Paolo Gentiloni

The Vice President of India, Shri M. Venkaiah Naidu has said that Terrorism is a global concern that demands global attention and requires global cooperation. He was interacting with the Prime Minister of Italy, Mr. Paolo Gentiloni, who called on him, here today.

The Vice President said that India believes in an early conclusion of negotiations and the adoption of the Comprehensive Convention on International Terrorism in the United Nations. He further said that we also need to coordinate our action at the forthcoming meeting of the Financial Action Task Force and ensure that designated individuals and entities have no access to property and financial services. We must ensure that Pakistan continues to remain under the Asia Pacific Group and Financial Action Task Force monitoring, he added.

The Vice President thanked for Italy's support which led to India's eventual membership in the MTCR. Membership of the NSG remains a priority for Indian Government and we look forward to Italy's continued support for India's membership of the NSG, he added.

The Vice President said that the bilateral trade between India and Italy is at US\$8.7 billion (Rs. 57,878 crores), which is below potential. He further said that India's unprecedented reform initiatives including ease of doing business, flagship programs and roll out of the Goods and Services Tax offers unlimited business opportunities to Italian companies.

The Vice President said that Climate Change is a very important issue for the two countries and India ratified the Paris Agreement on 3rd October 2016. We have a renewable energy target of 175 Giga Watts by 2022, launched the International Solar Alliance initiative and are working on a road map for introducing all electric vehicles beginning 2030.

The Vice President said that many Italians take active interest in Indian culture, cuisine, music, dance, Yoga and Ayurveda. We will be happy to collaborate with Italy in enhancing the understanding of traditional systems of Indian medicines, he added.

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The Government of India and World Bank sign \$200 Million Loan Agreement for the Assam Agribusiness and Rural Transformation Project.

The Government of India and World Bank sign \$200 Million Loan Agreement for the Assam Agribusiness and Rural Transformation Project.

The Government of India and the World Bank today signed a \$200 million Loan Agreement for the Assam Agribusiness and Rural Transformation Project.

The Project will support the Government of Assam to facilitate agri-business investments, increase agriculture productivity and market access, and enable small farm holders produce crops that are resilient to recurrent floods or droughts in the state.

The Agreement for the Project was signed by Mr. Sameer Kumar Khare, Joint Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India; Mr. Ravi Kota, Principal Secretary, Finance, Government of Assam, on behalf of the Government of Assam; and Mr. Hisham Abdo, Operations Manager, World Bank India, on behalf of the World Bank.

After the Agreement, Mr Khare, Joint Secretary, Department of Economic Affairs, Ministry of Finance said that Assam is simplifying several regulatory procedures related to doing business, agricultural marketing, and fisheries amongst others. He said that the project will help the State increase agricultural productivity by strengthening the farming systems, raise private sector investments to promote agri-enterprises which will create better job opportunities for the youth in the State.

The Project will be implemented in over 16 Districts of Assam. Over 500,000 farming households will directly benefit from the Project. At least 30 percent women are expected to participate in project activities. Specific focus will be given to women-led enterprises and their participation in the decision-making process of farmer producer organizations.

Speaking on the occasion, Mr. Hisham Abdo, Operations Manager, World Bank said that the Government of Assam aims to double farm incomes in the State and transform the agricultural sector into a stable source of growth and economic development. He said that this project will serve as the nucleus to fulfill the State's much larger vision of an agriculture-based rural transformation.

The focus on geographic clustering of the production base for certain commodities will help agri-enterprises take advantage of existing and future market opportunities that they may not necessarily achieve alone. The cluster approach will allow for combining efforts, making use of synergies, and pooling resources to increase the competitive advantage of these products, while at the same time share the risks involved in introducing improved products or entering previously untapped markets. Successful clusters will also continuously innovate and adapt 'best practices' across agricultural value chains.

Mr. Manivannan Pathy, Senior Agricultural Specialist and World Bank's Team Leader for

the Project said that the value addition and market led production systems supported through the project are expected to play a vital role in enhancing the competitiveness of the agriculture sector. He said that this will be done by facilitating policy reforms, fostering private-public dialogue and catalyzing a wider private sector development in the agribusiness ecosystem of Assam.

Another key component of the project will be to promote market-led production that can deal with the vagaries of climate change. Assam's agriculture sector is highly vulnerable to climate variability and the state experiences recurrent floods and droughts. Currently, more than 50 percent of the paddy growing areas are prone to flooding, submergence and drought. A market-led production system will take advantage of the rapidly changing market, introduce crops that are resilient to climate change, increase production and manage risks for farmers.

The \$200 million loan from the International Bank for Reconstruction and Development (IBRD), has a 7-year grace period, and a maturity of 16.5 years.

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List of MoUs/Agreements signed during the visit of Prime Minister of Italy to India (October 30, 2017)

List of MoUs/Agreements signed during the visit of Prime Minister of Italy to India (October 30, 2017)

S. No	Name of MOU	Italian Signatory	Indian Signatory
1.	Joint Declaration of Intent of Cooperation for Safety in the Railway sector between India and Italy	Mr. Renato Mazzoncini, CEO & General Manager, Italian Railways	Mr. Ved Pal Additional Member (Planning), Railway Board
2.	MoU on 70 years of diplomatic relations between Indian Council of Cultural Relations and Ministry of Foreign Affairs & International Cooperation, Government of the Republic of Italy	Mr. Lorenzo Angeloni, Ambassador of Italy to India	Ms. Riva Ganguly Das, DG ICCR
3.	MoU on cooperation In the field of Energy between India and Italy	Mr. Lorenzo Angeloni, Ambassador of Italy to India	Mr. Anand Kumar, Secretary, MNRE
4.	Executive Protocol on Cultural Cooperation between India and Italy	Mr. Lorenzo Angeloni, Ambassador of Italy to India	Ms. Reenat Sandhu, Ambassador of India to Italy
5.	MoU between the Training Unit of the Ministry of Foreign Affairs and International Cooperation. Government of the Republic of Italy and the Foreign Service Institute of the Ministry of External Affairs, Government of the Republic of India	Mr. Lorenzo Angeloni, Ambassador of Italy to India	Mr. J. S. Mukul, Dean, FSI
6.	MoU for promoting mutual investments between Italian Trade Agency and Invest India	Mr. Michele Scannavini President, Italian Trade Agency	Deepak Bagla. CEO, Invest India

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