

1. Expand upon the concept of soft power. What role does India's diaspora play in making India a soft power? Examine.

Introduction

Soft power is a term coined by Joseph Nye in the late 1980s where it refers to the ability of a country to persuade others to do what it wants without force or coercion. As countries work to make sense of the rapidly changing global context and adjust strategies accordingly, the soft power resources at the disposal of governments will be a critical part of the foreign policy tools needed going forward.

Body

- The content of soft power can be put into three categories: cultural, ideological, and institutional. In these areas, the world would want to be like the nation projecting soft power. And that pull, in turn, would help the nation shape the world.
- For example, the United States can dominate others, but it has also excelled in projecting soft power. U.S. culture, ideals, and values have been extraordinarily important in helping U.S attract partners and supporters.
- Soft power shuns the traditional foreign policy tools of carrot and stick, seeking instead to achieve influence by building networks, communicating compelling narratives, establishing international rules, and drawing on the resources that make a country naturally attractive to the world.
- Nye acknowledges the limits of soft power- it tends to have diffuse effects on the outside world and is not easily wielded to achieve specific outcomes. For example, societies often embrace American values and culture but resist U.S. foreign policies.

India could always count itself among the few nations with strong cards in the arena of soft power. The basis of India's soft power is its culture, secularism, spiritualism, music, dance, Bollywood, Yoga, Ayurveda, a tradition of good learning and most importantly the "Indian Diaspora (ID)".

- There are 25 million people of Indian origin living outside India. Therefore, India has the second largest population not only in India; it has the second largest population of Indian diaspora across the world as well.
- According to the 2018 World Bank Report, remittances from the Indian overseas community are the highest in the world at \$79 billion. The overseas Indian community is a composition of diverse, heterogeneous and widespread global communities representing different regions, languages, cultures and faiths and religions.
- The Indian diaspora can be seen as acting as an agent of India's soft power in the following manner-

1. Culture: They from the very beginning are conscious about their rich cultural heritage, knowing the fact that they are the inheritors of the world's oldest civilization. Eg- ISKCON in western countries.
 2. Knowledge: The knowledge, which they carry with them to the visiting countries especially, in case of professional migration or the post-colonial migration in the western developed countries, clearly indicates the claim of India to become a knowledge super power very soon in this twenty first century. Eg- Sundar Pichai and Satya Nadella.
 3. Yoga: One of India's most important therapy of longevity i.e. yoga has now been embraced by almost everyone in the world. It is no less than a cultural win for India. June 21 as the International Day of Yoga can be seen in this context.
 4. Food: The delicious Indian food is not less in contributing to the soft power of India. It creates attraction for India every single time the foreigners taste the Indian food.
- Further, the role of diaspora in India's soft power projection can be seen from the case of Indian community in the USA. Indian diasporic community in the US is transforming the historic hostile relations between the two countries.
 - With their efforts, the US Congress enacted various immigration laws under Immigration Act of 1965, 1990, etc. favoring the immigrants from Asia, especially the Indians. The US Indian community's remarkable lobbying efforts were commendable in relation to the finalizing of the Indo-US Civil Nuclear Cooperation Agreement.
 - Silicon Valley is the home to perhaps the most successful Indian community, which has fostered innovation, cultivated angel funding and incubation for start-up ventures. They have created both value and wealth in their host country and elsewhere.

Conclusion

Diaspora is a significant player who can very well play the game of soft power for foreign policy outcomes. Certainly, India's policy towards its diaspora has been quite progressive with the recognition of diaspora as a partner in India's growth and it can further play a very proactive role in influencing various issues concerning the interest of the home country.

2. What do you understand by the concept of global governance? Explain. What reforms are needed to make global governance inclusive and legitimate?

Introduction

In the 21st century mankind is facing a range of severe risks and challenges that call for effective global action. To manage these challenges, we need institutions that allow us to take and implement collective decisions on a global level, in a way that

takes the interests of all into account. The current international system has unfortunately proved unable to cope with the most pressing global issues in an acceptable way.

Body

- Global governance encompasses the totality of institutions, policies, norms, procedures and initiatives through which States and their citizens try to bring more predictability, stability and order to their responses to transnational challenges.
- Global governance brings together diverse actors to coordinate collective action at the level of the planet. The goal of global governance, roughly defined, is to provide global public goods, particularly peace and security, justice and mediation systems for conflict, functioning markets and unified standards for trade and industry.
- The leading institution in charge of global governance today is the United Nations. It was founded in 1945, in the wake of the Second World War, as a way to prevent future conflicts on that scale. The UN's main mandate is to preserve global security, which it does particularly through the Security Council.
- In addition the UN can settle international legal issues through the International Court of Justice, and implements its key decisions through the Secretariat, led by the Secretary General.
- Beyond the UN, other institutions with a global mandate play an important role in global governance. Of primary importance are the Bretton Woods institutions: the World Bank and the IMF, whose function is to regulate the global economy and credit markets.
- Global governance is more generally effected through a range of organisations acting as intermediary bodies. Those include bodies in charge of regional coordination, such as the EU or ASEAN, which coordinate the policies of their members in a certain geographical zone.
- Finally, global governance relies on looser norm-setting forums, such as the G20, the G7, the World Economic Forum: those do not set up treaties, but offer spaces for gathering, discussing ideas, aligning policy and setting norms.

International cooperation and the resulting governance mechanisms are not working adequately or effectively.

- Responses to common challenges have been mostly taken at the national level, with global responses being insufficient, incomplete or simply non-existent. Moreover, there has been growing tension between decision-making processes at the national and global level as local challenges “have become an integral part of global stakes”.
- In trade, where international rules are crucial, countries have been frustrated by the stalemated Doha negotiations, and have resorted to bilateral and regional negotiations, as in AsiaPacific.

- Based on analysis of governance in these areas, three principles might guide thinking about transformation. These are:
 - Pluralism, where national, regional and global governance systems work in concert;
 - Strengthened multilateral processes, and the updating and transformation of existing international organizations;
 - Stronger accountability to wider groups of governments and stakeholders.
 - Global governance arrangements must respect the mixed strategies that countries are choosing.
 - Transformed multilateral institutions are crucial, since international cooperation and rules can reduce costs, and increase the support and information available to developing countries.
 - The accountability of global institutions to their full membership and beyond should be greatly scrutinized at each stage.

Conclusion

The formulation of the post-2015 development agenda requires a new international consensus to incorporate environmental sustainability as an integral part of the development process. Greater acceptance of the concepts of green economy and sustainable development will enhance the global governance according to the needs of present times.

3. In terms of objectives and foundational philosophies, discuss the similarities and differences between the World Bank and the Asian Development Bank (ADB).

Introduction

The World Bank Group and its constituent entities are part of the United Nations System and constitute the premier international development bank in the world. By contrast, the Asian Development Bank is one of several regional development banks outside the United Nations System that service specific regions of the world. Founded in 1966, the Asian Development Bank's (ADB) headquarters are in Manila, Philippines. The Asian Development Bank's primary mission is to foster growth and cooperation among countries in the Asia-Pacific Region.

Body

Similarities between the World Bank and the Asian Development Bank (ADB)

- Like the World Bank, Asian Development Bank have countries, not private entities, as their shareholders.

- ADB is modeled closely on the World Bank, and has a similar weighted voting system where votes are distributed in proportion with members' capital subscriptions.
- They do generate profits, which are then either paid as dividends or reinvested in their own institutional programs.
- Both the World Bank and ADB are actively involved in every low- and middle-income country in Asia and the Pacific.

Differences between the World Bank and the Asian Development Bank (ADB)

- The majority of the ADB's members are from the Asia-Pacific region. World bank is represented from all over the world.
- The two largest shareholders of the Asian Development Bank are the United States and Japan. The largest shareholders include the United States (17.25% of total subscribed capital), Japan (7.42%), China (4.78%), Germany (4.33%), and France and the United Kingdom (with 4.06% each)
- The World Bank collects worldwide data on education from national statistical reports, statistical annexes of new publications, and other data sources in its Education Statistics, unlike ADB.

Conclusion

Both the institution defines themselves as a social development organization that is dedicated to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration. They must work in synergy, rather than competition, among themselves and other institutions like Asian Infrastructure Investment Bank and New Development Bank.

4. What is the Financial Action Task Force (FATF)? What are its objectives and mandate? Discuss.

Introduction

The Financial Action Task Force (FATF) is an intergovernmental organization that was established by the G7 nations in 1989 during a summit in Paris, France. The task force was created in response to the difficulties nations experienced in trying to cooperate and enforce an effective global Anti-Money-Laundering (AML) policy.

The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures and promotes the adoption and implementation of appropriate measures globally. In collaboration with other international stakeholders, the FATF works to identify national-level vulnerabilities with the aim of protecting the international financial system from misuse.

Body

Objective of FATF

- The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
- Starting with its own members, the FATF monitors countries' progress in implementing the FATF Recommendations; reviews money laundering and terrorist financing techniques and counter-measures; and, promotes the adoption and implementation of the FATF Recommendations globally.

Mandate of FATF

- The FATF has a mandate to respectively combat money laundering, and after the 9/11 attacks in 2001, the funding of terrorism-related activities.
- After 9/11 tragedy, the FATF vowed to combat international terrorism by issuing new recommendations aimed at cutting off financial avenues of funding to terrorists, and imploring (and succeeding in persuading) other nations to adopt the “Special Eight Recommendations” (now nine).

Conclusion

FATF maintains two different lists of countries: those that have deficiencies in their AML/CTF regimes, but they commit to an action plan to address these loopholes, and those that do not end up doing enough. The former is commonly known as grey list and latter as blacklist.

Once a country is blacklisted, FATF calls on other countries to apply enhanced due diligence and counter measures, increasing the cost of doing business with the country and in some cases severing it altogether. As of now there are only two countries in the blacklist — Iran and North Korea — and seven on the grey list, including Pakistan, Sri Lanka, Syria and Yemen.

5. What are the major international economic institutions? Discuss their organisational structure and mandate.**Introduction**

International economic institutions are vital for the growth of international trade and financial stability maintenance. These institutions aim to provide a level playing field for all the countries and develop economic cooperation.

Body**Major international economic institutions and structure/mandate:**

- World trade organization : formed in 1995 to replace the General Agreement on Tariffs and Trade (GATT), which was started in 1948 dealing with the rules of international trade among countries..
 - Structure:
 - Ministerial authority with representatives of all WTO countries which is required to meet at least every two years and which can take decisions on all matters under any of the multilateral trade agreements.
 - Subsidiary bodies include General Council, Committee on Trade and Development, Committee on Budget.
 - Dispute settlement body which is nothing but the General council to investigate and adjudicate the trade disputes.
 - Mandate:
 - Raising the standard of living of people, promoting full employment, expanding production and trade, and utilizing the world's resources optimally.
 - Ensuring that developing and less developed countries have better share of growth in the world trade.
 - Introducing sustainable development in which balanced growth of trade and environment goes together.
- International monetary fund: is a 189-member organization that works to stabilize the global economy.
 - Structure:
 - 24 member executive board chaired by a managing director.
 - Joint IMF-World Bank development committee responsible for development project assistance.
 - Subsidiary bodies including Area development boards, Functional and special service departments, office of budget and planning etc.,
 - Mandate:
 - Helping in increasing employment and real income of people.
 - Solving the international monetary problems that distort the economic development of different nations.
 - Maintaining stability in the international exchange rates.
 - Monitoring the financial and economic policies of member nations.
 - Assisting low developed countries in effectively managing their economies and help them financially when required.
- United Nations Conference on Trade and Development:
 - Structure:
 - Headed by a secretary general.
 - Management divisions like division of globalization and development strategies, division on international trade and services and so on.
 - Mandate:

- Eliminating trade barriers that act as constraints for developing countries.
- Formulating principles and policies related to international trade.
- Providing technical assistance to developing countries specially low developed countries.
- World economic forum
 - Structure: executive chairman assisted by board of trustees.
 - Mandate:
 - engage the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas.
 - bringing together people from all walks of life who have the drive and the influence to make positive change.
- World bank
 - Structure
 - Comprises of The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).
 - Owned by member countries with voting rights proportional to the financial contribution made.
 - Mandate
 - To end extreme poverty, by reducing the share of the global population that lives in extreme poverty to 3% by 2030.
 - To promote shared prosperity, by increasing the incomes of the poorest 40% of people in every country.

Conclusion

There are various other vital economic institutions including the International finance corporation, MIGA and so on. All in all, the mandate is to promote international trade by eliminating tariff and non-tariff barriers as well as maintain financial stability along with support for development works.