

**1. How are strategic alliances taking shape in the Indo-Pacific region? What are the underlying factors of the evolving alliances? Examine.**

**Demand of the question:**

It expects candidates to write about the way in which strategic alliances are taking shape in Indo-Pacific region. It also expects to mention the reasons for evolution of such alliance in detail.

**Introduction:**

Strategic Alliances are formed between two or more countries to counter a common adversary. They have been an important research focus in the theory of international relations. It is basically a relationship in which both nations have common interests of security, defence and investment.

**Body:**

First time, the term 'Indo Pacific' was used by the Japanese Prime Minister Shinzo Abe on Indian soil in 2007. Then, he said that there is a connection between the Indian Ocean and the Pacific Ocean. Indo-Pacific is strategic central location on one of the busiest maritime trade route of economic significance and wide variety of biodiversity existing in this region. Hence, many of the strategic alliances are taking shape in the Indo-Pacific region as follows:

- India and the US entered into a Strategic Partnership in 2004, strategic partnership became the building block of a deeper bilateral relationship that now included civil nuclear activities, civil space programmes, high technology trade and missile defence.
- India and Australia have stepped up bilateral relations to a Comprehensive Strategic Partnership and have concluded nine arrangements including Mutual Logistics Support for their militaries amid China's aggression in the Indo-Pacific region.
- India and Japan established a 'Strategic and Global Partnership' in 2006. Japan's appreciation of India as a strategic partner stems out of the geopolitical concerns it faces with regard to China's rise and the North Korean threat.
- India also has strategic partnership with Indonesia. "Shared Vision of Maritime Cooperation in the Indo Pacific region" with Indonesia has been signed. Also India-Malaysia relations have made impressive strides in recent years through strategic partnerships.
- The Indo-Pacific democracies of Japan, Indonesia, India and the Republic of Korea are of first order importance to Australia, both as major bilateral partners in their own right and as countries that will influence the shape of the regional order.
- A 'Special Strategic Partner' of Australia, Japan is a democratic, trade-oriented nation with which Australia shared values and interests, including through Australia's alliances with the United States.
- The Quadrilateral Security Dialogue is an informal strategic forum between the United States, Japan, Australia and India that is maintained by semi-

regular summits, information exchanges and military drills between member countries.

- Here QUAD is emerged as a formation of special strategic importance in the Indo-Pacific region.
- Also the Indian Ocean Rim Association (IORA), is an international organisation consisting of 22 states bordering the Indian Ocean. Some of its member countries also border the pacific ocean.

Underlying factors for evolution of such Alliances:

- If any region is resource rich then disputes can occur between countries over access to such resources. For instance, Indo-pacific region is very rich region in terms of natural resources (fisheries, oil, gas) as well as mineral resources.
- Strategic central location for suitability of trade and affordable way to access to transport can play a role. For example, About 3.5 trillion dollars international trade flows through the South China Sea.
- Trade of some of the major economies like China, Japan, Korea or the west coast of the United States goes through the South China Sea.
- Any country can be heavily relied upon the major trade route. For instance, About 50% of India's trade is conducted through the South China Sea.
- Also many naval exercises of different Nations such as the United States, countries of ASEAN, Japan, Korea and Vietnam are conducted in this region.
- To contain the assertion of one county: Economically, China is leading the Indo-pacific region. Also, in general, China has a record of making countries fall into line with it either through warnings or by giving bribe in the form of investment.
- China is claiming larger part of South China sea as their own which comes under the maritime boundaries of other countries.
- Hence, due these kind of varied reasons such strategic alliances come in to picture.

**Conclusion:**

Indo-Pacific region due to its centrality holds immense trade and resource potential. Hence, it becomes imperative to form strategic alliances in those regions which are pivotal for growth and survival of Nation. The alliances should also be formed in such a way that they are mutually beneficial to each other.

## 2. What are India's interests in the Middle-East? How have India's relations taken shape with the Islamic World in the recent past? Discuss.

### Demand of the question:

It expects candidates to write about the India's interest in the Middle-East countries. It also expects to write about how India's relations have taken shape with the Islamic world in the recent past.

### Introduction:

India promotes its policy outreach towards the middle east with its 'Think west policy'. It suggests a new push towards more concrete strategic policies for West Asia. The interplay among these Middle East nations offers India with new avenues of cooperation other than traditional focus on energy and labour. 'Act East' needs to be matched with 'Think West'.

### Body:

Close high level interaction has started now between India and Middle East countries. With the advent of the new millennium, there has been an extraordinary turnaround in the relationship between the Middle East countries and India:

- Collectively, the G.C.C. countries have become India's preeminent oil and gas supplier and leading trade partner.
- Diaspora: Large Indian diaspora in West Asia and particularly in the Persian Gulf is present, Indians are the largest expatriate group in each of the countries with population of 9,500,000 where 3,050,000 Indians live and work in Saudi Arabia constituting the largest number of Indian passport holders abroad, followed by 2,800,000 in the U.A.E.
- No major power has the kind of people-to-people socio-cultural compatibility and socio-economic interdependence with countries of the Middle East region, in particular with G.C.C. countries that India has.
- The deadly terrorist attacks in November 2008 in Mumbai was a watershed — the G.C.C. countries finally recognized the potential dangers to the region of Pakistani-sponsored terrorism against India.
- Indian investments in Chabahar port of Iran, and high dependence on Iran for oil imports.
- Being geo strategically important for India, and unstable Afghanistan can affect India's security as well as its economy.
- Also India has gained access to strategically important port of Duqm of Oman.
- Also, most of the natural gas is imported from the Persian Gulf. However, this can be imported from other places.
- Opportunist China inroads in Central Asia and Eurasia through its Belt and Road Initiative. This continental encirclement of India poses threat to it.
- Presently, India's foreign exchange reserves are relatively comfortable, at over \$450 billion, and can easily cover 9-10 months' imports at current prices. However, an increase in the price of oil would lead to an increase in the Current Account Deficit and erosion of this buffer



- Remittances: To India, largest global remittances of around \$85 billion come annually and almost more than 50% comes from this region (contributing to around 2.6% of the Gross Domestic Product). Any turbulence in middle east will expatriate our nationals from this region leading to a big dent on our forex reserves.
- Strategic connectivity interests of India might get affected. This includes the port of Chabahar in Iran, linking India to Afghanistan and Central Asia.
- Last but not least, after Iran, India has perhaps the largest number of the world's Shia population.

India's relations with Middle east nations in recent past:

- There is a strong and growing multifaceted strategic partnership between India and Middle East countries, as sketched out in the many agreements they have forged in a wide variety of fields, ranging from energy, trade, and investment to counterterrorism and defence cooperation.
- India's relations with Iran are on the upswing as well. e.g. International North south Transport corridor and Chabahar port development.
- Iraq's economic relationship with India has been among Iraq's top three global economic partnerships in recent years and is growing rapidly. It is now the second largest oil supplier to India.
- In order to boost maritime cooperation with the Persian Gulf countries India sent ICGS Vijit, a Vishwas class offshore patrol vessel, to a 4 nations friendly visit including Bahrain.
- Israel is one of India's most important strategic partner and major source of its military hardware.
- The relations between India and Saudi Arabia improved over the years as the number of Indian pilgrims performing Hajj in Saudi Arabia has been increased to 200,000 every year. The Saudi prince expected that the Saudi investment in India may reach \$100 billion in the next two years.
- When it comes to UAE, In the financial year 2018-19, India-UAE bilateral trade grew by over 20% to reach US\$59.9 billion.
- The visit by Iranian Foreign Minister Mohammad Javad Zarif was also crucial for India, since the thaw between the West and Iran now gives New Delhi the opportunity to again pursue economic ties and explore certain projects that had been placed on the backburner. India is heavily dependent on Iran for energy, with the latter already India's second largest supplier of crude oil.
- Also India conducts variety of armed forces exercises with Middle east countries. For instance, Al Nagah III is the third in the series of the bilateral joint exercise between India and Oman.
- India's ties with Saudi Arabia are no longer limited by India's tensions with Pakistan. This enabled the two countries to sign a defence pact during the crown prince's visit.
- However, recent labour law amendment in Saudi Arabia have raised concerns over the loss of jobs for Indians, as it protects jobs for National workers.

- Also some of the middle east countries such as Turkey have raised concerns over rising communal tensions in India and also pointed out towards so called atrocities in the Kashmir valley over religious minorities.

In these unprecedented times following actions can be taken to improve relations between India and middle-east Asian countries so that mutually beneficial international relations can be culminated.

- **Mediating Role:** India has a very strong case to appeal for de-escalation between USA and Middle east nations as it had equity on both sides (with a trade of over \$200 billion) and large Diaspora in Middle east and USA. Hence, India should play a proactive role in mediation for long-term gains. However, India talked to both sides but is avoiding playing the role of a mediator.
- **Substitutes for Oil:** India should be relooking at options for oil supply in the worst-case scenario of disruption in oil supplies.
- **Investing in renewable energy sources** such as Solar energy will be good option. e.g. International Solar alliance.
- **Afghan Peace:** India needs to increase its engagement with Afghanistan in order to contain the increasing role of Pakistan in Afghanistan. Which will be beneficial for India in two ways as it would keep aside Pakistan and it will help India to improve relations with Afghanistan.

**Conclusion:**

There is a strong and growing multifaceted partnership between India and Middle East countries, as sketched out in the many agreements they have forged in a wide variety of fields, ranging from energy, trade, and investment to counterterrorism and defence cooperation. Hence, Middle East offers real opportunities for India to grow and develop in mutually beneficial way.

### 3. What is G-20? What is its mandate? How does it affect India's economic interests? Discuss.

#### Demand of the question:

It's a straightforward question as it demands candidates to write about the G-20 and its mandate. It also expects candidates to write about the impact of G-20 on India's economic interests.

#### Introduction:

The G20 is an informal group of 19 countries and the European Union, with representatives of the International Monetary Fund and the World Bank. The G20 membership comprises a mix of the world's largest advanced and emerging economies, representing about two-thirds of the world's population, 85% of global gross domestic product, 80% of global investment and over 75% of global trade.

#### Body:

Formed in 1999, the G-20 has a mandate to promote global economic growth, international trade, and regulation of financial markets. Because the G-20 is a forum, not a legislative body, its agreements and decisions have no legal impact, but they do influence countries' policies and global cooperation.

- After its inaugural leaders' summit in 2008, the leaders of the G-20 announced that the group would replace the G-8 as the main economic council of nations.
- The G-20 is a leading forum for global financial issues whose members include major developed and developing economies.
- Although not a legislative body, its discussions help shape financial policy within each of its member countries.
- Recent agenda items at G-20 meetings have included crypto currency, food security, and trade wars.

G-20's effect on India's economic interest:

- India has been a founding member of G20 process and has played an active role in proposing new ideas and finding solutions.
- India will be hosting the summit in 2022 when India completes 75 years of independence. So it is going to be an important landmark event for the country.
- Though G-20 as a forum discusses varieties of issues, major issues which are discussed by G-20 which affect India's economic interest are terrorism, Economic offenders, taxation, and new digital technologies.
- Economic offenders: Dealing with the economic offenders has been emphasized by India as a serious policy challenge for India and other countries in G20.
- Economic offenders often commit the crime in one country and flee to another to escape the legal process at home. In this context, India proposed this idea and sought cooperation from other G20 countries.



- Taxation: Global taxation is another issue for G20 to deal with. G20 has already taken cognizance of this fact and has come up with the Base Erosion and Profit Sharing (BEPS) framework.
- The complications arise from the spread of global supply chains as activity happens at different levels and at different places.
- Very often, it is difficult to assess the origin of a particular activity for tax, like when and how to tax the entities engaged in tax evasion. Hence, these kind of framework help Indian economy to formulate policies in such a way that tax evasion can be curtailed.
- E-commerce mostly involves transactions without adequate information about the place of these transactions. G-20 like body if looks in to it then it becomes a major tool to avoid tax evasion on the world scale. For instance, Panama paper leak.
- The Fourth Industrial Revolution is going to be driven by those digital technologies like artificial intelligence, internet of things, block chain, etc.
- Although the benefits of digital technologies for economic growth and social development are well-known, there are certain issues such as privacy, data security and digital governance which are to be properly understood.
- For instance, artificial intelligence involves a lot of ethical issues which need to be tackled properly with international cooperation. Here G-20 impact India's economic interest by facilitating discussion on the world forum and it also facilitates to formulate draft framework to govern emerging technologies on world economic scale.
- Terrorism: To contain terrorism requires global action, particularly regarding the money that flows into terrorist network from different parts of the world. G20 has provided platform to discuss this issue on international table.

**Conclusion:**

The world is so interconnected and integrated now that countries have to work together to resolve all global issues. Growing economic interdependence and spread of global supply chain are a reality rather than hype. Hence, G20 can provide the vision to bind all the countries especially the emerging markets like India, to support coordinated actions on major global economic issues and emerge strong on economic terms.