

## 2 CHAPTER

# *Other International and Regional Agencies and Forums—Analysis of their Structures and Mandates*

*After reading the chapter, the reader will be able to develop an analytical understanding on the following:*

- India and the ICC
- India and the ICJ
- India and the G-8
- India and the G-77
- India and the G-20
- India and the GCC
- India and BRICS
- India and BIMSTEC
- India and IORA
- India and Nuclear Security Summit
- India and the Multilateral Export Control Regimes.
- India and the APEC
- India and the RCEP
- India and the Mekong Ganga cooperation
- India and the ASEAN
- India and SCO
- India and SAARC
- India and World Bank and IMF

## **INTRODUCTION**

In this chapter, we shall attempt a brief analysis of India's diplomatic strategy as practiced with various international organisations. We shall first have a brief look at the features and chief characteristics of the organisations and then proceed to analyse how India has dealt with the organisations.

## **INDIA AND THE INTERNATIONAL CRIMINAL COURT (ICC)**

The idea to have an International Court to prosecute and try leaders who were accused of international crimes was proposed for the first time in 1919 at the Paris Peace Conference by the Commission of Responsibilities after the World War-I. However, no such court

could be established at that time. Similar proposals were made even after World War–II, as well as in the early 1990s, during the Cold War, but three events gave a strong push for the idea again in the late 1980s and 1990s. Firstly, in 1989, the PM of Trinidad and Tobago AN.R Robinson proposed the creation of an International Court to deal with issues related to drug trafficking. After the proposal of Robinson, an International Law Commission (ILC) was tasked by the UNGA to draft a statute to establish a Permanent Court. Secondly, atrocities in Yugoslavian wars by the armed forces of Yugoslavia led to the formation of an International Criminal Tribunal for trying cases related to the former Yugoslavia in 1993. Thirdly, following the genocide in Rwanda, an International Criminal Tribunal for Rwanda was established in 1994.

When these tribunals for Rwanda and Yugoslavia were established, there was a need felt to have a Permanent International Criminal Court. In 1994, a final draft for the establishment of International Criminal Court (ICC) was prepared by the ILC. The ILC urged the UNGA to convene a conference and negotiate a treaty to establish a statute for the court. The negotiations began to draft the statute and continued till 1998. The UNGA organised a conference in Rome to finalise the treaty that would act as a statute for the ICC. Subsequently, the Rome Statute of the ICC, or simply, the Rome Statute as it was commonly called, was adopted and the ICC was formally established, after ratifications by member states, on 1<sup>st</sup> July, 2002. The headquarters of the ICC is in The Hague, Netherlands. The ICC prosecutes those who are responsible for genocide, war crimes and crimes against humanity and is the court of last resort which intervenes only if a national authority could not prosecute the ones responsible for the crimes stated above.

Till date, India has neither signed nor ratified the Rome statute and is not a party to the ICC. India has raised a lot of objections to the Rome Statute. India feels that under the Rome statute, the ICC has been subordinated to the UNSC and such subordination would result in political interference by the UNSC in the decisions of the ICC. As per the Rome statute, India states, the non-state parties that go to the ICC can be bound to the UNSC by the ICC. This, India feels is a violation of the Vienna convention, because under the Vienna convention if a state has not accepted a treaty, it cannot be made to forcibly accede to it (veritably the exact same point of objection that India has in case of the CTBT). India feels that the Rome statute has given extraordinary powers, in this regard, to the UNSC. Moreover, India takes issue with the fact that the Rome statute has refused to accept terrorism and use of nuclear weapons as crimes under ICC, as proposed by India. India has also raised objections to the definition of “war crimes” under Article 8 of the Rome Statute as it has included in its ambit “armed conflict not of an international character”. India feels this provision could be used against India by other states by making a case for Kashmir where India asserts it is tackling state sponsored terrorism by Pakistan. India, thus, has not signed or ratified the ICC and remains an observer to the ICC.

## **India and the International Court of Justice (ICJ)**

The origin of the ICJ can be traced to the Permanent Court of International Justice (PCIJ). During the World War-II, the PCIJ began to lose its relevance and was later succeeded by the International Court of Justice (ICJ). The UN Charter in San Francisco established the ICJ in 1945. The ICJ is in The Hague, Netherlands and it has 15 Judges who belong to different nationalities. The ICJ helps in settling disputes between two conflicting states on

the basis of international law. It also looks into legal matters referred to it and gives advisory opinions. The ICJ can only be approached by member states of the UN as private individuals and entities are not permitted to take up the matters at the level of ICJ. When a state may take up a matter at the ICJ, it can take up a case of an individual person with respect to another state in concern. It is on the basis of this point that India in 2017 took up the matter of Kulbhushan Jadhav (an Indian national, in custody of Pakistan, arrested by Pakistan on 3<sup>rd</sup> March, 2016 in Mashkel area of Baluchistan on spying charges). Pakistan had arrested Jadhav in their territory and asserted that Jadhav was sent by India's external intelligence agency (R&AW) to create destruction of the China Pakistan Economic Corridor. Jadhav was arrested on the charges of espionage and terrorism. India and Pakistan are both signatories to the Optional Protocol of the Vienna Convention on Consular Relations (VCCR), 1963. India has sought consular access to Jadhav many times while Pakistan has rejected the same every time. Jadhav was further tried in a military court in Pakistan and in April, 2017 was awarded death sentence. As both India and Pakistan are signatories to the VCCR, India subsequently took up the matter to the ICJ. The ICJ has the jurisdiction to hear disputes if an aggrieved party asserts that there has been a different interpretation on the VCCR by the other party involved in the dispute. India in May, 2017 requested ICJ to apply provisional measures to ensure that Pakistan does not execute Jadhav. Under the provisional measures, ICJ under article 41 of the statute of the ICJ, it can issue injunctive directions. The article 74 of the ICJ has given powers to the President of the ICJ to issue ad-interim directions when matters related to provisional measures are brought up. Under article 74(4) of the ICJ Statute, the ICJ President issued orders to Pakistan to ensure that it does not execute Jadhav for the time being. India had put up to the ICJ that if Pakistan executes Jadhav, there would be irreparable damage caused to the rights which are claimed by India. The ICJ while ordering ad-interim relief to India in May 2017 asserted that Pakistan by denying consular access to India has violated the human rights of Jadhav despite it being a signatory of VCCR.

## **INDIA AND THE G-8**

In the 1970s, the western world received an oil shock (see the chapter on 'Issues in the Middle East' for details). Due to 1973 oil crisis, the non-communist states witnessed inflation in their economies. In 1975, the industrialised and capitalist countries came together and decided to address ongoing concerns in their economies. In 1975, the USA, the UK, France, West Germany, Italy and Japan established a group of six countries (called the G-6) to address concerns related to economy. In 1976, Canada joined the G-6, making it the G-7. In 1998, Russia too joined the G-7, transforming it into the G-8. We need to remember that the European Union (EU) is also a non-enumerated member to the G-8. Officially, to join G-8, there is no formal membership criterion. A cursory look at the members profile suggests that the members are advanced industrialised economies. G-8 is neither an institution nor does it have any secretariat. However, it does hold annual summits. One of the most important values of G-8 countries is that they are believers in democracy. In this regard, Russia was a special exception. In 2014, when Russia made advances on Ukraine (explained in the chapter on 'Issues in Europe'), the G-8 countries decided to suspend Russia from the group as its actions were not perceived in line with democratic value propounded by G-8. In the 43<sup>rd</sup> G-7 summit in 2017 (which happened in

Taormina, Sicily, Italy), the Tunisian president Beji Caid Essebsi was a guest invitee.

Neither India nor China has been a part of the G–8. There is a growing perception that the G–8 (G–7 as of now) is anachronistic as it lacks participation of states like India and China, along with Brazil, South Korea and Mexico and so on, that have long surpassed the GDP of the G–7. Some scholars observe that absence of these countries of the developing world was an impetus to formation of BRICS as a platform. India asserts that being the largest democracy in the world, it has a rightful claim to be a part of the G

## **INDIA AND THE G–77**

When the first session of the United Nations Conference on Trade and Development (UNCTAD) ended in Geneva in 1967, seventy-seven countries came together to establish an intergovernmental organisation called G–77 in the UN to use it as a platform to collectively promote the economic interests of the Global South. The idea was also to use the platform to promote South–South cooperation. India has been one of the founding members of the G–77. India has been playing a leadership role in advancing the interests of the developing world through the G–77 at the UN. In the recent times, the G–77 has played an important role in climate change negotiations. India and China and G–77 have forcefully demanded that developed countries should provide adequate finances to the developing countries to tackle climate change. India has been negotiating at the climate change level with G–77, the Like Minded Developing Countries (LMDC) and the BASIC group of countries (Brazil, South Africa, India and China).

The G–77 and India have achieved some impressive feats globally. They have been able to assert that each individual sovereign state has sovereign control over its resources. They have also successfully asserted that the global wealth distribution should be equal. India has asserted under the G–77 umbrella that wealth should be reallocated on the principles of equality and equity. This has been India’s core policy point even in the climate change negotiations. India has also asserted that all states, and more importantly, all developing countries need to have equal participation in global economic affairs. These points, stressed by India through G–77, also form a part of the basis of the G–20. However, the G–77, being a loosely knit organisation with no permanent research institution for propaganda, has a weak international response. In the climate change talks, many of the G–77 players have been found having differing positions and thereby G–77 has not been able to emerge as a united front.

## **INDIA AND THE G–20**

With a focus on global economic governance, in 1999, the governors of the central banks of twenty states came together to promote international financial stability and established the G–20. The G–20 was basically formed as a group of 20 emerging market economies and developed countries to promote discussion on policy issues pertaining to global economic governance. The G–20 held its first summit in 1999 in Berlin. The major difference between G–20 and G–8 is that G–8 only focussed on developed countries while G–20 has a broader participation with emerging market economies part of the group. The chairmanship of G–20 is Rotational, with one nation annually getting the chair. India has been a member of this powerful economic club. In 2019, India shall hold the chair of G–

20. The G-20 has no formal voting criteria. In the recent G-20 summits in 2014, 2015, 2016, and 2017, India has advised that the global economic surplus wealth should be deployed for development of infrastructure. India, in the recent summit of G-20 in Hamburg in Germany in 2017, has also proposed that surplus wealth should be used to develop efficient energy technologies. In the 2017 summit, the G-20 nations congratulated India for taking steps to make it easy to do business in India. In the 2017 summit, India forcefully argued on issues related to terrorism. India asserted that states supporting terrorism should not be allowed to be a part of G-20 and sought early conclusion of the UN Convention on International Terrorism.



In the 2017 Germany G-20 summit, India offered strong resistance to protectionist measures adopted by the states. India has pitched for free movement of labour and capital amongst the states to bolster up the global economy. India has further pitched for stronger action at the level of tackling black money and terrorism. A new element in India's diplomacy at G-20 has been to pitch for poverty eradication.



The G-20 is an excellent forum for interaction between developed and emerging market economies, but India has, over time, raised some concerns about the organisation. India believes that, in the era of global economic slowdown, if nations resort to quantitative easing due to injection of cash, in the advanced economies, the capital flows become volatile and the developing countries, in cases such as these, should be given a right to resort to capital control measures. India has also pointed out that although G-20 has spearheaded a discussion on reforms of global financial architecture, the progress has been slow. India has stated that having the US Dollar as a reserve global currency has exposed the vulnerabilities of a systemic risk during crises. Thus, India asserts that a possible solution here for the G-20 could be to explore widening of the SDR basket and add more currencies.

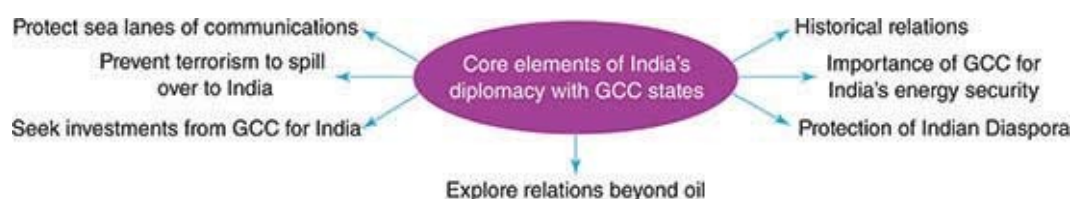
## INDIA AND THE GULF COOPERATION COUNCIL (GCC)

In 1981, Saudi Arabia, Oman, the UAE, Kuwait, Bahrain and Qatar came together to establish an intergovernmental regional politico-economic block called the GCC. The GCC emerged as an alliance of six Gulf States to promote economic interaction. Western scholars believe that GCC is based on a foundation of a common security concern but the scholars of the GCC nations insist that it is a platform for economic, cultural, political and scientific integration. There was a proposal in 2011 to establish a Gulf Union and transform the GCC into a tight economic and military union. The proposal has met with



certain objections from some member states. The GCC has also been negotiating a common currency named Khaleeji but the progress on the same has been slow.

India's relations with GCC has been on since 1947. Initially, as mentioned in the chapter of 'India–West Asia Policy—Key Drivers,' India politically supported GCC and other states in the region during Cold War. By the end of the Cold War, as India's dependence upon energy from the Gulf increased, India began to hold the GCC as crucial for its energy security. In earlier chapters, we have mentioned that India decided to sign oil-based partnerships with Saudi Arabia, the UAE and Qatar. India realised that it can leverage its historically good political relationship with the GCC to develop energy security partnerships. As India's oil trade increased in the post-Cold War times, a lot of Indians began to work in the Gulf States as professionals. The post-Cold War times have witnessed a shift from blue collar to white collar Indian presence in the GCC states. In the recent times, India has realised that as the trade with the region enhances, it not only needs to protect the sea lanes of communications but also ensure safety of its diaspora in the GCC. India, due to these two reasons, has started observing the region through a strategic lens. This is also visible from the recent high level bilateral visits. India has not only decided to establish a strategic petroleum reserve with the UAE but has added defence relationships as a new element in its interaction with the GCC. The GCC states have cooperated with India in the region as they feel that India's engagement with GCC at economic, political, security and strategic level will enhance India's global profile. A declining US presence in the region also provides India the space required to boost its economic and strategic footprint in the GCC.



In the recent times, the perception of Gulf States about India has changed. The GCC no longer looks at India merely as a supplier of cheap goods and labour but a stable democracy and a vibrant regional economy with highly skilled manpower. This change in perception of the GCC has contributed to their realising the need to build up strategic partnerships with India. As the GCC states have begun to look east, it has found synchronisation with India's attempt to link west. The GCC, however, has been insecure about India's developing proximity with Iran and Israel. Pakistan, too, plays the Islamic card to assert to the GCC that India is an anti-Muslim state and therefore remains an irritant in the deepening India–GCC ties. Despite these issues, India has successfully decided to enhance strategic and defence partnerships with the GCC. Today, India has added dimensions beyond oil in its outreach to the region. India has committed support to GCC in dimensions like food security, IT, Pharmacy and consultancy services.

## INDIA AND BRICS<sup>1</sup>

In 2001, an economist with Goldman Sachs undertook an econometric analysis and asserted that by 2050, the economies of Brazil, Russia, India and China would constitute the largest economies of the world. In 2006, on the margins of the G–8 Outreach Summit at St. Petersburg in Russia, the BRIC leaders (all countries except South Africa) held a meeting and formalised the BRIC group. In 2009, the first BRIC summit was organised in

Yekaterinburg, Russia. In 2010, it was decided that South Africa would be added to the group. In 2011, in the 3<sup>rd</sup> Summit in Sanya in China, South Africa participated and the organisation formally became BRICS from BRIC.

Initially, the idea of BRICS was to use it as a platform to engage upon economic issues but over a period of times, BRICS summits have started discussing issues ranging from trade, health, technology, agriculture and so on. In 2016, India chaired the eighth BRICS Summit and the meeting was held in Goa. The eighth BRICS Summit shall be discussed in sections ahead. In the very first BRICS Summit, there was a severe criticism of Bretton Woods's institutions over their failure to reform their structures and processes and give a voice to emerging market states. India asserted that the existing global financial architecture is dominated by the West and does not give adequate voice to the emerging market economies. In the sixth BRICS Summit in Fortaleza, Brazil, in 2014 through the Fortaleza Declaration, the BRICS members decided to establish the BRICS Bank or the New Development Bank. The NDB became operational from 2016, with its headquarters in Shanghai, China. The NDB shall provide loans to states to manage BOP crises and for projects related to infrastructure and sustainable development.



K V Kamath is the first President of the BRICS bank or the NDB. What makes the NDB different from the World Bank and IMF is the fact that here, infrastructure has been identified as a priority sector by the BRICS. The NDB has prioritised areas like education, healthcare and women rights etc, which are issues that all BRICS member face today. In 2016, the NDB had issues 3 billion Yuan bonds in China to finance projects related to clean energy. In 2017, NDB has decided to issue Masala bonds worth 300–500 million Dollars for projects related to rural drinking water and infrastructure (Rupee denominated bonds that are issued outside India are called Masala bonds). In 2017, the BRICS members also decided to launch their own credit rating agency in future. As mentioned above, India held the chair for the eighth BRICS Summit, held in Goa. The theme was building responsive, inclusive and collective solutions. The BRICS-BIMSTEC Outreach Summit was held in Goa in 2016.



During the eighth BRICS Summit, India also signed MoUs with Brazil on agriculture, pharmacy, investment cooperation, facilitation treaty and assisted reproductive technologies. At the end of the Summit, a Goa Declaration was adopted. The Declaration reaffirmed a number of state commitments to tackle terrorism, advocate UN reforms, facilitate economic and investment partnerships and use policy tools to achieve inclusive growth. The ninth BRICS summit in 2017 happened in China.

## INDIA AND BIMSTEC<sup>2</sup>

In June 1997, a meeting was organised in Bangkok and Bangladesh, India, Sri Lanka and Thailand decided to come together to establish an economic cooperation under the banner of BIST-EC. In December 1997, Myanmar joined the economic cooperation and the group now called BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka, and Thailand Economic Cooperation). In 2004, after Nepal and Bhutan were admitted to BIMST-EC, the name of the organisation was changed to BIMSTEC (Bay of Bengal initiative for Multi-Sectoral Technical and Economic Cooperation). The first BIMSTEC Summit happened in 2004 in Bangkok. The permanent secretariat of BIMSTEC is in Dhaka and 32 per cent of the cost of construction has been borne by India.



Since 2004, the member states have been negotiating an FTA. India has been pushing for an early conclusion of the FTA as it will facilitate trade in goods and services. Despite a Framework Agreement for the FTA in place since 2004, the FTA has not become operational as issues persist on agendas like negative list, rules of origin, custom agreement and dispute settlement mechanism. Scholars assert that if India and Thailand can take some FDI to other BIMSTEC members, the investments can act as a push for the FTA. India, under its Act East Policy, has prioritised infrastructure development and if India succeeds in developing infrastructure in the north-east states, it can act as a springboard for deeper integration and connectivity with BIMSTEC. India has realised that BIMSTEC will be a bridge between South Asia and South East Asia. Today, India has initiated steps to boost connectivity and investments to promote regional cooperation through BIMSTEC. In April 2017, the Indian government has approved the MoU with BIMSTEC to establish an interconnected BIMSTEC grid. The creation of the grid will facilitate power exchanges across borders by member states and will help in development of regional networks for electricity supply. In the recent times, India has decided to shift away from Pakistan, which has emerged as an irritant in regional cooperation at the level of SAARC, to deepen ties with BIMSTEC.



In the 1990s, an economic corridor between India, China via Myanmar and Bangladesh was proposed by Bangladeshi economist, Professor Rehman Sobhan. According to Sobhan, such a corridor would enhance trade and growth and contribute to reduction of poverty in the region. Sobhan's idea saw material action in the Kunming Initiative which evolved into a regional forum for BCIM states. In 2013, in a meeting between Manmohan Singh and Li Keqiang, the BCIM economic corridor (BCIM-EC) finally saw. The entire BCIM zone was perceived as a sub-region where connectivity between South Asia, South East Asia and China was envisaged. As the sub-region has high resources but poor connectivity, the corridor will promote economic integration. Though the Modi government has shown enormous interest in the corridor, some challenges exist. There is no clarity whether the BCIM-EC should purely be economical in nature or widen to include cultural and people centric activities. People in India's North-East and Myanmar have raised concerns about the environmental impact of the BCIM-EC. More so, there is a dilemma of whether BCIM-EC be promoted as a regional and geopolitical initiative or whether local communities along the borders should be used as stakeholders for benefit sharing under a sub-regional arrangement. How BCIM-EC works out in tandem with the Chinese Belt and Road initiative will be something to observe in the future.

## **INDIA AND THE INDIAN OCEAN RIM ASSOCIATION (IORA)**

The Indian Ocean is one of the most important trading routes of the world. In order to promote social, economic and political cooperation amongst the states in Indian Ocean region, in 1995, an Indian Ocean Rim Initiative was launched. Subsequent to this, in 1997, the Indian Ocean Rim Association-Association for Regional Cooperation (IORA-ARC) was formed. Today, the group, with 21 member states (including India) also has seven dialogue partners and is called IORA.

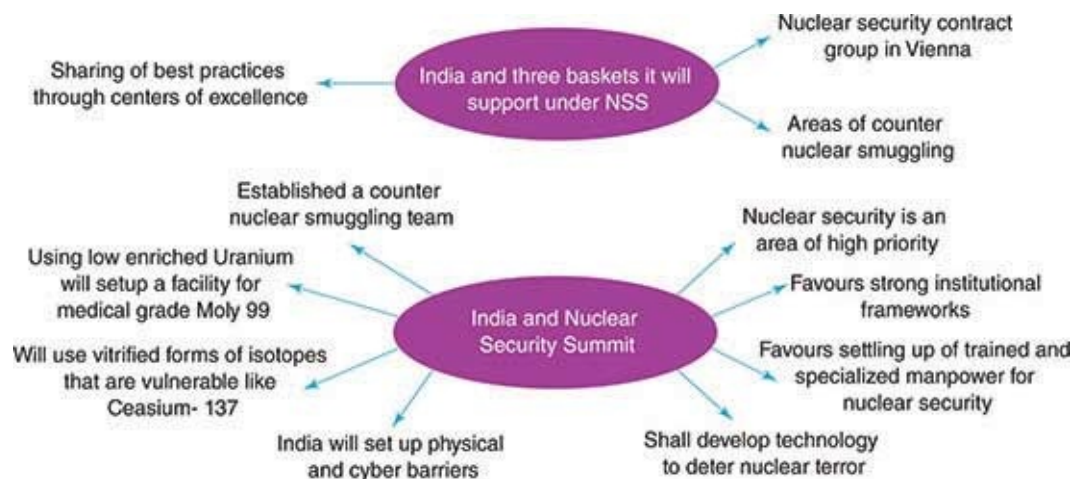


In 2013, India held the chair of IORA where the name of the organisation was changed from the earlier IORA-ARC to the present IORA. India also identified that the need to use the IORA to facilitate maritime safety and security in the Indian Ocean was the most pressing agenda at hand. In the 14<sup>th</sup> IORA ministerial Meeting in Australia in 2014, the idea of blue economy was made a priority agenda for the IORA. The basic concept of blue economy encompasses the use of marine resources in a sustainable manner. It envisages an oceanic environment and sustainability link. In the Jakarta Summit in 2017, an Action Plan for the next five years and Declaration on Preventing Violent Extremism and Countering Terrorism were adopted. India offered the idea that member states should undertake hydrographic surveys and coordinate activities of Maritime Domain Awareness, and should also establish an Information Fusion Centre.

## **INDIA AND THE NUCLEAR SECURITY SUMMIT**

President Obama, in 2009, identified nuclear terrorism as an important security challenge of the world. This was announced by Obama in a speech delivered by him at Prague in

2009. Subsequent to the speech, in 2010, a Nuclear Security Summit (NSS) (a three-summit series) was organised in Washington DC. The aim of the NSS is to ensure that the nuclear related material does not fall into the hands of non-state actors and the world does not witness nuclear terrorism. In the 2012 Seoul NSS, the concept of gift basket diplomacy was announced. It is a mechanism used in multilateral diplomatic negotiations where some participants can push progress on identified issues without achieving consensus at multilateral negotiations. Another unique concept of NSS was 'House gifts,' where one country too could make a unilateral commitment to achieve nuclear security envisaged. India has participated in the NSS since 2010. It has contributed one million Dollars in the Nuclear Security Fund and a Global Centre of Excellence for Nuclear Energy Partnership (GCENEP) has been established. In the 2016 NSS, which was the last summit in the series of the Prague Initiative, India decided to contribute an additional one million Dollars to the Nuclear Security Fund. India has agreed that IAEA will remain the central agency in nuclear security and that it will organise a workshop on international Physical Protection Assessment System in India. India feels that participation in the NSS is an important duty for India to showcase to the world its nuclear credentials.



## INDIA AND THE MULTILATERAL EXPORT CONTROL REGIMES

The Australian Group (AG), Zangger committee, Missile Technology Control Regime (MTCR), Nuclear Suppliers Group (NSG) and Wassenaar Arrangement (WA) are the five multilateral export control regimes. The WA seeks to ensure that states do not end up exporting conventional arms and dual use technologies and goods that could ultimately land up in the hands of terrorists. It ensures that countries to which such exports are made protect such transfers and ensure that exports do not cause destabilisation. To join WA, a state has to be a producer and exporter of items that are mentioned in the control list of WA. India fulfils this criterion to join WA. As per WA, a state intending to join WA should 'adhere' to NPT. As the rules don't mention that a state needs to be a 'party' to NPT, India meets all such criteria despite not being a party to the NPT. By being a part of WA, India can contribute to world peace and international security. The membership to WA also increases India's probability to access items under the WA control list. India will also be able to identify, at the global level, the items that are active threats to international security.

The AG is an initiative of Australia that came up in 1985 after the use of chemical weapons by Iraq in the Iran–Iraq war. The AG focusses upon preventing the proliferation of biological weapons and their export to rogue state and non-state actors. India has a

thorough and an elaborate export controls system over chemical agents having potential use in a chemical war (dual use). India wishes to be a member of AG. By being a part of the AG, India can have a say in the international chemical and bio-technology commerce.

In 1987, the G-7 countries decided to establish an informal political group to ensure that states do not proliferate missiles and related technologies. This group was called MTCR. The MTCR is not a treaty but an understanding amongst partners to ensure non-proliferation of missile technologies, software and to attempt to control the exports of the same to countries. The aim is to ensure that there is no proliferation of weapons of mass destruction (WMDs). By identifying and restricting exports of technology and equipment, it ensures that a state is not able to construct a delivery system to launch WMDs. A special emphasis is placed on rockets and unmanned aerial vehicles (UAVs) which are designed for carrying a payload of at least 500 kilogrammes and a range of 30 kilometres. The organisation follows a set of guidelines and an MTCR Annex. The Annex has a list of items whose exports are to be controlled. The highly sensitive and less sensitive items are categorised into Category-I and Category-II. Joining MTCR is a voluntary subscription and since there are no legal obligations, the partners have to act with restraint and responsibility to export items to ensure that exports do not lead to proliferation. France is the regime's first point of contact but MTCR has no secretariat and a decision to join the MTCR requires a consensus of its existing members. India applied for membership to MTCR in June 2015. In October 2015, at the Rotterdam Plenary meeting, no progress could be achieved. India again presented its case by highlighting its non-proliferation record. India asserted that it has a strong control system under a list called SCOMET (Special Chemical, Organic, Materials, Equipment and Technology). On 27<sup>th</sup> June, 2016, at the MTCR point of contact meet in Paris, India was accepted as the 35<sup>th</sup> member of MTCR. In October, 2016, at the Seoul Plenary meet, India participated as a member. Now India is obliged to follow a no-under cut policy. India has to ensure consultations with other MTCR members before granting license to export any MTCR item that has been notified as denied by another partner pursuant to MTCR guidelines (as mentioned on the MTCR website). The membership to MTCR will enable India to buy missile technologies from other states.

The NSG was created in 1974 and met in 1975 for the first time. NSG is a group that has come up with guidelines to ensure that member states do not sign nuclear deals with other states where signing of such a deal could lead to proliferation of nuclear weapons. The group is a high table of states that frame rules governing nuclear commerce. In order to strengthen the global nuclear non-proliferation order, India wishes to be a part of the NSG. However, as India is not a member of NPT, China and Pakistan have objections to its enrolment. Pakistan has stated that India's becoming a member of NSG will mean that it shall have access to fissile material for its civilian reactors. Consequently, it will have more material for its military reactors and thus, as per Pakistan, inducting India into the NSG will fuel an arms race. China has observed that the accession of India to NSG should be norm based, meaning that if an exception is made for India (that India being a non-signatory to NPT still joins NSG), then the same exception should be made for others. China wants the same exception for Pakistan. There is a growing feeling that, since China is not a member of MTCR, it wants the US to support Chinese membership to MTCR in lieu of Chinese support for India's membership to the NSG. By being a member of the

NSG, India's nuclear regime will have a stronger legal foundation and would also give India an option to set rules related to nuclear commerce. India will, by being a member of the NSG, be on a firmer footing to propose trade of plutonium for India's thorium based reactors, thereby providing far greater energy security to India. India can also produce export-worthy nuclear equipments, have greater access to uranium abroad, boost Make in India as well as adopt efficient nuclear energy, by being a member of the NSG.

## **INDIA AND THE ASIA PACIFIC ECONOMIC COOPERATION (APEC)**

The origin of the APEC can be traced back to the period of economic integration of South East and East Asia. In 1967, the Association of Southeast Asian Nations (ASEAN) was formed. ASEAN states began to develop deep trade with Europe and in 1979, began trade with China. Economic interaction was the key goal of the ASEAN states. In 1980s and 1990s, the EU was formed. This affected the ASEAN–Europe trade. As the US consolidated the North American Free Trade Agreement (NAFTA), this further dented the ASEAN's trade practices. In 1989, Australia suggested the creation of the APEC as an Asian version of an FTA comprising of North East Asia, South East Asia and the Pacific Rim states. Similarly, even Malaysia proposed an East Asian Economic Group (EAEG). In 1989, Australian Prime Minister Bob Hawke met his South Korean counterpart and mooted an idea where ministers could meet to enhance regional economic cooperation. In November 1991, a Seoul Declaration was adopted that announced the scope of the APEC. The APEC was to promote trade, technology transfers and promote growth. The first APEC summit happened in 1993 and decided to focus upon liberalisation and economic trade. The APEC has 21 member economies today, and India wants to join the economic community called APEC as it wants to undertake trade promotion within the economies of the Asia–Pacific.

Initially there was opposition to India's membership to the APEC as some members initially raised objections about India's economic reforms and its engagement with the WTO. In recent times, a lot of members feel that as India has undertaken economic reforms and it should be allowed to be part of the APEC. Many feel that India's maritime strengths and its clout as a balancer will help the APEC. Currently, India holds the position of an observer state in the APEC. The US too, has favoured India's accession to the APEC as a member. If India becomes a member of the APEC, it will be perceived as a serious economic power in Asia Pacific and this will help in India's negotiations at the level of the Regional Comprehensive Economic Partnership (RCEP)<sup>3</sup>. Apart from improving trade volumes, joining the APEC will facilitate India's domestic growth and lead to job creation. The main reason as to why India is not yet a member of the APEC is geography. Geographically, India is not part of the Pacific region. Some APEC members also have reservations about India's high custom duties and stringent rules for FDI. India is not keen on shedding off protectionist measures prevalent in its domestic economy, which has not gone down well by other member states. Over a period of time, if consensus evolves, India might enter the APEC club.

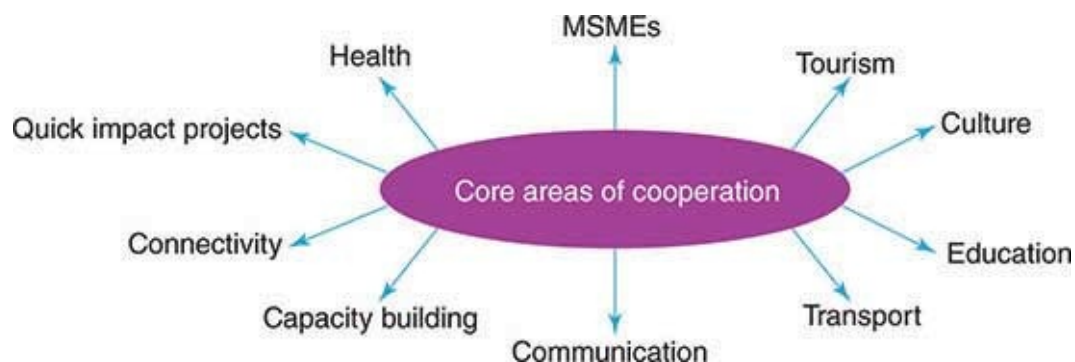
## **INDIA AND THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)**

The 10 member states of the ASEAN and six other states (including India) are negotiating a new FTA called RCEP. The RCEP is a comprehensive agreement on goods, services, investments, economic and technical cooperation and dispute resolution. The idea is to have the ASEAN in the driver's seat to negotiate a new economic regional architecture which will improvise the ASEAN FTA. India has been a key player in negotiating the RCEP because it provides India a platform not only to strengthen and complement the existing India–ASEAN FTA, but it also allows India to use its Act East Policy to boost its economic relationships in the region. More importantly, through RCEP, India will be able to integrate itself into the regional production networks of participating states. This will gradually allow India to be a part of global value chains and thereby boost its economy. As the economies are maturing as sophisticated manufactures, there would be a higher demand for service providers, and in this regard, India, which enjoys an edge in IT-enabled services, will gain as Indian firms will get easy access to new markets.

However, Indian tariff barriers have emerged as a source of discontent. In recent times, the RCEP states have urged India to completely eliminate tariffs as the RCEP states are not comfortable with the tariffs set by India. India also has to boost its MSME sector as its capabilities have to be augmented to survive the trade flows envisaged. Even non-trade issues, like labour and environmental concerns, have emerged. After the decision of Donald Trump to abandon the Trans-Pacific Partnership (TPP) in 2017, the RCEP has gained strategic significance for China. India's worries over the RCEP have increased as India fears that China, through RCEP, would be able to pump cheap commodities manufactured in China into India and this would endanger the manufacturing base that India intends to develop under its 'Make in India' programme. India also fears that after the RCEP is concluded, due to advanced expertise of the region in areas of pharmacy and textiles, these two sectors (where India too has an edge) in India would be impacted due to severe competition. There are emerging trends now that show that China may exclude India from the RCEP and go ahead, but, this only remains an assumption as India's good relations with ASEAN may not allow China the leverage to remove India from the RCEP altogether.

## INDIA AND THE MEKONG GANGA COOPERATION (MGC)

India, in order to enhance relations with states in the Mekong region (namely Cambodia, Laos, Myanmar, Vietnam and Thailand), had formed the MGC in 2000. Under the Act East Policy, India has decided to integrate India's North East with Mekong region.



## INDIA AND THE ASEAN

Though India and the ASEAN has been dealt with in detail in the chapter of 'India–South



East Asia relations—Key drivers,’ here we shall attempt to present an analytical snapshot of the relationship between India and the ASEAN states. India’s relations with South East Asia (SEA) saw a major boost at the end of the Cold War. India announced a Look East Policy (LEP), which was, at the very best, a circumstantial policy. At the end of the Cold War, India witnessed certain critical circumstances that posed a significant challenge to its foreign policy. The Soviet Union disintegrated; Indian economy faced severe crisis while Pakistan triumphed in the Mujahedeen campaign in Afghanistan. As there was complete uncertainty in the world, India decided to reduce this uncertainty and build relations with the US its allies in SEA and East Asia (EA). In this context, India announced its LEP where the core priority for India was to build relations with the ASEAN. Narasimha Rao made economic cooperation under LEP a major foreign policy priority for India. Starting from being a Sectoral Dialogue Partner in 1992 to finally concluding an FTA in Goods and Services with the ASEAN in 2014, the trajectory captures the impressive integration of India with the ASEAN.

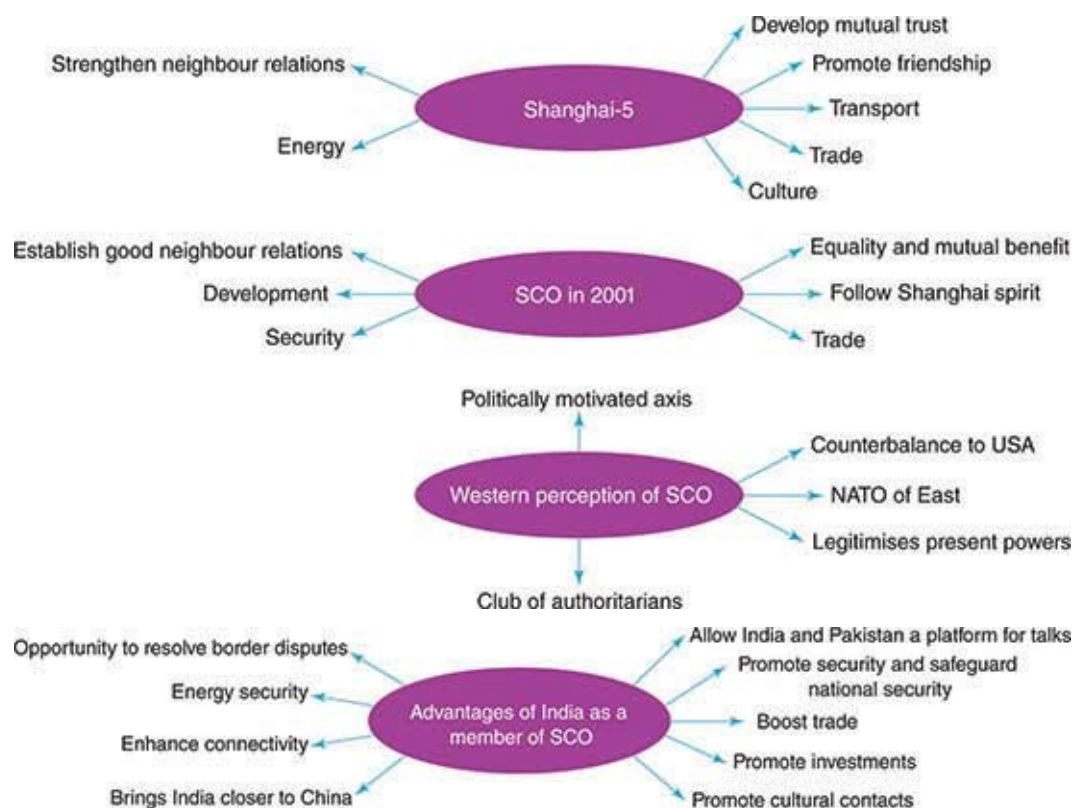
India also forged BIMSTEC and the Mekong Ganga Cooperation as sub-regional groupings to reach out to the ASEAN. In the recent times, India’s Act East Policy (AEP) is a connecting bridge between India and SEA and EA. The Indian Prime Minister, while launching the AEP, asserted that the ASEAN is central to India’s AEP. Though the LEP began with a thrust on economic cooperation with the ASEAN, the AEP has added the needed strategic perspective in the engagement. Today, India is engaging with ASEAN at the levels of security, terrorism, urban renewal, piracy, climate change and so on. The Indian participation in the ASEAN Defence Ministers Meeting (ADMM) plus forum (comprising of defence ministers of the ASEAN, China, Japan, India, South Korea, Australia, New Zealand, the US and Russia) provides a forum to cooperate on issues ranging from maritime security to medicine to peacekeeping operations. Under the auspices of the ASEAN, India is also engaging with the East Asian Summit (EAS) that provides a platform to work upon issues ranging from education to energy to connectivity. The Indian presence in the ASEAN has now led Indian to negotiate the RCEP where the focus is on trade, facilitation and economic integration. The AEP has announced that connectivity, culture and commerce (3 Cs) shall be priorities for India. The Indo–ASEAN relations still have some constraints. Many ASEAN states feel that trade with India has still not reached its full potential as tariff barriers and bureaucratic delays from the Indian side have slowed down the process. The ASEAN states have raised complaints about lack of fulfilment of commitments announced by India in infrastructure and connectivity. India faces three key challenges in deepening trade and integration with the ASEAN. The first is connectivity, which the AEP proposes to bridge in the near future. Second are tariff barriers, that ASEAN states cite as a key hindrance on the Indian side to deepening of trade. Third is lack of a vision to boost trade. The ASEAN states argue that India needs to prepare a concrete roadmap on how it intends to integrate with the ASEAN states at the level of trade.

## **INDIA AND THE SHANGHAI COOPERATION ORGANISATION (SCO)**

At the end of the Cold War, the five Central Asian Republics broke away from the USSR and became independent. A lot of Uyghur Muslims lived in Central Asia (CA). China

thought that the Uyghurs in China may begin to link with Uyghur's of CA and create unrest in Xinxiang province in China. In 1992, China, along with Russia, Kazakhstan, Kyrgyzstan and Tajikistan, began to negotiate a security pact. After 22 rounds of negotiations, a group called the Shanghai-5 was established in 1996. The aim of Shanghai-5 was to undertake confidence building measures and demilitarise borders. In 1996, a Treaty of Deepening Military Trust in Border Region and an Agreement on Confidence Building in Military Filed in Border Areas were signed. In 1997, a Mutual Reduction of Armed Forces in Border Areas Agreement was concluded. In 2001, Uzbekistan joined the group and it was renamed as SCO to emphasise its role as a body for regional cooperation.

China, through SCO, wishes to fight the three evils of separatism, terrorism and extremism. The SCO decided to establish a Regional Anti-Terrorism Structure in Tashkent. India joined SCO as an observer state in 2005. In the year of 2011, a Memorandum of Obligation of SCO was approved to allow non-member states to join SCO as a member. India applied for membership. Initially, China was reluctant to add India to the SCO but Russia favoured the induction of India as a regional balancer. In the Ufa summit-2015, India and Pakistan were admitted as members. India has viewed SCO positively and wanted to use SCO to play a bigger role in CA. India feels that SCO being an Asian body will allow it to connect to CA and enhance its economic and security relationships in CA. India feels that SCO can be used as a regional platform to contribute to peace in Afghanistan. As a member, India can use SCO to augment its Connect Central Asia Policy and enhance connectivity and commerce with CA.



## INDIA AND THE SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION (SAARC)

In the chapter detailing India and its neighbourhood policy—key drivers, we have analysed that since the times of Nehru, India favoured a deeper engagement with its

neighbours. In 1980s, Zia Ur Rahman, the former Bangladeshi President, came up with an idea of knitting the South Asian (SA) states under a group. Initially, India viewed the proposal cautiously as it thought that such a body would be used by the SA states as an opportunity to resort to India-bashing. India also thought that if it does not accept the proposal, this move would be perceived by the SA states as an attempt by India to scuttle a mechanism for regional cooperation. India, keeping these concerns aside, in 1985, decided to go ahead and join the SAARC. It was formed in 1985 with India, Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka and Maldives. In 2007, Afghanistan joined SAARC as a member. The SAARC wanted to promote economic cooperation amongst members and help each member facilitate economic growth, thereby contributing to the alleviation of poverty. Each member state was to respect the territorial integrity of others and no interference would be tolerated in each other's internal affairs. It was decided by members that SAARC as a forum will not be used by any member to raise any contentious and bilateral issues as such issues had to be resolved on a one-to-one basis.

Since the end of the Cold War, there has been a renewed thrust towards regionalism but SA has not witnessed the same despite the presence of SAARC. Many believe that it has ended up in becoming a 'talk shop'. SAARC has had some achievements—for instance, the states have agreed on a Regional Convention of Suppression of Terrorism; there is a SAARC Audio Visual Programme; in Dhaka, a SAARC Agriculture Information Centre exists and the members have agreed upon a social charter for poverty eradication and development of human resources. In 1993, the South Asia Preferential Trade Agreement was finalised (yet to be operational). The fundamental reason for the weakness of the SAARC as a platform is trust deficit amongst its core members. Unresolved border disputes and trade barriers erected by each member state too have contributed to weakness of the organisation as a whole, as well as its inability to achieve its goals. Scholars assert that a perpetual cold war between India and Pakistan has fuelled mistrust. For Pakistan, Kashmir remains an irritant for SAARC to flourish while India cites terrorism sponsored by Pakistan as a reason for the mistrust. The member states have viewed the borders more as security threats than a conduit for people-centric engagements. As India is one of the largest members of SAARC, other members perceive any initiative by India as an intention on India's part to assert hegemonic ambitions. Such perceptions are further cemented because of different political beliefs in the neighbourhood. There are three structural impediments in SAARC. The first flows from the SAARC charter. The charter mentions that steps would be taken to promote growth and self-reliance. But the ground reality is that these steps have not been institutionalised. Secondly, SAARC has concluded a lot of agreements and conventions but implementation on ground amongst states has been poor. Thirdly, SAARC bodies also prevent meaningful interactions as these bodies have not contributed to the removal of suspicion and mistrust.

For any form of regional cooperation to succeed, there are three necessary conditions and some sufficient preconditions. Regional cooperation can be successful if states, first of all, renounce violence. This renunciation leads to the birth of a pluralistic, secure community. Then, there should be an agreement that no state will question each other's territorial integrity, as doing so leads to possible conflict. Lastly, if there is a dispute, then it needs to be resolved mutually. The Charter of the SAARC has all these three necessary conditions. The charter, as mentioned above, asserts that states will not use force, not

interfere in each other's affairs and shall advocate for peaceful resolution of conflicts. However, Pakistan has not commented upon the non-use of force. Pakistan has always asserted that if political differences are not resolved (namely, the Kashmir issue), then there can't be any meaningful cooperation. For Pakistan, SAARC is just another platform for furthering the cause of Kashmir. Despite the 1972 Simla agreement between India and Pakistan also asserting that the two shall resort to bilateral mechanisms to resolve disputes, Pakistan is often keen on bringing foreign powers into dispute resolution.

Geographically, since the ancient times, there is a belief that South Asia constitutes of a single compact unit and a common geographical space where people, culture and ideas have freely moved. India has always believed that SAARC, as a platform, can be used to gain the erstwhile geographical space and fuse SA yet again into a compact unit. This is the reason why India lays so much emphasis upon connectivity with its neighbours (the recent BBIN-Motor Vehicle agreement is testimony to this). The rest of the South Asian states however perceive it differently. Pakistan feels that the Indus River separated its territory from SA and makes it closer to West Asia. Nepal feels that it has always had a separate existence while Sri Lanka too feels that it has had its own trajectory of historical evolution. India's neighbours find it tough to reinforce the idea of recreating the unity of past, favouring instead a unity of equals. It is for this reason that despite SAARC, Pakistan and Bangladesh are reluctant to allow their territories as routes for transit. India, through SAARC, visualises a homogenisation of the region while the other members see it as hegemonisation and resort to measures leading to dehegemonisation. Due to such differences of perceptions amongst the members of the SAARC, the body has almost been pushed into a morgue. Many steps were taken by Vajpayee and Manmohan Singh to revive the SAARC, but the perceived mistrust continued to hamper any meaningful interaction though.

The coming of Modi was seen as positive sign. In his swearing-in ceremony, he invited all the SAARC leaders and tried rehabilitate SAARC relationships. Modi launched India's Neighbourhood First Policy in 2014 and SAARC was destined to play a central role in the same. Modi attended the 18<sup>th</sup> SAARC summit in Kathmandu, Nepal, in 2014. He asserted that India would take all steps to remove the cynicism and scepticism associated with the SAARC. He proposed that a SAARC Union be formed where there is free flow of trade, people and investments. As things progressed from 2014, the recent cross border terrorist strikes on Indian soil from Pakistan in 2016 brought the engagement to a halt. The 19<sup>th</sup> SAARC summit was scheduled in 2016 in Islamabad. After the attacks at Uri in India, India decided to cancel its participation in the Summit. Citing Article X of SAARC charter, Pakistan has postponed the SAARC summit. India has also realised that its conflicts with Pakistan would remain an obstacle to regional integration. India has thus recognised that it needs to adopt a policy of 'SAARC Minus one.' It has spearheaded regional integration with like-minded countries. The BBIN-Motor Vehicle Pact, India's thrust to re-energize BIMSTEC and a possibility of a future Bay Bengal Community or BOBCOM are shining examples of India's new 'SAARC Minus one' diplomacy. In order to ensure that the rest of South Asia and India move ahead, in May 2017, India resorted to stratospheric diplomacy and gifted its neighbours a SAARC satellite. In order to ensure that rest of South Asia continues to integrate, we have now started witnessing a new form of sub-regional cooperation. This will go a long way in reviving the SAARC once again.

## INDIA AND WORLD BANK AND IMF

The World Bank was formed in 1944. It was then called the International Bank for Reconstruction and Development (IBRD). The idea initially was to support economies devastated by the World War-II with economic aid. It began to shift to reconstruction from development. In 1956, the International Finance Corporation (IFC) was formed and it began lending to private firms of developing states. In 1960, when the International Development Association (IDA) was formed, it began to focus upon poverty eradication amongst the poorest countries in the world. In a bid to connect the needs of developing states with the financial resources of the world, the International Centre for Settlement of Industrial Disputes (ICSID) and Multilateral Investment Guarantee Agency (MIGA) were launched. India is a member of World Bank, IBRD, IFC, IDA, ICSID and MIGA. The World Bank is assisting the Indian government through the country partnership strategy (2013–2017) with a vision of faster and more inclusive growth. The focus is on reducing poverty in the special category states by supporting projecting of state governments with priority for integration, transformation and inclusion. India is one of the largest recipients of loans from World Bank with projects ranging from Prime Minister Gram Sadak Yojana to Social sector initiatives to dedicated freight corridor funded by the bank. In the recent times, the NITI Aayog has been undertaking monitoring and evaluation of the World Bank projects in India.

In 1944 itself, at the Bretton Woods Conference, along with the IBRD, the International Monetary Fund (IMF) was established. India has been a founding member of the IMF and since 1993, has never taken any financial assistance from the IMF till date. By 2000, India had repaid all the loans from IMF. IMF works on the concept of quotas. The Executive Board decides the quotas of states based upon inner tariff barriers and GDP. The voting rights are automatically higher if a state has a higher quota. After the USA sub-prime crises, a process of quota reform was spearheaded by the developing countries. However, we need to remember that for any IMF reform, nations collectively with 70% quotas have to vote in favour of the reform. In December 2015, after approval from the US Congress, the quota reforms were executed. India's quota share has increased from 2.3% to 2.6% now and this pushes India into top 10 members of the IMF.

### *d of Section Questions*

1. Discuss the evolution of responsibility to protect doctrine and outline the key elements of India's diplomatic stance on R2P.
2. India's relationship with UN has witnessed multiple swings. Examine this statement in the light of India's multilateral diplomacy policy.
3. Why does India want to be in the Nuclear Suppliers Group (NSG)? What are the objections raised by China and Pakistan?
4. What is ICJ and how is it different from the ICC?
5. Is it apt to assert that the ICJ is a toothless body as the West influences its decisions?
6. "While the direction of the ICJ on the issue of Kulbhushan Jadhav certainly favour India's stance, but the order is nothing more than a stop-gap measure." Examine this statement in the light of the relief sought by India in the above case.
7. India's emphasis on the need to counter terrorism and strengthen inner Asian



regionalism reveals a pragmatic diplomatic approach at the SCO. Examine.

8. The rise of stratospheric diplomacy is an interesting feature of India's SAARC diplomacy. Discuss.1.

1. Brazil, Russia, India, China and South Africa

2. Bangladesh India Myanmar Sri Lanka Thailand Economic Cooperation

3. Regional Comprehensive Economic Partnership (RCEP) is an initiative to link the ten ASEAN member states and the group's Free Trade Agreement partners, Australia, China, India, Japan, South Korea and New Zealand.