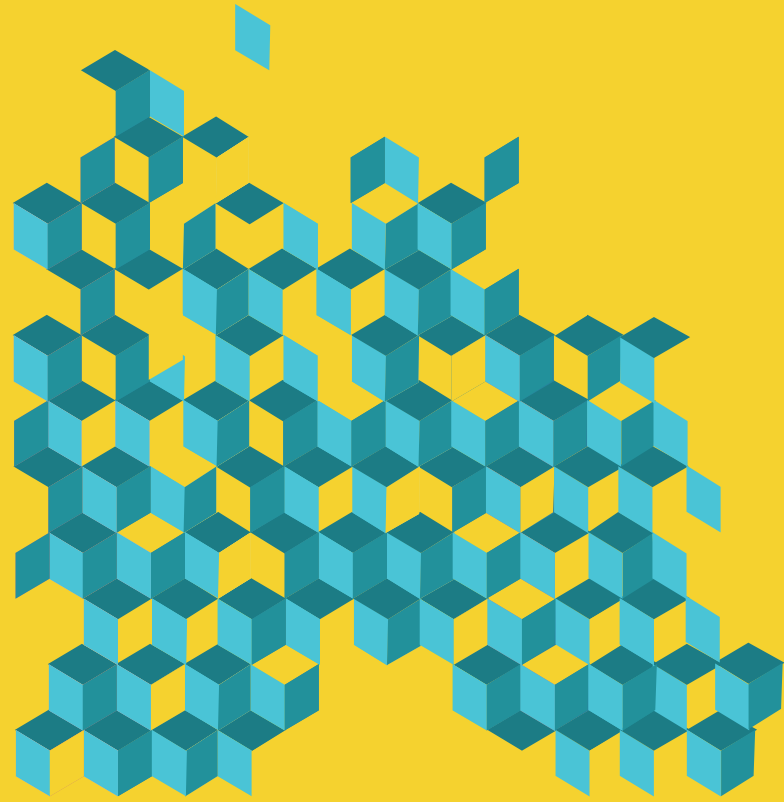


2015

PRIMIER





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Director's Note

SUNJOY JOSHI

With 5 September 2014 marking ORF's 25th Founding Day, the year 2014 saw us bring out over 60 long form publications and more than 500 short commentaries on a wide array of subjects in line with the broad-based research capacity of our faculty; supported by domestic and global partnerships, we have endeavored to rejuvenate existing formats as well as to create new avenues for engaging with policymakers, practitioners and experts at the sub-national, national and global arenas.

To mark the 25th year of our existence, we now dedicate to the public space this first issue of the **Primer** – a publication to be produced annually that will strive to address 10 key issues that either remained important or rose to prominence during the bygone year and are expected to remain priorities for the world at large – and of critical interest to India – in the coming year. The analytical commentaries placed here are intended to provide, as a body, a reference 'handbook' to place in perspective India's engagements during the year and provide an indication of where it positions itself in a dynamic and ever-changing global order.

With a new government in the saddle, the past year has been a hectic period for the policy community in India. Not so long ago an exasperated world, grown impatient with India's apparent lack of direction, had increasingly begun to lament India's democracy. 2014 changed all that. This was the year when the world's biggest, loudest,

most strident democracy voted in one voice. And when it did, it caught the best political analysts, the world and itself, completely off guard. The Indian democracy voted for growth. And voting for growth, it gave the new government under Prime Minister Modi an unprecedented mandate for reform. For the first time since India launched itself onto the path of growth and reform two decades ago, the country elected itself a government that was not a patchwork of different coalition partners coloured in different hues. This momentous change offers India a new opportunity to reimagine its expectations; gives it another chance to put into place policy mechanisms and regulatory regimes that would assist in the structural transformation needed to meet these expectations; and has allowed the country a rare period of renewed enthusiasm, within and outside, that must be seized by the executive to reform, reset and revitalise the country's politics and economics.

Our objective with this publication will be, at the end of every year, to put together essays produced by our research faculty and outside experts that will help initiate key debates bearing on the country's security, prosperity and relationships. In a way, looking back upon the year gone by, this collection seeks to point at the year ahead and indicate how India will engage with some key regions and crucial themes. In a world of constantly shifting landscapes and priorities, in the 25th year of our existence as an institution, we hope the **Primer** will be of value to thinkers, academicians and policymakers in a complex and interconnected world.

Nota Bene

RITIKA PASSI



2014 saw many crises erupt – whether sudden events that spiralled into bigger international flashpoints (for example the ‘Crimean Affair’ 2.0), deteriorating circumstances that culminated into gruesome tipping points (like the Peshawar school massacre), threats that crescendo-ed into unprecedented highs (cases in point: the Chibok schoolgirls kidnapping; the fact that 2014 was the hottest year yet), or those which, unheeded in the first crucial moments of implosion, spiralled out of control (such as the Ebola crisis).

On the one hand, many of these crisis situations will be – are being – carried forward into 2015: The Baga Massacre three days into this new year is a grim reminder of how brutal violence continues to be used as a tool; an embattled Syria, which has churned out more than three million refugees since 2011, sees no end to its civil war in sight; increasing cyber security threats (2014 alone saw the likes of ‘Celebgate,’ the JP Morgan computer hack, the “biggest” global hacking scandal and the “Guardians of Peace” take centre stage) is prompting China and Russia to sign a cyber security agreement; negotiations with Iran are to continue but the decision to pursue parlays must not be taken as a breakthrough in what essentially remains a crisis situation.

On the other hand, several situations, whether currently tense or not, have the potential to explode into crises. Take India’s neighbourhood. Afghanistan, which will finally be seeing the last

of American forces after 13 long years, remains vulnerable, and the Indian Ocean is very much a contested space for influence and power projection. Or take rapacious trends such as epidemics occurring with alarming frequency (SARS in 2009, MERS in 2013, the continuing Ebola epidemic, recent outbreaks and spread of the bubonic and pneumonic plague) and with never-seen-before figures of those affected. There are also global consensuses pending on a number of issues – the objective of sustainable development, for example, may remain unfilled for many developing nations if no collective global treaty materialises before the MDGs expire at the end of this year.

It can be argued that crises or crisis situations are less ‘exceptional’ moments than they appear to be – there are histories, contexts, a chain of events; a potpourri of factors and actors that teem and conjoin to lay the groundwork for small and big incidents.

While there seems no end to what begs attention and action, the 2015: Primer discusses 10 issues – crisis situations or potential ones (all of which have found mention above in some manner or another) – that India must engage with this year. The following commentaries provide the ‘lay of the land’ and discuss what steps India is taking and must take; in doing so, they offer reasoned ways forward to not only cement India’s position as a timely global actor commensurate with its growing weight and ambitions, but to also allow India to exercise some control over developments to prevent flashpoints.

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NEIGHBOURHOOD



NEIGHBOURHOOD

Afghanistan

AFTER THE DRAWDOWN

As the US and Western forces finally wind down their presence in Afghanistan, they leave behind a country that has a fragile government at the centre, an economy still overly dependent on foreign aid, a resilient insurgency and a security force incapable of achieving a breakthrough in the existing military stalemate. India will need to navigate the reality that is its neighbour.

by ARYAMAN BHATNAGAR



THE SITUATION

Afghanistan has a new leader in the first time since 2001. The start for Hamid Karzai's successor, Ashraf Ghani, has been far from ideal. The power-sharing arrangement between President Ghani and his main election rival – and now Chief Executive – Abdullah Abdullah brought a Government of National Unity to power. Although this arrangement ended the contentious and protracted election process, its durability depends on the level of trust and cooperation between the two leaders.

The bitter election campaign and contrasting backgrounds of the two leaders have raised concerns about the prospects of the two working

together. It is feared that in the absence of any legal framework to fall back upon, any major disagreement or perceived deviation from the agreement could either derail the government's functioning or provoke one leader and his group of supporters to walk out of the government altogether. It is still too early to judge the agreement's sustainability. However, the delay in forming the Cabinet, reportedly due to differences over the allocation of key ministries, is just one indicator of how difficult it could be for the two leaders to work together. A breakdown in governance in Kabul – even if momentary – would prove to be disastrous for Afghanistan in the face of the daunting challenges before the new government. Reaching a political settlement with the Taliban is likely to be among the foremost

priorities for the new government. However, unlike Karzai, President Ghani's task is further complicated by the foreign military drawdown from the region. Although the new government has already signed agreements with both the US and NATO that would allow them to retain a residual force in the country post-2014, the bulk of the foreign troops are only going to serve in an advisory and training capacity. Moreover, given that at the peak of the US surge in 2009-2011 the foreign forces were unable to make a significant and lasting dent on the insurgency, there are serious doubts about the effectiveness of a drastically smaller force.

The Afghan National Security Forces (ANSF) have already assumed the lead for all security operations in Afghanistan but questions remain over its capability to operate on its own post-2014. It continues to suffer from various problems – lack of appropriate equipment, high desertion and illiteracy rate, and corruption.

The possible reduction of external assistance post-2014 will also make sustaining such a large force extremely difficult in the long term. The Taliban, meanwhile, continues to pose a serious security threat. While it

may not be possible for the Taliban to claim 90% of the territory as it had in the 1990s, it retains the ability to capture and consolidate its hold over territories in eastern and southern Afghanistan, where it has made significant inroads this year. This military potency, and the inability of the ANSF to push the Taliban into a corner, makes the possibility of reaching a settlement with the Taliban remote.

Furthermore, the rise of different extremist actors in South Asia, in addition to the already existing militant groups, makes it difficult to discount the possibility of areas under Taliban control once again emerging as a haven for terror groups from where they can wage their jihad against the West or neighbouring countries.

A lot, however, will depend on how the power dynamics within the Taliban play out in the coming year and beyond. While there has been cooperation between the Taliban and al-Qaeda post-2001, a number of Taliban officials have admitted that their association with the group

is a handicap. In its public statements as well the Taliban has constantly claimed that it is not interested in "exporting jihad." Relations between Mullah Omar and Osama bin Laden even in the 1990s were strained and there were calls from within to expel him even before the 9/11 attacks. As a result, it is not inevitable that the Taliban's resurgence in parts of Afghanistan will provide a base for al-Qaeda or similar organisations.

Unfortunately, there seems to be no clarity about how dominant these so-called 'moderate' factions are within the overall Taliban movement. There has been much speculation about the extent of control Mullah Omar has over his foot soldiers and the younger generation of Taliban fighters are said to be more susceptible to the al-Qaeda ideology. Similarly, the Haqqani Network, which only owes nominal allegiance to the Omar-led Quetta Shura, is said to enjoy close ties with al-Qaeda. In fact, the main operating base for al-Qaeda in Afghanistan lies in the traditional

strongholds of the Haqqani Network – Paktia, Paktika, Khost – and coincides with the Haqqani Network's area of operation as well – Kunar, Nuristan, Kabul, Zabul, Wardak, Logar and Ghazni. Consequently, it is eastern Afghanistan that is likely to emerge as the main area

of concern as far as al-Qaeda's presence in the region is concerned. How Pakistan pursues its interests in Afghanistan will also be critical in shaping developments in the region. So far, the Pakistan military has shown no signs of withdrawing support for the Afghan insurgents, especially the Haqqani Network, and continues to see them as strategic assets. Given Pakistan's potential to act as a spoiler in the region, it is no surprise that President Ghani has sought to reach out to both Islamabad and Rawalpindi in an effort to improve bilateral relations. His decision to withdraw the request for Indian arms has also been seen as an attempt to pacify the Pakistan military. Moreover, there are concerns, particularly among Indian policymakers, that the US desire to ensure an orderly withdrawal from Afghanistan could lead to a disproportionate accommodation of Pakistani interests, giving them a role in influencing the end game in the country. This could mean a greater role for certain Taliban factions in Afghanistan – and limit India's influence in the country. Developments in Afghanistan have the potential to spill over into

The ANSF continues to suffer from various problems – lack of appropriate equipment, high desertion and illiteracy rate, and corruption.

NEIGHBOURHOOD

AFGHANISTAN
After the Drawdown

neighbouring countries, which have felt the impact of three decades of instability in the country. The prevailing insecurity in Afghanistan has led to a constant influx of Afghan refugees into Iran and Pakistan, while the lack of economic growth has seen a boom in opium cultivation and narcotics trafficking, which is increasingly being seen as a serious security threat by the regional countries, including India. And the possibility of Afghanistan becoming a safe haven for radical and extremist groups that target regimes in the neighbourhood once again is not an impossibility. Given what is at stake if the situation in Afghanistan worsens, it is only natural that the capability – and the survival – of the new government in Kabul is being closely monitored by the neighbourhood.

INDIA'S STAKE

India views Afghanistan as part of its immediate neighbourhood and sees a direct link between the unfolding developments in Afghanistan and its own security. Consequently, India is keen to avoid prolonged instability in the country that could impact India and an enhanced role for Pakistan with consequences as described above. Its contribution towards the reconstruction efforts in Afghanistan has been geared towards strengthening the government in Kabul in an effort to enable it to keep radical extremist groups at bay and limit Pakistan's influence in the country.

These development efforts over the past decade have earned India much goodwill among the Afghans, and New Delhi today has a far greater reach in Pashtun-dominated areas. It cultivated close relations with the Karzai government and it is imperative that to remain relevant in Afghanistan, the Modi government builds on this platform and seek new avenues for engaging with Kabul. But the Indian government should now look beyond Kabul and engage directly with all

A lot will depend on how the power dynamics within the Taliban play out in the coming year and beyond.

actors in Afghanistan, including the Taliban, the Pashtun tribal elders, provincial governors and even regional warlords. Cultivating closer ties with multiple stakeholders in Afghanistan is important for India to pursue and protect its investments and development projects in different parts of the country. For instance, India should look to use the goodwill it has won among the Pashtuns in southern and eastern Afghanistan through its development work as

leverage for seeking protection for these projects from the Taliban-dominated insurgency in these provinces.

Similarly, it is critical that India makes efforts to revitalise ties with the Tajiks and Hazaras. While India has pursued stronger ties with the Pashtuns over the past decade, there is a sense among the non-Pashtun groups of having been neglected by India in the process. In the plausible scenario of India being denied access to Taliban-dominated provinces – as was the case in the 1990s – stronger ties with these ethnic groups could allow India to retain, and possibly consolidate, its presence in the northern and western provinces of Afghanistan, where the presence of the Taliban is relatively less.

A gap that India should seek to address in the coming year is the limited military assistance it has provided to Afghanistan. President Ghani's decision to re-evaluate Karzai's request for weapons can be seen as an indicator of the Afghan government itself wanting India to play a smaller role in its security sector.

While India itself has been reluctant to provide equipment to the ANSF, it should increase the number of ANSF personnel trained in India annually, which at present is an abysmally low figure of 1,000-1,200. Any training programme India conducts for the ANSF should also focus on building managerial and organisational capacity and developing skills for the Afghan police in areas such as crowd control, prison management and interrogation.

The possible security vacuum in Afghanistan post-2014 is likely to make the execution of any large-scale project unviable. The impact of future uncertainties about the security situation is already evident from India's reluctance to make any progress on its flagship project, the Hajigak iron-ore reserves in Central Afghanistan.

An increased emphasis on the Small and Community Development Projects (SDPs), which requires significantly less monetary and human presence, seems like a more viable avenue for India to pursue post-2014. India has successfully completed more than 100 such projects and has already committed to undertake more of these projects. These projects are highly popular as they bring benefits to the average Afghan and develop local capacities, since the execution and management of these projects is the responsibility of the local communities.

Apart from looking to exploit the full strategic potential of these development projects as already discussed, India should also look to expand the geographical extent of these projects beyond South and East Afghanistan, where the bulk are currently located. Finally, India should make greater efforts to promote regional cooperation vis-à-vis Afghanistan. India's objectives towards Afghanistan overlap largely with that of Iran, China and the Central Asian Republics (CARs), providing much scope for collaboration. India has already taken tentative steps in that direction.

INDIA SHOULD NOW LOOK BEYOND KABUL AND ENGAGE DIRECTLY WITH ALL ACTORS IN AFGHANISTAN - THE TALIBAN, PASHTUN TRIBAL LEADERS, PROVINCIAL GOVERNORS, EVEN REGIONAL WARLORDS.

It has finalised the draft transit agreement with Iran and Afghanistan and also set up a company to look into the development of the Chabahar Port – seen by New Delhi as its most viable access point to Afghanistan – in October 2014. Similarly, the Manmohan Singh government initiated a dialogue with China on Afghanistan and developments in the country have featured in India's bilateral exchanges with the CARs as well. However, a lot more can be done in this regard. For instance, the development of the Chabahar Port, for which India has committed \$100 million, should be expedited. Collaboration on other infrastructure projects that can enhance the transit potential of Afghanistan should also be explored.

In particular, India should look at ways to engage with China on its Silk Road initiative under which Beijing has committed \$40 billion for the development of infrastructure. Intelligence sharing and cooperation on anti-drug trafficking mechanisms are also viable avenues for cooperation with the other regional countries. Finally, India could also explore the possibility of jointly working with Iran and China on the implementation of SDPs in western and northern Afghanistan respectively.

As the situation continues to change drastically in Afghanistan, India must brace itself for developments that may not be conducive to its interests. However, if India can take steps to modify its Afghan policy according to the changing ground realities, it may be in a position

to be a constructive game changer.

NEIGHBOURHOOD

Middle East

A SISYPHIAN PUZZLE

No other region brings to mind as many entangled threads, or as many twisted layers of conflict as the Middle East. The US invasion of Iraq further mired the region in violence and disharmony, and the Arab Spring movements and recent developments, including the rise of the Islamic State, have more acutely striated divisions. While there currently seems to be no way out with all parties happy, India, on its end, is beginning to pragmatically navigate ties with its Western Asian neighbours.



by KANCHI GUPTA

The Middle East faces several challenges: Interaction between domestic factors and regional rivalries continues to drive political and security turmoil; jihadist and militia groups are challenging weak state institutions and existing security structures; lack of security is undermining state sovereignty and exacerbating existing sectarian fault lines; and the lack of political will of international actors to engage militarily with the Middle East is laying the ground for further destabilisation. The following encapsulates these significant regional trends – which have been aided and abetted by the Arab Spring movements.

THE ARAB-PERSIAN RIVALRY

A shift from secularism towards Islamism has

led to the rise of political Islam and spurred sectarian violence in the region. These Shia-Sunni polarisations are taking place within the larger framework of a deepening Arab-Persian rivalry. A contest for regional supremacy between Iran and the Arab States, namely Saudi Arabia, has created a “spill-in” effect in countries like Iraq, Syria, Yemen, Bahrain and Libya. Weak state structures in these countries have facilitated external interference, allowing Riyadh and Tehran to capitalise on political and military space to expand their influence.

A deepening sectarian divide in the region was initially set in motion by the US invasion of Iraq in 2003, with Iraq emerging as one of the initial battlegrounds for the Iran-Saudi proxy war.

Tehran filled in the security void that opened up after the fall of Saddam Hussein through considerable support to the Shia-majority government of the time; this “loss of Iraq as a Sunni Arab bulwark”¹ increased Saudi fears of Iran’s expansionist regional ambitions (think ‘Shia Crescent’), resulting in Gulf support for Sunni insurgency in the country.

Other battlefronts have opened up since.

In Syria, for example, Iran and Saudi Arabia are locking horns in a geostrategic battle. Iran is backing President Bashar al-Assad’s Shia Alawite regime, while Riyadh is providing financial and military assistance to rebel groups. The Saudis fear that President Bashar’s victory with Iranian support will strengthen Tehran’s strategic influence in the region and challenge Riyadh’s self-appointed role as the leader of the Islamic world.

Arab-Persian geostrategic competition has also created an enduring climate of political uncertainty and a crisis of legitimacy in Yemen. The Houthi militia, a Shia dominated group, rose to prominence in the political vacuum that followed the removal of President Ali Abdullah Saleh and his 33-year-old regime in 2011. It is allegedly backed by Iran and ousted the post-Arab Spring government of President Abd Rabbur Mansur Hadi in September 2014, after a prolonged battle with government forces. On September 21, Hadi’s government which enjoys Saudi support, inked a deal with the Houthis in an effort to end the crisis. But the crisis continues, and as news emerges of Houthis’ expanding control in the Yemeni capital Sanaa and areas around it, so do headlines of these fighters

receiving arms shipments from an allied “Islamic” nation.

Bahrain, too, has often raised concerns about Iran inciting its restive Shia population; relations between the GCC and Tehran plummeted, as pro-democracy protests spread to the Pearl Square in Manama in 2011. Saudi Arabia and UAE dispatched troops to Bahrain to secure the ruling Sunni-minority Al-Khalifa family, with the GCC calling on the US and the UN Security Council to “take measures against Iran’s interference and provocation in Persian Gulf affairs.” Unrest in Bahrain has not subsided.

While Iran’s tone towards the Gulf States has turned largely conciliatory after the moderate Hassan Rouhani became President, domestic insecurities and geostrategic considerations have defined the nature of relations. Therefore, visits by Iranian Foreign Minister Javad Zarif to Oman, Kuwait, Qatar and the UAE, which signified efforts towards greater engagement, have only been reciprocated by Oman. Moreover, Iran’s military engagement in Iraq against the Islamic State indicates Tehran’s military assertiveness in securing allies openly, rather than through proxies as in Syria and Yemen.

FRACTURES IN THE GCC

The fall of former Egyptian President Hosni Mubarak in 2011, first of all, represented a setback to the Saudi monarchy. Mubarak’s government served as a lynchpin for the US-led security framework in the region and was also instrumental in containing Iranian expansionism. (Indeed, Saudi concerns about regional security

TUNISIA: BEACON OF HOPE

Tunisia was the first country to be affected by civilian protest movements that began the Arab Spring. The two-decade-long regime of President Ben Ali was toppled, triggering domestic unrest in countries stretching from Bahrain in the Persian Gulf up to Algeria and Morocco. With its first free and fair presidential elections under its belt, Tunisia may well be the first successful outcome emerging out of the political upheavals that have shaken the region since 2011. While it represents an example of democratic transition, a number of domestic factors contributed to its stability. After the ouster of President Ben Ali, the moderate

Islamist Ennahda party came to power in alliance with other secular parties in October 2011. Following protests against the Islamist character of the Ennahda, the Party voluntarily allowed a neutral caretaker government to take over until elections which were held in November 2014. The interim government appointed a new cabinet and approved a new constitution, facilitating the process of democratic transition. Even though the country is grappling with economic challenges, the positive role of domestic political actors, including the Islamists, the security institutions and the secular parties allowed Tunisia to set an example of political progress.

NEIGHBOURHOOD

MIDDLE EAST
A Sisyphian Puzzle

were elevated when domestic dissatisfaction with Mubarak's autocratic regime catapulted Islamist groups to political prominence after the revolution.)

But what is more, the election of the Morsi-led Muslim Brotherhood's government to power exposed fractures among the member states of the Gulf Cooperation Council (GCC) and shifted erstwhile regional alliances. While Qatar backed the Brotherhood and its affiliates, including Hamas, the other GCC countries feared that the Brotherhood would export the revolution to their countries as well. Saudi Arabia and the UAE, in particular, have faced public agitation and underground movements in their countries, driven by the Brotherhood's call for reforms.

Saudi-Qatari policy polarisations have also reshaped the conflicts in Syria and Libya. While Riyadh and Doha allegedly fuelled the militarisation of the Syrian uprising, their support for competing rebel factions has added multiple

layers of complexity to the Syrian impasse and to the broader system of allies and rivals in the Middle East. Similarly, Libya has also emerged as an arena for competition, rendering the war-torn country a failed state. The

Libya Dawn coalition, allegedly a Brotherhood-affiliated Islamist militia, has taken over Tripoli and set up a parallel government, forcing the central government to flee the capital and take refuge near the border with Egypt. Despite alleged airstrikes by Egypt and the UAE, militia groups continue to battle each other for control of Tripoli.

The political vacuum in Yemen and Libya, deepening Arab-Persian rivalry and disagreements among the Arab monarchies have created space for the rise of brutal and divisive non-state actors like the Islamic State (IS). The IS not only threatens the stability of Iraq but its financial strength indicates underlying regional tensions and rivalries. Qatar and Kuwait have allegedly contributed vast sums of money to fund Syrian rebel groups, much of which has reached the IS.

A REDUCED AMERICAN FOOTPRINT

External factors have also contributed to regional

polarisations. Arab concerns over a shift in regional balance of power have been enhanced following speculation over a reduced American footprint in the region. The response of the US government to the events in Syria and Egypt has been viewed as symptomatic of a weakened level of commitment and has been heavily criticised by Riyadh. Saudi Arabia was alarmed by former Secretary of State Hillary Clinton's call for "an orderly transition to democracy" at the height of protest movements in Egypt in 2011.

The US government's tacit cooperation with Russia over the conflict in Syria has also signalled a lack of political will to engage militarily in the region. In August 2013, the possibility of military strikes against the Syrian regime seemed imminent as the regime's alleged use of chemical weapons crossed the Obama Administration's "red line." However, President Obama delayed a Congressional vote on military action to consider the Russian proposal that called for Syria to surrender its chemical weapons. Riyadh demonstrated its dissatisfaction with US policies by rejecting a seat at the UN Security Council as a "message for the US and not the UN." Budget cuts in military spending and a reduced dependence on West Asian hydrocarbon resources have also intensified speculation about waning US engagement.

US Secretary of State, John Kerry, dismissed the "disengagement myth" and announced that long-term security frameworks are in the pipeline with Gulf partners like Saudi Arabia and the UAE. Even though a US or NATO security umbrella in the Gulf may remain intact, the monarchies fear a shift in power equations between states owing to improving US-Iran relations.

President Obama visited Riyadh in 2013 to reassure the Gulf kingdom of the American commitment to the security and stability of the region. While the two states agreed on their "strategic interests," there has been an increasing effort from Saudi Arabia to diversify its economic and military alliances. Crown Prince Salman's visits to India, Pakistan and China in 2014 culminated in greater defence cooperation with these states.

OPPORTUNITIES FOR INDIA

India has vital economic and strategic stakes in the region. The Gulf is India's largest trading partner, accounting for 28% of its

imports and 19% of its exports; the GCC, Iran and Iraq collectively account for 80% of India's hydrocarbon requirements; and about seven million Indians live and work in the Gulf whose yearly remittances amount to \$70 billion. Sovereign Wealth Funds of the Gulf countries also have the potential to play a significant role as FDI sources in the development of Indian infrastructure and manufacturing. India's energy dependence on the region elevates the importance of securing sea lanes of communication and preventing disruptions to the flow of goods, owing to regional turmoil or threats from piracy. There is increased emphasis on cooperation in defence and counterterrorism between India and the Gulf. Joint military and naval exercises, port calls, military training and defence production form the basis of Indo-Gulf strategic partnership.

As both regions grapple with the rise of extremism, intelligence sharing, extradition treaties, combating trafficking of weapons and ammunition underline mutually beneficial interests and complementarities between India and the Middle East. For instance, India's engagement with Saudi Arabia, Qatar and UAE was reportedly instrumental in securing the release of Indians abducted by the IS in July in Iraq earlier in 2014. Even though the impact of the IS in India has been marginal thus far, Indian Intelligence Bureau Chief Asif Ibrahim travelled to Saudi Arabia in September to discuss avenues for cooperation in mitigating the IS threat. Saudi Arabia and the UAE have also extradited terrorists involved in terrorist attacks on Indian soil.

While India's strategic and economic relations with the region are critical to offset the influence of China and Pakistan, the Gulf is increasingly looking towards India as a source of an alternative security provider that can fill the gaps left by traditional sources of external military support. India's engagement with key regional powers like Saudi Arabia, Iran, Israel and Egypt have expanded despite regional friction, indicating the importance of India as an economic and security partner. While geostrategic imperatives necessitate that India deepen its engagement with the region, shortfalls in economic relations can be boosted with political relations.

Displaying a shift from the previous Congress-led UPA government, the Modi administration is paying closer attention to India's vital interests in the Middle East. The new government has given

a political boost to relations by initiating several high-level exchanges with the Arab states. Since taking office in May, Prime Minister Modi has met with his Israeli counterpart Benjamin Netanyahu at the sidelines of the UN General Assembly meeting and Saudi Crown Prince Salman bin Abdul Aziz at the G20 summit in Brisbane. Foreign Minister Sushma Swaraj has travelled to UAE and Bahrain, and Home Minister Rajnath Singh visited Israel in November.

India also hosted the first India-League of Arab States Media Symposium in August and the 4th India-Arab Partnership conference in November 2014. Both events signalled the Government's emphasis on elevating Indo-Gulf economic ties. While Indo-Arab cooperation agreements were inked during the tenure of the UPA government, not much progress was made in implementing them.

Prime Minister Modi has also dismissed the UPA Government's policy of 'balancing' relations between Israel and the Palestinian Authority. Rajnath Singh's visit to Israel only included meetings with senior Israeli ministers as opposed to former Foreign Minister SM Krishna's visit in 2012 which included the West Bank and Jordan and was termed as a regional visit. Modi has carried forward the momentum of economic and political ties with Israel, which he developed as the Chief Minister of Gujarat, independent of the UPA government's policies from 2004 onwards.

Given that the Gulf States have sought a more active role for India in their economic and political security, Modi government's diplomatic pragmatism is critical to exploring common strategic interests. While regional tensions and fissures could complicate India's West Asia policy, the government should continue to prioritise strategic imperatives and capitalise on the space for greater engagement with the region.

¹ Dalia Dassa Kaye and Frederic M. Wehrey, "A nuclear Iran: the reactions of neighbors," *Surviva* 49, no. 2 (2007): 111-128. governance."

NEIGHBOURHOOD

Iran

NUCLEAR NEGOTIATIONS AND INDIA

As Iran and the P5+1 agree to continue negotiations, and as the West begins to acknowledge the benefits of a rapprochement with the Iran, India will need to move away from the ideological trappings of the past and keep all options open. ▲

by HARSH V. PANT



Failing to reach an agreement by the November 24 deadline over the Iranian nuclear programme, six world powers and Iran have agreed to extend talks for seven months until June 2015 in the hope that the broad outlines of a deal can be agreed upon within three months. The parties aim to reach a political agreement by 1 March 2015 and to finalise the technical details of the agreement by 1 July. Underscoring “real and substantial progress,” the US has also acknowledged that significant differences remain and said the talks are “going to stay tough.” Iranian Foreign Minister Mohammad Javad Zarif has suggested that the parties do not need seven months to reach a deal and President Hassan Rouhani has also expressed optimism,

saying that many gaps had been narrowed during the negotiations in Vienna. However, Rouhani maintained that “the centrifuges are spinning and will never stop.”

The extension was announced after nine months of negotiations failed to close gaps between Iran and a six-nation negotiating group over the scale of a future Iranian nuclear programme and the speed with which international sanctions would be lifted. Twelve years after Iran’s nuclear programme was first revealed, these talks mark the latest in a long line of failed attempts to negotiate lasting curbs on Iranian activities so that the international community can be confident Tehran is not trying to build a weapon. In November 2013, when military

action by Israel appeared to be looming, an interim deal was agreed in Geneva that froze the Iranian programme and sanctions, significantly defusing tensions.

That interim agreement has proved effective. As US Secretary of State John Kerry has pointed out, Iran had about 200 kilograms of 20%-enriched uranium. Today, it has none. The number of operational centrifuges has been frozen. International inspections have been redoubled. Iran has received some sanctions relief, bringing in about \$700 million a month, but that has not been enough to offset plunging oil revenue.

In return for continued compliance, Iran is to receive another \$5 billion in oil revenues from about \$100 billion still frozen in foreign bank accounts. That is not enough to jumpstart the Iranian economy. However, Iran is expected to try to erode the sanctions regime that has stifled foreign investment and trade in the country for the past few years. While the US and European Union are likely to maintain discipline, it is less clear whether Russia - itself hit by sanctions over its intervention in Ukraine - and China intend to hold the line.

The stakes are high for the West, as benefits of a possible rapprochement with Iran potentially include the opening of Iran’s vast domestic market of 76 million people to western products, trade, travel and investment; the emergence of Iran as an alternative to Russia as a major oil and gas supplier to Europe; cooperation with the west in addressing regional problems such as Islamic State, terrorism and the Syrian civil war; an exemplary success for international nuclear non-proliferation efforts; a prospective liberalisation of Iranian society; and an end to Iran’s deeply damaging 35-year political, cultural and human isolation. The United States and Iran are now simultaneously fighting a common enemy in the Middle East with Iranian warplanes bombing the Islamic State in the same airspace occupied by American fighter jets. This is the strongest evidence yet that the Obama administration sees the Iranian government as a tactical partner in the Middle East, an evaluation that remains controversial given that US allies – including Israel and Arab states helping tackle the Islamic State, like Saudi Arabia and the United Arab Emirates – feel threatened by Iran.

INDIA: ENGAGING WITH IRAN

Major changes are afoot in the Middle East. The Modi government will have to devote considerable diplomatic energy towards the region as it continues to undergo a strategic transformation. New Delhi will have to move away from the ideological trappings of the past where domestic political imperatives continue to constrain India’s options.

Iran has long been a litmus test that India has had to pass to satisfy American policymakers. New Delhi’s bond with Tehran has been termed variously by analysts as an “axis,” a “strategic partnership” and even an “alliance.” This level of scrutiny has always been disproportionate to the reality of the relationship. When in the past India had to choose between Iran and the United States, it always sided with the latter. As the US itself gravitates towards Iran, new diplomatic possibilities open up for India.

India has been recalibrating its Iran policy for some time now. New Delhi has signed an air-services agreement with Iran enhancing the number of flights between the two nations and allowing each other’s airlines to operate to additional destinations. The two sides have also inked a memorandum of understanding that is aimed at increasing bilateral trade to \$30 billion from \$15 billion. Plans are in the pipeline for greater maritime cooperation, and Iran has already joined the Indian navy’s annual initiative, the Indian Ocean Naval Symposium, which provides a forum for the navies of the Indian Ocean littoral states to engage with each other.

More significantly, the two nations have decided to hold “structured and regular consultations” on Afghanistan. In the second trip to India by an Iranian minister in less than a month, Iran’s deputy foreign minister visited the country in November 2014 to coordinate the two countries’ strategies. By deciding to provide a withdrawal timetable from Afghanistan, the Obama administration has unwittingly signalled to the Pakistani military that as the US reduces its presence in the war-scarred country, Islamabad is in a position to

THE US AND IRAN ARE NOW BOTH FIGHTING A COMMON ENEMY IN THE MIDDLE EAST. THIS IS THE STRONGEST EVIDENCE YET THAT THE OBAMA ADMINISTRATION SEES THE IRANIAN GOVERNMENT AS A TACTICAL POWER IN THE REGION.

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shape Afghanistan toward its own ends. Both India and Iran are, however, unlikely to accept an Afghanistan that serves as a springboard for the Pakistan military's interests.

After years of dilly-dallying under the UPA government, the Modi government has taken a decision to invest \$85.21 million in developing the strategically important Chabahar port in Iran, allowing India to circumvent Pakistan and open up a route to landlocked Afghanistan. Iran's Chabahar Port, located 72 kilometers west of Pakistan's Gwadar port, holds immense strategic and economic significance for India. It is already connected to the city of Zaranj in Afghanistan's southwestern province of Nimruz and can serve as India's entry point to Afghanistan, Central Asia and beyond. Delhi and Tehran both view Chabahar as critical to developing connectivity with Kabul and as a geopolitical lever vis-à-vis Pakistan. This should be given highest priority.

On Iran's nuclear aspirations too, India has made subtle changes in its approach. After voting repeatedly in favour of IAEA resolutions condemning the Iranian programme, New Delhi has been emphasising that dialogue and diplomacy are its preferred means of defusing nuclear tension. India has expressed particular disapproval of sanctions by individual countries that restrict other countries' investments in Iran's energy sector. Despite existing sanctions, New Delhi is encouraging Indian companies to invest in Iranian energy so that economic connections can underpin a political realignment, not foreclose it.

India is right to feel restless about its marginalisation within Iran, which has occurred despite strong cultural bonds connecting the two nations.

companies on the ground seeking to occupy the space vacated by Western firms that have grown skittish about mounting international pressure on the country. The partnership with China benefits both sides: Iran evades global isolation by courting China, which in turn gains access without any real competition to Iran's energy resources. India has always dutifully enforced any UN measures against Iran, often to the detriment of its energy investments in the country. Yet China, which as a member of the Security Council helps shape UN policy toward Iran, has been able to sustain its

The most significant disruption to this relationship has come in the form of China, which is now Iran's largest trading partner. China has invested massively in Iran, with more than 100 Chinese

own energy business in the country without much trouble; Iran has historically been the third-largest exporter of crude oil to China. So India is right to feel restless about its marginalisation within Iran, which has occurred despite strong cultural bonds connecting the two nations. Iran is an important partner for India when it comes to fulfilling the burgeoning energy requirements of the latter. India is important to Iran as the second largest importer of Iran's oil and the country which helps dilute its diplomatic isolation.

India is trying to strike a balance between preserving its strategic interests and adhering to its global obligations. Its ability to manoeuvre in Tehran will remain limited so long as Iran does not find a workable solution with the West on its atomic ambitions. Faced with the region's changing strategic milieu, though, New Delhi has found it necessary to keep all its options open. The Modi government has also upped its engagement with other stakeholders in the region. During his visit to the US in September, Prime Minister Modi met his Israeli counterpart on the margins of the United Nations, signalling a new openness in Delhi's engagement with Tel Aviv. The Israeli National Security Adviser's visit to Delhi and Home Minister Rajnath Singh's visit to Israel has reinforced this new transparent approach towards Israel. At the same time, the need for greater engagement with the Arab world has not been lost on the government. External Affairs Minister Sushma Swaraj has visited Bahrain and the UAE, and India's first ever ministerial meeting with the Arab League will be held in 2015.

As Shia-Sunni divide fractures the Middle East and as American outreach to Iran begins to re-shape the strategic environment of the Middle East, Indian diplomacy will be forced to navigate these tricky waters with diplomatic finesse. The certainties of the past with which New Delhi has lived so far are coming to an end and a new uncertain landscape will challenge Indian foreign policy in the coming years

NEIGHBOURHOOD

Russia

IN 2015

The Ukraine crisis of 2014 and subsequent developments – continuing conflict in eastern Ukraine, Western sanctions on Russia – have led many to wonder whether this is the start of a Cold War 2.0. Dire predictions aside, it is equally, if not more, critical to assess the situation in Russia nationally, as 2015 dawns: It faces what could either be a debilitating economic situation or a wake-up call to reform. India, a traditional friend, must remain vigilant.



by NANDAN UNNIKRISHNAN

At the start of 2014, few could have predicted or even imagined that Russia would enter 2015 in the throes of a serious economic crisis that if uncontrolled, could have serious political implications. And while most would ascribe the current state of Russia to the Ukraine-related sanctions and the plunge in oil prices, it appears that the seeds were sown earlier.

While the year 2014 was a milestone year – it marked the formal winding up by the Kremlin of the project to partner the Euro-Atlantic alliance or integrate with the Western world, and the return of rivalry between Russia and the West – noted Russian International Affairs scholar Dmitri Trenin **sums up well** why Russia has

abandoned any efforts to seek accommodation with the West:

Russian-Western relations have palpably deteriorated since the last failed attempt at rapprochement during President Dmitry Medvedev's term, in 2009–2011. Ukraine is the main geographical locus and symbol of the new rivalry, but not its primary cause. To Putin, the West's approach to Russia barely respects Moscow's interests and views. Russia's failed rapprochement with and perceived humiliation at the hands of the West have opened the way to a more nationalist domestic and foreign policy course that replaces the remnants of Russian liberalism and internationalism.

NEIGHBOURHOOD

RUSSIA
in 2015

The centrepiece of this approach is winning full sovereignty for Russia by eliminating foreign political influence in the country and ensuring that Moscow's special interests in its former borderlands are recognised. Fundamental to this vision are conservative values, rooted in the Orthodox Christian tradition.

It is important to keep this in mind when attempting to foresee what awaits Russia in the coming year: It is likely that the fallout of the Ukraine crisis and the related sanctions imposed by the US-led West will drive political, economic and social developments in Russia.

This was evident by the end of 2014 in the economic sphere. Falling oil prices and the plunging rouble, buttressed by Western sanctions, have unleashed a severe economic crisis in Russia, a crisis more devastating than the one it went through during the start of the global financial crisis in 2008. For now, according to former

finance minister Alexey Kudrin, the crisis will see Russia's economy contract by two percent if oil prices rise to eighty dollars a barrel and by four percent if oil prices are around 60 dollars a barrel. (At the time of writing this article oil prices were hovering around 50 dollars a barrel.) He said that the currency decline would push inflation to 12-15 percent, instead of the eight percent that the Russian central bank predicts for next year.

"I can say today that we have entered or are entering a genuine, full-fledged economic crisis. We will feel it in full measure next year," Kudrin told the press conference at the end of December 2014. "Russia will receive a rating downgrade, it will be classed as junk. Given the volume of obligations which has amassed both in dollars and rouble terms and by virtue of a breakdown in the economy's functioning and mutual non-payments, and marked deterioration in payments discipline, this will result in us seeing a whole sequence of defaults by medium and large enterprises," he added.

However grim this scenario may appear to be, the Russian government could still use the current crisis to its benefit by displaying the required political sagacity to carry out long-awaited

economic reforms that would help diversify the economy and reduce its dependence on export of natural resources, primarily hydrocarbons. It would also require the Kremlin to display extraordinary political will and tackle endemic corruption.

Both tasks of conducting reforms and fighting corruption are steps that would cause significant churn among the current elites, requiring President Vladimir Putin to expend considerable political capital to see these steps through to the end. If successful, Russia would emerge a completely different country at the end of the crisis – with a modern economy weaned away from dependence on hydrocarbon exports and with a political system, which although skewed towards authoritarianism, would have laws enforced by a largely independent judiciary.

However, given Russia's history, it appears more likely that the ruling elite will be tempted to "batten down the hatches" and weather the "perfect storm" – as per the description of the current crisis by Russia's Finance Minister. In other words, there is hope that Russia's considerable financial reserves, currently at about \$450 billion, will help the government "pay its way" through the crisis, thus stemming chances of social upheaval. Most economic forecasts suggest that the reserves will not be sufficient to meet Russian demands. Russian companies have a debt greater than the current amount of reserves and are expected to pay out nearly \$135 billion by the end of 2015. The government has reportedly already spent nearly \$80 billion to protect the rouble.

To emerge successfully out of the crisis Russia will also have to, if not mend, at least prevent further deterioration in relations with the West. Economically, Russia will have to try and compensate for its losses with the West by enhancing ties with non-western nations – Asia, Latin and South America, and Africa.

Equally important for Russia to ride out the economic crisis is for Kremlin to find a way to resolve the Ukraine crisis and stem the twin dangers of escalating sanctions and the conflict in eastern Ukraine spiralling out of control into a major war. The preconditions for that exist.

For instance, Europe is already beginning to display some "sanctions fatigue." French officials have called against imposing fresh sanctions.

Germans have concurred, albeit with the caveat that the Minsk agreement be fully implemented. Russia's importance in the struggle against terrorism, its possible positive contributions in resolving some of the problems in West Asia and the role it can play in stabilising the Afghanistan and Central Asian regions are among other reasons why reduction of tensions between Moscow and western capitals is possible.

Ukraine, too, understands that it is still not capable of balancing its economy without Russia, and not only because of gas. According to an article in the Forbes: "From January-October 2014, Ukraine exported about \$8.8 billion worth of goods and services to the Russian Federation while importing roughly \$11.2 billion. For comparison's sake, Poland and Germany, the two countries that are supposed to [be the] cornerstone[s] of Ukraine's new economic orientation, collectively accounted for \$3.6 billion of exports and \$6.9 billion of imports. Russia's share of Ukraine's exports and imports was 19 and 25% respectively, far larger than that of any other single country."

While the above is far from a comprehensive analysis of possible developments in Russia, it is evident that this is probably the toughest crisis faced by President Putin. Once again Trenin sums it up well:

In sum, the challenges before Russia are higher than at any moment in the last two decades. The genuine patriotic mobilization that sees Western sanctions as an act of aggression against Russia and its legitimate interests will help the Kremlin only if it comes up, for the first time in 15 years, with a credible strategy of economic development, coupled with an accountable government and equal justice for all. This will also require a serious rotation of the elites. Failing that, this crisis will either lead to Russia's irreversible decline into irrelevance or to upheavals and chaos.

Russia has two choices in 2015 for its domestic policy – the path of economic reform leading to weaning away the economy from dependence on hydrocarbon exports or the continuation of current policies in the hope that the crisis will abate. Whichever path is chosen, the average Russian is going to face difficult times ahead. However, on the international front, it can be

said with certainty that 2015 is not going to bring significant relief in the Ukraine conflict unless the West agrees to put Crimea on the back burner and then moves forward with talks on how to stabilise Ukraine. Despite possible cooperation on Ukraine and some other hotspots in the world, it is unlikely that there will be any significant rapprochement between Russia and the Western nations led by the United States.

IMPLICATIONS FOR INDIA

Normally, it would be naïve to believe that a serious economic crisis in a country that has a "special, privileged strategic partnership" with India would have no effect on the bilateral relationship. However, India's economic ties with Russia are already in such doldrums that policymakers on both sides, in all likelihood, will seize the opportunity afforded by the current crisis to revive trade ties.

President Putin's visit in December 2014 has already indicated some of the directions in which this rejuvenation is likely to take place. Nuclear energy, military equipment, hydrocarbons, diamonds, pharmaceuticals and agriculture are among the areas identified for increased collaboration.

The problem here, however, is of a different nature. With the advent of a new government in New Delhi, the new mantra is "development, development and more development." For the relationship to prosper, Russia will need to enhance its participation in India's economy – particularly with regards to infrastructure projects as well as military-technical collaborations, and in terms of increasing its purchases of Indian goods and services.

But for both of these aims, Russia will need to have full enough coffers. Given the current economic crisis it is facing, that appears unlikely. Therefore, rapid expansion of economic relations is doubtful, although Russia's lack of financial muscle is only one and not the only or main reason for this. Nonetheless, both sides will display enough political will to ensure that trade does not stagnate but shows at least some

Rapid expansion of economic ties between Russia and India appears unlikely, but both sides will likely ensure that trade does not stagnate.

incremental increase as compared to the previous year.

On the military-technical front, Russia will take some consolation in Prime Minister Narendra Modi's statement that Russia is going to remain India's main arms supplier for many years to come. Despite reports of renewed military contracts between Russia and Pakistan, it appears unlikely that Moscow will jeopardise a longstanding and profitable relationship with Delhi for a deep military relationship with Islamabad.

India may feel more concerned regarding the repercussions of the fallout Russia has had with the West over the Ukraine crisis in terms of its engagement with China. The immediate by-product – the \$400 billion Russia-China gas deal signed in May and reports of another mega pipeline deal – may appear alarming. But there are enough impediments in the Sino-

Russian relationship to ensure that a deep and longstanding strategic partnership is unlikely to emerge in the near future. Moreover,

despite its natural affinity with Western culture, Russia refused to join hands with the West as a junior partner. It therefore appears highly unlikely, given the historical background of Sino-Russian relations, that it would join China as a "younger brother." Some Chinese scholars view Russia as the swing state that will oscillate between the US and China to determine the ascendancy of one or the other.

However, an article in the *Global Times* noted that "even highly developed Sino-Russian relations cannot reduce the "China threat" theory, and cannot exclude the possibility that major powers adopt military means. China's rising strength may also increase worries from the Russian side." Describing relations with Russia as a strategic opportunity to mitigate some of the risks to China's rise brought about by the emergence of a multipolar world, the newspaper stressed that "[e]xtending the period of China's strategic opportunity is an important objective of China's diplomacy. Sino-Russian relations are vital, though not decisive."

Indeed, *Rebecca Fabrizi* argues that "[i]n this transactional relationship, there is little strategic trust. China's dominance will frustrate Russia, while Putin's diplomatic alienation will increase

the cost of China's political support. Today's confluence of interests will not last forever."

Nevertheless, if the West continues to reject Russia and pursue its isolation, Moscow may face a situation where in order for the regime to survive it may have to enter into a dependent relationship with China. In other words, if the current regime in Moscow does not undertake wide ranging economic reforms, then the question asked will be this: When does the survival interest of the narrow elite supporting the regime trump the rhetoric of national interest? Whatever the answer to that question, substantially and strategically closer Sino-Russian ties are a matter that would cause considerable consternation in the corridors of power in New Delhi.

Finally, there is India's approach to the Ukraine crisis itself to consider. There are many troubling aspects of Russian actions in Ukraine, but for now, India is willing to be publicly silent and appear to be supportive of Russia. The grand reception accorded to Putin during his visit to India cannot be interpreted in any other way. But at the same time, India must not be seen as an exception that is lending legitimacy to Russian actions in Ukraine – a majority of the members of the United Nations have not joined the Western sanctions against Russia. Many are, in fact, enhancing their ties, particularly economic, with Russia, who is seeking new partners to overcome the possible scarcity of goods that the sanctions may create. The BRICS and the SCO are examples of multilateral bodies that continue to deal with Russia as intensely as before the Ukraine crisis.

In short, Indo-Russian relations 2015 will be more of the same. However, in the longer term, if Russia's decline becomes irreversible, then the resultant fundamental geopolitical shift will affect the foundations of the partnership – a possibility that India should not dismiss lightly.

China

AS AN INDIAN OCEAN POWER

As China increases its maritime footprint in the Indian Ocean and engages the Indian Ocean littoral through political, diplomatic, economic and military channels, India will continue to pursue cooperation with China in the maritime sphere as it continues to carve out a space for itself in the region.

India must not be seen as an exception that is lending legitimacy to Russian actions in Ukraine

by K. YHOME



China's rising maritime profile in the Indian Ocean has emerged as a major issue of debate in the region during the last few years. It is bound to acquire greater traction in 2015. It is a matter of time that China will become an Indian Ocean power; as Beijing further defines the direction of its actions in this space in the coming years, the focus will no longer be on whether China is seeking a strategic presence in the Indian Ocean Region (IOR), but how and in what ways China's maritime strategy changes the geopolitical dynamics of the Indian Ocean.

2015 will mark the decadal year of the origin of 'string of pearls' theory, one of the first formulations of an analytical framework to

examine China's strategy in the Indian Ocean from a long-term perspective. With over 80% of China's fossil fuel imports travelling through the Indian Ocean and with huge interests in maritime commerce, Chinese strategy to engage the IOR littoral has been to secure its sea lines of communication.

China's growing wariness about the sea lines of communication in the Indian Ocean was spelled out in what has been termed as the 'Malacca Dilemma,' referencing China's strategic vulnerability in the narrow Malacca Strait, which is an important energy supply route to China. New strategies and concepts have therefore come to be formulated, namely the 'Maritime Silk Road' initiative and the 'Two-Ocean Strategy,' which

refers to China's presence in both the Indian and Pacific Oceans (although no official evidence exists, [Chinese scholars have been known to discuss the phrase](#)). Experimentation with these strategies has manifested more intensely in the past couple of years in various forms – economic, political, diplomatic, strategic and military. For example, developments before and after President Xi Jinping's September 2014 visit to Sri Lanka and Maldives indicate Beijing's political determination and naval capabilities to further strengthen its maritime-strategic presence in the Indian Ocean. The growing military ties between Beijing and Colombo, and the recent Chinese assistance to the Maldives as the country's capital faced a crippling water crisis, are suggestive of this growing trend.

China's anti-piracy deployments in the Gulf of Aden since the end of 2008 have already demonstrated its capability for long-range operational naval deployment, and the fact that it has secured docking rights in Seychelles is well known. But the Chinese naval exercise in early February in eastern Indian Ocean and the visits of its submarines and warships in Colombo Port, the first in September and again in November of last year, were two significant developments that seem to have marked yet another phase in China's Indian Ocean strategy. Even as China and Sri Lanka have officially described the visits as "common practice" and "nothing unusual" respectively, China watchers in India described these developments as "unprecedented."

Questioning how the hosting littorals allowed these developments to occur, ignoring the sensitivities of other resident maritime powers – in the former case, Australia and in the latter, India – highlights the mistrust and the potential risk to regional stability among littorals of the IOR as well as between China and other maritime powers in the region. As China builds more port facilities, secures access and increases naval activities in the IOR, the regional strategic environment may come under further stress.

Even as these occurrences demonstrate Chinese PLA Navy's expanding reach, China's dependence on oil and gas from West Asia and Africa means

that China's search for alternative supply routes connecting China to the Indian Ocean is also accelerating, thus tying China's strategic interests with those of the IOR littorals.

THE FOCUS WILL NO LONGER BE ON WHETHER CHINA IS SEEKING A STRATEGIC PRESENCE IN THE INDIAN OCEAN REGION, BUT HOW AND IN WHAT WAYS CHINA'S MARITIME STRATEGY CHANGES THE GEOPOLITICAL DYNAMICS OF THE REGION

For instance, China has been involved in the construction of major corridors and deep-sea ports in several Indian Ocean nations. The Hambantota port in Colombo, the Gwadar port in Baluchistan in Southern Pakistan and the Kyaukpyu port in Rakhine in western

Myanmar represent key strategic access facilities for Chinese ships to access. Bangladesh has also approached China for help to build a port.

In early 2013, a Chinese company took over management of the strategic Gwadar port near the Strait of Hormuz, a key oil shipping lane. China has often said that the port provisions are meant only for commercial purposes. Naval experts argue that such port facilities are of dual-use. The question is whether China will use them for military purposes.

Linked to these port facilities are strategic corridors – road, railway and pipelines – that China has been involved in building in the IOR littoral. Take for example, the China-Myanmar twin oil and gas pipelines that China has built that link the Chinese Yunnan Province to the Bay of Bengal. The gas pipeline began operations last year.

In the politico-diplomatic front, Beijing is strengthening and enhancing its partnership with the littorals. Beijing has been pushing for major corridors, such as the China-Pakistan Economic Corridor, which will link China's southwestern provinces to the Arabian Sea, and the Bangladesh-China-India-Myanmar Economic Corridor, which will link China to three key littorals of the Bay of Bengal.

China will no doubt take advantage of forums such as the China-ASEAN Investment Cooperation Fund and China-ASEAN Maritime Cooperation Fund to promote port construction and logistics development. It is of no surprise that as Beijing aggressively pushes its MSR project – that proposes a network of ports, infrastructure projects and special economic zones in southeast and northern Indian Ocean – three SAARC

members, Bangladesh, Sri Lanka and Maldives, have extended full support and are enthusiastic to participate in the initiative. In the recently concluded SAARC Summit in Kathmandu, Beijing has expressed its interest in enhancing its role as an observer and was backed by Pakistan and Nepal.

Unlike the Western Pacific, where China has been locked in serious territorial disputes with several nations, a factor that seems to attract China to the IOR is distance. Beijing wants to turn distance as a strength in its favour. In geographical terms, China is an outside power and this gives it the advantage of having little historical hostility with IOR littorals. China sees the Indian Ocean as "friendlier" waters to pursue its strategic interests at a time when such a move in the Western Pacific looks increasingly belligerent. Indeed, the tensions in South China Sea and East China Sea may be necessitating this shift, since in the event of a conflict, Beijing not only needs alternative supply routes but also hopes to garner political and diplomatic support from the IOR littoral.

While distance may suit China's needs and consequent diplomatic overtures at present, Beijing is aware that this same advantage is also a weakness. The question is whether China will seek permanent bases overseas. Chinese internal debate on overseas bases suggests that views are divided.

The initial success of China's southward orientation is likely to encourage it to further push toward this direction. However, it may not yet seek a naval base in the IOR in the near term. First, such a move may send out wrong signals and would be contrary to China's strategy to portray itself as a benign power in the Indian Ocean. Second, China is likely to continue to stress multilateral cooperation given that such efforts are in harmony with its strategy to build a non-threatening profile. Indeed, the MSR initiative attempts to promote this benign image by emphasising the revival of historical, cultural and commercial ties with the IOR littoral. Moreover, there is the question of capability – experts argue that it will take many more years for China to maintain overseas bases.

This thinking of the Chinese leadership is reflected in recent foreign policy speeches of President Xi Jinping, [including his speech](#) at the "Central Conference on Work Relating to Foreign Affairs"

in November 2014 where he has spoken at length on the importance of 'win-win cooperation' in China's diplomacy, signalling the urgency to promote a more enabling environment.

IMPLICATIONS FOR INDIA

While most observers feel that China's growing maritime-strategic presence in the Indian Ocean may not form a direct military threat in the near future, India has reservations: Chinese moves are slowly but gradually constricting India's strategic space in the IOR as the two rising powers compete for spheres of influence, new markets and raw materials.

The recent agreement between India and China to hold a maritime dialogue to exchange views on several issues, including cooperation between their maritime agencies and freedom of navigation, indicate the recognition of the need to further engage each other as both increase their maritime footprints in the Indian Ocean.

Even as engaging China is important, New Delhi has also been taking steps by strengthening its naval capabilities and enhancing its own naval diplomacy in the IOR to ensure that the changing power dynamics in the Indian Ocean do not adversely affect its strategic interests, both at bilateral as well as multilateral levels. The Indian Ocean Naval Symposium and the Indian Ocean Rim Association are important existing platforms through which India has been deepening ties with the rest of the IOR.

Two set of littorals that will remain critical for an effective Indian Ocean strategy for India are its immediate neighbours and the strategic island nations. India has forged trilateral maritime cooperation with Sri Lanka and Maldives, enhancing its role in capacity-building, joint patrol and information sharing. The decision to expand the reach of the Trilateral Maritime Cooperative Initiative to include Mauritius and Seychelles is reflective of the growing significance of these islands in India's strategic calculations. Bangladesh and Myanmar are another two

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CHINA
as an Indian
Ocean power

strategic littoral neighbours that could be brought within such a maritime initiative.

Multilateral naval exercises, including the Milan and the Malabar, are important means to strengthen naval ties with the littoral states. Collaborating with major powers, including the US and Japan, will remain decisive, and bringing Japan back into the Malabar exercise is a positive step. In addition, the idea of a trilateral between India, Indonesia and Australia has been floated around for some time now, but without any real push. This initiative could form a critical platform involving two key IOR littorals in southeastern Indian Ocean.

Prime Minister Narendra Modi's emphasis on "port-led development" underscores the importance of building ports along India's coastline. India has also been involved in building and developing ports in the neighbourhood. Two strategic ports that India needs to become

Two sets of littorals that will remain critical for an effective Indian Ocean strategy for India are its immediate neighbours and the strategic island nations.

further involved with more seriously are the Chabahar port in Iran and the Dawei port in southern Myanmar. The recent decision to further invest in the Iranian port city of Chabahar signals

India's growing recognition of its immense strategic value, as the port can provide sea-land access to India into Afghanistan and Central Asia. As for the Dawei deep-sea port, New Delhi will need to play a role in its development because it could emerge as the main gateway for India to Southeast Asia as well as a key port in the India-Mekong Economic Corridor.

Moreover, the transnational initiative to revive India's ancient maritime routes and cultural linkages with countries in the region under "Project Mausam" could not have come at a better time. While the project need not necessarily be seen as a counter to the Chinese MSR, it certainly gives India its own policy to engage the IOR littorals holistically.

What is more, India is yet to take full advantage of its strategic islands, particularly the Andaman and Nicobar Islands. Sitting at the entrance of the Malacca Straits in the west, the strategic importance of these islands is immense, both in terms of commerce as well as security. Developing the islands by strengthening capabilities and treating them as key assets in strategic planning will go a long way in making India a true

maritime-strategic power of the 21st century. It may not be next year, and it may not keep pace with China's arrival as a veritable blue-water navy, but the sooner it starts, the better.



TRENDS

TRENDS

Ebola Crisis

NOT A DEATH KNELL BUT A WAKE-UP CALL

The Ebola virus rose to prominence and international aid efforts increased as the number of those infected and dead climbed unprecedented highs and anxieties increased of trans-continental spread. Global interest has started waning now that we seem to be exercising greater control over the spread of the virus. But the Ebola epidemic is still not over. Response from developing nations – like India – needs to shift from knee-jerk security measures to one of ameliorating public health services to prevent, or capably manage, epidemics.

by MADHURIMA NUNDY



The Ebola virus outbreak was declared a public health emergency by the WHO in early August 2014. The first case was reported from Guinea in West Africa in December 2013 that then spread to neighbouring Liberia and Sierra Leone. These three West African countries have been at the epicentre of the epidemic. The Ebola virus has killed over 8,000 people with over 20,000 infected; the virus has a fatality rate of 70%.

The epidemic proportions of 2014 have posed a critical security challenge for countries all over the world given its spread to Nigeria, Senegal, Mali and the Democratic Republic of Congo in Africa; the United States, where there were four cases; Spain, where there was one case; and more

recently to India, where one person who had recovered from the disease was quarantined as a safety measure because traces of the virus were found in his body. WHO has declared Nigeria, Senegal and the Democratic Republic of Congo free of the virus but has projected an increase in the number of cases if the virus is not countered aggressively through interventions.

GLOBAL RESPONSES & CHALLENGES

Emerging and re-emerging infections pose an ongoing threat to global health security as they transcend borders. Governments need to respond responsibly – and quickly – to keep their populations from panicking as well as coordinate

with global and regional institutions for better preparedness. It is important that governments exercise caution, but banning mobility or sealing borders is never an ideal strategy in controlling infectious diseases. Ostracising those affected adds to the burden of isolation and humiliation, and worsens the social and economic impact. More importantly, this kind of response does not stop the infection from spreading but does hinder reaching out to affected communities.

The international response to the Ebola outbreak was initially slow to come, in terms of first acknowledging it as an emergency and then directing aid and resources to the affected areas. It is well established now that the crisis was avoidable. Since October 2014, the global response has finally caught momentum with increases in financial contributions from several countries and deployment of supplies, medicines and human resources to the affected nations. The United Nations Mission for Ebola Emergency Response has the task of the overall planning and coordination, directing efforts of the UN agencies, national governments and various humanitarian actors to the areas where they are most needed. At the technical front, the WHO and the Centers for Disease Control and Prevention (CDC), Atlanta are providing leadership. As an internal response, every country has set up surveillance systems at entry points. A recent UN report shows that while cases are no longer rising in Guinea and Liberia due to interventions, health experts are warning against complacency. The fear of the Ebola virus becoming a pandemic therefore still persists – particularly if interventions focused primarily on prevention are not followed rigorously. These strategies have to take into account the epidemiology of the disease and its peculiar characteristics.

In the case of Ebola it is important to track every person who has come in contact with the infected individual because the virus has a long incubation period of up to 21 days and spreads through contact with body fluids. This has been a challenge. For example in Nigeria, all 21 cases that included eight deaths were linked to a single transmission chain and the virus was contained by tracking and monitoring every person that the infected came in contact with. At the epicentre, there has been underreporting of cases, as collecting data of all cases and potential contacts has been difficult given a broken health system. This kind of tracking system requires technology and data bases that the CDC is

struggling to provide. Identifying all cases, increased surveillance to identify all contacts and well-equipped treatment facilities is mandatory to prevent the spread.

The virus also spread rapidly due to a mobile population that travels across borders. Many have travelled with corpses that were highly contagious to bury their loved ones in native villages, and followed burial rituals that infected many more. All these factors have added to the severity of the spread. In those persons that recover, the virus is said to remain in body fluids for three months after recovery. The person can thus still be a potential transmitter and needs to exercise caution. Preventive strategies in the form of information, education and communication to help understand the epidemiology of the disease and restrict cultural practices that hinder containing the spread are a challenge.

There is no approved vaccine for prevention, post-exposure or treatment yet. The treatment protocol for Ebola is simply treating the symptoms and fortunately, no sophisticated methodology or technology is needed. Healthcare workers, however, do need training to use the personal protective equipment that keeps them safe. Many developed countries have now diverted resources for R&D on potential vaccines and clinical trials have begun with experimental drugs, but resources on developing diagnostic tests, vaccines and drugs are long-term priorities: The main focus at this point should be on immediate preventive strategies.

Resurgence of a virus – and that too in such large numbers – is a marker of socio-economic inequalities and poor public health services. The Ebola epidemic is a reminder that a strong health system is a prerequisite to counter infectious diseases and the best preventive measure. This would ideally mean an effective disease surveillance system to monitor outbreaks, a strong health service system with adequate human resources, drugs, technology, sanitary habits and safe water supply. While the developed world has the resources and can take pre-emptive measures to prevent and contain the spread of infectious diseases, developing

Resurgence of a virus – and that too in such large numbers – is a marker of socio-economic inequalities and poor public health services.

TRENDS

EBOLA CRISIS
Not a Death Knell
but a Wake Up Call

countries are the ones at risk due to the poor capacity of their public health systems to respond. The affected West African countries were still emerging from the devastating aftermath of terrible civil wars – fragile states with a significant percentage of people living in poverty and health service systems that had collapsed. These countries do not have the capacity or resources to control the spread on their own, as developments have shown. Liberia had about 60 doctors before the virus struck, and many out of this measly number died once Ebola struck.

IMPLICATIONS FOR INDIA

India's internal and external response to Ebola has been efficient. It has a surveillance system in place and is among the top five financial contributors to the UN Ebola response. But India's worries do not end here. Peter Piot, the microbiologist who discovered Ebola in 1976, has warned India of potential ramifications if Ebola enters its territories. India lacks the capacity to handle infectious diseases due to a high population density, poor sanitary conditions, a diseased surveillance system, poor hospital standards and a lack of health awareness among its population.

The focus... gets shifted from public health worries of many to security concerns of the few.

It is particularly a matter of fear for India because of its largely underfunded, languid and unresponsive public health service system. If we simply compare physician density, United States has 2.4, Spain has 3.7, China has 1.5 and India has 0.7 doctors per 1000 population. Therefore, the consequences of an infected person entering an Indian city are grave. India has lessons to learn from the plague epidemic of 2003, attributed to the degradation of the environment compounded by inadequate sewage systems, poverty and an unresponsive healthcare system, as well as the Swine flu (H1N1) epidemic in 2009, when almost 2,000 people died. The outbreak was aggravated by public hysteria, as well as the failure of the health services to respond effectively given that health workers lacked basic education about the disease.

India has a public health service system that notionally exists but is mostly unprepared to handle epidemics. To put things into a public

health perspective, India has yet to tackle tuberculosis (TB), a bigger worry and burden. There are **two people dying of TB every three minutes** despite a national programme dedicated to its prevention and cure. There is also a resurgence of infections like dengue in urban cities that brings into focus lack of urban planning. Apart from a poor public health service system, India has a privatised health service system that is extremely heterogeneous and mostly of poor quality apart from high-end tertiary hospitals that exist only in bigger cities and are inaccessible due to high costs. There are several partnerships between the government and private providers at the primary level, but the success of these models are specific to the context and not replicable. Taking the case of partnerships for tuberculosis control, it has been observed that a strong public sector tuberculosis control programme proved critical for provision of necessary advocacy, training and supervision in relation to building and sustaining partnerships with the private sector. The necessary condition for partnerships is to have a robust, universal, comprehensive and responsive public health system that can engage effectively with the private sector.

THE LONG-TERM FOCUS

Emerging and re-emerging infectious diseases are increasingly being framed in terms of security. At the global level, while promoting security concerns, developed countries should also take into consideration public health concerns of the developing world and assist developing countries in building their public health capacities. Increasingly, developed countries and global institutions like multilaterals and foundations dictate global health policies without taking priorities of developing countries into account. The focus therefore gets shifted from public health worries of many to security concerns of the few. To take the case of Ebola, it has taken almost 40 years to seriously start research on a vaccine because until now, it had not posed a security problem for the developed world. India has responded well to the security concerns raised by Ebola, yes, but it is a wake-up call to prioritise strengthening its public health system as that is the necessary condition and the primary preventive measure to keep its people safe from internal and external threats due to infectious diseases.

TRENDS

Terror, Terror

BURNING BRIGHT

Terror atrocities across the world have continued to shock the world in 2014; sadly, such occurrences are likely to persevere in the coming years, as extremism – in terms of violence – undergoes a transformation in its manifestation. What must be India's way forward as it faces this mutating threat?



by WILSON JOHN

The singular rise of Islamic State in Iraq and Syria, now simply Islamic State (IS), characterises the transformation of terrorism and the complex threats the new hybrid form of terrorist activities currently pose to the world.

Three key features of this makeover are notable – a 'local' terrorist entity's ability to attract 'fighters' from different parts of the world, the capability to hold sizeable territory and declare independence, and the breaking of the monopoly of al-Qaeda as the sole arbiter of global jihad.

Likewise, the emergence of new (read Al Qaeda in the Indian Subcontinent, AQIS) and revival of erstwhile terrorist groups in South Asia,

splintering of groups like Tehrik-e-Taliban Pakistan, appearance of new groups in North Africa and Middle East, continuing state sponsorship of terrorist groups and the growing capability of groups like Boko Haram in Nigeria further underline the 'new and improved' breed of terrorist threats we are now facing.

Some of the above developments, evolving since the events of September 2001, need elaboration. The US-led military campaign against al-Qaeda and Taliban in Afghanistan beginning late 2001 had several unintended consequences. Two merit specific mention – the safe passage and shelter these groups found in Pakistan, and the coming together of different groups in Afghanistan and Pakistan to help these groups survive global

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military might. Although both lost much of their infrastructure and leadership in the process, their continuing survival and threat are a testimony to their resilience and creativity.

The 2003 US invasion of Iraq and Pakistan's use of terrorist groups as instruments of state policy created new terrorist groups, provided an opening for al-Qaeda to resuscitate its global agenda from the Middle East, helped the Taliban revive its hold in Afghanistan and helped forge new alliances among terrorist and extremist groups. The Iraq conflict also spurred an upsurge in sectarian violence and a vicious power-play between Sunni-dominated countries headed by Saudi Arabia and the Shia bloc led by Iran in the region.

The recent past has witnessed new groups like al Nusra Front (an al-Qaeda ally), Free Syrian Army and IS (a splinter group of al-Qaeda in Iraq) spawning on the back of multiple events in the region - the West-led campaign against Syrian President Bashar al-Assad, Israel's anxieties about a nuclear-armed Iran and political turmoil that has been racking the energy-rich area for the past few years.

TERRORS AND THREATS

That terrorist groups are more adept at asymmetric warfare than ever before is a given. Their expertise and experience range from maritime intrusion, armed assault, hostage-taking, sabotage, suicide bombings, guerrilla warfare and countering conventional state military offensives.

The significant change in the character of terrorist groups is imperative to recognise. Most critical has been al-Qaeda's makeover from a pyramid to a flat organisational structure with affiliates and allies in different parts of the world running autonomous operations under the umbrella of al-Qaeda's global jihad. The al-Qaeda Central, led by Ayman al-Zawahiri, divested much of the group's earlier command and control over the operations and focus on forging an ideological 'brotherhood.' This transformation has enabled new coalitions to emerge, breaking ideological and regional barriers which once inhibited groups from sharing operational resources across continents. The following are some very likely near-term threats to

the world at large as well as to individual nations that are rapidly gaining currency and will be accentuated by the withdrawal of foreign forces from Afghanistan and turmoil in Middle East:

- **FOREIGN FIGHTERS BLOWBACK:** Various estimates put the number of foreign fighters in Iraq and Syria to be **over 15,000 drawn from over 80 countries**, including India. These men and women, mostly young, have joined the IS to capture and hold territory, and support the brutal regime of IS chief Abu Bakr al-Baghdadi, who declared himself as Caliph in early 2014. A sizeable number of them are likely to return either disappointed by IS culture or sent back as sleeper agents in their home countries to recruit, raise finances and carry out IS activities. The possibility of these returnees setting up IS franchises, joining al-Qaeda or going independent remains high. Similar instances of Afghan jihad veterans setting up new terrorist groups in their home country have been well documented.

The expanding swath of Islamic terrorism has raised the possibility of 'home-grown jihad' sprouting in many more countries.

- **NEW GLOBAL JIHAD:** The emergence of IS, and al-Qaeda's renewed attempts to expand its footprint across Asia by **setting up AQIS** as well as reviving its old links with groups like Harkat-ul Jihad al Islami and Jemaiah Islamiya, mark a turning point in the global jihadist campaign. In all probability, IS may face severe attrition in leadership and capabilities in the coming months, leaving al-Qaeda and its affiliates to regain some lost ground. IS, however, will continue to pose a potent threat to the region and beyond as long as several countries in the region, especially Turkey and Saudi Arabia, continue to bolster the group. Al-Qaeda, conversely, is likely to benefit from the **withdrawal of foreign forces in Afghanistan** and consolidate its position in South Asia and its immediate neighbourhood. The presence and activities of both these groups as well as that of Taliban, Haqqani Network and Lashkar-e-Tayyeba (LeT) is likely to create a new momentum to the global terrorist campaign. The possibility of a spectacular attack like Mumbai 2008 or even a World Trade Center 2001 remains particularly high in the near term.

- **HOME-GROWN JIHAD & LONE WOLVES:** The expanding swath of Islamic terrorism in Africa, Asia and large parts of Europe has raised the possibility of 'home-grown jihad' sprouting in many more countries. The threat exists not only from returnees but sympathisers as well – the Sydney hostage situation is a horrifying case in point.
- **CYBER WAR AND UAVs:** As terrorist groups become likely to infuse 'surprise' elements in their attacks, using more lethal methods to cause maximum casualties and projecting brutality through social media and other communication tools to magnify their clout, many groups with considerable cyber capabilities may well take the war to the next level – a cyber attack on vulnerable networks of a state. Some of these groups can potentially outsource cyber attacks to any one or more of the several hacking groups on hire. Groups like al-Qaeda and LeT are likely to adopt such a strategy. The potential targets are likely to be Indian and US interests in South Asia. Al-Qaeda and LeT have also experimented with pilotless aircraft and commercially available drones to sharpen their terrorist operations. But the deployment of these instruments is handicapped by the need for a sophisticated command and control centre and their extreme vulnerability to detection and countermeasures. The use of these instruments therefore remains a remote possibility in the near future.
- **DIRTY BOMBS:** Some terrorist groups have been experimenting with Radiological Dispersal Explosives for quite some time and have shown intent to use these dirty bombs as part of terrorist attacks. Al-Qaeda and IS are most likely to use them. Other groups like LeT may have the capability to launch similar attacks but will be deterred by the possible severe repercussion for their patron states. These dirty bombs could, however, be used by terrorists acting alone or part of solo suicide missions on the directions of terrorist groups.
- **WHITE-COLLAR JIHAD:** The number of engineers and technically qualified persons joining terrorist organisations has been on the rise. IS has several professionals in its ranks who manage refineries, banking,

communication and other infrastructure requirements. LeT has a large number of science students and technicians trained in colleges run by the group in different parts of Pakistan. The Indian Mujahideen carried out most of its attacks in the urban centres in India with the help of its recruits from the professional working class. These men were radicalised through internet or at religious meetings. The possibility of 'white-collar jihadists' in India, and in South Asia as a whole, will be a major threat considering the intensive recruitment drives launched by ISIS and al-Qaeda in Pakistan, Bangladesh and India.

- **'SOCIAL FRATRICIDE':** The increasing clout of terrorist groups with extremist ideologies will foster greater level of extremism and intolerance in many countries. These groups can be used by Salafi groups to advance their agenda of Sunni consolidation in the Muslim world, creating more fissures within the community as well as in the larger society. The incessant sectarian violence in Iraq, Syria and Pakistan is likely to spiral further, bringing an even wider arc of Muslim world into the maelstrom. Terrorist violence will also deepen the cleavage between Muslim and non-Muslims in countries where Muslims are in minority or are migrants. These fissures are already visible in some of the European countries; these divisions are likely to be exploited by transnational extremist groups like Tablighi Jamaat (predominantly in South Asia), Hizb-ut Tehrir (influence extends from Europe across Central Asia to South Asia) and various other, smaller but equally insidious, groups active in individual countries.

INDIA'S WAY FORWARD

Terrorists are better experienced, trained, equipped and motivated to carry out sub-conventional warfare against states – and thus also better placed to win small victories. The increasing number of attacks on highly secure military targets in Pakistan, Iraq and Syria show both intent and competence to carry out planned and sophisticated attacks to blunt state will and capacity.

States have been slow to understand and respond

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to the rapid mutation of the terrorist threat. This has allowed terrorist groups to strengthen and expand their hold and influence in areas which they dominate. Furthermore, since there is no sign of states ceasing duplicitous strategies of supporting some terrorist groups while targeting others, terrorist groups are likely to have an upper hand for the foreseeable future. Several nations like Iraq, Syria, Somalia, Nigeria, Mali, Afghanistan, Pakistan and Bangladesh face grave threats to their sovereignty. So does India.

Here are the critical steps India must take with respect to its counter-terrorism (CT) strategy:

EXPAND CT SCOPE: India has to expand the scope of its CT strategy, which at the moment is principally focused on terrorist threats emanating from its western neighbourhood, namely Pakistan and Afghanistan. The Burdwan blast in October 2014 has underlined the importance of keeping an extra vigil on the eastern front. Indeed, the CT strategy must be flexible enough to respond to developments

not only in the immediate neighbourhood but also in different parts of the world. For the next two years, India must factor in the possible consequences of events unfolding in Afghanistan, Pakistan, Bangladesh and

Middle East. This calls for an immediate review of the current strategy. The revised strategy and the resultant policies must be disseminated both at the federal as well as to state political and security levels. Border states in particular should be involved at the policy formulation and implementation stages. Local police, fire and intelligence personnel should be empowered with modern weapons and communication equipment and kept informed on a regular basis about the mutating terrorist threats.

EMPOWER CT SCOPE: Given the expansion and transformation of terrorist threats today, there is an imperative need to involve experts from a wide field of expertise, both from within the government as well as from think tanks, industry and academia. The government must invest in dedicated studies and research on extremism and terrorism in different universities for a holistic understanding of the threat and possible ways of dealing with it in the Indian context. The amount of research

done on the subject at present is abysmally low. This must change. The government must have access to informed analysis and opinion. Non-governmental experts and organisations can also provide an independent review of government actions and inactions and could furnish critical feedback and suggestions.

WIDEN CT OPERATION: Transnational threats from non-state actors have magnified India's external threats. Strengthening internal security mechanisms will be inadequate to face the onslaught of global terrorist groups which use cyberspace most effectively to propagate their extremist agenda, recruit cadres and generate funds, besides planning and executing attacks. These groups are located in different countries and operate through allied and associated groups, and are not easy to target through conventional CT measures. India therefore needs to strengthen its international CT cooperation, an essential element of which will be to establish closer relationships with immediate neighbours, barring Pakistan.

A close CT cooperation with Bangladesh has yielded considerable results, and likewise with Nepal. India must leverage its diplomatic and commercial interests and advantages to find partnerships in the Middle East, besides Israel. CT cooperation with Southeast Asian and African countries must be expanded and joint exercises with partner nations must become annual features of India's overall CT strategy. Moreover, India has a fairly comprehensive CT cooperation with the US; this could act as a benchmark for developing a CT relationship with other big powers like Russia, China and Japan.

MAKE CT INTEGRATED AND SHARPER: India also needs to review the defensive nature of its CT strategy by including pre-emptive measures. This calls for a substantial investment in terms of reorientation, funding, training and operational costs. It will also mean a more integrated approach to CT – a close working relationship between intelligence agencies, police, para-military and the armed forces.

INDIA HAS TO EXPAND THE SCOPE OF ITS CT STRATEGY, CURRENTLY PRINCIPALLY FOCUSED ON TERRORIST THREATS EMANATING FROM PAKISTAN AND AFGHANISTAN.



GLOBAL GOVERNANCE

GLOBAL GOVERNANCE

Climate Change

US-CHINA DEAL, LIMA AND ONWARD

The China-US agreement could very well shift attention towards long-term development needs of developing nations; the Lima negotiations seem to have very much diluted 'common but differentiated response.' As climate change is begun to be understood, at the policy level, as part of a broader sustainable development construct, it is time for India, the third-largest emitter of CO₂, to consider climate change as a social and energy, rather than a physical and environmental, problem. ▀

by MUKUL SANWAL



Climate change is one of the most complex challenges we face today. While there is now a common understanding of the adverse impacts of human activity on our climate, there is no global consensus on the solution. When the climate convention was negotiated in 1992, it differentiated countries primarily on the basis of income, based on the United Nations classification of 'developed,' 'developing' and 'least developed' countries. In 2005, for the first time developing countries as a group were responsible for half the global annual emissions of greenhouse gases, leading to calls for all countries to take measures to deal with a 'common concern.' With China becoming the leading emitter, the case for a new agreement has

gained momentum. It is in this context that the China-US climate agreement, by specifying the nature and scope of what developing countries would do, has suggested a framework for the new global climate agreement that could be acceptable to countries at different levels of development, including India, the third largest emitter of carbon dioxide.

Then came the climate negotiations at Lima, in December 2014, which witnessed the endgame of 20-year-old negotiations revolving around the differentiation between countries at different levels of development and began the process of negotiating a global pact for sharing the carbon budget. The Lima Call for Climate Action recognises that the national actions under the new

regime will continue to focus on achieving the objective of the Convention and will address, in a balanced manner, mitigation, adaptation, finance, and technology transfer and development, as currently provided in the Convention. However, the new regime will "reflect," rather than be based on, the principle of common but differentiated responsibilities and respective capabilities, and "fairness" is referred to in terms of national circumstances rather than historical responsibility. Consequently, developed countries will provide and mobilise financial resources but there is no reference to technology transfer. "Loss and damage" is relegated to the preamble. In effect, the principles of the Convention will not apply to the new regime, and in this respect it echoes the China-US Joint Announcement.

Doing away with the legal differentiation between countries at different levels of development will bring to centre-stage the political problem of balancing between contributions of countries that are required to cap their emissions (developed countries) and countries that will do so later (developing countries), in a manner that will ensure that the late developers can continue to expend energy on infrastructure, urbanisation and moving their rural poor into the urban middle class. The developed countries have insisted on doing away with differentiation because, having occupied more than their fair share of the carbon budget, they would be obliged to make significantly deeper emission cuts and provide resources for adaptation as the adverse effects of climate change unfold. By recognising that China's emissions of CO₂ will continue to grow till 2030, the US adopted a sustainable development perspective as against the current approach of limiting increases in global temperature, which are really the symptom and not the cause of the problem. This shift responds to the global policy dilemma of balancing human well-being, energy use and related reductions in concentrations of CO₂ in the atmosphere.

CHINA-US JOINT ANNOUNCEMENT

The two largest emitters, responsible for over one-third of global emissions, unexpectedly "announced their respective post-2020 actions on climate change, recognizing that these actions are part of the longer range effort to transition to low-carbon economies, mindful of the global temperature goal of 2° Celsius." The attempt deals with the knotty problem raised by the global

agreement in 2010 on keeping increases in global temperature below 2°C. This had placed the issue of planetary limits at the centre of climate change negotiations, with a focus on peaking years. A peaking year is really about sharing the global carbon budget and countries have been struggling to decide when to peak given varying levels of development. The deal reframes historical responsibility by moving away from a single peaking year. Instead of the earlier sole emphasis on environmental risk, or increases in average global temperature, the deal has shifted thinking to a framework that requires human well-being to be at comparable levels across nations, within planetary limits.

Concretely, the US has agreed to cut net greenhouse gas emissions by 12-14% of 1990 levels. China is expected to increase its emissions by around 30% till 2030, by which time China will have completed its infrastructure development and urbanisation process, and will have a **GDP per capita of \$21,000** – a level comparable to that of Germany, which most developing countries aspire to, instead of the consumerism, profligacy and waste epitomised by American urban regions. Even more important, the gap between per capita energy use and emissions by China and the US will narrow to around 10 tonnes per capita by 2030; China's population is also expected to start decreasing from this year onward.

Critically, the agreement recognises the evolution in our understanding of the problem. Urbanisation is a mega-trend: Urban areas are responsible for three-quarters of all emissions and energy use; buildings and transportation are responsible for about one-third of final energy consumption; urban dietary patterns have changed, with meat production accounting for a quarter of the world's greenhouse gas emissions. This process was completed in the industrialised countries by the 1970s, but it will only be by 2030 that three-quarters of the Chinese population will move into cities. It is very possible that defining peaking points until the process of urbanisation is completed in India and other late-developing nations – effectively replicating the China-US agreement – forms a part of the new global consensus and eventual global treaty.

The China-US agreement also suggests a shift in the criteria of reviewing actions taken by developing countries in terms of emissions reduction to longer-term transformations. It offers a solution to the political divide regarding

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the treatment of developed versus developing nations when it comes to reviewing national actions. The agreement shifts focus from ‘who has to do what’ to ‘what has to be done and how’ as part of global sustainable development goals.

INDIA: WAY FORWARD

An unintended consequence of the China-US agreement has been to set a framework and a benchmark for others, in terms of energy use and GDP, linking the climate negotiations with those on global sustainable development goals. The debate around climate change is being reframed, as recent statements made outside of the climate negotiations show.

The social sciences must help to fundamentally reframe climate and global environmental change from a physical into a social problem

ISSC/UNESCO, WORLD SOCIAL SCIENCE REPORT 2013: CHANGING GLOBAL ENVIRONMENTS.

Behavior, lifestyle and culture have a considerable influence on energy use and associated emissions... in particular when complementing technological and structural change. Emissions can be substantially lowered through changes in consumption patterns, adoption of energy savings measures, dietary change and reduction in food wastes.

IPCC, FIFTH ASSESSMENT SYNTHESIS REPORT, 2014

Choices made in cities today about long lived urban infrastructure will determine the extent and impact of climate change, our ability to achieve emission reductions and our capacity to adapt to changing circumstances.

IEA, ‘CITIES AND CLIMATE CHANGE: POLICY PERSPECTIVES - NATIONAL GOVERNMENTS ENABLING LOCAL ACTION,’ 2014

The unresolved problem in global climate policy is not about what countries are prepared to do to meet the challenge, because that does not require a multilateral treaty. This has been made clear by the pre-Summit bilateral China-US agreement and the unilateral emission reductions announced by the EU, covering more than two-third of global emissions. The challenge that countries are currently grappling with is how to ensure equity in the new global pact.

Countries still need to agree on the global goal against which national actions will be reviewed. To ensure equity, this will need to include longer-term transformations, availability of carbon space and shifting poor rural populations into the urban middle class (elements recognised in the China-US announcement). Moving away from only reviewing annual emissions reductions primarily concerns developing countries, and India must continue to play a leadership role by focusing on the recommendation of the UN’s scientific body, the IPCC, that global emissions need to fall by 40-70% from 2010 levels by 2050, with multiple pathways to achieve this objective. This reframes the problem in terms of the world community developing rules to simultaneously modify consumption patterns of some groups, get other groups to pursue more sustainable paths and also ensure the equitable distribution of risks and benefits from the change, while keeping within planetary limits. In this context, the global climate policy negotiations will need to focus on reviewing the adequacy of these ‘pathways’ separately in terms of reducing or limiting emissions. The global focus must shift to patterns, trends and drivers of natural resource use.

India is laying stress on providing adequate electricity to its population by 2019, with a goal of fulfilling electricity requirements from renewable sources and implementing measures of energy efficiency by 2035, which in part addresses Goal 7 of the sustainable development goals. Together, these goals are expected to be a large part of its Intended Nationally Determined Contribution. According to the IEA, 38% of the cumulative emission reductions required by 2050 could come from efficiency improvement, making energy efficiency essentially a fuel. India is also stressing adaptation as an equally important global commitment, like mitigation, and reiterating the need for technology transfer and additional finance to support developing countries.

Given that one-fourth of India’s population, equivalent to the entire population of the US, lacks access to electricity, India – and other developing countries – must be able to industrialise, urbanise and raise their standard of living and levels of well-being. With the push provided by the China-US agreement, new criteria for assessing countries’ actions towards limiting the growth of emissions should focus on their modifying longer-term trends as part of the broader goal of sustainable development, as projections of greenhouse gases have severe limitations.

WHY A SEPARATE FRAMEWORK TO REVIEW NATIONAL ACTIONS OF DEVELOPING NATIONS IS NEEDED:

In 2012, total global emissions equalled **32.7 TRILLION METRIC TONNES**. Of this, the share of different countries/regions was: China, **26.1%**; US, **16.1%**; Europe, **13.0%**; and India, **5.6%**.

India has a population comparable to the US and four times that of the US.

Comparing per capita emissions, the US counts for **14.1 metric tonnes**; Japan, **9.42**; Europe, **7.12**; China, **6.05**; and India, **1.47**.

India’s per capita GHG emissions are only 1/3 of the world’s average.

Source: US EIA

CONCLUSION

The US President Barack Obama described China’s commitment of peaking its carbon dioxide emissions by 2030 as “important... because if China, as it develops, adopts the same per capita carbon emissions as advanced economies like the United States or Australia, this planet doesn’t stand a chance, because they’ve got a lot more people.” Clearly, this was an important incentive for the US, and the statement suggests that it will be on such parameters that the agreement will be sold to the United States Senate and to other developed countries – peaking safeguards the environment, and is a practical solution to the very complex problem of historical responsibility in international cooperation.

China is confident that as it reaches saturation levels of infrastructure development by the 2030s and its populations begins to decline (post-2050) its subsequent lifestyle-related emissions will not increase to the same levels as those in the US because its activity levels are very different. For example, the average US citizen consumes more than four times the electricity of the average Chinese; in the US, floor space per inhabitant is roughly twice and energy use per square metre of floor area in the residential sector is three times that in China. Furthermore, **car ownership is ten times higher in the US than in China**, and although the difference is declining, China still has lower emissions per car and stronger vehicle emission standards. According to the IEA, by 2035 China is projected to consume 70% more energy than the US, while on a per capita basis its energy consumption will be half of levels in America.

As the largest emitter among the developing nations, other than China, India must now

propose elements for reviewing the “effectiveness” of national actions of all countries that will be considered in Paris, based on the scientific consensus in the Fifth Assessment Report of the IPCC – “the evidence suggests that outcomes seen as equitable can lead to more effective [international] cooperation.” India will have to stress that sustainability is about the use and distribution, not just scarcity, of natural resources; the universalism being pushed by the industrialised countries will have to recognise diversity as part of the architecture. Multilateral recognition of the longer-term transformation, on the lines of the China-US deal, is important for late developers: India’s population will keep growing till 2050 and that will be its likely peaking year.

Global emissions will have peaked by 2050 because, despite the growth of emissions in some developing countries, China will be aging as fast as industrialised nations are now aging. As climate policy transitions away from annual emission reductions towards integrating longer-term transformations in national policy, the parameters of international cooperation are also being redefined with the North-South divide becoming blurred around a rural-urban divide given that most of the future emissions are going to take place in cities in Asia. As two-thirds of future global growth is going to occur in Asia, the Asian giants should now take the lead in pursuing sustainable transformation as part of their economic growths, for sharing responsibility and prosperity.

GLOBAL GOVERNANCE

SDGs

WHAT, WHY AND HOW

One of the key debates that will culminate this year as the MDGs come to an end is the post-2015 development agenda: Will the world agree on a comprehensive development framework? Hurdles remain – the inclusion of the ‘peace and security’ provision, for example – but clear steps need to be taken to push forward a global agreement on development parameters. India, too, can take definitive action towards this end.



by SUNIL SURI

What is the post-2015 development agenda?

In 2015, the Millennium Development Goals (MDGs) will expire. Discussions on the framework that will replace the MDGs – known as ‘the post-2015 development agenda’ – have been underway for the past two years. An initial set of Sustainable Development Goals (SDGs), drafted by 70 UN Member States, including India, was recently put forward as the “main basis” for full intergovernmental negotiations starting in January 2015. The new draft framework is expected to be formally adopted at a special UN Summit in September 2015.

Why is a post-2015 development agenda necessary?

While the relevance and utility of the MDGs have been widely debated, the need for a new global development framework is arguably greater than when the MDGs were established. As one commentator describes it, the post-2015 development agenda is “the only global, cross-issue, high-level, government-led conversation currently underway about the need for a transition to more sustainable and inclusive globalisation.”

First, a new global development agenda offers a chance to change the wider discourse around development through the inclusion of crucial dimensions that were missing from the MDGs, such as inequality, climate change, peace, governance and justice. For example, there continue to be questions about who exactly are

the beneficiaries of globalisation: According to Credit Suisse, the richest 10% of the global population reportedly hold 86% of the world’s wealth while the bottom 50% owns a meagre 1%. While poverty eradication will remain at the centre of the post-2015 agenda, the integration of the Rio+20 process on sustainable development and the emphasis on a universal agenda means that the new global development framework will be far more ambitious in terms of what issues are to be addressed.

Second, international development urgently needs to evolve in response to changing global dynamics. Recent analysis that identified a hypothetical “new G7,” comprising the BRICS and three of the so-called MINT economies (Mexico, Indonesia and Turkey) with a greater purchasing power parity than the original G7, reinforced vociferous criticisms of the distribution of influence within the global governance institutions that shape international development. While many emerging economies still face pressing development challenges at home, they are also increasingly important global actors and are fostering South-South cooperation as an additional engine for poverty reduction.

For example, India’s development assistance increased seven-fold between 2000 and 2015. The agreement through the UN system on a post-2015 development agenda presents an opportunity to transform global development so that it is more representative and reflective of today’s world. Third, collective action to respond to global challenges like climate change, population growth and resource scarcity remains a critical imperative. The consequences of failing to effectively respond to global challenges will not be limited to a few countries, as the recent Ebola outbreak in West Africa has demonstrated. Nearly two decades of declining death rates from armed conflict are at risk of being reversed by multilateral stasis in the face of violence in countries such as Syria, Ukraine and Palestine.

While it cannot be the sole mechanism to address all of these global challenges, the post-2015 development framework can help to address global problems by fostering collective responses through a universal agenda that catalyses action by developed and developing countries alike.

THE DEBATE OVER CBDR AND ITS APPLICATION WILL CONTINUE OVER THE COMING YEAR AND COULD POLARISE DISCUSSIONS.

What are the likely challenges in the coming year? Two sets of challenges stand in the way of an agreement on a new global development agenda. The first is related to the framing of the post-2015 agenda. Despite an array of inputs into the post-2015 discussions, there are still questions about its exact purpose. As Charles Kenny of the Center for Global Development states, “we all knew the point of the MDGs (or at least how they were mostly used): setting a framework for global aid discussions.” It is clear that the SDGs are much more ambitious in their scope, setting out how global development will support both sustainability and poverty eradication, whilst being underpinned by the principle of universality – so that agreed goals and targets will be “applicable to all countries.” This

strong emphasis on a universal agenda stands in deliberate contrast to the MDGs, which many felt to be based on a donor-recipient model that didn’t place enough emphasis on action from developed countries.¹

However, the failure to explicitly agree on a common understanding of the purpose of the post-2015 development agenda has enabled potentially critical fault lines to emerge – most notably around the principle of ‘common but differentiated responsibilities’ (CBDR). A principle that was codified in the 1992 Rio Declaration, CBDR reflects the need for all states to take collective responsibility for the environment, while allowing countries of varying levels of development to contribute according to their capacity. Developing countries, including India, argue that CBDR should be the “guiding principle in the development and implementation of SDGs,” while developed countries have resisted to its inclusion on the grounds that CBDR has previously been explicitly tied to environmental issues. While CBDR is referenced twice in the chapeau accompanying the initial set of SDGs, the debate over its inclusion and application will continue over the coming year and could polarise discussions.

The second set of challenges obstructing agreement on a new global development agenda relates to the actual content of the SDGs and whether to include issues related to inequality, climate change, sexual and reproductive rights, governance and justice. One contentious area has been the inclusion of targets focused on the reduction of violence

and its causes. The majority of states have backed such an agenda for sustainable peace, pointing to the fact that 37% of people living in extreme poverty live in countries at risk of high levels of violence, and that current trends project that this share will rise to 75% by 2030. Some UN Member States including India have consistently expressed the view that “we need to be cautious against importing security and human rights issues and placing them the centre of the development discourse.” While all states have effectively endorsed the inclusion of a specific goal on “peaceful societies” in the initial set of SDGs, there is still potential for these issues to derail efforts to agree on a new global development agenda. Indeed, the inclusion of peace, governance and justice issues within the post-2015 development agenda has become tied to discussions on the global partnership for development and the willingness of developed countries to engage in a genuinely open and robust debate on addressing global governance deficits.

What needs to happen to realise a transformative post-2015 development agenda?

An agreement on a transformative post-2015 development agenda depends on a substantive global partnership for development, genuine engagement on reform of global governance institutions, and the inclusion of goals and targets to reduce violence and address its drivers through a developmental approach. A progressive resolution of these issues will require action from all countries.

First, a substantive global partnership for development will need to encompass a range of issues that goes beyond international aid, especially if the post-2015 development agenda is to be of relevance to middle-income countries – such as India – which are not dependent on international aid. While it is imperative that developed countries make new commitments on official development assistance, the opportunity to address major structural issues such as improving trade and intellectual property policies, facilitating technology transfer and reforming the international debt architecture must also be taken. For example, of the world’s low-income countries two are in debt distress, 13 at high risk of debt and 28 are at moderate risk. This leaves developing countries facing what one commentator has described as a “perverse choice” when they

THE OPPORTUNITY TO ADDRESS MAJOR STRUCTURAL ISSUES SUCH AS IMPROVING TRADE AND INTELLECTUAL PROPERTY POLICIES MUST ALSO BE TAKEN.

consider how to develop their countries – either they get into more debt to meet their needs (e.g. in terms of infrastructure) and pass the challenge of debt repayment onto future generations, or they simply fail to meet their own needs. A transformative global partnership for development can break new ground if Member States look holistically at how the range of their international policies can better support opportunities for development for all countries.

Second, while undoubtedly challenging, efforts towards reform of global governance institutions will also be pivotal to the legitimacy and effectiveness of the SDGs and a robust global partnership for development. Encouragingly, the co-chairs of the intergovernmental negotiations on the post-2015 development agenda have already signalled their intent by including plans to discuss implications of the new agenda for the UN system and its institutions (“UN Fit for Purpose”). Given the difficulties inherent in making progress on global governance reform, this will also require innovation and creativity on the part of Member States. For example, one policy analyst recently suggested that symbolic willingness to engage constructively on global governance reform could be indicated by formal declarations by European governments and the United States that the next Managing Director of the International Monetary Fund and President of the World Bank will both be from developing countries.

Finally, a transformative post-2015 development agenda must incorporate peace, governance and justice concerns. Those Member States sceptical of their inclusion should recognise that a wide range of inputs to the post-2015 processes indicate that these are integral subjects for both developed and developing countries alike. Most notably, the [Common African Position](#) on the post-2015 development agenda, which collectively represents the views of 54 African Member States, includes a pillar on peace. The inclusion of targets for issues like violence reduction, access to justice, tackling corruption, establishing accountable and responsive institutions, and reducing inequalities between social groups will all help prevent conflict. A focus on peace does not mean importing security issues into the development discourse. Instead, there is a pressing need to consider how best development approaches can be leveraged to

prevent conflict, and how efforts to build peaceful societies can, in turn, enable development. This will not only have implications for poverty reduction; agreement on such actions will also ease the burden on other parts of the multilateral system by reducing the frequency of conflict, helping to reduce the costs of UN peacekeeping and crisis response, and lessening the highly politicised disputes and distrust regarding these issues between Member States.

What can India do to help secure an agreement on a new post-2015 development agenda?

One of the biggest concerns about deliberations on the post-2015 development agenda to date is that despite being more inclusive and consultative than the MDG process, they have still taken place in what has been described as “the UN bubble in New York,” disconnected from the day-to-day lives of those who have the most to gain (or lose) in the post-2015 agenda: the world’s poorest. India could help bridge this disconnect by selecting a goal that it most needs to meet from the SDGs and making public commitments towards it to its citizens and the world. Indeed, in his speech at the opening of 69th UN General Assembly, Prime Minister [Narendra Modi highlighted](#) a number of issues that urgently require domestic action in India and globally:

When we think of absence of basic necessities of the world – 2.5 billion are without access to basic sanitation; 1.3 billion people are without access to electricity; or 1.1 billion people without access to drinking water, we need comprehensive and concerted direct international action.

By championing a particular SDG, India could raise the profile of the post-2015 agenda, help ensure that it has a positive and meaningful impact and, at the same time, become a vanguard in shaping how the new global development agenda will be taken forward over the next fifteen years.

On aspects of the post-2015 development agenda where there are divergences between UN Member States, such as on the concept of CBDR, India could help broker agreement by clearly articulating what exactly CBDR would mean in practice when applied to the SDGs. The same principle applies to other challenging aspects

of the post-2015 discussions, such as global governance reform. What indicators of progress towards global governance reform would India like to see happen as part of the post-2015 development agenda? And on the inclusion of peace, governance and justice issues, India could engage more proactively in dialogue to ensure that its concerns are better understood and, in turn, to improve its own understanding of the needs of other Member States. For example, the planned India-Africa Summit in 2015 could include a specific focus on the post-2015 development agenda, creating space for dialogue on the Common African Position, which includes a pillar on peace.

In his [recent report](#) on the post-2015 development agenda, the UN Secretary-General looking ahead to 2015 stated that “never before has the world had to face such a complex agenda in a single year. And this unique opportunity will not come again in our generation.” With the Indian population estimated at around 1.2 billion (or 17% of the total global population), whatever progress is made towards poverty eradication and sustainable development in India will have a significant bearing on whether the aspirations of the post-2015 agenda are realised. Put simply, the world needs India if the new global development framework is to be effective.

India could help broker agreement by clearly articulating what exactly CBDR would mean in practice when applied to the SDGs.

¹ In the words of one senior Indian official the “MDGs sort of came from the sky. There is a modern day Ten Commandments – you will do this, you will do this, you will do this, you will do this.”

GLOBAL GOVERNANCE

Cyber Governance

WHOSE MODEL? WHOSE SECURITY?

There is still no consensus on whether a multilateral or a multistakeholder internet governance model will be adopted. While this may remain a critical point of divergence, concerns regarding cyber security are common in all corners of the world. As the September 2015 deadline approaches, and as cyber security threats and breaches gain traction, what are the likely steps to be taken in the coming few months? And how can India, a critical member at the negotiating table, swing the debate in its favour?

by SAIKAT DUTTA



On 14 March 2014, the US government announced its intent to transfer the internet domain functions to a “global multistakeholder community.” The National Telecommunications & Information Administration (NTIA) works under the US Department of Commerce, which has a contract with the Internet Corporation for Assigned Names and Numbers (ICANN), the organisation which has been managing key root functions and assigning domain names and numbers. It is believed that the US government announcement was partly influenced by National Security Agency (NSA) contractor Edward Snowden’s disclosures on global surveillance in 2012. Since then the US and its allies, collectively the Five

Eyes (US, UK, Canada, Australia, New Zealand), have faced significant global backlash for its mass-scale surveillance of the internet.

The NTIA announcement is consistent with the Department of Commerce’s [Statement of Policy](#) that committed to a transition that will allow the private sector to take leadership of the DNS management. However, there is global skepticism whether such a transition will take place by September 2015, the deadline set by the NTIA to create a new multistakeholder model. This is because there is no consensus yet on what internet governance model to adopt.

The NTIA is abundantly clear that it will not allow a proposal that “replaces the NTIA role

with a government-led or an inter-governmental organisation solution.” This is a clear indication that the US will not support a multilateral internet governance model, but will pursue a multistakeholder approach, one which allows all stakeholders – private sector, civil society, academia and the government – to contribute to the policy development process. The global North, led by the Five Eyes, takes this stand. The global South, led by BRICS (Brazil, Russia, India, China and South Africa), prefers a multilateral model – although among the BRICS, Brazil has moved closer to the multistakeholder approach. This is a major fault line that continues to dominate global negotiations on the future of internet governance.

THE GLOBAL NORTH, LED BY THE FIVE EYES, PREFERS A MULTISTAKEHOLDER MODEL; THE GLOBAL SOUTH, LED BY BRICS, PREFERS A MULTILATERAL STRUCTURE.

On the other hand, there is some convergence on cyber security-related issues. Most concur on the need for a safe and secure internet, and there seems to be general agreement on the need for surveillance. But Snowden’s revelations have skewed these debates; now, sovereignty, jurisdiction, data protection and localisation are significant sticking points, and will continue to dominate discussions.

In April 2014, the NETmundial conference on the future of internet governance held at Sao Paulo, Brazil, was a significant attempt at converging differences. The outcome statement was “non-binding” but succinctly reflected emerging global consensus and divergences on the future of internet governance. The former include increasing support for a multistakeholder model and thus calls for open and participative governance, recognition of the internet as a tool for development, the importance of transparency and accountability in the governance process; the latter include issues related to hardware, surveillance and net neutrality.

INDIA: CONVERGENCE & DIVERGENCE WITH GLOBAL CONCERNS

India’s opening statement at the NETmundial is indicative of the concerns that the global South has about the ongoing deliberations. While India subtly moved away from its [earlier position](#) of a UN-led body governing the internet, it remains unconvinced of the multistakeholder approach and made a case for creating a model that

retains the government’s treaty-making powers. In the end, it did not sign the NETmundial outcome statement. Interestingly, it also made a case to delineate a process through which multistakeholders other than governments can be identified and therefore legitimised.

National concerns regarding sovereignty, jurisdiction, national security, e-commerce and privacy are guiding India’s position. For example, it refused to ratify the [Budapest Convention](#) on cyber crime, given concerns about sections such as Article 32 (related to trans-border access of data) that it feels dilute sovereignty, and therefore, as a natural corollary, jurisdiction. New Delhi’s [draft proposal](#) arguing for a continued role of the International Telecom

Union (ITU) in internet governance at the ITU Plenipotentiary in Busan, South Korea, failed to find any support from any quarter; while it took the position that regulating telecommunications is a sovereign right, unbundling various functions and delegating various institutions may effectively strengthen the multistakeholder model. It has been argued, with some merit, that India’s concerns, though entirely legitimate, will need better framing to affect the current international discourse.

Despite the lack of agreement on the model of governance, India too has stressed the need for greater consensus in tackling cyber security. Its National Security Advisor Ajit Doval has said on record that cyber security and the threat of cyber warfare is being dealt with at the uppermost echelons of the government. Interestingly, he also underlined the role played by private corporations in negotiating issues of cyber security and that these entities emerge, at times, as more powerful than states. This gives an insight into India’s suspicions about the role of the private sector in a multistakeholder model.

CONCERNS ON CYBER SECURITY

The concerns expressed by Doval are similar to international apprehensions. A recent article by UK’s technical intelligence chief Mr. Robert Hannigan (Director, GCHQ) blamed private corporations of “aiding terrorism.” This shows that despite major divergence and concerns of

global surveillance, there are underlying areas of convergence that emerge between seemingly contrary positions.

Hannigan argued that terrorist outfits like the Islamic State have “embraced the web” and are using it to radicalise new recruits while also using the online world to coordinate their actions. This is also reflected in a recent study that social media support for the organisation is stronger in Europe and the US than in its traditional bases of Syria and Iraq.

Global concerns are also rising about the use of the internet for espionage and cyber thefts, widening rifts between nations, such as between US and China. While the US has repeatedly accused China of cyber attacks and espionage, China has taken several measures to keep the internet tied to its territorial jurisdiction to, in turn, keep US private corporations at bay. A case in point is China’s reluctant acceptance of the agreement of the 15-nation UN group of Government Experts on Information Security (which included India, US, China, Russia and Australia): The group agreed that the UN charter, international law, the principle of state responsibility and national sovereignty apply to cyberspace.

IN AN INCREASINGLY DIGITISED AND INTERCONNECTED WORLD, CYBER ATTACKS CREATE A MAJOR CHALLENGE FOR INTERNATIONAL PEACE AND ORDER AND ENGENDER MASSIVE ECONOMIC LOSSES.

Matters become complicated when there are suspicions of “nation-state” malware. The recent discovery of the malware Regin by US internet security firm Symantec is a case in point. The malicious software is believed to be the product of British and American agencies for cyber espionage and attack, similar to the Stuxnet virus that targeted Iranian nuclear centrifuges.

The Stuxnet virus came in the wake the massive cyber attack on Estonia in 2007, a landmark event that created another front for inter-state conflict. The attack led to the creation of the Tallinn Manual by international experts at the invitation of the NATO cooperative Cyber Defence Centre for Excellence. The draft remains the only major work attempt to build a framework that could guide future international discussions on creating a regulatory framework to govern cyber warfare

that will establish rules to minimise the fallout from cyber attacks.

In an increasingly digitised and interconnected world, such attacks – either with or without state support – have created a major challenge for international peace and order as well as engendering massive losses for the world economy. A 2014 report sponsored by internet security firm McAfee and conducted by the Center for Strategic and International Studies estimates a loss of approximately \$445 billion due to cyber crime.

INTERNET GOVERNANCE IN 2015

Given such complexities, the following is likely to occur in this year:

- The broad debate will continue to be between the multistakeholder and the multilateral model for evolving a new structure for internet governance. While global weight seems to be in favour of a multistakeholder model, it suffers from several inherent contradictions. A case in point is the multilateral consensus and dominance of select countries like the US, UK, Canada, Australia and New Zealand on issues like surveillance, privacy and net neutrality within the multistakeholder approach. How emerging economies like the BRICS nations will impact this debate, as swing states, will remain a major point of discussion in 2015.
- USA is likely to pull out of the current government structure by September 2015 – i.e., the NTIA will not renew its contract with ICANN, even though there is a lack of clarity on how the new model will be shaped.
- The **Tunis Agenda**, adopted in 2005, is the only exiting global framework that defines the contours of internet governance negotiations and will continue to steer the debate. One of its outcomes, the Working Group on Enhanced Cooperation, which has recommendatory powers, will in particular be relevant.
- While the Snowden leaks have hardened positions, it is an opportunity to discuss the dangers of surveillance within a global framework. The **international**

principles on the application of human rights to surveillance are a good way forward.

INDIA’S WAY FORWARD

With the IANA transition deadline looming ahead, India has a limited window of opportunity to swing the international debate on internet governance in its favour. A slew of comprehensive measures by New Delhi are needed to do so:

- Initiate multistakeholder consultations to formalise India’s position on internet governance. This means consultations with the Indian private sector, academia, technical community and civil society. It also has to recognise that taking a multistakeholder approach lies in consonance with its democratic legacy which supports an open internet as an enabler.
- Issue a white paper that reconciles positions adopted by various government stakeholders dealing with internet governance – Prime Minister’s Office, represented through the National Security Adviser and the National Security Council; Ministry of Telecommunications & Information Technology; Ministry of External Affairs; Ministry of Law & Justice; Ministry of Home Affairs; and the Indian intelligence community.
- Create several task forces to examine principles of internet governance from an Indian standpoint. This will help initiate and support empirical research of political, legal, technical, international and commercial ramifications of internet governance. Each should have a task force that will report into a larger multistakeholder committee to reconcile and merge the various recommendations put forth by the task forces.
- Create a task force on cyber security. While the guidelines for the protection of critical information infrastructure have been framed, the details for each sector are yet to be formulated. The need to operationalise the 2012 decision of the Cabinet Committee on Security to build the National Critical Information Infrastructure Protection Centre project

will be a major imperative this year. This also needs to be expanded to encompass best practices for safe transactions as well as evolve common testing protocols for hardware. India lacks a world-class facility for such kind of testing.

- Build institutional capacity of information infrastructure to ensure that India moves from a “consumer” of the internet to becoming a “producer” of the internet.
- Develop human resources. While India has officially a ‘Digital India’ project, it lacks trained manpower that can deal with the twin challenges of creating the requisite infrastructure and ensuring its security. Experts peg the number of information security professionals required at 500,000. A concurrent institutional push is needed to develop the human resources necessary for such a mammoth project.

India has so far been shy of playing a more assertive role in the internet governance space. It could take advantage of its three-ongoing bilateral dialogue with the US to take a more assertive position and move towards hosting a major multistakeholder conference on internet governance.

¹ See a report on the NETmundial conference prepared by Dr. Anja Kovacs, which argues that “net neutrality, mass surveillance and access to knowledge were among the most commented-on issues at the NETmundial, the text that had emerged as a consensus in the drafting groups based on those comments was in the final hour not accepted by some of the most powerful players in internet governance.”

² See the paper by China-analyst Mr. Michael D. Swaine, senior associate at the Carnegie Endowment of International Peace who describes the Chinese view on cyber security.

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