

# Gist of **YOJANA**

VOL.01

October 2020



## **International Relations**

Indian Foreign Policy in the Times of the Pandemic

Geopolitical and Geo-Economic Dimensions of COVID-19

Evolution of India's Trade Negotiations

International Trade

WTO: The Road Ahead

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Hardik Aggarwal



**RANK 98**

Y Megha Swaroop

# INCREDIBLE RESULTS

## CSE 2018 Results

11 Ranks in Top 50

28 Ranks in Top 100

183 Ranks in the Final List



Rank 11  
Puja Priyadarshni



Rank 16  
Dhodmise Trupti Ankush



Rank 21  
Rahul Jain



Rank 24  
Anuraj Jain

## CSE 2017

5 Ranks  
in top 50

34 Ranks  
in top 100

236 Ranks  
in the final list



Rank 3  
Sachin Gupta



Rank 6  
Koya Sree Harsha



Rank 8  
Anubhav Singh



Rank 9  
Soumya Sharma



Rank 10  
Abhishek Surana

## CSE 2016

8 Ranks  
in top 50

18 Ranks  
in top 100

215 Ranks  
in the final list



Rank 2  
Anmol Sher  
Singh Bedi



Rank 5  
Abhilash Mishra



Rank 12  
Tejaswi Rana



Rank 30  
Prabhash Kumar



Rank 32  
Avdesh Meena

## CSE 2015

5 Ranks  
in top 50

14 Ranks  
in top 100

162 Ranks  
in the final list



Rank 20  
Vipin Garg



Rank 24  
Khumanthem  
Diana Devi



Rank 25  
Chandra Mohan  
Garg



Rank 27  
Pulkit Garg



Rank 47  
Anshul Agarwal

## CSE 2014

6 Ranks  
in top 50

12 Ranks  
in top 100

83 Ranks  
in the final list



Rank 4  
Vandana Rao



Rank 5  
Suharsha Bhagat



Rank 16  
Ananya Das



Rank 23  
Anil Dhameliya



Rank 28  
Kushaal Yadav



Rank 39  
Vivekanand T.S

## CSE 2013

5 Ranks  
in top 50

62 Ranks  
in the final list



Rank 9  
Divyanshu Jha



Rank 12  
Neha Jain



Rank 23  
Prabhav Joshi



Rank 40  
Gaurang Rathi



Rank 46  
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Team BYJU'S

## Gist of Yojana October 2020 Issue: International Relations

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## Chapter 1: The New World Order

The pandemic has changed the world and its order, a world which was earlier grappled with issues like climate change, poverty, migration, terrorism, nuclear weapons have kept everything else on the back burner. The health emergency and its ramifications are at the centerstage. This unprecedented situation worldwide has redefined the international relations and the role India would play in the years to come.

### India's Role in International Affairs

- India is committed to working towards paving a road ahead for a world in the post-pandemic era.
- It has to safeguard interests of its own by achieving self-reliance and reaffirming its presence in international trade.
- India has been a constructive actor in developing an international system that is human-centric.
- We have worked together with partner countries in sharing our development experience.
- We have catalyzed the emergence of international organizations with constructive, forward-facing agendas such as the [International Solar Alliance](#) and the Coalition for Disaster Resilient Infrastructure.
- Trade and commerce being the cornerstone of international relations are given exhaustive coverage through the evolution of India's trade, intricacies of its negotiations, greater role envisaged for organizations like the WTO, agreements like GATT and pertinent issues like H-1B Visa.
- Under its 'Neighbourhood-first Policy', India has strategic ties with its neighbours and has been involved in development diplomacy with many of them.
- With the major powers, India has a sustained and mutually beneficial relationships which furthers its global interests. It has also strengthened its engagement with various other nations reflecting its rising global footprint.
- During the pandemic, India sent medical supplies to over 150 countries, deployed "rapid response teams" (RRTs) in different countries, and held more than 100 "virtual diplomatic meetings". The well-coordinated 'Vande Bharat Mission' is also being appreciated worldwide.
- The Indian Diaspora is probably one of the world's largest, most dynamic and oldest diaspora communities.
  - They are contributing to the economies of both India and the country they reside in.
  - They also act as a bridge in augmenting mutual ties and strengthen the inter-societal relations.

### Conclusion

Gandhiji in 1924 wrote, "My ambition is nothing less than to see international affairs placed on a moral basis through India's efforts." He believed that there was no limit to extending our services to our neighbours across state-made frontiers. "God never made these frontiers." He wrote in 'Young India' in 1925, "It is impossible for one to be internationalist without being a nationalist."

## Chapter 2: Indian Foreign Policy in the Times of the Pandemic

The current international environment is challenging. We are living through the greatest shock to the international system since the [Second World War](#). What began as a health emergency has expanded into an economic disruption, a geo-political shock and a social challenge of unprecedented magnitude.

- The fundamental challenge facing Indian foreign policy is to ensure that India engages with the international community in a manner that is both consistent and responsive to contemporary realities. Foreign policy has to be one of continuity and change.
- We are a country with global interests. We have one of the largest and most able Diasporas.
- Our economy, and therefore our material well-being, is plugged on to global supply chains.
- We look at the world as a borderless economy with an interlinked marketplace.
- India is therefore committed to globalization. We believe, however, that the pandemic has demonstrated the deficiencies and the limitations of its existing form.
- It is driven by a purely economic agenda.
- Globalization should advance the collective interests of all humankind and should be based on fairness, equality and humanity. It should be a human-centric process.

### India's assistance to countries in the wake of the pandemic

- We have worked together with partner countries in sharing our development experience.
- We have undertaken humanitarian assistance and disaster-relief operations over a geographical area spanning from the Pacific to the Atlantic.
- We have assisted a number of our friends and partners during the current pandemic.
- We have been a net security provider, and catalyzed the emergence of international organizations with constructive, forward-facing agendas such as the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure.
- We not only believe in “Vasudhaiv Kutumbakam”, the world is one – but also in the principle of “Nishkama Karma” that good needs to be done for its own sake.
- India has been at the forefront of digital diplomacy during the current crisis.

### India's engagement with other countries

#### With Neighbours:

- Our most important foreign policy objective is captured in our concept of ‘Neighbourhood First’.
- It underlines the renewed primacy we attach to neighbouring countries to comprehensively upgrade and strengthen our relationships, as reflected in frequent high-level exchange, significant improvement in connectivity, economic integration, people-to-people contact and development partnership programs.
- **Look East has been upgraded to Act East** under which ties with ASEAN countries are being strengthened with a special focus on connecting our northeastern states to these countries.
  - There are growing multi-sectoral linkages with ASEAN members.
- In the last five years, **Think West** – our outreach to the Gulf and West Asian countries – has become an increasingly important pillar of our foreign policy.

#### India – Africa:

Our engagement with Africa, both in political and economic terms, has also intensified.

#### India – USA:

- The India-US relationship has been elevated to a Comprehensive Global Strategic Partnership.
- Defence, security and counter-terrorism are important pillars of our partnership.
- Growing trade and investment collaboration in R&D, innovation, healthcare, and space are also crucial components.
- Strategic Energy Partnership with the US has emerged as an important contributor towards our energy security.

### India – EU:

- The European Union is an important friend with whom we have a many-layered and vibrant relationship.
- The commitment is ingrained in the 'India-EU Strategic Partnership: A Roadmap to 2025' issued after the 15<sup>th</sup> India – EU Summit.

### India – Russia:

- Our relationship with Russia has not only deepened in traditional areas of cooperation like defence, space, nuclear science and technology, etc. but has expanded to include non-traditional and new areas of cooperation like energy, investments and cooperation between states.

### Priorities for India

- We are committed multilateralists. India firmly believes that the path to achieve sustainable peace and prosperity is through multilateralism.
- However, multinationalism needs to represent the reality of the contemporary world.
- India believes that only reformed multilateralism with a reformed [United Nations](#) at its centre can meet the aspirations of humanity.
- We joined the UN Security Council for a two-year non-permanent term on January 1st, 2021.
- We are also due to hold the Presidencies of G20, [BRICS](#) and SCO, which are opportunities for us to convey our perceptions, our expectations and our priorities.
- We need to ensure that the international community finalizes a Comprehensive Convention on International Terrorism.
- One of India's foreign policy priorities is to make India, 'a nerve centre of global supply chains'.
  - This is also in line with the vision of 'Aatmanirbhar Bharat'.
  - The aim is to ensure India's position as a key participant in global supply chains.
  - Through building capacities at home, we also intend to contribute to mitigating disruptions in global markets.

### India in the Global Community

- India has demonstrated through the current crisis that it is a responsible member of the global community.
- We were able to supply, after ensuring adequate domestic stockpiles, large volumes of drugs to friends and consumers across the world.
- India provided these drugs and medical supplies to more than 150 countries.
- Through initiatives such as Operation Sagar, Operation Sanjeevani, the deployment of medical Rapid Response Teams in several countries, the linking of health professionals and the pooling of health capacities, and supply of essential medical products, we reinforced our credentials as providers of net health security and first responders.
- We deploy large amounts of resources through development partnerships including grants-in-aid, line of credit and capacity building and technical assistance.



In this fast-evolving environment, Indian diplomacy has shown the necessary agility and adaptability to effectively respond to the emerging challenges, while also cementing India's credentials as a responsible and constructive member of the global community.

## Chapter 3: Geopolitical and Geo-economic Dimensions of Covid-19

While the Covid-19 pandemic has led to serious economic disruptions in India, it may also prove to be a propitious geopolitical moment for India.

### Trends in global power equations before Covid-19

- There were significant changes in the global power equations even before the ongoing Covid-19 pandemic, such as the shift in the centre of gravity of economic power to the trans-Pacific from the trans-Atlantic, the emergence of a more loosely structured multi-polarity, the upsurge of nationalist and parochial sentiments in countries across the world stalling the trend towards globalization, the weakening of multilateral institutions and processes even while the salience of cross-cutting and cross-border challenges demanding global and collaborative responses, such as Climate Change, has increased.
- We see very little coherent, well-coordinated global response using instruments of global governance such as the [World Health Organization](#). Countries have mostly responded at the national level.

### Changes brought forth by the pandemic

- Certain new trends are emerging triggered by the pandemic.
- Some of the changes are acceleration in the adoption of digital technologies, extensive spread of work-from-home (WFH), the rapid adoption of tele-education and tele-medicine and the use of teleconferencing and online meetings.
- Newer technologies such as Artificial Intelligence, the Internet of Things and the use of big data will advance faster than envisaged.
- The associated challenges will also multiply.
- New issues relating to high-tech monopolies will occupy the attention of individuals, communities, countries and the international community.

### Main Trends in Geopolitics

- China's regional and global profile has continued to expand.
- It has steadily narrowed the power gap with the US.
- It is displaying a more assertive and aggressive external behavior like the coercive actions in the South China Sea, the passage of a highly restrictive National Security Law in Hong Kong virtually abandoning the One Country Two Systems policy.
- Military provocations against Taiwan, numerous transgressions on the India-China border show a new orientation in China's external behaviour.
- The ambitious [Belt and Road Initiative \(BRI\)](#) is an instrumentality through which China may spread its model using its financial and technological heft.

## Geo-economic Trends

- China's GDP is destined to overtake the U.S and this makes it a great economic power.
- China is undoubtedly the world's largest trading power (its current foreign trade volume is larger than India's current GDP).
- In military terms, China remains significantly behind the US and is unable to match the global reach of the US-led alliance systems in Asia and Europe.
- China is rapidly developing its scientific and technological capabilities and currently spends more on Research and Development than the US. In some areas such as Artificial Intelligence, it may be ahead of the US.
- However, most analysts believe that the US still retains its technological lead over China.
- China has significantly narrowed the power gap with the US but remains behind the latter in several important indices of power.
- There is a prolonged phase of confrontation and tension between the US and China.
- This will impact on the strategic choices to be made by other powers including medium and smaller powers.
- This could mean a China-dominated Asia, which would be unacceptable to India.

Due to concerns about China and its selfish and unilateral exercise of power, countries want India to succeed and serve as a countervailing presence to China. There could be a significant flow of capital, technology & advanced knowledge to India if an efficient and congenial economic and regulatory environment could be put in place. The size of the Indian market is an asset as is its political stability and democratic traditions.

India is the only country which in terms of its size, its population, its economic potential and proven scientific and technological capabilities and its rich civilizational legacy, can not only match but surpass China. But then, we need a strong national will to reach out for this goal.

## Chapter 4: Evolution of India's Trade Negotiations

India's trade negotiating approach would need to take a broader long-term view of things to come in future. Increasing volume of trade is more important than trade deficit because trade need not be a zero-sum game. India should consciously develop a wide-angle approach to the evolving global trade dynamics. Since ancient times, Indians were enduring traders.

### Multilateral Trade under GATT

- The [General Agreement on Tariffs and Trade \(GATT\)](#) of 1948 was the first multilateral agreement under the UN aimed at boosting economic recovery by reducing barriers to trade.
- Even though India was one of the 28 founding members of GATT, it was not a serious stakeholder in multilateral trade negotiations.
- In the eight GATT Rounds held in the latter half of the 20<sup>th</sup> century, India and developing countries were primarily concerned about safeguarding their agricultural interests against large-scale agriculture subsidies of developed countries.

## World Trade Organization

- India, along with 76 countries, was a founder member of the World Trade Organization (WTO) in 1995 which subsumed the Uruguay Round GATT negotiations from 1986-1994.
- India believed that a fair, equitable, justiciable and predictable rules-based multilateral trading system embodied in [WTO](#) is in the best interests of developing and Least Developed Countries (LDCs).
- India sought correction in the highly imbalanced trade negotiations under the Agreement on Agriculture (AoA) and argued that developed countries have taken undue advantage of the huge domestic support provided under other boxes namely, 'Green' and 'Blue' that have been tacitly kept outside the reduction commitments.

## Trade and Development

- It was not until the beginning of the 21<sup>st</sup> century that WTO recognized the causal link between trade and development.
- This led to the launching of the 'Doha Development Round' in 2001 putting development' at the centre of global trade.
- India scored a major victory at the Bali Ministerial Conference in 2013 when it successfully negotiated a 'permanent peace' clause on domestic support for agriculture as a trade-off for agreeing to WTO Agreement on Trade Facilitation.
  - This clause allows India to pursue its agriculture domestic support programs, without the risk of being challenged in the WTO Dispute Settlement Body.
- India's accession to the WTO Trade Facilitation Agreement in April 2017 also proved beneficial to it for improving logistic efficiencies and bringing down trade costs for its exports.

## Reform of WTO

- Developed countries are seeking to graduate a few emerging countries like India, China, Brazil, South Africa, etc. from the status of 'developing countries' by withdrawing Special and Differential Treatment (S&DT).
- India strongly opposed this distorted view arguing that development parameters of developing countries are not even remotely close to those of developed countries and putting them in the same basket as developed countries is unfair.
- Another challenge is the push for new issues on the WTO Agenda for rulemaking such as e-commerce, investment facilitation, MSME and gender.
- For India and developing countries, the Doha Development Round remains unfinished and new issues run the risk of undermining the 'development' agenda.

## Tariff and Non-Tariff Barriers

- The rationale for high tariffs is to protect domestic industry from external competition and enhance revenue collection for the State.
- WTO member countries had bound their tariff rates for each line of product.
- Member countries offer them on Most Favoured Nation (MFN) basis as per GATT Article 1 i.e., "preferences to be offered to all members on an equal basis in a non-discriminatory manner".
- While developed countries have seemingly cut down their tariffs, they have surreptitiously erected non-tariff barriers in the form of standards, regulations, licenses, port restrictions, testing, etc., ostensibly to deny market access to others and protect their domestic industry.

- WTO Agreements on Sanitary and Phytosanitary Standards (SPS) and Technical Barriers to Trade (TBT) have defined rules on standards but these are not enforceable.
- For developing countries, coping with these high standards is hard as they add up costs.

### **India's Share in World Trade**

- India's share in the world merchandise exports at the time of our independence in 1947 was 2.2%.
- It dropped to 0.5% in 1983 and marginally rose to 0.7% in 2000.
- Currently, India's share in global exports is 1.7%.
- India's share has picked up with the 1991 economic reforms, leading to integration into the world economy.
- India's total trade in 2019-20 was about \$787 billion.
- India's major trading partners are the USA, EU, China, UAE, Germany, Singapore, the UK, etc.
- There is an ever-widening trade deficit with China, which is feared to be dumping its goods.
- India's export product profile more or less remained constant for several years; petroleum products, gems & jewellery, machinery, organic chemicals, pharmaceuticals, electronics, leather, etc. have been consistently leading the chart.
- Diversifying the export basket with value-added products would help to expand its global market share.
- **Trade in services**
  - Trade in services has assumed high importance in global trade.
  - Technology and mobility of skilled manpower across borders have stimulated trade in the services sector.
  - India's export of services trade has been gradually growing in the last two decades; India supplies 40% of the global demand for IT skilled manpower.
  - However, India's share in world services trade is only 2.6%, mostly concentrated in IT and IT-enabled services.
  - India identified 12 champion services sectors with an emphasis on realizing their potential for employment generation.
- Currently, India's total trade including merchandise and services is \$1129 billion, which constitutes about 42% of the GDP.

### **Global Value Chains (GVCs) and Free Trade Agreements (FTAs) are important tools.**

#### **Global Value Chains**

- Global Value Chains are a reflection of the fragmentation of production processes that have assumed a high degree of sophistication and specialization due to changes in technology, skills, capital and investment policies.
- As GVCs reduce input costs, it makes finished products competitive in the global markets, a propitious condition for trade to thrive.
- Some sectors of India, especially Pharma, Auto and Textiles are well-integrated into GVCs.

#### **Free Trade Agreements**

- Free Trade Agreements (FTAs) create a conducive environment for GVCs to operate efficiently.
- Countries take advantage of the liberalized investment climate under FTAs to set up production units as part of Supply Chain networks (GVC) to feed into finished products.
- GATT Article 24 of WTO allows member countries to enter into bilateral/regional preferential trade arrangements in order to achieve a higher level of trade liberalization.

- India concluded about 16 FTAs/PTAs and another 20 of them are under either negotiation or review.
- India's most notable bilateral FTAs are with Japan, Korea, Chile, Singapore and regional FTAs are SAFTA, ASEAN, Mercosur, APTA, etc.
- India has been conservative in opening its economy through Free Trade Agreements for fear of exposing the domestic industry to external competition.
- Not being part of preferential trade architecture could be detrimental for a growing economy like India as it would amount to the inevitable erosion of its market share when FTA countries begin to trade amongst their partner countries at zero duty tariffs.
- FTA negotiation should ideally seek longer staging phase-out of its tariffs with a partner country while at the same time seek immediate phase-outs in areas of core interest.
- India seeking openings in the services sector for movement of professionals should be a priority.
- Similarly, encouraging investments through FTA route should form part of the strategy.

## Conclusion

Understanding the evolving linkages between trade, investment, services and technology, and GVCs is critical. India should consciously develop a wide-angle approach to these evolving global trade dynamics.

## Chapter 5: International Trade

The last few years were not good for trade due to trade tensions primarily between the USA and China and consequent rise in protectionist measures. The Covid-19 pandemic has disrupted the global economy and world trade, as production and consumption shrunk across the globe.

- In the past 70 years, trade has grown from US\$64 billion in 1950 to about US\$25 trillion now.
- The dollar values of world merchandise and commercial services exports in 2019 were US\$18.9 trillion and US\$6.0 trillion, respectively.
- World exports account for 27.3% of the world GDP (US\$91 trillion).
- The five largest exporting countries for goods are: China (US\$2.5 trillion), USA (US\$1.7 trillion), Germany (US\$1.6 trillion), Japan (US\$738 billion), South Korea (US\$605 billion). India ranks 19<sup>th</sup> globally with US\$313 billion exports.
- The five largest importing countries for goods are the USA (US\$2.5 trillion), China (US\$2.0 trillion), Germany (US\$1.2 trillion), Japan (US\$720 billion), England (US\$692 billion). India ranks 10<sup>th</sup> globally with US\$473 billion of imports.

## Reasons for the Growth of World Trade

- Two key factors that contributed to the massive growth of trade in the post-world war two years are developments in communications and technology, and the establishment of globally accepted trade rules through the GATT/WTO system.
- Slow decision-making at the WTO led countries to negotiate trade liberalization bilaterally or within small groups through the FTAs that have become a central part of many countries' trade strategy.
- India has signed 10 FTAs, including with [SAARC](#) countries, Japan, South Korea, and ASEAN, and six small coverage agreements.
  - India is currently negotiating/expanding 22 more FTAs.

## Impact of Covid-19

- In April 2020, WTO has warned that the world merchandise trade in 2020 is set to plummet by between 13 and 32% in 2020 due to the Covid-19 pandemic.
- Services trade may be most directly affected by Covid-19 through transport and travel restrictions.

## India's Trade Snapshot

- In 1947-48, exports at Rs 403 Crore were higher than imports at Rs 389 Crore.
- in 2019-20, exports were US\$13.2 billion, while imports were US\$473.9 billion.
- Exports have grown faster than the GDP over these years.

## India's Trade Support System

- The Government takes many steps to promote trade.
- These relate to improvement in logistics, Ease of Doing Business, IT enablement, Skilling, and Export Schemes.

**These are discussed in the below section:**

### Infrastructure

- The Sagarmala initiative aims to reduce logistics cost for domestic and export-import cargo.
- [Bharatmala Pariyojana](#) focuses on freight and passenger movement across the country for the highways sector.

### Institutions

- Indian commercial missions located in important countries are geared to promote trade, technology, tourism and investments.
- The Export Cum Guarantee Corporation provides insurance facility while Exim Bank extends long-duration loans to long-duration projects located in specified countries.
- The Council for Trade Development and Promotion has been created for making states active partners in boosting India's exports.

### Ease of Doing Business and IT Initiatives

- Several measures have been taken to reduce export/import clearance time and cost.
- Major ports, custom-houses, Special Economic Zones, DGFT, etc. are EDI connected.
- Customs have introduced Single Window Interface for Facilitating Trade (SWIFT).
- Skilling new entrepreneurs for exports is an important priority.
  - Over 90000 persons from small and medium enterprises, industrial clusters, small exporting firms have so far been trained by DGFT under the Niryat Bandhu program.

### Schemes for Export Promotion

- High transaction costs are a significant cost disability for Indian exporters.

- Firms spend 12-15% more than their international counterparts due to higher credit logistics, and other transaction costs.
- Incentive schemes like Merchandise Exports from India Scheme (MEIS) meet part of this expenditure.

### ***A. Duty Refund/Neutralization Schemes***

1. **Schemes for competitive sourcing of Raw Material-Advance Authorization and Drawback Schemes**
  1. Duty Drawback Scheme: Refunds customs/other duties paid on inputs used for making export products.
2. **Scheme for competitive sourcing of Capital Goods**
  1. Export Promotion Capital Goods (EPCG) Scheme Allows duty-free import of Capital Goods.

### ***B. Incentive Schemes***

1. Merchandise Exports from India Scheme (MEIS)
2. Services Exports from India Scheme (SEIS)

The government will soon introduce the Remission of Duties or Taxes on Export Product (RoDTEP) scheme.

### ***C. Other Major Schemes***

1. Special Enclave for Exports like [Special Economic Zones \(SEZ\)](#) & 100% Export Oriented Units (EOUs).
2. Trade Infrastructure for Export Scheme (TIES) for the creation of trade infrastructure, and Clusters schemes.

## **Imports**

India follows an open trade policy where most products can be imported without prior permission on payment of import duty. The import duties are within the ceiling limits agreed at the WTO.

## **Firm and Product Structure of India's Exports**

1. ***Weak firm-level structure***
  1. Though India has more than a lakh of active exporters, less than 2000 account for over 60% of Indian exports.
  2. Thus, a few large firms and thousands of small informal firms dominate the Indian export scene.
  3. World over, it is large firms that carry most production and export.
  4. Also, contrary to popular belief, the presence of large firms supports the growth of SMEs. They depend on SMEs for the supply of specialized components, parts, or machinery.
2. ***Weak Export Product Profile***
  1. Category A products include electronics, computers, telecom, factory machinery, and high-end engineering products. India's global share in such products is 0.4%. We do not have enough expertise in Category A products.

## **Seven Strategies for Increasing India's Exports**

1. Expand manufacturing and trade of the products the world buys most - Electronics, Organic Chemicals, Machinery, Telecom, etc. Significant Global Value Chain participation will need reforms in duty structure, building efficient ports, and online systems.
2. Avoid critical dependence on any country. We need to develop self-sufficiency in Bulk drugs/APIs, power equipment, everyday use goods, defence-related products, etc.
3. Define "Made in India" standards and make it a quality label.
4. Open large product exhibition centres cum markets to help small firms showcase their products and get orders without traveling abroad.
5. Provide actionable trade intelligence.
6. Promote trade-in services - To diversify India's services exports, the Government has identified 12 sectors for focused development.
7. Reduce input costs – High duties on raw materials, expensive credit, erratic power supply, time taking land transactions, delay in refund of taxes, and less productive labour increase the input cost.

## Chapter 6: WTO: The Road Ahead

The WTO plays an important role in providing an overarching and common framework of multilateral rules for conducting international trade among its members.

### Challenges facing WTO

- WTO as an inter-governmental organization is buffeted by multiple challenges, which have eroded the credibility of this organization.
- First, the dispute resolution arm of the WTO has been rendered dysfunctional as the US has blocked the process of nomination of members of the Appellate Body.
  - It may be noted that under the two-stage dispute resolution mechanism, the Appellate Body hears appeals on issues of law and legal interpretation arising from the findings of WTO panels constituted to resolve trade disputes among its members.
  - Without a functional Appellate Body, no effective legal mechanism is available for WTO members to enforce their rights and obligations.
- The second challenge confronting the WTO is the failure of its negotiating arm to deliver substantial results.
  - WTO members had launched the Doha Round of multilateral trade negotiations in 2001.
  - However almost two decades down the road, the outcome of the negotiation is extremely thin.
  - Three substantive achievements:
    - Finalizing and implementing the Trade Facilitation Agreement, which is aimed at reducing the red tape in export-import procedures
    - The decision to eliminate export subsidies in agriculture
    - The Peace Clause in agriculture which insulates public stockholding schemes of developing countries from legal challenges at the WTO,
  - On most of the other issues, deadlock in the negotiations has persisted.
  - To compound the woes, at the Nairobi Ministerial Conference of the WTO held in 2015, the developed countries walked off the Doha Round negotiating table.
- A more recent challenge crippling the WTO is that countries are gradually losing respect for the rules of this organization.
- The multilateral trading system spat on trade issues between the US and China.



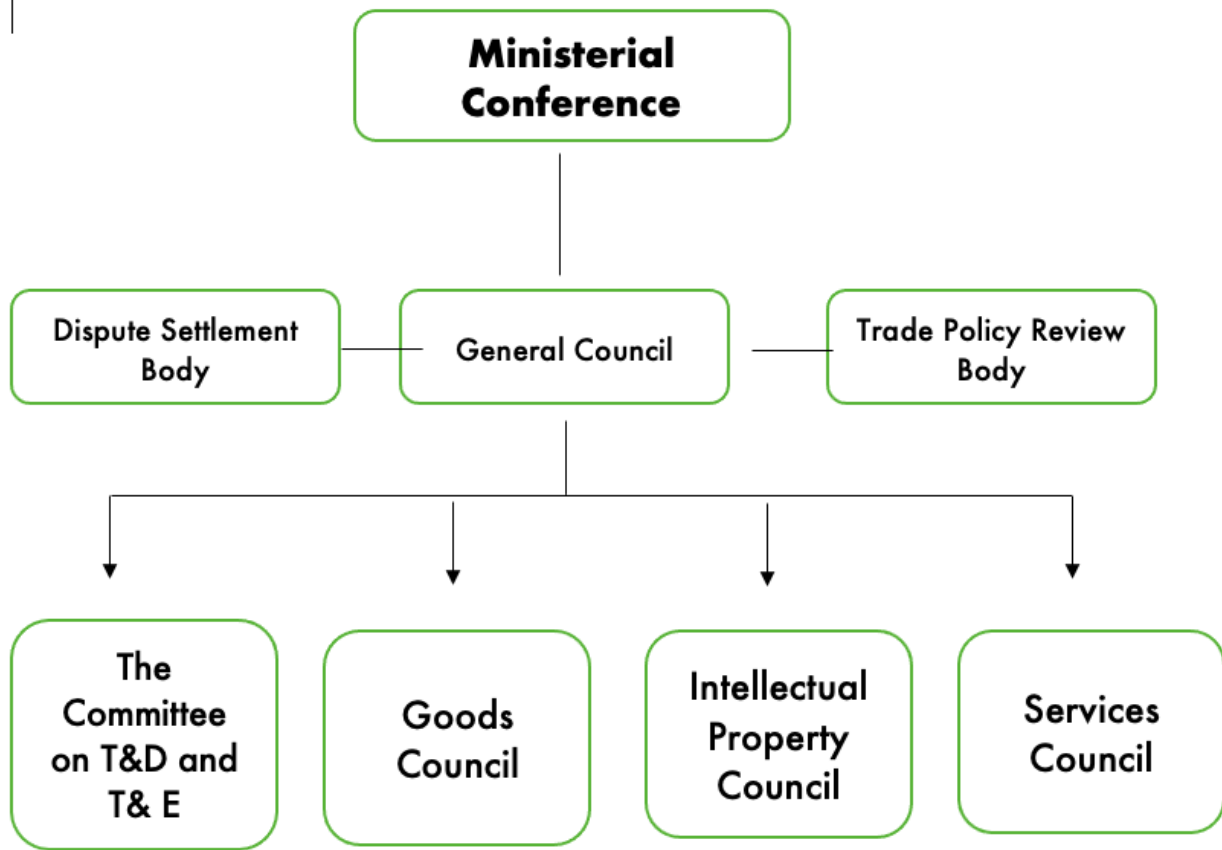
- Some other prominent members of the WTO have not hesitated in taking dubious measures aimed at restricting imports.
- There has been a push by the developed countries, particularly the US, to deprive India and many other developing countries from benefitting from **Special and Differential Treatment (S&DT)** provisions in future negotiations.
  - This concept recognizes that developed countries do not expect reciprocity from developing countries in trade negotiations.
  - In the existing agreements at the WTO, S&DT has been manifested in developing countries being required to take fewer commitments in respect of certain provisions.
- There is an attempt by about eighty countries to negotiate rules in different areas, including electronic commerce and investment facilitation. These negotiations are being undertaken without any mandate from the WTO membership.
- It is also an irony that an international organization, which attaches considerable value to transparency in international trade issues, selects its DG through a rather opaque process.

## WTO Functions

The functions of the WTO are five-fold.

- First, it facilitates the implementation, administration and operation of the Multilateral Trade Agreements.
- WTO provides the forum for negotiations among its Members concerning their multilateral trade relations.
- It provides a mechanism for settling trade-related disputes among its members.
- It administers the Trade Policy Review Mechanism with a view to achieving greater coherence in global economic policy-making.
- It cooperates with the [International Monetary Fund](#) and the International Bank for Reconstruction and Development.

## Structure Of WTO



### Conclusion

In a world of increasing inter-dependence among nations in commercial and economic relations, international trade cannot be conducted efficiently without a common set of rules applicable to a large number of countries.

## Chapter 7: The India-US H-1B Visa Issue

The US-India dispute over H-1B visas can be traced to the significant relationship between the two countries post 2000 in services trade, especially in software services and the predominance of Indian IT professionals in H-1B visas issued by the US. Due to change in immigration and labour market regulations on visa caps and fees, necessity tests, recognition of equalisations, and other discretionary policies, India faces growing mode-4 related challenges which affect cross border mobility of its service providers.

- India's share in world services exports was 3.5% in 2018 compared to 1.7% for goods exports, reflecting its relative competitiveness in services.

- In particular, India has acquired global recognition for its competitiveness in segments such as information technology (IT), business process outsourcing (BPO) and professional services, which currently constitute over 50% of India's services exports.
- An important feature of India's services exports is their reliance on certain GATS modes of supply, namely, mode 1 (cross-border supply) and mode 4 (movement of natural persons) due to the availability of low-cost, skilled manpower.
- Around 61% of India's services exports were through mode 1 while 2% were through mode 4, with modes 2 and 3, each constituting only 7%.
- There has been a gradual shift from mode 4 towards mode 1.

### **Growing protectionism in Mode 4**

- Growing protectionism in mode 4 is a matter of concern for India.
- Due to changes in immigration and labour market regulations on visa caps and fees, necessity tests, recognition of qualifications, and other discretionary policies, India faces growing mode 4 related challenges which affect cross border mobility of its service providers.
- In the US market, India's services exports have been facing growing protectionism with respect to the movement of its specialty occupation (H-1B visa holders) and intra-corporate transferees (L-1 visa holders).
  - This affected Indian IT companies which require on-site deployment and short-term movement of personnel to the US and account for the bulk of such visas granted to Indians.
- India filed a complaint with the WTO challenging the US.

There is a huge significance of mode 4 in India-US services trade, especially in IT services.

### **Overview of the Dispute**

#### **Significance of Mode 4 in India-US Trade**

- In 2018, India's IT and IT-enabled services exports amounted to \$126 billion of which 62% was to the US market.
- Within these exports, 57% was contributed by IT services, the segment which relies most on mode 4.
- India was third after Canada and Mexico accounting for 554,628 non-immigrant admissions of temporary workers and their families in the US.
- India accounted for 51% of H-1B visas and 9.2% of L-1 visas of all admissions in these two visa categories.
- Indian companies such as Infosys Limited, Cognizant Technology Solutions, Tata Consultancy Services, Wipro Limited and IBM India have been granted the vast majority of H-1B visas while Tata and Cognizant have also been the biggest users of the L-1 program in the recent past.
- India has been among the top five source countries for professional services such as healthcare, architecture, engineering, and education services into the US.
- India accounted for nearly 70% of H-1B visas issued by the US in 2019.

#### **H-1B Visas: Reforms**

- There have been several changes in H-1B related legislation over the years with regard to visa caps, application fees, eligibility conditions and processes.

#### **H-1B Criticism**

- The most common concern is that the program displaces rather than complements American workers, as loopholes and tax enforcement have led to exploitation of both visa holders and American workers.
- There are concerns regarding the wage depressing effects of the H-1B visa program also.

### **Specifics of the Dispute**

- The US-India H-1B visa dispute has its roots in these longstanding reservations about the H-1B program in the US.
- This is the first time that a WTO member has filed a formal dispute challenging the immigration laws of another member country for violating GATS principles.

### **Indian Stance**

- India has argued that the additional visa fee for selected petitioners targets Indian IT companies and is not original neutral.
- There is a perception of discriminatory treatment against Indian IT companies which has been found valid by a study by the Commerce Ministry.

### **US Stance**

- The US has contended that immigration policy is a sovereign issue that is not negotiable in the WTO.
- The US position is that this program has hurt income and job prospects of American workers, rather than bringing in the world's "best and brightest talent".
- A US Congressional Research Services report notes that although the visa fee hike does not specifically mention Indian companies, the provision has been tailored in such a way that it would impact only Indian IT companies.

### **Current Status**

- Till date, this dispute remains in consultations.
- The case has not proceeded to the formal dispute settlement phase in the WTO.
- The US measure of hiking the fee seems inconsistent with the country's GATS obligations.

### **Looking Ahead**

Meanwhile, over the past year, several changes have been proposed to further restrict H-1B and L-1 visas, which is a matter of concern. Given the economic contraction in the US, the H-1B visa program is likely to see continued protectionist challenges in the near future and India must be prepared for the same. India will have to continue emphasising the importance of transparent, non-discretionary, and predictable policies for non-immigrant visas in the US, through industry associations and government-to-government dialogues. The issue must also be brought up in discussions for a Limited Trade Deal.

## **Chapter 8: Reimagining India's Role**

India's rising global profile is reshaping New Delhi's approach to its major partnerships in the changing global order. India is charting new territory in its foreign policy on the premise that rather than proclaiming non-alignment as an end in itself, India needs deeper engagement with its friends and partners if it is to develop leverage in its dealings with its adversaries and competitors.

- Indian foreign policy vision has been evolving rapidly.
- This evolution is only natural for a nation that is rising in the global power hierarchy.
- Foreign Minister S Jaishankar noted, a nation that has the aspiration to become a leading power someday cannot continue with unsettled borders, an unintegrated region and under-exploited opportunities.

### **The Changing Indian Foreign Policy**

- Indian foreign policy is changing and will continue to evolve not only because the global environment is changing more rapidly than ever but also because India is changing.
- On the wider foreign policy front, India has been busy courting major powers and reaching out to various parts of the world.
- India's ties with the United States were passing through a difficult phase.
  - The US-India joint rally during Prime Minister Modi's US visit had the goal of reducing trade tensions with India's leading export partner.
- Apart from this, New Delhi has engaged with multiple partners and actors in the international system in an attempt to develop strategic relationships that can enhance India's profile and further its global interests, and also its interests in the neighbouring states in South Asia and the Indian Ocean region and the wider Indo-Pacific and Middle Eastern states.

New Delhi is showing signs of pursuing strategic autonomy separately from non-alignment. This separation is overdue in India's foreign policy, and the country stands to benefit from leveraging partnerships rather than shunning them. India is today well-positioned to define its bilateral relationships on its own terms without ideological crutches.

## **Chapter 9: Nepal and Bhutan**

This chapter explores the dynamics of India's relations with its two northern Himalayan neighbours, Nepal and Bhutan.

### **India – Nepal**

Cooperation in water resources has the highest potential for mutual benefit and ushering in an era of development and prosperity in Nepal, but remains constrained by over-politicisation and constitutional and policy provisions.

The India-Nepal Treaty for Peace and Friendship, 1950 marked the commencement of close bilateral economic and security cooperation.

### ***India's Development Diplomacy in Nepal***

- Despite being short of technical manpower and material resources itself, India extended development assistance to Nepal.

### ***Physical and Social Infrastructure***

- The first major project under Indian aid was the 189 km Tribhuvan Highway.
- Several major link roads and bridges were also constructed.
- The first airport in Nepal was built with Indian aid in 1951.
- Tribhuvan University, the first to be set up in Nepal in 1959, received Indian assistance for infrastructure and faculty up to the mid-1970s.
- Over the decades, India's educational scholarship programme has expanded phenomenally.
  - Nepalis have been trained in India in various disciplines including medicine for the past seven decades.

### ***Small Development Projects and Earthquake Reconstruction Assistance***

- Indian assistance also extended to various sectors including agriculture, horticulture, animal husbandry, and community development, soil conservation and industrial estates, education and health.
- Following a major earthquake in 2015, India has extended US\$1 billion as reconstruction assistance.

### ***Water Resources***

- The Kosi and Gandak barrage projects were implemented in the 1950s and 1960s
- Trishuli hydroelectric project (HEP) and transmission lines constructed under grants assistance provide electricity to the Kathmandu valley.
- The positive dimensions of the water agreements between India and Nepal are unappreciated, if not ignored, because of the over-politicisation of the issue of water resources cooperation.
- Nature has endowed Nepal with rich hydropower potential but Nepal's vacillating and often contradictory policies led to massive power cuts and continuing electricity import dependence on India.

## **India - Bhutan**

### ***India-Bhutan Treaty of Perpetual Peace and Friendship***

The Treaty of Perpetual Peace and Friendship between India and Bhutan was concluded on August 08, 1949 during the rule of King Jigme Wangchuck. It was premised on shared security interests. The treaty was updated by the India-Bhutan Treaty of Friendship signed on February 08, 2007.

### ***India's Development Diplomacy in Bhutan***

- India's development assistance to Bhutan commenced in 1961 nearly a decade after the start of Indian assistance to Nepal.

### ***Physical and Social Infrastructure***

- The Western Highway and the Eastern Highway were constructed with Indian support.

### ***Hydropower Cooperation***

- India constructed several micro hydropower projects.
- Bhutan sees cooperation with India in hydropower as a true example of a mutually beneficial relationship, providing clean electricity to India, generating export revenues for Bhutan and further strengthening the bilateral economic linkages.
- Joint projects totalling 1800 MW have been commissioned and project totalling 2800 MW are expected to be commissioned in the next three years.
- The ambitious framework agreement on India-Bhutan hydropower cooperation envisages 10000 MW generation capacity.

## Conclusion

The perception of India's aid programmes has been very different in the two countries. In both the countries, Indian assistance was premised on shared security interests and economic development was seen as a sine qua non for close friendly relations. India's development diplomacy assumed that what is good for Nepal and Bhutan is good for India.

In Nepal, despite the extensive development assistance by India, there was a consistent effort by some to belittle India's contribution although evidence shows that India's economic and development assistance to Nepal remains unparalleled in the history of development assistance from one developing country to another.

Cooperative bilateralism infused Bhutan's approach and the lack of it in the case of Nepal.

## Chapter 10: The China Factor

The evolving nature of the strategic landscape in the backdrop of actions of an aggressive and assertive China has unnerved both its oceanic and land neighbours. Covid-19 has been another game-changer in redrawing strategic, economic, political and diplomatic relations. China by its aggressive actions along the LAC has complicated matters for bilateral relations but it has also made India consolidate its views on the future of relations with China.

Three decades after the 'Look East' was changed, it is clear that it has been a mixed bag of success and failures. The present Government decided to give a new thrust to the "Look East Policy" by saying that we need to act east and accelerate the process of economic engagement.

### Opportunity Out of a Crisis

- Actions by China appear to have provided a window of opportunity for evaluating India's strategic, economic and military options in the Indo-Pacific area which houses the countries of interest to India's "Look East Policy".
- The Galwan intrusions have been a turning point in the bilateral relations of India and China.
- Despite the efforts of successive governments of India to engage with China to steer a mutually beneficial course, China has always acted against India's interests.
- China indulged in an unethical intrusion along the LAC despite the agreements that go back to 1993.

- Indian soldiers were killed by the People’s Liberation Army (PLA) drawing retaliatory action by the troops.
- China has not given up on its claims of Bhutan territory and has also been propping up Nepal against India.
- It has also invested heavily in the China PoK Economic Corridor.

**Read more on the Galwan standoff [here](#).**

### **Galwan and After**

- The Galwan intrusions have been a turning point in the bilateral relations of India and China.
- Age-old agreements about maintaining peace and tranquillity along the border were violated.
- In addition to military mobilisation, India has initiated many measures against China.
- These developments will have a long-term impact on not just the bilateral relations but also the “Act East Policy” of India.
- Under the Policy, India’s enhanced engagement with China resulted in a ‘win-win’ situation only for China which was using the market access to India to increase its share and also slowly intrude into many niche areas.
- This not only increased the trade deficit to nearly US\$60 billion but also slowly increased the dependence of Indian enterprise on Chinese funds and technology much to the detriment of India's long-term interests.

### **Actions in South China Sea and Near Seas**

- China's actions in the South China Sea have also angered the maritime neighbours who are not in a position to take on the economic and military might of China.
- Some of the actions of China include sinking Vietnamese fishing vessel, flying in the Exclusive Economic Zone (EEZ) of contested areas, conversion of reefs and rocks to artificial islands, and establishing military garrison.
- The other target is Taiwan which has defied the call for unification and has vowed to fight till the last man should there be any efforts for a cross-strait operation.

### **Global Response**

- There is palpable anger against China for the acts of discretion both during Covid-19 and also post-Covid-19 when it has tried to use the period of distress to indulge in cartographic aggression both over land and in the seas.

### **Post-Galwan Landscape**

- India has stood up to the unethical and untimely intrusion along the LAC and has the support of most of the rest of the world.
- The slew of measures has included a digital strike on various Chinese apps, prevention of Chinese companies from distress takeover of companies, and the cancellation of many contracts which favoured Chinese companies and so on.

### **Acting East in the Backdrop of China’s Intransigence**



- The major initiative of the [Belt and Road Initiative \(BRI\)](#) brought China's money to destinations from Asia to Africa to Europe.
- As evidenced by Sri Lanka and other smaller nations, it was clear there was a huge debt trap lying in wait for the countries who fell for the cheque book diplomacy.
  - A deep-water port, Hambantota in Sri Lanka had to be given away on a long lease of 99 years to China to repay some of the loans taken by Sri Lanka.

### The Unfolding Strategic Calculus

- The Covid pandemic along with China's actions brought about key changes in the Indo-Pacific area.
- India which was hesitant in moving forward with the [Quad](#) has now realised its folly of trying to be sensitive to China while China hardly ever bothered about India's sensitivities with its covert and overt support to Pakistan, vetoing proscription of Azhar Masood, prevention of admission of India to Nuclear Suppliers Group (NSG), and known reluctance to allowing expansion of the United Nations Security Council (UNSC).
- India is part of both the 'India, China, Russia triangular relations' and also the 'India, Japan and USA' group.

### Conclusion

There would be global readjustments whether it is in terms of decoupling or having new alliances to take on China which has not behaved with the maturity expected of a nation aspiring to replace the USA. India now has the opportunity to redraw the contours of its engagement with other countries and institutions and draw an independent trajectory that would help its growth, prosperity and development.

## Chapter 11: India – Russia Relations

There is ample scope for the relations between India and Russia to go deeper than what they presently are. Apart from the avenues of cooperation that exist at multilateral levels like the SCO, BRICS, RIC and [G-20](#), there is a need for more bilateral engagements and cooperation in the outer space, cybersecurity, counter-terrorism measures, exploring the Arctic region besides many new areas of mutual interest.

### India and Russia Relationship during the Soviet Era

- India's large scale industrialisation, e.g. Bhilai and Bokaro steel plants, and educational institutions such as IIT Bombay were the results of active support and cooperation from the USSR.
- The period of tight bipolarity (in which only two superpowers existed, namely, USSR and USA), camps were formed and India and other third world nations forming Non-Alignment were doubted.
- A landmark treaty was signed between the USSR and India known as the India-Soviet Treaty of Peace, Friendship and Cooperation, 1971 and the most critical part of the treaty were Articles 5 and 6 which spoke about both the countries coming to each other's aid in case of external aggression.
- The Soviet Union always supported India on the Kashmir issue in the [United Nations Security Council](#).
- It always vetoed resolutions that condemned India on the floor of the UNSC.

- Soviet leadership always gave importance to India as a leading country of the third world and leader of NAM which no western country gave.

### **India – Russia Relations in Contemporary Times**

- Prime Minister Modi visited Russia for the 20<sup>th</sup> India-Russia Annual summit and participated in the 5<sup>th</sup> Eastern Economic forum as chief guest.
- The leaders noted the progressive development of the Special and Privileged Strategic Partnership.
- Russia expressed its strong support for India's membership of the Nuclear Suppliers Group.
- Russia continues to support India's candidacy for the permanent membership of a reformed UN Security Council.
- Russia noted India's proposal to organize a global anti-terrorism conference.

### **India-Russia Relations Post Disintegration of the USSR**

- The disintegration of the Soviet Union had a profound difference in world politics
- The United States became the sole superpower. The ideological divide of the East and West also ended.
- The Indian foreign policy towards Russia also underwent a paradigm shift.
- India and former USSR were one of the largest trade partners, especially in defence supplies.
  - Approximately 70% of Indian army hardware, 80% of Indian Navy's hardware and 85% of Indian Air Force hardware were of Soviet origin.
- The Indian government had to renegotiate the terms of defence supplies with these countries as well as with Russia.
- During the existence of the Soviet Union, Indian supplies were mainly done in Indian currency.
- After the disintegration, the subsequent trade that happened created problems for India due to severe depreciation in the Rouble.
- The decade of the 90s was also a testing time for the India-Russia relationship.
  - The Nuclear tests done in 1998 ended the cryogenic deal between India and Russia because of sanctions imposed by the United States.
  - Russia went along with the US and other Western states to impose sanctions against India.
- In 2000, "The Declaration on Strategic Partnership between India and Russia" was signed which became a milestone in institutionalising relationship between India and Russia.
- Since 2000, there have been 19 uninterrupted annual summit meetings between both the countries, which were officially termed as "Special and Privileged Strategic Partnership".
- Besides the relations at the bilateral level, the two countries have also initiated interactions at the multilateral level to increase their economic and political cooperation like BRICS, SCO, etc.

### **India-Russia Relationship during the Last Decade**

- The relationship between the two states in the last decade has been full of challenges.
- India has also tried to diversify its defence purchase sources riding at the back of the Civil Nuclear Deal between India and USA which makes a distinction between India's defence nuclear needs and civil nuclear requirements.
- The emerging world and regional politics have put Russia on its back foot, resulting in a realignment of forces in the region and beyond.
- Russia and China have come closer.
- Russia has signed a defence deal with Pakistan where it has supplied four military helicopters besides having annual military exercises between Russia and Pakistan, much to the discomfort of India.

- Russia has openly supported the 'Belt and Road Initiative' (which India has refused to join for its own reasons).
- There seems to be a clash of perceptions between India and Russia over the Indo-Pacific region.

## Conclusion

There is ample scope for the relationship between India and Russia relations to go deeper than what they presently are. Both countries should work towards creating more interconnectedness through working on the transportation links like INSTC, using of the Chabahar port to transport goods to Afghanistan and Central Asia. India's participation in the development of Russia's far east is another area which warrants attention. A long and sustained relationship cannot be sustained merely on the legacy of the past and defence deals.

## Chapter 12: Relations with West Asia

West Asia occupies a pivotal position in international relations, because of its geographical location and close proximity to South and Central Asia, Europe, and Africa. India has followed a policy of nurturing bilateral ties with all the countries in the region best serving and enhancing its national interests.

### Changing Nature of India – West Asia Relations

- India's engagement with the countries of West Asia and the Gulf have been among the most intense and diverse of our foreign policy initiatives and, perhaps, the most fulfilling.
- It has now transformed into a 'Link and Act West Policy', and has seen defence and security cooperation emerging as a key pillar of the policy.
- It is towards countering terrorism and radicalisation, ensuring maritime and cybersecurity, investing in defence manufacturing, promoting greater interaction between armed forces, including joint exercises, military training and capacity building, with a strong ballast of economic and infrastructure development.

### Significance of this region

- For India, Iran is the gateway to Afghanistan and Central Asia and beyond through the strategic Chabahar port.
- The Arab states and Gulf Cooperation Council (GCC) countries are integral to India's energy security and counter-terrorism efforts, as is Israel.
- Maintaining good ties is crucial for the safety and welfare of the huge Indian diaspora in the region.
- West Asia occupies a pivotal position in international relations, because of its geographical location and close proximity to South and Central Asia, Europe, and Africa, its vital position along major sea trading routes.
- It has enormous energy resources.
- There has been chronic instability in the region, giving rise to terrorism and conflict.
- For India, the region holds enormous security implication.

### The Israel Factor

- The Abraham Agreement, signed on August 13, 2020 between the United Arab Emirates (UAE) and Israel, to establish full diplomatic relations and “normalise” their bilateral relations provides India, a close partner of both Israel and the UAE, a chance to become an important player in West Asia.
- It also is a big step towards Arab de-hyphenation of the Israel-Palestine issue, which has kept the region unstable.
- India completed that de-hyphenation process in July 2017 when Prime Minister Narendra Modi visited Israel.
- The recently-forged deal provides India with new opportunities to play a much larger role in regional security and stability in the Gulf as it not only enjoys very close ties with Israel, but has burgeoning ties of an increasingly strategic nature with the Gulf monarchies, particularly the UAE and Saudi Arabia.

## Recent Events

- In a much-appreciated gesture, India has proactively reached out to all these countries in the wake of the Covid-19 pandemic.
- Other than leveraging its economy for a bigger opening in this region, which will bolster the Indian economy's own revival efforts, ramping up security ties with the Gulf countries, with armaments sales, defence drills, intelligence sharing and anti-terrorism exercises among others will help further strengthen Indian security.
- Energy security is a major area of cooperation, from fossil fuels to renewables, food security is another important area.
- India secured access to Duqm port for military use and logistical support to bolster its maritime strategy to secure sea lanes, prevent piracy and counter Chinese influence and activities in the western Indian Ocean region.
- The bilateral Strategic Partnership Council headed by the Saudi Crown Prince and the Indian PM was formalised.
- India realises the role played by Saudi Arabia, UAE, Kuwait and Qatar in its energy security and in the well-being of the over nine million Indians living in the region, annual remittances from whom top US\$60 billion.
- The prime ministerial visits have seen a flurry of investments into India.
  - Both Saudi Arabia and the UAE are keen on investing in India’s natural gas sector and in building the Indian strategic crude oil reserve.
  - The UAE is also the first partner of India’s National Investment and Infrastructure Fund and invested US\$1 billion as the anchor investor.
- The many recent visits and agreements have fostered the exceptionally close, historic and civilizational ties with West Asia and built upon the tremendous goodwill for India and Indians in the region.
  - Over 9 million Indians live in the region and, in most countries, constitute the largest expatriate communities there.

## Soft Power

- India's 'soft power' is also clearly visible in the region; with the cultural connect of language, food, music, yoga and, of course, Bollywood movies.
- India’s democratic character, its neutrality and non-interference in internal affairs of others and goodwill towards all have allowed the PM to rely on soft power diplomacy as his key foreign policy instrument.
- Medical and health diplomacy has also gained traction in these countries, with many preferring the Indian option over more expensive western medical facilities.

## Pakistan Angle

- The way Pakistan has been distanced by the Arab nations like UAE and Saudi Arabia in forums like the Organisation of Islamic Cooperation has been another major gain for India.
- Exceptionally close intelligence, de-radicalisation and counter-terrorism collaboration with all these countries have been a hallmark of recent agreements.

India has followed a policy of nurturing bilateral ties with all the countries in the region, without getting entangled in their ideological or sectarian fault lines, best serving and enhancing its national interest.

## Chapter 13: Indian Diaspora: Major Issues and Challenges

The overseas Indian community has grown into an energetic and confident diaspora of over 25 million. The Indian diaspora is very vital to India's success and the foreign policy of India has a strong outreach to the Indian diaspora.

### Major Steps taken by the Indian Government to Handle the Issues of Diaspora

1. An online database of emigrants.
2. Indian Government has signed MoU with six Gulf countries, Jordan and Malaysia. The major intent is to enhance bilateral cooperation and employment opportunities for the protection and welfare of workers.
3. Government has also started 'Madad' portal for online lodging of grievances of the emigrants, which are attended to on priority basis.
4. Amended the rules of the PIO Card Scheme.
5. New Embassies in Latin America and African countries to help the Diaspora.
6. Bilateral engagement with US, UK to address the concern of skilled labour.

### Significance and Contribution

- It helps the transfer of knowledge resources expertise and also bridges the markets for the development of the country of origin and the rest of the world.
- Soft diplomacy was vital to the success of the Indo-US nuclear deal.
- The country of their residence also has developed due to this Diaspora. Silicon Valley, for example, represents the success of the Indians in the US.
- The Diaspora is the major source of trade investment in India.
- World Bank predicts the Indian diaspora to be the largest contributor and earner of inflows of remittances which is helping the balance of the Current accounts.

### Government Initiatives

- The Indian Government had evacuated the Indian diaspora in Yemen in 2015 through Operation "Rahat" and also from South Sudan through Operation "Sankat Mochan".
- The Pravasi Kaushal Vikas Yojana is another important programme taken by the Indian Government which promotes the growth and engagement of youth that target employment overseas.
- The "Vande Bharat" was yet another initiative of our Government to organise repatriation flights to bring back the migrant Indian diaspora especially from Doha, Kuwait, Dammam and Riyadh where more Indians have migrated and wanted to come back home.

## Issues Faced by Indian Diaspora

### West Asia

1. Low oil prices are resulting in job cuts for Indians.
2. Rising conflicts and instability.
3. Competition from skilled labour from the Philippines and cheap labour from Nepal.
4. Regressive and medieval policies like “Kafala” labour system.

### US, Canada & UK

1. Discriminative practices owing to a racist, colonial mindset.
2. Stricter H-1B visa norms in the US Congress.
3. Revision of visa norms in UK post-Brexit might hit the Indian diaspora hard, especially the IT professionals.
4. Cultural integration due to various eating preferences, consumerism and nuclear society.

### Indian Diaspora: During Covid-19

- The Covid-19 pandemic has played havoc with the lives of Indians overseas. Some have lost their jobs while others are in fear of losing them.
- Most NRIs get trapped into the vicious circle of work-life that cause professional priorities to overtake family relationships while others get trapped into the immigration issues so deeply that their life becomes a series of sacrifices.
- Despite their struggles, the overseas community has grown into an energetic and confident diaspora of over 25 million.
- The diaspora’s many contributions to knowledge transfer and investment cannot be underestimated.

### Way Forward

- The already affected migrants and diaspora need to be ensured to feel welcomed back home on arrival and there needs to be an easier process of immigration and customs clearances.
- The Government needs to address the problems of blue-collar workers working overseas.
- The Indian diaspora has been a pride of India. The diaspora’s financial and intellectual capital must be cashed by India and the major challenge before India is how it can tap this for mutual benefit.

## Chapter 14: Internationalisation of Higher Education

The 21st-century global-knowledge society has now necessitated redefining the whole concept of internationalisation of higher education with regards to its impact on policy and practice as more and more countries engage in the process. One can clearly see a strategic shift towards promoting borderless education in higher education.

### The Context: Global & Indian Perspective

- In the last decade of the 20<sup>th</sup> century, the rapid globalisation and regionalisation of economies, endowed with the requirements of the knowledge economy, created a huge push towards the internationalisation of higher education.
- Some of the key elements that the last three decades have witnessed are mobility and exchange of students, scholars and faculty, collaborative/twinning programs, and reputation building and branding of universities and higher educational institutions (HEIs) through global and regional rankings.
- The number of international students in the global higher education ecosystem in the last ten years (2010 - 2020) has doubled to 5 million.
- USA and UK led the internationalisation of higher education to attract talent pool from across the world that added invaluable diversity of knowledge, content and culture in the universities leading to cutting-edge research and innovation.
- Realising the value of internalisation of higher education, Canada, Australia, China, Singapore and several other countries have also given a thrust to this.
- The Indian higher education sector is the largest education system in the world in terms of institutions, however, it is paradoxical that our top talent goes to the developed countries to study, innovate, carry out research and add intellectual as well as economic value to these countries.
- But we have not seen many overseas students coming in to study in India.
  - An estimated 7,00,000 Indian students are studying abroad (of which around 50% study in North America) to just about 47,427 international students coming to India.
  - The maximum share of students come from neighbouring countries with Nepal contributing 26.88% followed by Afghanistan (9.8%), Bangladesh (4.38%), Sudan (4.02%), Bhutan (3.82%) and Nigeria (3.45%).
- The reason for a large number of Indian students going abroad to study can be attributed to the large young population base in the country, supply-demand gap of quality higher education, aspirations and career growth prospects and quality of life available in developed countries.

## Types of Educational Exchanges

One of the significant aspects in the post-economic liberalisation was the signing of the General Agreement on Trade in Services (GATS) under the WTO in 1995, which identifies education as a 'service to be liberalised and regulated by trade rules.'

## Recent Initiatives

- Over the years, the policymakers have taken steps towards internationalisation and have framed policies to promote Indian higher education overseas.
- The General Cultural Scholarship Scheme (GCSC), implemented through the Indian Council for Cultural Relations (ICCR), encourages student mobility by providing scholarships to countries from Latin America, Africa and Asia.
- The Global Initiative for Academic Networks (GIAN) promotes interaction between scientists, entrepreneurs and students internationally.
- The Connect to India programme by MHRD encourages student mobility by offering short-term programmes.
- Several countries have also taken initiatives to promote internationalisation through students and faculty exchange programmes, academic and research collaborations in different disciplines.
- Some key initiatives include UK-India Education and Research Initiative (UKIERI), the Generation UK India initiative, the Indo-US 21<sup>st</sup> Century Knowledge Initiative, the Fulbright-Nehru programme and the Scheme for Promotion of Academic and Research Collaboration (SPARC).

- In 2018, "Study in India" program was launched to project India as a higher education destination by attracting and facilitating inward mobility of foreign students from 34 target countries.
- The recently released National Education Policy (NEP) 2020 has clearly emphasised the need to achieve global standards of quality in Indian higher education both in class and distance learning modules.

### **Suggested Way Forward**

The government must ensure a strong ecosystem of internationalisation across the length and breadth of the country.

### **Robust Framework for Collaboration with Foreign Universities & Export of Education Services**

1. Provide autonomy to Institutions of Eminence (IoES) and high NAAC rated/NIRF ranked institutions to design and run online programs for foreign students.
2. Top NIRF & NAAC ranking Indian Universities should be encouraged to develop joint online programs with top 500 foreign universities with appropriate credits.
3. The cap on the intake of international students should be raised from the present 15% to 25% on supernumerary basis.
4. Establish Indian Network for Internationalisation of Education (INIE) that will be in the form of a consortium of universities that are ahead in internationalisation.

### **Robust Study in India (SII) Program**

The "Study in India" program needs to be executed strategically on a mission mode by engaging relevant stakeholders. Key recommendations for its effective implementation are:

1. Appoint an education counsellor at every Indian embassy abroad in order to help promote Indian higher education and the benefits of studying in India.
2. Create a strong scholarship programme.
3. Develop "student cities" that should be safe along with adequate infrastructural and logistical support.
4. Develop niche programmes in the areas that India has expertise in, such as life sciences, space sciences, and creative disciplines.
5. Create a framework to map the credits of Indian programmes with a global framework so that there is a seamless mobility/transfer of credits.
6. Effective industry engagement for apprenticeships and employment, safe and secure living environment, state-of-the-art infrastructure, etc.

### **Sustained Promotion of Indian Higher Education Abroad**

1. The NEP 2020 suggests setting up a legislative framework to promote top 100 foreign universities to set up campuses in India and vice versa.
2. Promote Indian Higher Education regularly in global education fairs like NAFSA.

### **Facilitating Cross Mobility in Medical Sector**

- Foreign medical students and doctors should be encouraged to educate and practice in India.
- The 1.2 million doctors of Indian origin living abroad should be invited to practice in India at least for a few weeks and carry out teaching/mentoring programmes and leadership training.



- Collaborative programs with various countries between healthcare institutions and universities at UG and PG levels should be organised.

## Chapter 15: National Recruitment Agency (NRA)

The Union Cabinet approved setting up of the NRA on August 19, 2020, with the vision of creating a specialist body, bringing state-of-the-art technology and best practices to the field of Central Government recruitment. It is a path-breaking reform with far-reaching benefits for millions of job aspirants in the country.

### Current Scenario

- Currently, more than 20 Recruitment Agencies, including Staff Selection Commission (SSC), Railway Recruitments Boards (RRBs) and Institute of Banking Service Personnel (IBPS) invite applications and hold recruitment tests for various Group 'B', Group 'C' and equivalent posts separately.
- Job aspirants have to apply against each such recruitment notification and take multiple tests separately.
- Candidates have to endure separate fees for each application and multiple travels to examination centres.
- At times, the examination dates also clash.
- Preparing for different syllabi for each exam increases their difficulties and stress.
- SSC and IBPS conduct the exams only bi-lingually in English and Hindi.

Replication of huge financial, infrastructural and other resources delays their exam cycles inordinately, harming both the candidates as well as the departments where vacancies are not filled up for a long time.

### Launchpad for NRA

NRA is coming up at an opportune time when the conventional government recruitments are transforming with the help of technology. In the past few years, various Recruitment Agencies have embarked upon a number of digital solutions to improve outreach, speed, transparency and security of examinations.

Some of the initiatives and improvements are listed here:

1. Linguistic Inclusion
  1. RRBs have started administering tests in 16 Indian languages.
2. Digitalisation of the Recruitment Processes
  1. Digitalisation of the recruitment process has already been undertaken by IBPS, RRBs and SSC.
  2. RRBs started Computer-Based Tests – CBTs (commonly called as online tests)
3. Geographical Outreach

### Digital India Mission Initiatives: Umbrella Ecosystem

NRA will also draw upon the strengths of several far-reaching initiatives of Digital India Mission. The Mission envisages covering all 2,50,000 village Panchayats through National Optic Fibre Network (NOFN) and providing mobile connectivity.

## Salient Features of NRA

### *Proposed Structure*

- NRA will be a multi-agency body, a Society under the Societies Registration Act, 1860. It will have a 10-member apex Governing Body. It will have seven functional verticals including Examinations, IT Solutions and contact development.
- NRA will have six Regional Offices.

### *Candidate-Centric Features*

- 1. Single Platform for Multiple Posts**
  1. Under the NRA, the candidates by appearing in one examination will get an opportunity to compete for many posts.
- 2. Common Application Portal**
  1. Candidates will fill a single online application on this portal.
- 3. Common Eligibility Tests (CETs)**
  1. Instead of separate recruitment tests by different agencies, there will be Common Computer-Based Eligibility Tests (CETs).
  2. A single examination will reduce the financial burden and stress of candidates to a great extent.
- 4. Benefits to Recruiting Agencies: Shortening the Recruitment Cycle**
  1. A single eligibility test would significantly reduce the recruitment cycle and will lead to huge saving of resources currently being incurred.
- 5. BI-annual CETs**
  1. NRA proposes to conduct two CETs every year for each level of Graduation, Higher Secondary and Matriculation
- 6. Subsequent Stages for Final Selection**
- 7. Validity of CET Scores**
  1. CET scores shall be valid for three years.
- 8. Opportunity to Improve Scores**
  1. CETs will not be a onetime make or break event for the candidates. They will get several opportunities to improve their scores.
- 9. Standardised Testing**
  1. Under NRA, curriculum, exam pattern and standards of CETs would be uniform.
- 10. Taking Recruitments to Candidates' Doorstep**
  1. NRA will set up Examination Centres in every district of the country, with special focus on 117 Aspirational Districts.
  2. It would greatly enhance exam access to the candidates located in far-flung areas thereby, enhancing their representation in Central Government jobs.
- 11. Scheduling Tests and Choosing Centres**
  1. Candidates would have the facility of registering on a common portal and give a choice of Centres.

## Outreach Initiatives by NRA

- 1. Multiple Languages**
  1. The CET would be available in 12 Indian languages, including English.
- 2. Scores – Access to Multiple Recruitment Agencies**
- 3. Mock Test for Candidates from Rural and Backward Areas**

## Conclusion

NRA comes with path-breaking reforms which will help crores of aspiring youth aspiring to embark on a new career path.

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