

International Relations This Week: Episode 73

International relations is a very important segment of the [UPSC syllabus](#). In this series, we present an analysis of the most important international issues and developments that occurred over the past week relevant for the IAS exam. In this article, you can learn more about Prime Minister Modi's foreign visits and other important events in Sri Lanka and China.

Video link: <https://youtu.be/zOCBELYSC48>

Introduction

The dynamics of international relations are changing at a faster pace. There are enough opportunities for India to promote its national interests with its expanding global influence. The important developments in different parts of the world impact India's foreign policy. The emerging issues also direct the fate of India's bilateral relations with those regions.

In the transforming trends of geopolitics, the highlights of the Sri Lankan crisis, developments in the United Kingdom, and developments in China occupy a significant place.

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1. PM Modi's Recent Foreign Visits

The government of India has engaged in high-level Prime Ministerial visits to important geographies that involved negotiations, discussions and agreements, promoting India's interests. These visits are potential components to strengthen India's diplomatic ties and trade relations with different parts of the world.

The visits by the Indian Prime Minister to the countries of the [European Union](#) focused on understanding the emerging issues of the region as a consequence of the Russia-Ukraine conflict and their implications for India's interest.

Prime Minister's Visit to Germany:

Context: The Prime Minister of India paid a visit to Germany in an attempt to offer impetus to the bilateral relationship that India shares with Germany and take it further.

Overview of the Visit:

- The Prime Minister's visit to Germany entailed discussions on key areas of development and strategic partnership.
- A ceremonial welcome at the Federal Chancellery in Berlin was offered to the Prime Minister of India.
- The Indian Prime Minister was accorded the Guard of Honour.
- The leaders of both nations indulged in a one-on-one format discussion followed by delegation-level talks.
- Germany has been the first leg of Prime Minister Modi's [three-nation Europe trip](#).
- The German Chancellor and the Indian Prime Minister co-chaired the 6th India-Germany Inter-Governmental Consultations (IGC).
- IGC is a unique biennial format which India conducts only with Germany.
- This consultation programme facilitates the identification of priority areas for the bilateral partners for the medium and long term.
- India and Germany commemorated 70 years of diplomatic relations in 2021 and their strategic partnership started in the year 2000.
- The Government of India has put enormous efforts into convincing Germany about its dependence on Russia for defence purchases and its support in the [UNSC](#) along with the recognition of Germany's energy dependence on Russia.

Read more about the recent developments in [India-Germany Relations](#) in Perspective, Sansad TV.

2. 2nd India-Nordic Summit

Context: The Prime Minister of India attended the 2nd India-Nordic Summit 2022 that was held in Denmark and primarily focused on the post-pandemic economic recovery and other important issues of the world.

The Nordic Region:

- This region comprises Denmark, Norway, Sweden, Finland and Iceland as well as the Faroe Islands, Greenland and Aland.

- Denmark is one of the Nordic countries that is situated in the extreme south and is a small and densely populated country in the Nordic region.
- These countries share a commonality in terms of their way of life, history and social framework.
- These countries have reflected considerable progress and remarkable results in several parameters of national performance, education, inclusion, economic competitiveness, civil liberties, quality of life and human development.
- Some of their well-known policies include a mixed market economy, strong labour unions, an approach to universal welfare and enhanced social mobility.

Explore the details about [Nordic Council](#) in the shared link.

The 2nd India-Nordic Summit: Important Elements

- The summit commenced with the objective of boosting India's multifaceted cooperation with the Nordic region in the areas of clean technology, emerging technology, investments, Arctic research and so on.
- This Summit also assessed the progress of the India-Nordic relationship since the 1st India-Nordic Summit which was held in Stockholm.
- The Indian Prime Minister offered a warm welcome to the Nordic countries to invite sovereign wealth funds and investments in key sectors in India.
- Areas of discussion surrounded:
 - [Blue Economy](#) sector
 - Sagarmala Project
 - [India's Arctic Policy](#)
 - Climate Change
 - Sustainable development
 - Digitization
 - Green and Clean growth

What is meant by Nordic?

- The word Nordic is derived from a Scandinavian word called 'Norden' which means "the northern islands".

3. The NATO Expansion

- Finland and Sweden have applied for membership in [NATO](#) in the wake of the Russian invasion of Ukraine which has changed the entire fabric of geopolitics.

- This substantial move by Finland and Sweden is anticipated to reshape the security map of Europe.
- This membership will offer NATO considerable expansion and influence on the long frontiers of western Russia (Finland and Russia share a 1300 km border).
- Experts believe that [Russia's invasion of Ukraine](#) has triggered the extension of NATO across Europe.
- Additionally, Sweden's island of Gotland in the middle of the Baltic Sea would provide NATO with a strategic advantage.
- The admission of Finland and Sweden will surround the Baltic Sea (Russia's gateway to the North Sea and the Atlantic Ocean) by the members of the western security alliance - Finland, Estonia, Latvia, Lithuania, Poland, Germany, Denmark and Sweden.
- The NATO membership of Finland and Sweden has exemplified a change in the foreign policy of the two countries from their long history of neutrality since the [Cold War](#) days.

Finlandisation:

- Finland decided to maintain neutrality with both the superpowers (the US and Russia) after the end of the Cold War and the [disintegration of the Soviet Union](#).
- Therefore, Finland refused to join NATO.
- With the progressive flow of time, Finland developed a model which is famous as "Finlandisation".
- Finlandisation refers to the policy of strict neutrality between Moscow and the West that Finland followed during the decades of the Cold War.
- This policy is based on the principles of neutrality that were formulated in the Agreement of Friendship, Cooperation and Mutual Assistance that Finland signed with the then USSR in 1948.
- Amidst the ongoing crisis in Ukraine, the policy of Finlandisation was advocated by many leaders.

To understand more about NATO Expansion, watch the video here:

Video link: <https://youtu.be/v6VSCQACyo8>



Image source: www.economist.com

4. Reforming Neighbourhood Relations

- The emerging developments in India's neighbourhood have resulted in the transition of its neighbourhood policy into a more consensual, conciliatory and amicable one.
- The [Prime Minister's visit to Lumbini](#) in Nepal on the occasion of Buddha Purnima has been a remarkable testimony of a transforming approach to India's neighbourhood policy. This visit has

been construed as an attempt to promote cultural diplomacy and embolden an influence in the region that is in favour of national interests.

- With the gradual progress of time, the muscular approach did not work well as the central dogma of India's neighbourhood policy.
- Therefore, a prominent transition was witnessed in New Delhi's approach to a more consensual, conciliatory and amiable neighbourhood policy.
- The new approach intended to promote the national interest in the region through **soft power diplomacy**.
- The transition is also backed by the fact that the neighbouring democracies like Myanmar, Nepal, Afghanistan, Pakistan and Sri Lanka have undergone non-electoral policies that have an influence on India's national interests.
- New Delhi abandoned its uniformly muscular "one size fits all" approach to the region.
- In the case of Myanmar, the government of India continued its engagement with the military junta that overthrew the National League for Democracy (political outfit led by Aung San Suu Kyi).
- Keeping its neutral stance intact regarding the ongoing developments in the neighbourhood, especially with respect to Pakistan and Afghanistan, India has tried to strengthen its diplomatic ties in the region.
- The visit of Prime Minister Modi to Lumbini has been a testimony of India's intent to advocate the doctrine of friendship in the neighbourhood and its attempt to promote cultural diplomacy. This was a welcoming move to better the [India-Nepal](#) relationship.

Friendly approach of the Government of India:

- The emerging friendly approach towards neighbouring countries entailed high-level visits, trade agreements, collaborations in developmental and infrastructure projects, and extension of lines of credit.
- India's compassionate behaviour towards its friendly neighbours like Bangladesh, Bhutan, Nepal and Myanmar was exemplified during the pandemic through the delivery of vaccines.
- India has been active in extending humanitarian aid to its neighbouring countries.
- Financial assistance along with the supply of essentials from India was rendered to Sri Lanka during the ongoing crisis in the island country.

Way towards a sustainable neighbourhood relationship:

- It is an emphasised demand that the Government of India must explore new avenues to energise regional groupings or provide more impetus to the existing grouping like [BIMSTEC](#).
- There must be efforts, according to the experts, to revamp [SAARC](#) in order to promote economic prosperity through
 - Tourisms
 - Exports

- Labour exchange
 - Building common pools of food and fuel
 - Mitigating inflationary blows on the South Asian economy
 - Strengthening cultural networks
- It is envisaged that for a better understanding of future challenges rattling India's policy, the government should not only analyse the implications of changes in the socio-economic and political dynamics of neighbouring countries but also assess and consider the notion of the neighbouring countries towards India.
- A consensus within the South Asian region will contribute to a stable and prosperous region.

5. Prime Minister's visit to France

- The Indian Prime Minister, on a three-day Europe visit, met the French President Emmanuel Macron in Paris during the final leg of his tour.
- Bilateral and global issues were discussed to galvanise their interests, particularly security interests that are on the brink of threat from expansionist activities.
- The physical presence of France in New Caledonia and in the [Indo-Pacific Region](#) enables the sharing of a perspective with India to tackle China's aggression in the Indian Ocean region and in the South China Sea.
- The friendship between India and France spans multiple developmental sectors.
- The visit emphasised strengthening the military collaboration between India and France by expanding their strategic partnership.
- A joint statement was issued on Russia's aggression against Ukraine.
- Both countries conveyed their unswerving commitment to a coordinated, multilateral response to address the risk of food crisis due to the conflict in Ukraine.
- India and France will work closely towards the **FARM** (Food and Agriculture Resilience Mission) which aims at ensuring functioning markets and food security with long-term resilience.

Read more about [India-France Relations](#) in the linked article.

6. Sri Lankan Crisis

Context: Sri Lanka is confronted with a historic economic crisis accompanied by public unrest and suffering that demand effective measures.

An overview of the Lankan Crisis:

- It is considered that Sri Lanka's massive economic crunch possesses a prominent political flavour behind it.
- This is perhaps the root cause of people's agony against the government led by Gotabaya Rajapaksa whose leadership has been questioned on the grounds of accountability and credibility.
- To tackle the public outrage, the President of Sri Lanka issued a 36-hour curfew which many protestors refused to agree with.
- A National Emergency was imposed by the President and that ignited further protests and was criticised by the opposition leaders. Consequently, the emergency was revoked.
- There exist long lines of fuel, cooking gas, and essentials in inadequate supply along with long hours of power cuts.
- As the ruling political leadership failed to sustain the trust of the people, many leaders resigned from their posts with 41 lawmakers walking out of the alliance of the ruling party.

Possible Causes of the Crisis:

- According to experts, economic mismanagement and lack of credible financial policies are the fundamental causes of the ongoing economic crisis.
- Certain mismanagements have led to a twin deficit that includes a budget shortfall which means the country's national expenditure has exceeded its national income and a [Current Account Deficit](#).
- The country's foreign exchange reserves have fallen by 70% and were reduced to \$2.31 billion leaving Sri Lanka battling to import essentials including food and fuel.
- Deep tax cuts promised by Rajapaksha during the election campaign in 2019 and their enactment have wiped out a major chunk of the economy.
- The pandemic also contributed to the downgrading of Sri Lanka's lucrative tourism industry and foreign workers' remittances. This prompted the credit rating agencies to keep the country out of international capital markets.
- The government's decision to ban all chemical fertilisers affected the farm sector and triggered a drop in the production of critical rice crops.
- The international sovereign bonds constitute Sri Lanka's largest share of foreign debt at \$12.55 billion with Asian Development Bank ([ADB](#)), Japan and China among others.
- The [IMF](#) in its review reports asserted that Sri Lanka's public debt has risen to a steep height at unsustainable levels and the foreign reserves were insufficient for near-term debt payments.
- **The government has overlooked the economic crisis from a very early stage** and refrained from seeking assistance and advice from the experts of the IMF. The situation worsened as the oil prices rose considerably due to Ukraine's invasion by Russia.

Helping hand to Sri Lanka:

- In the moment of crisis, both India and China have extended their support to Sri Lanka.

- A diesel shipment under a \$500 million credit line has been signed with India and will arrive to meet the fuel demand.
- A \$1 billion credit line for importing essentials including food and medicine has been signed between India and Sri Lanka. A request for another \$1 billion has been put forth by Sri Lanka to New Delhi.
- China has provided the Central Bank of Sri Lanka with a \$1.5 billion swap and a \$1.3 billion syndicated loan to the government.
- Apart from this, a credit facility of \$1.5 billion and a separate loan of up to \$1 billion have been assured from China's end.

Read more about [Sri Lankan Crisis](#) in Perspective, Sansad TV.

7. Developments in UK

Context: Local Body elections were held in the United Kingdom.

Exploring more:

- The Conservative Party of the UK has witnessed a terrific loss in the local body elections.
- The massive defeat of the Conservatives in Scotland and Northern Ireland has been absolutely unprecedented.
- Sinn Fein became the first nationalist party to take control of the Northern Ireland Assembly in its 101-year history.
- This exemplifies the disagreement of the people and representatives on the leadership of Prime Minister Boris Johnson with a significant loss of faith.
- There is a possibility that the incumbent Prime Minister might have to demit the office.
- The declining spark of the existing Prime Minister's leadership is backed by the series of scandals that surrounded him and his political party. For example, the partygate scandal that involved 12 illegal gatherings by the Conservative Party during the lockdown, invited criticism of his leadership and accountability.
- Experts envisaged the reassessment of [Brexit](#) and the reassessment of the leadership of Boris Johnson.

India's Interest:

- India always anticipated a separate space for a new beginning of a friendship with the United Kingdom after Brexit.
- However, the ongoing internal disputes in the UK and the events of its compromised leadership, make India sceptical to invest and indulge in trade ties with the country.

Read more about the recent developments in [India-UK Relations](#) in Perspective.

8. Developments in China

Context: China has declared that its economy is growing at the rate of 4.5% or more. This figure is more than for any country hit by COVID-19 trying to recover the economy.

Important highlights:

- International analysts are eager to assess the actual growth rate of China's economy in the post-pandemic period.
- Analysts reported that the actual figures for China's growth rate are lower than the quoted figure.
- It cannot be denied that the economic pace of China is encouraging for the rest of the world.
- A majority of the world's supply chain dependence rests on China.
- On the other hand, China is faced with another wave of COVID infections and the country is following an interesting policy of zero COVID tolerance.
- According to the **zero COVID tolerance policy**, if a case is identified in an area the entire locality undergoes a lockdown and the people are provided with the essentials at their doorstep but are not allowed to step out unless the infection rate drops to zero.
- This poses an enormous challenge to the country's economic activities.
- In such a scenario, China's economic recovery and a steady progress are open to serious questions.
- Despite the massive progress of China in terms of infrastructure development, the Chinese companies have been alleged of being corrupt with a degrading quality of buildings that have collapsed.

Possible Inference:

- The **zero COVID tolerance policy** is seemingly not feasible and sustainable for retaining steady economic growth in China.
- As India's trade with China has expanded even at the peak hours of hostility in the border areas, China's economic recovery is essential for serving India's interests.
- Therefore, it becomes extremely important to analyse the implications of the new COVID infections in China that tend to disrupt the trade network and supply chain.

Conclusion

Balancing the Future:

- The government of India has engaged in high-level Prime Ministerial visits to important geographies that involved negotiations, discussions and agreements, promoting India's interests.
 - These visits are potential components to strengthen India's diplomatic ties and trade relations with different parts of the world.
 - With a profound understanding of its own interests in terms of strategic partnership, economic collaboration, green energy, energy security, climate change concerns, scientific explorations, cultural networking, stable and friendly neighbourhood, and shared prosperity, India must adopt a balanced approach amidst the rapidly changing dynamics of international relations.
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