

International Relations This Week: Episode 95

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 G20 & India's Presidency, 'No Money For Terror' Conference, Friendshoring, Moscow Format Talks on Afghanistan and Operation Claw-Sword.

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1. G20 & India's Presidency

Context: Prime Minister Narendra Modi formally received the baton of the Presidency of [G20](#) for 2023 from Indonesian President Joko Widodo at the conclusion of the 17th G20 Summit in Bali on 16 November 2022.

Significance of India's G20 Presidency:

- During the course of its G20 Presidency, India will host about 200 meetings in 32 different sectors in multiple locations across India.
 - The G20 Leaders' Summit at the level of Heads of State/Government is scheduled to be held on September 9 and 10, 2023 in New Delhi.
- This term can be an opportunity for India to share its expertise with the world in areas of women empowerment, democracy and digital technologies.
- As a country with core democratic values, India can show the world that the scope of conflict can come to an end when democracy becomes a culture. This gains significance amidst the ongoing [Russia-Ukraine conflict](#).
- India's foreign policy is focusing on the 'global common good'. Through its G20 leadership, India hopes to extend this principle towards finding sustainable solutions to

some of the key global challenges emerging out of the interconnectedness of the world, such as climate change, new and emerging technologies, food and energy security, etc.

- The Presidency of the G20 rotates every year among members, and the country holding the presidency, together with the previous and next presidency-holder, forms the 'Troika' to ensure the continuity of the G20 agenda.
- During India's Presidency, Indonesia and Brazil along with India would form the G20 Troika.
 - This would be the first time when the Troika would consist of three developing countries and emerging economies.
 - It is hoped that as a result there would be a shift in the balance of power within the G20 favouring emerging economies to have a greater share in decision-making at this grouping.
- The G-20 Presidency presents a great opportunity for India to correct the long-standing anomalies that go against developing countries, especially in the domain of agriculture and food subsidies.

Challenges:

- G20's credibility has taken a hit in the last few months due to an internal rift over the Russia-Ukraine conflict. As India takes on its presidency, it has to address these differences and find innovative solutions and build bridges.
- India has to chalk out an agenda that has the unanimity of all the members. Internal governance reform is needed to give thrust to inclusiveness and unity.
- India has to work with developed countries with respect to climate financing. The developed countries have to be nudged for the transfer of clean technologies and renewable energies to medium and low-income countries.
- Amongst the many impacts of the pandemic, a major long-term impact is increasing global public debt and [inflation](#). The global public debt has reached an unprecedented high of 256 percent of the GDP. Global lockdowns led to supply chain disruptions; this coupled with relief funds from governments induced demand spikes resulting in inflationary pressures.
 - The Ukraine war and the resultant supply chain disruptions have further added to the inflation.
- High public debt and inflation are two major deterrents to any economy, pushing the country into stagflation, increasing the risk of a sovereign debt crisis, unemployment, and decreasing the ability to respond to shocks.
- India in its G20 presidency has a colossal balancing role to play. India's priority areas include tackling ballooning public debt, rising inflation, carrying forward the ongoing Indonesian agenda towards health, digital transformation, green transition, and overall macroeconomic coordination.

- Other challenges include taking measures to ensure global food security and a clear-cut G20 policy on the Russia-Ukraine war.
 - At a time when there are mounting calls to expel Russia from the forum, India has to talk tough on a “code of conduct” for all G20 members and see to it that it is enforced.

2. ‘No Money For Terror’ Conference

Context: The Third Ministerial Conference on Counter-Terrorism Financing was held in New Delhi.

No Money for Terror Conference:

- The “No Money for Terror” conference was started in 2018, as an initiative of France.
- France, which was subjected to one of the deadliest Islamic State/ISIS attacks in 2015 held the first NMFT conference in April 2018.
- Continuing activities of the Islamic State and Al Qaeda, despite territorial defeats in Syria-Iraq and Afghanistan respectively, necessitated the NMFT conference.
- The idea behind the NMFT ministerial conference is to share expertise and good practices in combating terror financing that can be implemented internationally.
- NMFT is complementary to the [Financial Action Task Force \(FATF\)](#) as the latter is membership-based while NMFT is ministerial.
- In 2019, the conference was held in Australia and assessed terror financing risks, especially in the context of the Indo-Pacific.
- It was to be held in India in 2020 but was postponed due to the Covid-19 pandemic.

Agendas:

- The 2018 Conference discussed “traceability and transparency of non-profit organisations (NPOs) and charitable funds” and the complete criminalisation of terrorism financing.
- The 2019 conference Identified “kidnapping for ransom” and “emerging technologies” such as digital and cryptocurrencies, stored value cards, online payment systems and crowdfunding platforms as new channels through which terrorism may be financed.

2022 Conference:

- It was attended by about 450 delegates from across the world, including Ministers, Heads of Multilateral organisations and Financial Action Task Force (FATF) Heads of Delegations.

- During the Conference, deliberations were held in four sessions with the focus on:
 - Global Trends in Terrorism and Terrorist Financing.
 - Use of Formal and Informal Channels of Funds for Terrorism.
 - Emerging Technologies and Terrorist Financing.
 - International Cooperation to Address Challenges in Combating Terrorist Financing.

India's Stand at 'No Money For Terror' Conference :

- The Prime Minister of India warned against any ambiguity in tackling terrorism and said that there is no good terrorism and bad terrorism as it is an attack on humanity, freedom and civilisation.
- The Prime Minister also highlighted the importance of adopting a uniform, unified and zero-tolerance approach to combat terrorism.
- India has proposed a permanent secretariat for "No Money for Terror" to sustain the continued global focus on countering the financing of terrorism.
- India reiterated its position that all countries will have to agree on one common definition of 'terrorism' and 'terror financing', adding that it "should not become a political issue."
- India has also called for the prevention of the use of NonProfit Organisations (NPOs) to spread terror Ideology.
- India called for strong cooperation between the [United Nations Security Council](#), Financial Action Task Force, Financial Intelligence Units, and the Egmont Group in the prevention, detection and prosecution of illegal fund flow.
- India alerted that terrorists should not be allowed to misuse differences in legal principles, procedures and processes in different countries. This can be prevented through deeper coordination and understanding between governments with joint operations, intelligence coordination and extradition.
- India also stressed the need for a uniform understanding of new finance technologies due to the changing dynamics of terrorism in light of advancing technology.
 - New kinds of technology are being used for terror financing and recruitment. Challenges from the dark net, private currencies and more are emerging.

3. Friendshoring

Context: Recently, the US Secretary of Treasury pushed for "friendshoring" to diversify trade away from countries that are currently at geopolitical risk.

Introduction:

- Janet Yellen, Secretary of the U.S. Treasury, was in India to promote “Friendshoring” to protect supply chains from unreliable countries like China and Russia.
- The U.S. had pitched its friendshoring strategy to India, seeking to align trade and investment within a group of countries with shared values, in an apparent attempt to cut the role of China.
- China’s zero-COVID policy caused major disruptions to companies operating there. Russia’s invasion of Ukraine threw global supply chains into chaos.
- Friendshoring is a concept that aims to encourage trade and deepen economic relations among trusted trading partners and strengthens supply chains.
- In the post-pandemic world disturbed by geopolitical headwinds, the concept emerged as an alternative model for international trade.

Background:

- For the US, Russia has long presented itself as a reliable energy partner, but in the Ukraine war, it has weaponized gas against the people of Europe.
 - This showed how malicious players may use their market positions to try to influence geopolitics or obstruct trade in order to benefit themselves.
- At the start of the [COVID-19 pandemic](#), the US was struggling to navigate the complex sourcing for essentials like HIV medications and malaria vaccines.
- The experience led the US to focus its attention on the fragility of global supply chains and how they could be safeguarded.
- The US pushed its companies to focus on making products at home (“reshoring” or “onshoring”), closer to home (“nearshoring”) or in countries aligned with US interests — a concept that lacked an established term but was tentatively called “allied shoring”.
 - The US relies for semiconductors on Taiwan, which is under threat from China, so it has stepped up engagement with South Korea.

What is Friendshoring?

- Friendshoring or “allyshoring” is a strategy where a country sources the raw materials, components and even manufactured goods from countries that share its values.
- The dependence on the countries considered a "threat" to the stability of the supply chains is slowly reduced.
- The US now uses ally-shoring as a tool to persuade companies to relocate their sourcing and manufacturing operations to friendly shores—often back to the same shores in the US's case.
- The goal of friendshoring is to protect supply chains from less compatible countries, such as China in the case of the US.

Impact of Friendshoring:

- Friendshoring will help India in strengthening its relationship with the US and also in increasing domestic manufacturing and export.
- However, friendshoring may push the world towards a more isolated place for trade and reverse the gains of globalisation.
- This could result in further supply shocks and higher prices in the short term and lower growth in the long run.
- In a report on the trade implications of the war in Ukraine, the [World Trade Organization](#) predicted that if the world split into Eastern and Western trading blocs, global GDP would drop by 5%, with emerging economies shouldering most of the cost.
- According to Raghuram Rajan, friendshoring will “exclude the poor countries that most need global trade in order to become richer and more democratic,”. “It will increase the risks that these countries become failed states, fertile grounds to nurture and export terrorism.”
- In the WTO’s model of the decoupled economy, the US loses 1% in economic output, but India loses 9% and other developing countries lose 7%. The burden of friendshoring will fall disproportionately on the countries that cannot afford it.

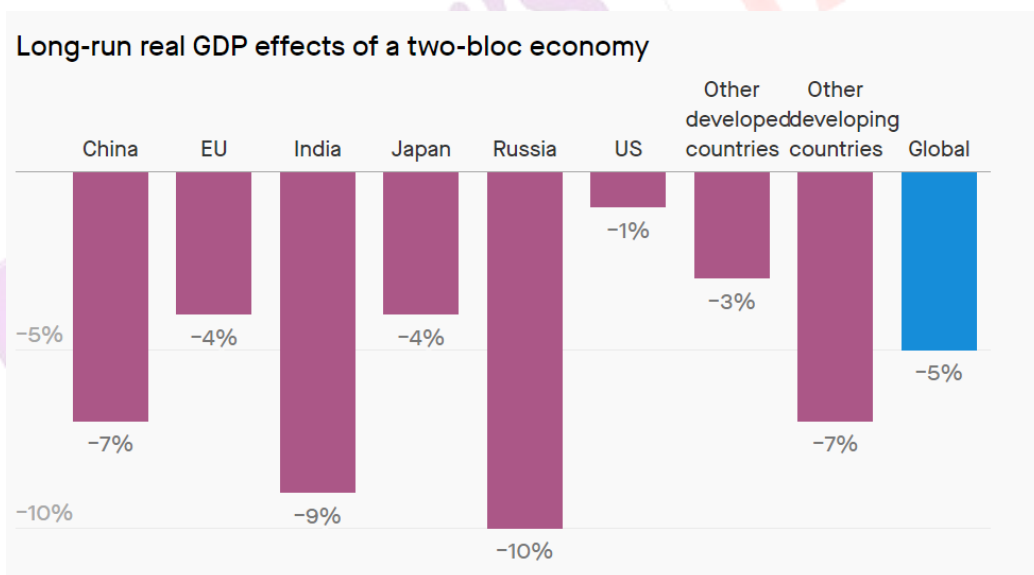


Image Source: QZ.com

4. Moscow Format Talks on Afghanistan

Context: India participated in the latest meeting of the ‘Moscow format consultations on Afghanistan’ that was held recently in Moscow.

Moscow Format:

- The Moscow format is one of the several dialogue platforms on the peace process in Afghanistan. It began before the [Taliban](#) takeover of Kabul.
- It was set up by Russia in the year 2017.
- It was aimed at ensuring a political settlement, intra-Afghan dialogue and the creation of a stable and inclusive government in Kabul after the U.S. withdrawal.
- The Moscow format was introduced on the basis of the six-party mechanism for consultations between special representatives from Russia, Afghanistan, China, Pakistan, Iran and India.
- The present meeting includes a group of 10 nations including India, China, Pakistan, Iran and the Central Asian republics with Taliban officials.

Highlights of the meeting:

- Special Envoys and Senior Officials from Russia, China, Pakistan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan also participated in the meeting.
 - Qatar, the UAE, Saudi Arabia and Turkey were present at the meeting as guests.
- During the meeting, the participants discussed various issues related to Afghanistan including the current humanitarian situation and the ongoing efforts of various stakeholders to provide assistance, intra-Afghan talks, formation of an inclusive and representative government, efforts to counter threats of terrorism and ensuring regional security.
- The meeting underscored that an economic meltdown in Afghanistan would lead to a mass exodus of refugees, and promote extremism, terrorism and instability while expressing concerns about the aggravation of the migration situation around Afghanistan, which could pose a threat to the peace and stability in neighbouring countries.
- Participants also emphasised the creation of a truly inclusive government in Afghanistan, which would reflect the interests of the key ethno-political groups and the need to remove the terrorist, drug and other threats emanating from that country.
- The participants also expressed support for the Afghan authorities in developing crop substitution programmes and cracking down on narcotics production and trafficking.
- In the meeting, it was decided to continue coordinating regional efforts to promote inter-Afghan national reconciliation, and enhance security and stability in the region under the auspices of the Moscow Format of Consultations on Afghanistan and other efficient mechanisms.
- The Taliban did not promise that it would endorse the Moscow Format's recommendations and merely recognised the "praiseworthy stance".
- The Taliban also said it will not allow "any third country to place military facilities in Afghanistan" and hinted at a quid pro quo, saying countries should not "put their land and airspace at the disposal of other countries against Afghanistan."

5. Operation Claw-Sword: Turkey's Airstrikes

Context: Turkey recently conducted airstrikes on Kurdish targets in Iraq and Syria.

Key Details:

- Turkey recently carried out air strikes against the bases of outlawed Kurdish militants across northern Syria and Iraq.
- The offensive was codenamed Operation Claw-Sword.
- These bases were being used to launch “terrorist” attacks on Turkish soil.
 - A blast in central Istanbul killed six people and wounded 81 recently. Turkey blamed the attack on the Kurdistan Workers’ Party (PKK).
- The raids targeted PKK bases in northern Iraq’s mountainous regions of Kandil, Asos and Hakurk, as well as bases of the Kurdish [People’s Protection Units \(YPG\)](#), in Ayn al-Arab (called Kobane in Kurdish), Tal Rifaat, Jazira and Derik regions in Syria.
- In recent years, Turkey has conducted a number of cross-border operations targeting Kurdish groups based in northern Iraq and Syria, aiming to prevent attacks on Turkish territory
- President of Turkey, Recep Tayyip Erdogan also threatened to launch a ground operation into Syria "with tanks and soldiers" in defiance of international pressure not to do so.

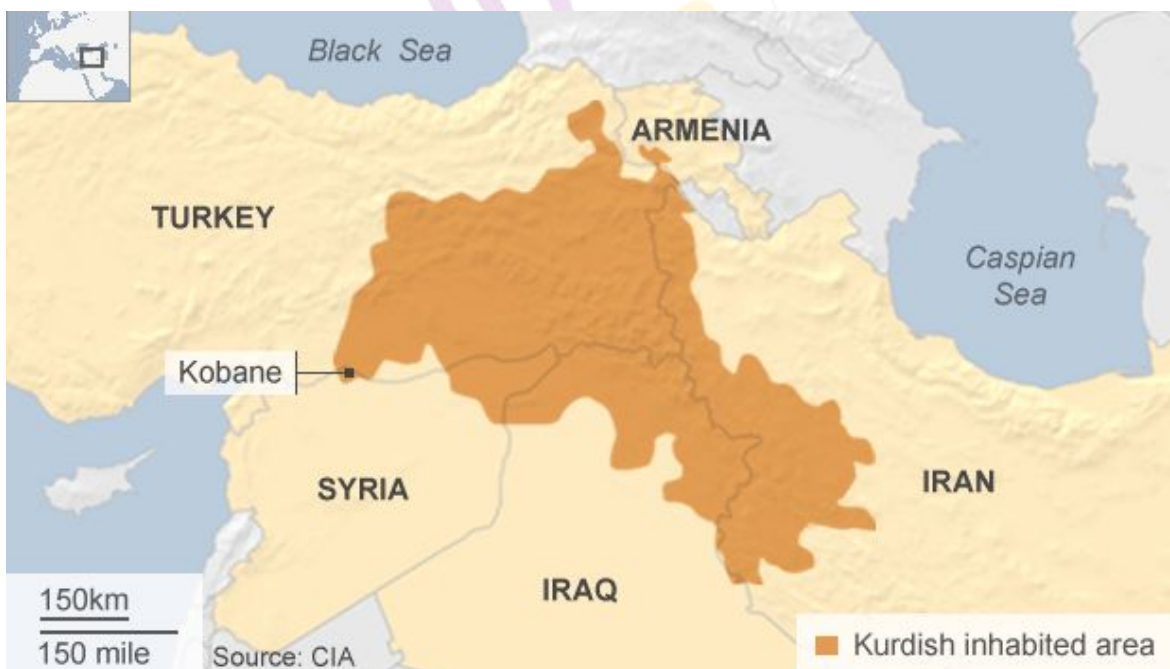


Image Source: BBC