

## Contents

IGNOU MA NOTES.....	2
UNIT 1 COMPARATIVE POLITICS: NATURE, SIGNIFICANCE AND EVOLUTION.....	2
1.1 INTRODUCTION.....	2
COMPARATIVE APPROACHES: POLITICAL ECONOMY, DEPENDENCY AND WORLD SYSTEMS.....	12
STATE IN DEVELOPING SOCIETIES: ASIAN, AFRICAN AND LATIN AMERICAN EXPERIENCES.....	18
The poverty of Neorealism – RICHARD ASHLEY.....	23
Neoclassical realism.....	23
AMERICAN HEGEMONY .....	24
CAN RUSSIA CHALLENGE AMERICAN HEGEMONY?.....	29
GLOBALIZATION .....	30
GLOBALIZATION PARADOX – DANI RODRIK.....	31
Globalization's impact on Developed Countries.....	32
Response from Developed world .....	33
Response from Developing Countries .....	33
How to tackle Globalization Backlash.....	35
JOSEPH E. STIGLITZ.....	36
GENERIC STUFF .....	36
WTO .....	38
UN .....	40
Securing the UN's Future – KEVIN RUDD, fmr Australian PM.....	40
Regionalisation of World Politics: EU, ASEAN, APEC, SAARC, NAFTA. ....	40
Self Determination or Referendums.....	40
EU.....	41
Internal Challenges .....	41
EXTERNAL CHALLENGES.....	42
CATALONIA ISSUE .....	43
NAFTA .....	44
ASEAN .....	47
APEC.....	48
India and APEC.....	50
GLOBAL ISSUES .....	51
HUMAN RIGHTS.....	51
Rohingya .....	51

OFFICE OF THE HIGH COMMISSIONER OF HUMAN RIGHTS - UN .....	53
DEMOCRACY .....	54
Cosmopolitan democracy .....	54
GENDER JUSTICE .....	55
ENVIRONMENT .....	56
TERRORISM .....	59
UN ON TERRORISM .....	61
NUCLEAR PROLIFERATION .....	63
The Global Initiative To Combat Nuclear Terrorism .....	65
SOFT POWER.....	68
Neorealist stability theory: the logic of numbers? .....	72
APPROACHES TO... ..	72
BALANCE OF POWER.....	72
Realist view .....	72
Liberal view .....	73
Critical views .....	73
THE END OF THE COLD WAR.....	74
Realist view .....	74
Liberal view .....	74
Critical views .....	74

## IGNOU MA NOTES

### UNIT 1 COMPARATIVE POLITICS: NATURE, SIGNIFICANCE AND EVOLUTION

#### Structure

- 1.1 Introduction
- 1.2 What is Comparative Politics and its Evolution
- 1.3 The Comparative Method
- 1.4 Contemporary Significance
- 1.5 Summary
- 1.6 Exercises

#### 1.1 INTRODUCTION

**Comparative Politics** among many sub-disciplines of Political science carries a **methodological** instead of a substantive label. There is a conscious use of the comparative method to answer the questions which

might be of general interest (ex – democracy, constitution, political parties, social movements etc) to political scientists.

The content and boundaries of comparative politics are poorly defined, partly because the '**field**' is an ambiguous compound of method and subject areas. (Comparative politics largely shares the subject matter and concerns of Political science)

While all analysis involves some degree of comparison without which an individual phenomenon cannot be understood, comparative politics teaches us how to do so. It attempts to instil into this exercise **scientific rigour** and **technique**.

While comparative government existed as a sub-discipline for a long time, comparative politics is a **relatively new field** dating from the post second world war period.

It is a field that is difficult to define, has undergone many changes and reached a plateau by the 1980s beyond which it could not move. But in recent years it has again attracted a growing interest due to the emergence of new areas such as **comparative public policy**.

## 1.2 WHAT IS COMPARATIVE POLITICS AND ITS EVOLUTION

Broadly the goal of comparative politics is to encompass the major political similarities and differences between countries. The task is to develop some perspective on the mixture of constants and variability which characterises the world's governments and the contexts in which they operate.

Comparative Government is a traditional approach, which comparative politics is a modern approach.

In 1955 R.C. Macridis clearly differentiated the two when he pointed out that the traditional approach was **non comparative, descriptive, parochial, static** and **monographic**. These characteristics require a brief discussion.

### Differences between Comparative Government & Comparative Politics

1. The traditional approach was much narrower in scope as it was based on the **formal-legal approach**. It was restricted to the study of the **formal processes of governments and institutions**.
  - In contrast, comparative politics is wider in scope and encompasses not merely institutions but **political processes** as well i.e., it covers political parties, pressure groups and a wide range of informal institutions and processes as well.
  - This enables better analysis of institutions and processes **within** states and **between** states.
2. Comparative politics, in contrast to the traditional approach, is **multi-disciplinary** in outlook, meaning that it draws not only on political science but also on history, economics and sociology.
  - Part of this was due to changes in the discipline of political science as a whole, and partly due to the **behavioural approach**.
3. The traditional approach was **parochial** i.e. restricted to **European governments** and therefore **Eurocentric** in its outlook and analysis
  - The post-war period saw a broadening of the field as after **decolonisation**, the number of states increased throwing up fresh theoretical and methodological questions.

4. The traditional approach was **static**; it did not try to understand why systems change. Comparative politics in contrast, has been preoccupied with questions of how political systems change.

In the 1950s and 60s, a number of distinguished scholars such as **Harold Lasswell** and **Gabriel Almond**, took on the task of carving out and establishing the field of comparative politics. Their basic task was to distinguish it from Political Theory on the one hand, and from International Relations and Area Studies on the other.

#### **Difference between Comparative politics and Political theory**

Political Theory involved only theorising but Comparative Politics focussed on – apart from theorising- on classifying, categorising and discovering **relationships** among variables, hypotheses building and **empirical testing**.

#### **Difference between Comparative Politics and International Relations**

Comparative politics does not deal with the relationships **between** countries in depth but concentrating on comparisons of political phenomenon **within** countries, while the former is a central subject in International Relations.

#### **What brought shift in focus from comparative governments to comparative politics?**

1. Developments internal to Political science – **Behavioural revolution**- which had already affected anthropology and sociology. This created a desire for greater scientific rigour and a multi-disciplinary approach.
2. De-colonisation – emergence of number of New states

It led to the use of **two frameworks** in comparative politics: **The Systems Approach** and **Structural Functional analysis**.

The notion of **system** was taken from the **biological** and **physical sciences** where the human body or any machine was visualised as a system with sub-systems (organs or parts) which had 'boundaries' but which were closely interrelated and overlapped. Human society was therefore made up of various systems - political system, economic system etc. each of which performed specialised functions. **The Political System** was conceptualised as a system in which policies are to be implemented for further development.

Complementary to this the **Structural Functional approach**, borrowing from **sociology**, attempted to create a value-free science of politics by describing all systems as having similar basic structures and functions- irrespective of the level of development of their political, social and economic systems- which could be compared and analysed. All systems attempted in their passage from simple to complex, or tradition to modernity, to reach a point of equilibrium.

### **Are the Systems analysis and structural functional approaches universally applicable?**

By the use of systems analysis and the structural functional framework, all political systems, it was felt could be studied irrespective of their differing historical background, level of economic development, culture and values. The main dilemma was whether the theoretical tools and techniques - Concepts such as multi-party system, federalism, parliamentary and presidential systems - used to study European governments should be merely extended to the study of the New States, or was there need for a change. Would they be useful in studying non-Western governments and processes, or was there, as Lucian Pye claimed, a distinct 'non-Western political process' due to differences of history and culture?

Apart from this the concepts of **political development** approach and **modernisation** approach fashioned by scholars such as **James Coleman**, **Gabriel Almond** and **Lucian Pye** were seen as useful for analysing and comparing the new states.

A similar development is seen on the **Left** as well with the fashioning of large scale concepts such as **Underdevelopment** and **Dependency** approach to understand the developing countries and to highlight their differences with the West. Thus the emphasis was on '**grand theory**' or **large scale theorising** about political system.

### **Problems with these approaches**

These approaches ran into trouble from the very beginning. These were criticised as **Eurocentric**, **reductionist** and **too ambitious**. Comparisons on this scale proved very difficult. There was therefore a return to a more normative science **'that did not ignore cultural differences**, which make comparisons difficult, and **middle range theorising** in which comparison is pitched at a lower level.

Many scholars were disillusioned by their own efforts. **Almond**, writing in the International Encyclopaedia of Social Sciences, argued that Comparative Politics was at best a 'movement and not a sub-discipline within Political Science'.

By the end of the 1970s, comparative politics reached a plateau; parts of it were incorporated into political theory and parts into area studies. A more optimistic assessment would be that while the attack on the traditional approach was successful, the new alternatives suggested also were not free from limitations.

## **1.3 THE COMPARATIVE METHOD**

**Harold Lasswell & Gabriel Almond** equate comparative method with the scientific method.

Comparative method is a method of discovering empirical relationships among variables and not a method of measurement.

The comparative method is best understood if briefly compared with the **experimental, statistical** and **case study method**. The experimental method is used to understand the relationship between two variables in a controlled situation. Since such experiments are not possible in political science, an alternative is the statistical method, which entails the conceptual (mathematical) manipulation of empirical data in order to discover controlled relationships among variables.

### **Comparative study of Politics: Utility**

How a **comparative** study helps us understand this reality **better**.

---

These notes are compiled from various sources for the benefit of students of Political Science. This is not for commercial purpose nor for sale.

## 1 Comparing for Sound Theoretical Formulation

A comparative study ensures that all generalisations are based on the observation of more than one or observation of relationship between several phenomena. The broader the observed universe, the greater is the confidence in statements about relationship and sounder the theories.

## 2 Comparisons for Scientific Rigour

Social scientists who emphasise scientific precision, validity and reliability, see comparisons as indispensable in the social sciences because they offer the unique opportunity of '**control**' in the study of social phenomena.

## 3 Comparisons Leading to Explanations in Relationships

The purpose of using comparisons, it is felt by several scholars, is going beyond 'identifying similarities and differences' or the 'compare and contrast approach' as it is called, to ultimately study political phenomena in a larger framework of relationships. This, it is felt, would help 'deepen our understanding and broaden the levels of answering and explaining political phenomena.

## 4 Contemporary Significance

A major development of contemporary significance is the emergence of comparative analysis of public policy or political economy, which has since the mid-1970s added a new dimension to comparative politics. It has given comparative politics a more specific, problem solving and policy orientation

## Criticism of Modern Approaches

1. Firstly, it is said that the scope of comparative politics has become unwieldy. It is impossible to examine all the factors that directly and indirectly affect politics. If all of them are examined the study becomes unwieldy. Many of the scholars like Almond, Coleman started thinking of limiting the scope of comparative politics, essentially to **political developments**.
2. Critics are of the opinion that most of the new approaches are vague. There is no unanimity even on one approach. Different writers offer different methods to explain the same approach. Since most of the modern methods have been adopted from sociology it is often found difficult to apply them to political science.
3. The modern methods, it is argued, are too behavioural in their approach. Critics argue that Behaviouralism has dominated modern comparative politics to the extent that an average student finds it almost impossible to understand the discipline.
4. It is said that there is too much emphasis upon the developing politics. Post 2<sup>nd</sup> world war, comparative politics got too much involved in the study of developing countries and started losing true comparative complexion. Critics feel that there is so much instability in the developing politics that too much dependence on them is likely to affect the utility of comparative politics.

We shall now explain the following methods of comparative politics which have emerged after the Second World War.

These are:

1. Systems Analysis ;
2. Structural-Functional Analysis ;
3. Modernisation Approach ;
4. Political Development Approach ; and
5. Marxist-leninist Approach.

## SYSTEMS ANALYSIS

The systems analysis is essentially a **sociological approach**. **David Easton** was greatly influenced by this approach. His aim was to introduce the concept of political system derived from the general systems theory. David Easton is rightly considered pioneer of the systems analysis in comparative politics.

**The General Systems Theory-** It is essential to understand the meaning of the general systems theory before we attempt an examination of the Political system. The original idea of systems analysis is derived from Biology. It was adopted by various social sciences.

A system is 'one unit' which consists of several elements or inter-related variables. It is surely a whole consisting of many parts. We have to understand the interaction of many parts to be able to understand the whole.

General systems theory is based on the principles that are relevant to various systems. It is believed that there are a number of things common in various disciplines, and if they can be put in an abstract form a general theory can emerge that might help each discipline to understand its problems better.

### The Political System

The social system consists of many sub-systems" Political sub system is the most important of them.

**David Easton** was the first Political Scientist who made use of the concept of 'political system'. **Almond** and **Powell**, besides others, were also prominent exponents of the concept of political system.

A system in which there is a mechanism which has the power to take authoritative decisions, to enforce them and to compel and punish may be described as a political system. It functions within an environment, and has its clearly demarcated boundaries.

The systems theory usually divides interaction between a system and its environment into three phases : input, conversion and output. Thus, **demands** made on the system and **supports** that they receive are **inputs**. The system converts them into **finished goods** or **output**. The policies which come-out of the system as 'output' give rise to **new demands**. This process is described as **feedback** into the system in the form of fresh demands, so that the system continues to function. The model presented by Easton

---

These notes are compiled from various sources for the benefit of students of Political Science.  
This is not for commercial purpose nor for sale.

compares political system to a small box or a machine, receives inputs and produces outputs which are transmitted through the environment as feedback demands and supports. The following fig explains this:

## ENVIRONMENT

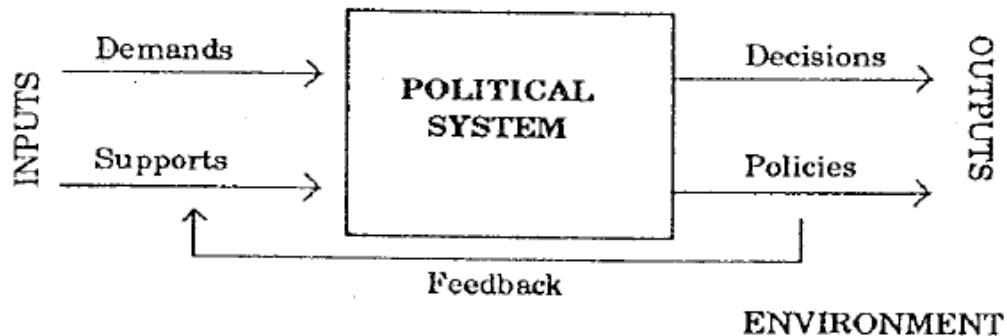


Fig. 1

**Demands** made on a Political system are

- (i) demands for distribution and services.-demands for better roads, educational facilities or for minimum wages
- (ii) demands for regulation of behaviour--demands for rules pertaining to marriage, health and sanitation ;
- (iii) demands for less taxation ;
- (iv) demands for stability, order and peace etc

**Supports** are in the form of voting, participating in a campaign, fighting for a political faction etc

**Inputs** come from three sources viz. domestic society, political elites and international environment.

**Outputs** may be of four different types. They are :

- (i) extractions which may take the form of tribute, personal service or taxes ;
- (ii) regulation of behaviour ;
- (iii) distribution of goods, services, honours and titles ; and
- (iv) Statement of policies and affirmation of values.

**Mitchell on Political System - William Mitchell** has offered further improvement over the models of Easton as well as Almond and Powell.

Demands and Supports, according to Mitchell, do not account for all the inputs in a system. He adds **Expectations** (what people expect), and **resources**, which are so vital for the operation of the system. Similarly, on the output side, he includes **goals, values, and controls**. An important contribution of Mitchell is his idea system of **Equilibrium**. The system is in equilibrium when the demands and expectations of members have been met. The polity is, generally speaking, always in the motion turning demands and expectations, resources and supports into goals, values and costs.

## Evaluation of the systems Analysis

The political system analysis has made comparative study of politics easy, because it is based on the examination of an entire system rather than the political institutions alone. This analysis helps us understand various factors that make a system efficient and stable. We can make some **predictions** about coming political events.



### Criticisms about System analysis

- (i) The critics, however, point out that the system analysis is obsessed with the idea that no event is free from an entire system. The implication of such a reference point is that all the above mentioned actors are seen as embedded within the system so much so that they do not act in their immediate concrete interests but always in accordance with the prescriptions or dictates of the system.
- (ii) Most of the hypotheses of the scholars of systems theory are abstract- It is, therefore, not possible to make their empirical investigation.
- (iii) Thirdly, **psychological factors** are ignored
- (iv) Fourthly, the systems approach is incapable of examining the **revolutionary changes**- It is based on the concept that all changes are part of a developmental process. It stresses Equilibrium and status quo.
- (v) Finally, the Political system approach is not independent. It is a part of the sociological study.

### STRUCTURAL-FUNCTIONAL APPROACH

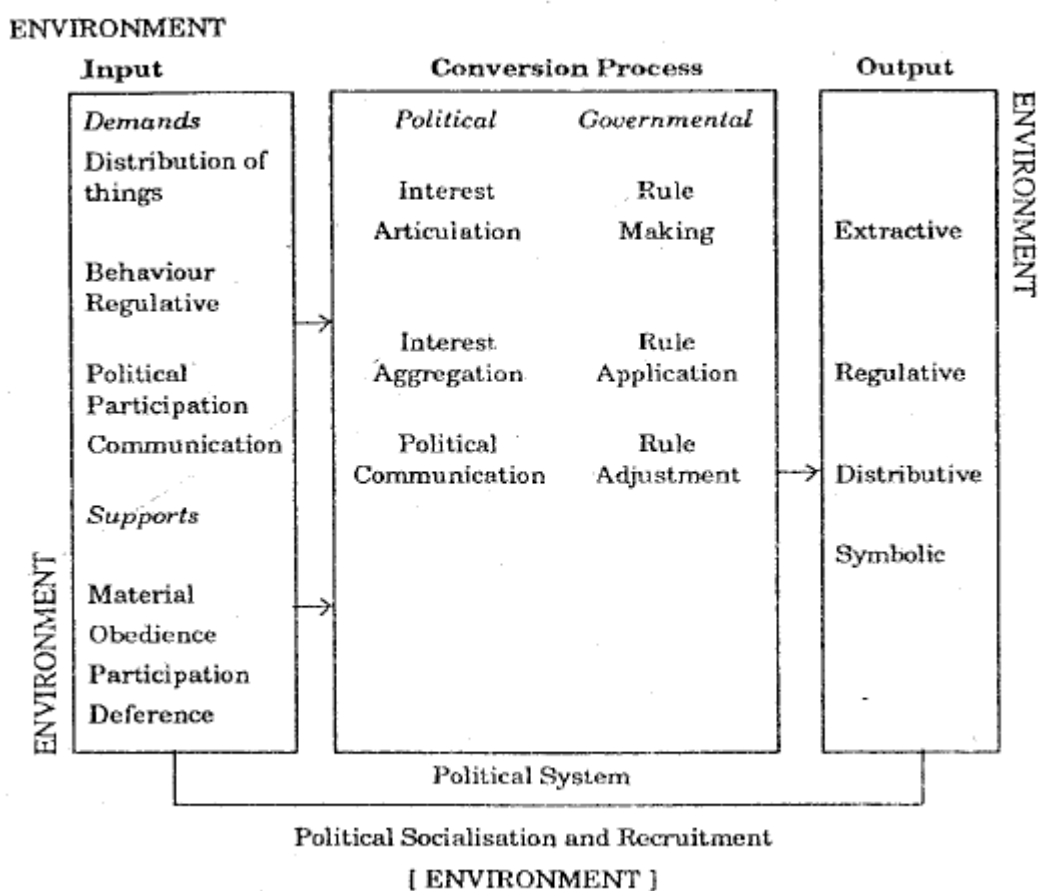
Structural-functional approach of Comparative politics is closely related to the systems analysis. The political system is treated as a sub system of social system. A political system itself is composed of **several structures**. They perform different **functions**. It is essential that the structures of a system perform their functions in such a way that the system-keeps on working in a smooth manner.

**Almond and Powell** have accepted the model of David Easton for the structural-Functional approach.

There are **three stages** of the approach. They are: **inputs, conversion, and outputs**. Each system has several structures. All of them affect the working of other structures.

For ex political parties, pressure groups, Legislature, executive, bureaucracy and judiciary all are interdependent, and perform functions of conversion of inputs into outputs. The following fig will explain Almond's Structural-Functional approach.

## Almond's Structural—Functional Approach



**Fig. 4**

Almond's approach is also known as the **seven Function Analysis**. His structures perform seven functions. They are :

### 4 input functions

- (i) political socialisation and Recruitment,
- (ii) Interest Articulation,
- (iii) interest aggregation, and
- (iv) Political Communication-(input functions) ;

### 3 output functions

- (i) Rule Making
- (ii) Rule Application
- (iii) Rule-Adjudication

How these functions are performed by the political system is important to know to enable us to compare various political systems.

**Political socialisation** is the process- by which political cultures are formed, maintained and changed.

**Political socialisation** is those developmental processes through which persons acquire political orientations and patterns of behaviours.

There are primary as well as secondary socialisation influences. The role of family, school, religion and work group is important primary influence. Among the secondary influences most important are political

parties, mass media and governmental institutions. Political parties play an important part of, moulding the attitudes of the people.

In **totalitarian states**, the only party exists compels people that to adopt only specified attitude. It does not give them an opportunity for resocialisation.

**Almond** is of the opinion that in comparing political systems it is very important to examine the structures of socialisation, their functions and styles.

KEERTHI PUJAR

## COMPARATIVE APPROACHES: POLITICAL ECONOMY, DEPENDENCY AND WORLD SYSTEMS

### 3.1 Introduction

### 3.2 What is Political Economy?

#### 3.2.1 A Marxist Conception of Political Economy

#### 3.2.2 Evolution of Political Economy

#### 3.2.3 Comparative Political Economy

### 3.3. Issues of Political Economy

#### 3.3.1 Imperialism and Dependency

#### 3.3.2 Theories of State and Class

### 3.4 The Concept and Assumptions of Dependency

### 3.5 A critical Assessment Theory

### 3.6 Capitalism as a World System

### 3.7 A Critique World Approach

### 3.8 Summary

### 3.9 Exercises

## Introduction

One variable which is missing in most of the 'functional' studies of the underdeveloped societies is the impact of colonialism and neo-colonialism. These writers also have a tendency to ignore or underplay the structural aspects of the economic dimension.

Only **Marxist writers** like **Paul Baran**, **Andre Gunder Frank** and **Charles Bettelheim** have introduced the political economy approach while analysing the politics of Asian, African or Latin American systems.

### Important works of Marxists Political Economists

Political Economy of growth – Paul Baran

India Independent - Bettelheim

Capitalism and Underdevelopment in Latin America - Andre Gunder Frank

**Gunnar Myrdal** and **John H. Kautsky** have studied the impact of economic factors on the political processes of the developing countries from a non-Marxist, liberal point of view.

## WHAT IS POLITICAL ECONOMY?

Interestingly, the appearance of economics and politics as separate domains is itself a modern phenomenon. From the time of **Aristotle** till the middle ages, the concept of economics as a self-regulating/separate sphere was unknown.

Political economy is defined as a social science which deals with the Interconnections of Economic and political process. In terms of this definition, political economy is not the study of prices or of scarce resources, it is rather, a study of culture seeking answers to the questions, why the productive forces of society develop within a particular social form, why the machine process unfolds within the context of business enterprise, and why industrialisation takes the form of capitalist development.

### Political Economy approach to the study of comparative politics

Comparative politics seeks to study relationships among countries. It seeks also to find explanations for specific social and political phenomenon in these relationships. The political economy approach to the study of comparative politics is one way of looking at this relationship. It proposes that there exists a relationship between politics and economics and that this relationship works and makes itself manifest in several ways.

### A Marxist Conception of Political Economy

According to this, the **base or economic structure** of society becomes the **real foundation** on which people enter into essential relations over which they exercise little control. In contrast, the legal and political superstructure is a reflection of that base. Only, political economy can restore the connection between an analysis of the economic base and exposition of its political and ideological super-structures.

Marxist approach to political economy stresses that the study of politics should be combined with economics. Distinctions between politics and economics and also between comparative and international politics in political science lead to a distortion of reality and confusion. The dichotomy between the centre and the periphery also leads to theoretical difficulties.

### IMPORTANT ISSUES OF POLITICAL ECONOMY

#### Imperialism and Dependency

**Imperialism** can be traced from the Greek and Roman empires to its mercantile 'old' form in the 16<sup>th</sup> and 17<sup>th</sup> centuries to its monopolistic 'new' form in the 19<sup>th</sup> and 20<sup>th</sup> centuries.

Two views of the new imperialism were propounded.

1. The **liberal** or **non-Marxist view** argued that the inequities of the capitalist system could be easily adjusted.
2. The **radical** and **Marxist view** suggested that imperialism was an outcome of expanding capitalism, necessitated by the contradictions of the capitalist mode of production.

The theories of **Hobson, Kautsky, Schumpeter** and **Galtung** contributed to a liberal view of imperialism.

- **Hobson** argued that **under consumption** was the cause of imperialism and that with an increase in domestic consumption in Britain, there would be no need to expand into foreign markets.
- **Schumpeter** emphasised that imperialism was a pre-capitalist phenomenon which would disappear in a rational and progressive era of capitalism.

**Luxemburg, Lenin, Bukharin, and Sweezy** and may be regarded as important representatives of the Marxist theory of imperialism.

- **Rosa Luxemburg** propounded a theory of imperialism in terms of continuous capital accumulation and examined the penetration of capital in backward economies.
- **Lenin** regarded imperialism as the highest stage of capitalism.
  - He studied the rapid concentration of production in large industrial monopolies as well as the growing influence of large in the monopolies.
  - Imperialism for Lenin was almost synonymous with **monopoly capitalism**. He distinguished imperialism from mercantile and free trade colonialism of the earlier centuries,
- **Bukharin** also characterised imperialism as domination of **finance capital**. He said that imperialism was an advanced stage of capitalism and should not be equated with either conquest or political domination alone.

Lenin wrote of dependency in his work on imperialism.

Other writings on dependency, such as Paul Baran's, Paul Sweezy's and Andre Gunder Frank's works fall more clearly into Marxist framework. They tried to update Lenin and gave their own independent interpretations of the phenomena of dependency.

### Theories of State and Class

The prevailing liberal conception sees the state as a **political market**-place through which the demands and interests of competing groups and individuals are voiced and implemented. Two views are presented in this connection.

1. On the one hand, neutral agencies of the state mediate conflict that emerges from party and group competition.
2. On the other, the state agencies function as bases of political power and competition among these agencies for funding determines their relationship to parties and interest groups (Robert Dahl).

**Marx** never fully developed a theory of state and class. For Marx, the separation of politics from economics is an ideological distortion because politics is an integral part of political economy

In **State and Revolution**, Lenin argued that the state does not reconcile class conflict but ensures the oppression of one class by another. He argued that state power should be destroyed by a violent revolution. **Class antagonisms** cannot be resolved through peaceful reforms. He saw the police and standing army as "instruments of state" power. The proletariat fights the state until bourgeois democracy is replaced by proletarian democracy. With the establishment of classless society under communism, the state disappears altogether.

**Contemporary scholars** have formed **three traditions** in thought regarding the relationship of state and class.

1. One tradition is known as **instrumentalism**. Marx had said in the **Manifesto** that the **state executive** "is but a committee for managing the affairs of the whole bourgeoisie".
  - a. "Lenin also made references to instruments of state power in his writings. Thus the state is regarded as an instrument of the dominant or ruling class."
  - b. the instrumentalist interpretation of the state has been supported by **Ralph Miliband** and **William Domhoff**.

2. A second tradition is represented by the **Structuralist view** state which is advocated by **French Marxists**. **Nicos Poulanzas** elaborated a political side of this structuralism. He argued that the bourgeoisie is unable to act as a class to dominate the state. The state itself organises and unifies the interest of that class. **Althusser** also advanced a structural view of the state.
  - a. Structuralism is criticised as it cannot explain class action arising from class consciousness. The critics argue that structural analysis tends to be static and tied to inputs and outputs rather than a dynamic expression of class struggle.
3. A third tradition is rooted in the **critical perspectives** derived from Hegel and Marx. It is carried on by **Herbert Marcuse** and others belonging to the **Frankfurt school**.
  - a. Marcuse emerged as a leader of the **New Left movement** in the 1960s. He exposed the mystification of the state and its ideology and inspired the American youth and Students to rebel against the bourgeois state.

In the years after decolonisation set in, the understanding of relationships between nations, and specific political and social phenomena, was informed by various approaches, viz., institution, political sociology and political economy.

## MODERNISATION THEORY: DEVELOPMENT AS MODERNISATION

The theory of modernisation was an attempt by mainly **First world scholars** to explain the social reality of the 'new states' of the third world. Modernisation theory is based upon separation or dualism between 'traditional' and 'modern' societies.

A modern society was defined as a social system based on achievement, universalism and individualism, as a world of social mobility, equal opportunity, the rule of law and individual freedom. This was contrasted with traditional societies, based on ascribed status, hierarchy and personalised social relations.

Modernisation theory argued that the transition from traditional society to modern society should be regarded as a process of traditional societies 'catching up' with the modern world. 'The theory of modernisation was most clearly elaborated in the writings of **W.W.Rostow** who argued that there were five stages of development through which all societies passed. These were:

- (i) the traditional stage;
- (ii) the preconditions for take-off;
- (iii) take off;
- (iv) the drive toward maturity and
- (v) High mass consumption.

Third World societies were regarded as traditional, and so needed to develop to the second stage, and thus establish the preconditions for take-off. **Rostow** described these preconditions as the development of trade, the beginnings of rational, scientific ideas, and the emergence of an elite that invests rather than squanders its wealth. The theory argued that this process could be speeded up by the encouragement and diffusion of **Western investment** and **ideas**. Scholars in this tradition also argued that **industrialisation** would promote western ideas of individualism, equality of opportunity and shared values, which in turn would reduce social unrest and class conflict.

### Criticisms of Modernisation theory

Modernisation theory developed in the context of cold war and at times it is unclear whether

- (a) modernisation theory was an analytical or prescriptive device,
- (b) whether modernisation was actually occurring or whether it should occur and
- (c) whether the motives of those promoting modernisation was to relieve poverty or to provide a bulwark against communism?

### DEVELOPMENT AS UNDERDEVELOPMENT AND DEPENDENCY

**Lenin** was the first to refer to the concept of dependency as a part of his general theory of imperialism. Colonial powers were sharply distinguished from the colonial countries, formally independent yet dependent countries also existed. These dependent countries, Lenin said, "Are enmeshed net of financial and diplomatic dependency."

**Dependency theory** arose in the late fifties and the sixties as an extended critique of the modernisation perspective. This school of thought is mainly associated with the work of **Andre Gunder Frank**, but the influence of **Paul Baran's** work is also very important.

**Baran** argued that the economic relationships that existed between **Western Europe** (and later Japan and United States) and the rest of the world were based on **conflict** and **exploitation**. 'The former took part in 'outright plunder or in plunder thinly veiled as trade, seizing and removing tremendous wealth from the place of their penetration'. The result was transfer of wealth from the latter to the former.

**Frank's** central argument is that creation of 'First' world (advanced capitalist societies- **Metropolises**) and the 'Third' world (**satellites**) is a result of the same process (worldwide capitalist expansion).

**Underdevelopment**, instead of being caused by the peculiar socio-economic structures of the Third World countries, is the **historical product** of the **relations** (relations of imperialism and colonialism) between underdeveloped satellites and developed metropolises. In short, development and underdevelopment are two sides of the same coin.

Through the process of unequal exchange, economic surplus is extracted the periphery. The unequal exchange is manifest in the form of repatriation of super profits, deteriorating terms of trade, monopoly rents for the utilisation of the metropole technologies, as well as trade and traffic policies that deny the periphery control over their own or the global market.

According to Frank, Latin America's most backward areas (e.g., North-eastern Brazil) were precisely those areas which had once been most strongly linked to the metropole.

Dependency theory was indeed a powerful advance over modernisation theory, but it suffered from peculiar weaknesses of its own.



1. First of all, it suffered from a certain historical character, viewing change within the Third world countries as an outcome of its undifferentiated dependent status.
  - a. Concentrates on what happens to the underdeveloped countries at the hand of imperialism and colonialism, rather than on the total historical process involved, including the various forms of struggle against imperialism and colonialism which grow out of the conditions of underdevelopment.
2. Dependency theory tends to be **economistic**. Social classes, states and politics appear as derivatives of economic forces and mechanisms and often receive very little attention.
3. The assumptions of the dependency theory, fail to provide explanations for the various so called '**economic miracles**' of the Third world.

## WORLD SYSTEM ANALYSIS

**Immanuel Wallerstein**, in *The Modern World System* elaborated Andre Gunder Frank's theory of capitalist development and underdevelopment and emphasized **market relations**.

According to this theory, dualism or feudalism does not exist in the Third World. The modern world system is unitary in that it is synonymous with the capitalist mode of production, yet disparate in that it is divided into tiers - **core**, **semi-periphery**, and **periphery** - which play functionally specific roles within the system as a whole. World system theory places a new emphasis on the **multilateral relations** of the system as a whole (**core-core** and **periphery-periphery** relations become important to the analysis as do core-periphery ones), rather than on the unilateral relations of the system of metropole and satellite characteristic of dependency theory.

According to Wallerstein those countries that could achieve the process of '**statism**', i.e., the concentration of power in the central authority, became the core countries of the world economy. A strong state enables the country as an entity to get a disproportionate share of the surplus of the entire world economy.

The stability of the world capitalist system is maintained due to three factors:

- (i) the concentration of military strength in the hands of the dominant forces,
- (ii) pervasiveness of an ideological commitment to the system as a whole and
- (iii) The division of the majority into a large lower stratum and a smaller middle stratum.

The existence of the semi periphery means that the upper strata (core) are not faced with the unified opposition of all others because the middle stratum (semi-periphery) is both the exploited and the exploiter. The semi periphery, however, also constitutes a site for change. New core states can emerge from the semi-periphery, and it is a destination for the declining ones.

The world system theory has been widely criticised for its primary focus on the 'system imperative'. Thus in this theory, all events, processes, group-identities, class and state projects are explained by reference to the system as a whole. The implication of such a reference point is that all the above mentioned actors are seen as embedded within the system so much so that they do not act in their immediate concrete interests but always in accordance with the prescriptions or dictates of the system. Critics have also pointed out that the theory explains the contemporary capitalist world inadequately, since it focuses attention on the market, failing to take into account the processes of production.

## STATE IN DEVELOPING SOCIETIES: ASIAN, AFRICAN AND LATIN AMERICAN EXPERIENCES

### STATE IN THE CONTEMPORARY POLITICAL THEORY

It was in the aftermath of the Second World War that the state returned with a vengeance in the political theory. In the earlier part of the century it was study of constitutions, legal institutions and political systems and not the state that received foremost concern of the political theory. This is because of the influence of **Behaviouralism** and a bid to approximate the study of politics to the natural sciences.

However as the euphoria of the victory of Capitalism in the Second World War evaporated and the Intellectual leadership of the USA in social sciences came under scathing attack and as the disillusionment with the nationalist project of nation building in the third world set in, there emerged a need to analyse the social and political phenomena from the vantage point of the state.

The dismal experience of authoritarianism both in the Communist societies as well as in the post-colonial societies also underlined the need to have an adequate explanation of the way states as codified structure of power, articulated and exercised political power.

Thus in the decades of 1960's and 1970's state emerged as a hegemonic concept in both liberal and Marxist political theory. In last two decades, the has shifted to the study of state in its relation to civil society.

### The Liberal Perception

**Pluralist theory of state-** The pluralists have viewed the state as a neutral entity, acting in the interests of all and representing what can be called the common good or public interest.

The central argument of the **pluralism** is that **political power** is dispersed amongst a wide variety of social groups rather than an elite or ruling class. Under such an institutional understanding of the state its foremost function is considered to uphold order and provide social stability.

The **neo-pluralists** such as **Charles Lindblom & JK Galbraith** have, however argued that advanced industrialised states are both more complex and less responsive to popular pressures than what the classical pluralists had assumed. While still holding the state as the custodian of common good or public interest they argue that it is impossible to portray all organisations as equally powerful since in a capitalist society business enjoys advantages which other groups clearly cannot rival. Although neo-pluralists do not view business as an 'elite group', capable of dictating to government in all areas. still less

a ruling class', they do concede that a liberal democracy is a “**deformed polyarchy**” in which business usually exerts pre-eminent influence, especially over economic agenda.

### **New Right's perspective of state (Hayek, Nozick & Rawls)**

Political life, like the economic life, is ought to be a matter of individual freedom and initiative.

There is a market society with a minimal state.

The political programme of the new right libertarianism, according to David Held, includes:

- (i) the extension of the market to more and more areas of life
- (ii) the curtailment of the power of certain groups and
- (iii) The erection of a strong government to enforce law and order.

### **The Marxist Perception**

The lack of a grand theory of state in the writings of Marx & Engels also resulted in the emergence of different approaches in the Marxist theory regarding the nature of the state. They are based on different assumptions, principles of exploitation and political implications.

State as analysed by Lenin - based upon Marxian political and economic analysis

Others emphasize the autonomous character of the state found in the historical works of Marx and Engels

The classical theory of state as an instrument of class domination is crucially linked with the Marxist explanation of the materialist conception of history. Marx & Engels saw the state as the **Epiphenomenon** ie simple surface reflection of the system of property relations and resulting economic class struggles.

Marx and Engels argued that 'political power, properly so called is merely the organising power of one class for oppressing another'. Further, the **executive** of the modern state is but a **committee for managing the common affairs of the whole bourgeoisie**.

The contemporary Marxists like **Nicos Poulantzas**, **Hal Draper** and **Ralph Miliband** have held that the relative autonomy of state, even if it is of high order, does not reduce its class character. The relative autonomy of state makes it possible for the state to play its class role in an appropriately flexible manner.

### **TOWARDS AN UNDERSTANDING OF THE HISTORICAL SPECIFICITY OF THE DEVELOPING STATE**

The advanced capitalist states, no doubt, have different histories, traditions, cultures, and institutions. However they share two common characteristics: first. They are all highly industrialised countries; and second, the largest part of their means of economic activity remains under private ownership and control.

The historical factors like **Colonialism**, the experience of the anti-colonial **nationalist movements**, **historical-cultural context** in which these post-colonial developing societies have emerged has led to a profound impact over the nature of the developing state.

It follows that the categories used for the analysis of the state in the advanced capitalist societies cannot be transposed to the developing societies.

For ex The **neo-Marxists**, for instance, openly put a question mark over the adequacy traditional Marxism primarily fashioned in and for a Bourgeois/ capitalist context to explicate the social realities of the third world societies.

The liberals also in a similar vein have increasingly emphasized over the need to study the cultural specificity of 'new' states in a concrete manner at the micro level rather than making attempt to generalise about the nature of the state and politics as was the case with the grand theory of modernisation and development in the 1950s & 60s.

## **THEORISING STATE IN THE DEVELOPING STATE: THEORETICAL UNDERPINNINGS**

When the Asian, African and Latin American countries became independent, there was tremendous confidence in the capacity of the state in bringing about much needed social, economic and political transformation. This can be explained on the following grounds.

- (i) First, this notion of an **Interventionist State** was in line with the colonial statist tradition. The claims of the anti-colonial movements were to state power, the takeover of the state.
- (ii) Second, since the **civil society** was underdeveloped as a result of the colonial intervention so the post-colonial state assumed centrality to the social formations.
- (iii) Third, it was widely agreed that the post-colonial state was to reverse the colonial legacy by playing an interventionist role in bringing about social engineering, ethnic homogeneity, economic modernisation as well as nation building.
- (iv) Fourth, the debate on the post-colonial state was also subordinated to the Western liberal discourse on modernisation and development.

It was widely believed that the development model put forward primarily by the western scholars was **Ethno-centric/Euro-centric** and was very much an ideological cover to conceal the neo-colonial mechanism of exploitation.

The critique from the periphery has perceived the notion of modernising state as being undemocratic as it had to impart preferential treatment to the modern sector against the traditional one.

The delegitimation of the state as an agent of social transformation or economic reforms or political change led to a paradigm shift in the theorisation about the developing states of Asia, Africa and Latin America. Now the focus was on the state as theoretical subject in its own right.

## **THEORISING THE PERIPHERAL STATE: A NEO-MARXIST PERSPECTIVE**

In the subsequent neo-Marxist theory that emerged to analyse the state in the developing societies, external determinants like their relationship to colonialism and imperialism were given much more and sometimes complete importance.

A.G.Frank, Immanuel Wallerstein were among the first to propound the dependency theory theorising about the political economy of the state in Latin America.

Later **Samir Amin**, **Issa Shivji** and others theorised in the context of the post-colonial African state while taking up concrete case studies.

See dependency theory above.

The nature of the dependent states is summed up as

- Role of **foreign capital** is quite distinct in dependent state as compared to the advanced state.
- The dependent states show distinct trend towards **authoritarian forms**
- The dominance of world system has historically kept local bourgeoisie weak
- The weak local bourgeoisie cannot establish its hegemony, hence cannot maintain power. So it backs the military in establishing bureaucratic authoritarian regimes

**Guillermo O'Donnell** argues that Latin American states have passed through 3 phases

- (i) an **oligarchic state** dominated by the elite that was based on the export sectors;
- (ii) a **populist** period during which the indigenous bourgeoisie relied on import substitution, domestic demand, and a tactical alliance with the urban masses; and
- (iii) A **bureaucratic-authoritarian** stage, in which import substitution was dropped and military and civilian technocrats collaborated with the metropolitan capital, and representatives for various associations among the ruling groups joined in a kind of authoritarian elite corporatism.

The major contentions of dependency theory have been subjected to the following **criticisms** in the recent years.

- (i) First, the dependency theorists have failed to note that independence constituted a significant change in power relations between the ex colonies and the metropolitan capitalists.
- (ii) Second, the rise of **indigenous bourgeoisie** within the third world countries has been another factor that has been ignored by the dependency theorists.
- (iii) Third, even if one agrees with the idea that the metropolitan capital retains economic dominance, one must concede some sort of leverage to the indigenous classes. The indigenous capitalist classes do have 'free choice' of policy albeit in a limited manner.
- (iv) The classical dependency theorists took little account of the differences in the policies and actual paths of development followed by the different peripheral states. Ex East Asian developmental experiences

## RELATING CLASS TO STATE IN THE SOCIETIES

As the dependency theory as a paradigm of explanation suffered a decline in the seventies, there emerged more adequate opportunity for those who favoured examining the relationship between class and the state in the developing societies of Asia, Africa and Latin America.

**Hamza Alavi**, writing in the concrete context of **South Asia** did the pioneer work in this regard. Alavi grounded his state theory on the **historical specificity** of the post-colonial societies. He attributed this as emanating from the **structural changes** brought about by the **colonial domination** as well as distant

**history, culture and tradition** of these societies. Alavi's theory was complemented by the African neo-marxists like Issa Shivji, John Saul etc

The major contention of Alavi is that **post-colonial state** dominates the politics as well as the civil society because of its **Over-developed superstructures**. The **ideological** as well as the **coercive apparatuses** of the post-colonial state, being overdeveloped in nature [as compared to their counterparts in the advanced capitalist countries] dominates all the indigenous social forces. Alavi attributes this to the historical process of colonial capitalist development taking place in the colonies. The colonial state, equipped with powerful military bureaucratic apparatus, mechanisms of powers and institutionalised practices regulated and controlled the indigenous social classes.

Due to the absence of a properly developed capitalist class the **bureaucratic military oligarchy** has become all too common a phenomenon in the post-colonial states.

The centrality of the state to the post-colonial formations/societies according to Alavi and other postcolonial state theorists is explained by following 3 factors

- (i) **Relative autonomy of the state:** It follows that the post-colonial state is not the instrument of a single class. It is **relatively autonomous** because of the **overdeveloped nature of state apparatus** as well as because it **mediates** as well as act on behalf of the three dominant proprietary classes – the metropolitan bourgeoisie, the indigenous bourgeoisie, and the landed classes having competing interests. Thus the post-colonial state is entrusted with the task of preserving a social order in which the ruling classes' interests are embedded.
- (ii) Post-colonial state appropriated a very large part of economic surplus and deploys in in bureaucratically directed economic activity ex PSUs. So this established an independent economic base for the state and enabled it to enjoy an **autonomous economic role**.
- (iii) Special **ideological function** of the state to create territorial unity, legitimacy and a sense of nationhood.

**Post-colonial state theorists** failed like dependency theorists to take into consideration the distinctive colonial experiences of the different countries of Asia, Africa and Latin America. As **Neera Chandhoke** pointed out 'Different countries had witnessed different kinds of anti-colonial struggles, based on their specific experiences of colonialism and after independence, various countries embarked on different methods of nation building....'

Naturally then in the last three decades any attempt to articulate a general theory of state in the developing societies based on global frames of analysis has been discouraged. The universal and abstract categories of comparative political analysis as attempted by the modernisation/development and the dependency and then post-colonial state theorists have been increasingly replaced by the study of the local, the specific and the particular evidenced in the political and cultural practices.

Thus what is being attempted is to introduce a much more nuanced and rigorous historical understanding of the particular societies before analysing the nature of state.

## The poverty of Neorealism – RICHARD ASHLEY

Ashley argues that classical realism fails as a theory and structural realism contained error of errors.

The main advantage of realism is that it offers a wide variety of alternatives in understanding world politics. Classical realism, for example, has strong foundation on historical interpretation and practice knowledge. Ashley learns that classical realist has practicalities significance among international relation theory because classical realism is built from practical interest in knowledge. The disadvantage of classical realism is that it distinguishes insufficiently between subjective and objective aspects of international political life, thereby undermining the building of theory. Since economic issues have more significant impact in political spheres, classical realist was also criticized that they limited themselves to the domain of political-military relations.

As the response to the weaknesses of classical realism, structural realism built strong methodological approach adopting utilitarian approach and structuralist perspective as well as positivism.

However, structural realism has been criticized that it has been considered to ignore the richness of historical understanding.

## Neoclassical realism

Initially coined by **Gideon Rose** in a 1998 World Politics review article, it is a combination of classical realist and neorealist – particularly defensive realist – theories.

Neoclassical realism holds that the actions of a state in the international system can be explained by **systemic variables** – such as the distribution of power capabilities among states – as well as **cognitive variables** – such as the perception and misperception of systemic pressures, other states' intentions, or threats – and domestic variables – such as state institutions, elites, and societal actors within society – affecting the power and freedom of action of the decision-makers in foreign policy.

- **Appropriate balancing** occurs when a state correctly perceives another state's intentions and balances accordingly.
- **Inappropriate balancing or overbalancing** occurs when a state incorrectly perceives another state as threatening, and uses more resources than it needs to in order to balance. This causes an imbalance.
- **Underbalancing** occurs when a state fails to balance, out of either inefficiency or incorrectly perceiving a state as less of threat than it actually is. This causes an imbalance.

- **Nonbalancing** occurs when a state avoids balancing through **buck passing**, **bandwagoning**, or other escapes. A state may choose to do this for a number of reasons, including an inability to balance.
  - **Buck passing**, or passing the buck, is the act of attributing to another person or group one's own responsibility. It is often used to refer to a strategy in power politics whereby a state tries to get another state to deter or possibly fight an aggressor state while it remains on the sidelines.
  - Bandwagoning in international relations occurs when a state aligns with a stronger, adversarial power and concedes that the stronger adversary-turned-partner disproportionately gains in the spoils they conquer together.

## AMERICAN HEGEMONY

Economic historian **Charles Kindleberger** argued that the **hegemon** should be prepared to accept costs to itself in the larger interest of upholding the system.

### A World Without Leaders?

What does his “America First” approach portend for US global leadership?

- **Javier Solana** foresees an increasingly intense struggle for global primacy between the US and China.
- **Richard Haass** warns that an international system without US leadership may have no leadership at all.
- But **Joseph Nye** thinks that **Trump’s chaotic leadership may turn out to be a mere historical blip**.

With no other country or group of countries anywhere close to being in a position to carry the baton, the emergence of what the political scientist **Ian Bremmer** has called a “**G-Zero era**” becomes a lot more probable.

### ROBERT KAGAN on Why the world needs America

#### Dmitri Trenin (Russian political analyst)

The short answer is a clear no. The United States remains the global leader in a number of domains, from conventional military power to finance to advanced technology, and will hold that position for the foreseeable future.

What is changing in U.S. foreign policy is the **method of engagement** with the rest of the world. The history of U.S. foreign policy has seen both **periods of superactivism** and **times of consolidation**. After former president **George W. Bush** took the United States to fight two wars in the Muslim world, his successor, Barack Obama, adopted a **policy of retrenchment**.

President Donald Trump’s view of the U.S. national interest is clearly different from the **liberal orthodoxy**. He is seeking to enhance U.S. influence in the world by leaning hard on both opponents and allies, rather than by consulting and cajoling them.

Since there is no one in the Western world ready or willing to step forward as a new leader, the notion of the death of U.S. leadership in the West is premature.

These notes are compiled from various sources for the benefit of students of Political Science. This is not for commercial purpose nor for sale.



## SURVIVING WITHOUT AMERICA FINANCIALLY

America's quota in the IMF amounts to approximately \$113 billion, and the US has contributed some \$27 billion to the World Bank since 2010. Moreover, the US has long been a leader and crisis manager within the international institutional framework. If Trump's "America First" leads him to turn on financial multilateralism, the US would deal a massive blow to the institutions that underpin the global monetary system.

## Noam Chomsky On American Hegemony

U.S. policy — the militarization of space, the ballistic-missile defense program, unilateralism, the dismantling of international agreements, and the response to the Iraqi crisis — cohere in a drive for hegemony that ultimately threatens our survival.

- Chomsky's main argument in *Hegemony or Survival* is that the **socio-economic elite** who control the United States have pursued an **"Imperial Grand Strategy"** since the end of World War II in order to maintain **global hegemony** through military, political and economic means. He argues that in doing so they have repeatedly shown a **total disregard for democracy and human rights**, in stark contrast to the US government's professed support for those values.
- Furthermore, he argues that this **continual pursuit of global hegemony now threatens the existence of the human species itself** because of the increasing proliferation of **weapons of mass destruction**.
- Drawing historical examples from 1945 through to 2003 to support his argument, Chomsky looks at the **US government's support for regimes responsible for mass human rights abuses** (including ethnic cleansing and genocide), namely El Salvador, Colombia, Turkey, Israel, Egypt, South Africa and Indonesia.
- He also discusses US support for militant dissident groups widely considered "terrorists", particularly in Nicaragua and Cuba, as well as direct military interventions, such as the Vietnam War, NATO bombing of Yugoslavia, Afghan War and Iraq War, in order to further its power and grasp of resources.

In doing so, he highlights that US foreign policy – whether controlled by Republican or Democratic administrations – still follows the same agenda of gaining access to lucrative resources and maintaining US world dominance.

## The China Challenge - HARSH V PANT

Notwithstanding popular perceptions of its relative decline, the American response to the **global transition of power** has not been one of a mute spectator.

**Obama** declared that **'the relationship between the US and China will shape the 21st century'**.

Since 2008, the year when financial crisis hit Washington, it has attempted various strategies to contain its relative decline. **Two strategies** warrant a detailed discussion:

1. its effort to form a **great power condominium** with **China**, popularly known as the **'G-2'** and

2. its attempt to confront its great power rival, evident in the **strategy of pivot**.

However, many strategic thinkers like Zbigniew Brzezinski, Henry Kissinger and Niall Ferguson also saw in G-2 a strategy to manage the US decline, providing economics a “geo-political twist”.

In the history of international politics, **accommodation of a rising giant** is often a strategy through which extant powers manage challenges to their hegemony. A **G-2** is a classic **accommodative strategy** in so far it would allow the US to avoid any direct confrontation with China while holding on to its superpower status.

- Accommodation failed in restraining China from flexing its economic and military muscle. Ex East China sea & South China Sea dispute
- This also supported a perception in the US that a rising China may jeopardise its basic commitments in the region such as
  - the respect for international law;
  - free and open commerce;
  - open access by all to the global commons of sea, air, space, cyberspace and
  - the principle of resolving conflict without the use of force.

This was the strategic context in which the **strategy of ‘pivot’** was announced in late 2011.

It represents a simultaneous attempt to warn China away from using heavy-handed tactics against its neighbours and provide confidence to other Asia-Pacific countries that want to resist pressure from Beijing now and in the future. But in the face of resource crunch at home and a series of problems in West Asia and Europe, the results of the Obama administration’s ‘pivot’ to Asia have been lacklustre.

So how can USA contain China?

- Washington can only check China’s might in the long-term with a **focused economic rebalancing** in a region which is today the **centre of gravity of global economics**, generating almost two-thirds of global economic growth.
- The Trump administration will have to provide alternatives to TPP. A military build-up alone will not be enough. Washington will have to more actively engage in Asia — militarily, economically and diplomatically. There is no short cut available to the US for retaining its pre-eminence in the region.

## Who Will Fill America’s Shoes? – RICHARD N HAAS

It is increasingly clear that Donald Trump represents a departure from continuity when it comes to America’s global outlook and behavior. As a result, the US will no longer play the leading international role that has defined its foreign policy for three quarters of a century – and **there is no single candidate that can succeed it**.

### Changes under Trump

- The traditional US commitment to global organizations has been superseded by the idea of “America first.” **Alliances and security guarantees** once regarded as a given are increasingly

conditioned on how much allies spend on defense and whether they are seen to derive unfair advantage from trade with the US.

- More broadly, foreign trade is viewed with suspicion – supposedly a source of job loss rather than an engine of investment, job creation, growth, and stability.
- Immigration and refugee policies have become more restrictive.
- Less emphasis is being placed on promoting democracy and human rights.
- More dollars are going to defense, but fewer resources are being devoted to supporting global health or development.

**This is not to be confused with isolationism.** Even Trump's America will continue to play a meaningful role in the world. It is using military force in the Middle East and Afghanistan, increasing diplomatic pressure on North Korea to rein in its nuclear and missile programs, and renegotiating the North American Free Trade Agreement with Canada and Mexico. And the policies of states, cities, and companies will translate into an American commitment to climate change, despite Trump's decision to abandon the Paris agreement.

What we do know is that **there is no alternative great power willing and able to step in** and assume what had been the US role.

- **China** is a frequently mentioned candidate, but its leadership is focused mostly on consolidating domestic order and maintaining artificially high economic-growth rates to stave off popular unrest. China's interest in regional and global institutions seems designed mostly to bolster its economy and geopolitical influence, rather than to help set rules and create broadly beneficial arrangements.
- Likewise, **Russia** is a country with a **narrowly-based economy** led by a government focused on retaining power at home and re-establishing Russian influence in the Middle East and Europe.
- **India** is preoccupied with the challenge of economic development and is tied down by its problematic relationship with Pakistan.
- Japan is held back by its declining population, domestic political and economic constraints, and its neighbors' suspicions.
- **Europe**, for its part, is distracted by questions surrounding the relationship between member states and the European Union. As a result, the whole of the continent is less than the sum of its parts – none of which is large enough to succeed America on the world stage.

But the **absence of a single successor to the US does not mean that what awaits is chaos.** At least in principle, the world's most powerful countries could come together to fill America's shoes.

- A more likely development is the **emergence of a mix of order and disorder** at both the regional and global level.
- **China** will promote various trade, infrastructure, and security mechanisms in Asia.
  - **OBOR, AIIB, BRICS NDB**
- The 11 remaining members of the Trans-Pacific Partnership may launch their trade pact without the US.
- The Middle East is already suffering unprecedented instability, the result of local rivalries and realities, and of 15 years during which the **US arguably first did too much and then too little** to shape the region's future. The immediate danger is not just further deterioration in failed states such as Yemen, Syria, and Libya, but also direct conflict between Saudi Arabia and Iran.

- And then there is the growing gap between global challenges such as how to govern **cyberspace**, and the willingness of governments to work together to address them.

### How Much Does Trump Matter? JOSEPH NYE

But just as US global primacy never depended on the personality of its president, so America's ability to retain its geopolitical role may not depend on Trump's.

American foreign policy is structured by institutions and a constitution, but external crises can create a context much more susceptible to leaders' choices, for better or worse.

### Will China fill America's shoes?

**China may not be as revisionist a power as some think.** Recently, the Chinese government distanced itself from the Trump administration, as it reaffirmed its support for the Paris climate agreement, from which the US intends to withdraw.

At Davos, Xi Jinping established himself as a firm defender of globalization.

The Chinese authorities are well aware of how much their country has benefited from becoming deeply integrated into the global economy. **And they are not prepared to risk the basis of their domestic legitimacy: economic growth.**

The Belt and Road Initiative (BRI, formerly called One Belt, One Road) – which Xi has baptized “the project of the century” – is a true reflection of China's strategic choice to strengthen commercial links with the rest of Eurasia and Africa, taking advantage of the opportunity to accumulate “soft power.”

But we can't ignore China's **neo-mercantilist tendencies** and **illiberal domestic regulations**.

### Life After Pax Americana

**When imperial arrangements are dissolved, violence often results.**

- The **Armenian genocide** accompanied the demise of Ottoman power.
- Murderous **anti-Semitism** and **radical nationalism** followed the fall of the Austro-Hungarian Empire.
- Something similar happened when Josip Broz Tito's little Balkan empire of Yugoslavia fell apart.
- More than a million Hindus and Muslims lost their lives in horrific sectarian violence when the British Raj left a partitioned country to its devices.

American leadership has obviously been a flawed enterprise, resulting in unnecessary wars, and the support of too many unsavory allies in the struggle with Communism.

But there have been **many positive factors, too.**

- Western Europe, Japan, and even, belatedly, South Korea and Taiwan, were able to become free and prosperous under the protection of the US.
- Despite the excesses of anti-Communism, US dominance has also acted as a brake on ideological extremism. Neither Communism, nor variations of fascism, or indeed radical nationalism, had much of a chance to develop in Europe under Pax Americana.

- In Japan, dependence on the US, and anxiety about Communism, has marginalized the left and kept a conservative party more or less permanently in power. But the **extremes of Japanese revanchism** were also kept in check.

This may no longer be so easy, once the US is no longer seen as a reliable protector and fear of China turns into a panic.

## CAN RUSSIA CHALLENGE AMERICAN HEGEMONY?

**Sound, fury, but not much clout!**

### Russia's Aggressive diplomacy

- It has annexed Crimea, controls a swathe of eastern Ukraine through proxy rebels, and enjoys access to military facilities in Syria, Iran, Egypt, and soon enough Libya.
  - Russia's deployment of special forces to Libya's borders this month that's far more important
- Diplomatically, it has driven a formidable wedge between Turkey and NATO, while deepening ties with Western allies from Israel to Japan.
- It has also persuaded China to sign an agreement on "**global strategic stability**", while the two sides hold naval exercises in the South China Sea.
- In systematically exaggerating the Islamic State's presence in Afghanistan, the aim is to weaken the U.S. and discredit what, in actual fact, have been remarkably successful U.S.-Afghan counterterrorism efforts.
- Its army of hackers trying to destabilize other countries through cyber security breach

### Russia in South Asia

- Russia conducted first-ever joint drills with Pakistani special forces, having earlier agreed to sell four attack helicopters to Pakistan.
- Russia mediating the Taliban talks along with China & Pak

### Initiatives to reign in Russia

In short, Russia has gained diplomatic influence at the cost of goodwill and growth

- Russia continues to be battered by European and U.S. sanctions.
- Yet Russia's trade with Europe is still four times larger than that with China, suggesting that Beijing offers a rather limited safety net.
- Russia's 'victories' have also prompted the first-ever deployment of NATO forces at the Russian border, without the presence of the Cold War-era Warsaw Pact buffer. Even neutral states are alarmed, with Sweden to reintroduce conscription next year.
- NATO countries have 14,000 troops in Afghanistan, while Russia has none.

### Vulnerability of Russia

- **Economic Vulnerability**
  - **Russia** is economically smaller than Italy, Australia, or South Korea.
  - Its economy has indeed shrunk over the past two consecutive years, and income per capita sits below that of Malaysia or Slovakia.

- **Male life expectancy** is worse than in North Korea.
  - Worse still, the country has been sanctioned by five of its six biggest export markets, and its currency has lost half its value over the past three years alone
  - Apart from its energy companies, Russia has nothing to offer in terms of FDI to other countries
- **Aid diplomacy** - Russian aid to Afghanistan is trivially low, and it is no position to offer concessionary terms for significant defence sales to Pakistan.
- **Russia's frail defence industry** - Russia's market share is being ruthlessly shrunk by Israeli and American competition.
- Meanwhile, in Pakistan, Bangladesh, Sri Lanka, and Myanmar, it is Chinese arms — built on a Soviet legacy, Moscow would note, ruefully — that are cornering the market.

## GLOBALIZATION

**David Ricardo** - countries should specialize in their area of expertise and everybody can gain

### Evidences for Globalization backlash or slowing Globalization

1. **Financial flows** today are smaller than before the 2008 financial crisis; and, since 2014, **international trade** has grown at a slower rate than production for the first time since WWII. Despite efforts such as China's "Belt and Road" initiative, which aims to unite Eurasia through infrastructure and investment, it is conceivable that the world has reached "peak finance" and "peak trade, and possibly "peak globalization."
2. Recent challenges to several features of the **economic order**, such as the North American Free-Trade Agreement, as well as America's withdrawal from the Trans-Pacific Partnership and the United Kingdom's renunciation of European Union membership. All are casting a shadow on the future of the global economic system.

Still, there is one major area of international connectivity that shows no sign of declining: the exchange of information. Global data flows will continue to increase, constituting a growing share of economic value.

### Xi Jinping Positions China at Center of New Economic Order

Xi Jinping is positioning his country as an alternative to an **inward-looking United States** under President Trump

- BRI & Silk Road Fund, BRICS NDB & CRA, BRICS Rating Agency, AIIB
- Last year, the renminbi was added to the basket of currencies that, along with the US dollar, the euro, the Japanese yen, and the British pound, determines the value of the IMF's reserve asset, the Special Drawing Right.
- Establishment of the Asian Infrastructure Investment Bank, the proliferation of bilateral payments agreements, and the pursuit of the "Belt and Road Initiative" to build infrastructure linking China with western Asia, Europe, and Africa

## GLOBALIZATION PARADOX – DANI RODRIK

One of the most powerful critics of what he calls the "**hyper-globalization agenda**"

This led Rodrik to formulate an "**impossibility theorem**" for the global economy, which says that "democracy, national sovereignty and global economic integration are mutually incompatible: we can combine any two of the three, but never have all three simultaneously and in full".

He has now reframed the debate as one between "**smart globalization**" and "**maximum globalization**"

Dani Rodrik argues for **Smart Globalization**, not maximum Globalization

**Smart Globalization** - The starting point of Rodrik's argument is that open markets succeed only when embedded within social, legal and political institutions that provide them legitimacy by ensuring that the benefits of capitalism are broadly shared.

- Rodrik believes in the power of globalisation to lift millions out of poverty and create widespread good but only if it is done more thoughtfully.
- The disruption brought about by Globalization if managed well and if the process is fair and broadly beneficial, then there is not much resentment. **Markets and government, Rodrik asserts, are "complements."**
- Rodrik points to countries such as India and China and their sophisticated take on globalization. They have prospered, he argues, by not being dependent on international finance in the era of globalisation, but rather by **being selective** in which part of the deal they took up; they lent money to rich nations in preference to borrowing, and pursued mixed strategies with strong state intervention and regulation with clearly defined goals for their own societies.
- He particularly references **Latin American countries**, who have not had such policies and have fallen victim to the downsides of globalisation.

### Paradoxes

- Rodrik goes a step further by noting that the most open countries are also the ones with the biggest governments, the most extensive and effective regulation, and the widest social safety nets.
- The irony, Rodrik notes, is that the countries that experienced the greatest growth during the heyday of the "Washington consensus" were Japan, China, South Korea and India, which never embraced it. For years, they had nurtured, protected and subsidized key industries before subjecting them to foreign competition. They had closely controlled the allocation of capital and the flow of capital across their borders.
- The paradox, as Rodrik sees it, is that globalization will work for everyone only if all countries abide by the same set of rules, hammered out and enforced by some form of technocratic global government. The reality is, however, that most countries are unwilling to give up their sovereignty, their distinctive institutions and their freedom to manage their economies in their own best interests
- In the real world, argues Rodrik, there is a fundamental incompatibility between **hyper-globalization** on the one hand and **democracy** and **national sovereignty** on the other.
- The paradox is essentially that in order for globalisation to bring proper economic benefits that are broadly distributed throughout society, national democracies need to be strengthened and international rules need to be in place, that protect all players, whilst still allowing for



manoeuvrability and enterprise. This is in contrast to the oft-cited doctrine that the true powers of globalisation can only be harnessed when there is a complete free flow of capital with minimal regulation.

- The author sees globalisation as a **problem of triangulation**. He sets out his **trilemma**: “we cannot simultaneously pursue democracy, national determination and economic globalisation”. He states that one of these three has to give if the others are to be pursued.

## Globalization's impact on Developed Countries

**Deepak Nayyar** argued that globalization was neither the end of history as some believed nor the end of geography as some hoped. Economies may have become global. But politics is national. And the political backlash, which was predictable, is here.

The backlash in politics, from people, is far more visible in industrial societies. There is a disillusionment with mainstream political parties, an anger with the establishment, whether the political class or economic elites, and an exasperation with choiceless democracies.

### Human development

- In the US, the bottom 90% has endured income stagnation for a third of a century
- Life expectancy among segments of white Americans is declining
- There has been a stagnation in real incomes of blue-collar and white-collar workers in rich countries. In the US, there has been no increase in real wages since the early 1970s for almost 90% of the workforce.
- The **quality of employment** has also deteriorated, as permanent employees turn into **contract workers**. For such people, there is no security of employment. Indeed, their superannuation and healthcare benefits provided by employers also cease. The dilution of social protection and the privatization of risk have made them even more vulnerable.
- In the US, **Congressional Republicans** even opposed assistance to those who were directly hurt by globalization.
- More generally, **neoliberals**, apparently worried about adverse incentive effects, have opposed welfare measures that would have protected the losers. The Scandinavians figured this out long ago
- Dramatic increases in economic inequality among people within countries. The national income share of the poorest 50% of the population has contracted almost everywhere, while the share of the richest 1% has risen rapidly everywhere.

### Economic growth and Regulation



- Dramatic increases in economic inequality among people within countries. The national income share of the poorest 50% of the population has contracted almost everywhere, while the share of the richest 1% has risen rapidly everywhere.
- Growth actually slowed as the rules of the game were rewritten to advance the interests of banks and corporations – the rich and powerful – at the expense of everyone else.
- Workers’ bargaining power was weakened; in the US, at least, competition laws didn’t keep up with the times; and existing laws were inadequately enforced.
- Financialization continued apace and corporate governance worsened.
- More generally, **inequality that results from “rent seeking”**—getting rich on the backs of others while not contributing anything of value to the economy—is the real danger. Classic examples include bankers lobbying the government to weaken regulation, and then—when the banks fail—leaving the taxpayers with a costly mess to clean up.
  - Likewise, the farm lobby wins billions every year in subsidies. **Pharmaceutical companies** are encouraged to lobby government for higher prices or patent extensions on existing products, rather than to make new drugs.
  - Real-estate magnates get the tax code changed in their favour.
  - These activities actually produce less than nothing, because they slow economic growth. When the easiest way to get rich is by **legalized theft,** innovation and creativity are mug’s games.

**Technology** - But the biggest threat to traditional jobs is not Chinese or Mexican; it is a robot. That is why manufacturing output in the US continues to rise, even as manufacturing employment falls.

So our focus should be on managing rapid technological change so that it benefits everyone—no easy feat, but not impossible, either. Tariffs and trade wars will do nothing to help.

## Response from Developed world

In a report released last month, the **World Trade Organization (WTO)** noted that applications for new **trade-restrictive measures by G-20 economies** reached an all-time high since the organization started this monitoring exercise in 2009.

Given the sharp differences in gains from trade across income classes, it is perhaps not surprising that **poor and low-skilled workers** constituted the majority of those who voted for exiting the European Union in the last month’s referendum in the UK.

There is a disillusionment with mainstream political parties, an anger with the establishment, whether the political class or economic elites, and an exasperation with choiceless democracies.

Social turmoil often gives rise to new leaders whose governing mentality leads to rash, short-sighted, inconsistent, and otherwise bad decisions. When poor decision-making in one country adversely affects other countries, it can then trigger a vicious circle of retaliation and escalation.

## Response from Developing Countries

(The Unequal gains of Globalization – Article from Livemint)

It is the advanced economies of the world which seem to have been gripped by anti-globalization protests today.

What explains the growing backlash against globalization in advanced economies, and the absence of such a backlash in major emerging markets? The answer may lie in the unequal gains from globalization

The latest edition of the **World Bank's South Asia Economic Focus** is well worth reading. Titled **"Globalization Backlash"**, the report examines whether South Asia stands to lose from the protectionist tendencies currently on the rise. It concludes, optimistically, that the region does not have much to lose from the turn away from globalization.

### **China's stand on Globalization Backlash**

**Chinese President Xi Jinping** has now become the new spokesperson of Globalization. In **Davos World Economic Forum**, Xi defends globalisation. Foremost is Mr. Xi's caution against attempts to prevent the free flow of goods, services, capital and people as running counter to the historical trend.

**Xi said that globalisation was irreversible despite a populist backlash in the West.**

**There is "no point in blaming economic globalisation for the world's problems"**, he said, saying that the process was not at the root of the Syrian refugee situation or the 2008 financial crisis.

- The tragic effects of mass migration, he said, have their roots in the recent wars and regional conflicts, rather than in economic globalisation. His diagnosis of Europe's challenges on this front could not entirely be faulted

Mr. Xi reiterated the call for a reform of global economic governance structures, to reflect the contribution of the emerging and developing countries.

For long Beijing has been accused of not taking on the burdens of a leadership role commensurate with its economic and strategic power.

**Over**

### **BEIJING WOODS?**

The **AIIB** and the **NDB** are headquartered in Beijing and in Shanghai, respectively. They have fewer resources than the World Bank – \$100 billion for the AIIB and \$50 billion for the NDB, compared to \$200 billion for the World Bank – but they are big enough to finance significant infrastructure projects in the region. While the NDB is limited to the BRICS, the AIIB has 56 shareholder countries, with the notable exceptions of the US and Japan. (In yet another sign of American resistance to greater Chinese institutional leadership, US President Barack Obama's administration pressured its allies not to join.)

The IMF retains its role in providing an extensive financial safety net for the global economy. But **regional facilities** have been created to provide a cooperative mechanism for dealing with occasional liquidity crunches. The **Chiang Mai Initiative (CMI)**, for instance, pools the foreign-exchange reserves of the ASEAN+3 countries – a nominal total of \$240 billion – to provide currency swaps to members in times of financial distress. The facility can be expanded if necessary, provided that members are prepared to assume the risk. Similarly, **BRICS** countries can rely on a **Contingency Reserve Arrangement** of approximately \$100 billion.

### **DEEPAK NAYYAR**

The political backlash against Globalization is less discernible for three reasons.

- In emerging economies, rapid economic growth has provided benefits to a rising middle class and brought about a reduction in absolute poverty. The literati, the influential and the media, who have voice, believe in the magic of markets and globalization.
- Many developing countries still have authoritarian regimes, and even where political democracy exists, citizens are not empowered enough.
- Yet, there is a crisis of expectations. The consumption patterns and lifestyles of the rich, vivid in advertising on television, have powerful demonstration effects. And disaffection is growing.

**Latin America provides an interesting contrast.** The **early 2000s** witnessed extraordinary change as 10 countries elected Left governments. This happened because an adoption of neo-liberal economic prescriptions imposed real hardship on people—higher unemployment, lower incomes, rising inequality—during the 1980s and 1990s. These governments were recently ousted in Argentina, Brazil, Chile, Guatemala and Venezuela for corruption or economic mismanagement. But **left-of-centre governments** continue with popular support in Bolivia, Ecuador, Nicaragua and Uruguay.

### Positives for India

- India has been among the leading gainers of globalization although its gains are far lower than that of China
- A majority of people in China and India support their growing integration into the world economy, according to the latest Global Attitudes Survey conducted by the **Pew Research Centre**.
- Emergence of **global value chains** (GVC) has benefited firms and workers in emerging economies such as China and India, while those in advanced economies have lost out. India almost doubled its share in **real GVC income** arising from manufacturing.
- India's integration into the global economy has not only benefited Indian industry, but also raised job opportunities for workers involved in producing for global value chains. While high-skilled workers have gained far more than low-skilled ones, the overall gain in employment is higher relative to several other major economies.

### Negatives for India

- However, unlike China, which witnessed a big jump in wages along with rising employment, the **wage growth** for Indian industrial workers has been slower, the study shows.
- Moreover, given the huge size of the Indian labour force and the low skill levels of most of that labour force, the gains from globalization have eluded the majority.
- Inequality has increased in India

The upshot: while India has been a big beneficiary of globalization, the gains have not trickled down adequately to a large section of its workforce.

### How to tackle Globalization Backlash

1. SMART GLOBALIZATION – DANI RODRIK
2. Our focus should be on managing rapid technological change so that it benefits everyone—no easy feat, but not impossible, either. Tariffs and trade wars will do nothing to help – ANGUS DEATON
3. Curb on Rent seeking behaviour. Update the competition laws – JOSEPH STIGLITZ
4. Provide safety net to vulnerable sections

5. Reform the institutions of Global Economic Governance in line with Post-Washington Consensus – JOSEPH STIGLITZ
6. Overcome the stalemate at WTO

## JOSEPH E. STIGLITZ

### Globalization and its New Discontents – JOSEPH STIGLITZ

#### Trickle-down economics is a myth – JOSEPH STIGLITZ

#### How is the world faring in the face of Globalization?

- Large segments of the population in advanced countries have not been doing well: in the US, the bottom 90% has endured income stagnation for a third of a century.
- The effects of the economic pain and dislocation that many Americans are experiencing are even showing up in health statistics. For example, the economists Anne Case and Angus Deaton, this year's Nobel laureate, have shown that life expectancy among segments of white Americans is declining.
- Globalization is, of course, only one part of what is going on; **technological innovation** is another part.
- The main message of **Globalization and its Discontents** was that the problem was not globalization, but how the process was being managed.
- In the US, **Congressional Republicans** even opposed assistance to those who were directly hurt by globalization. More generally, neoliberals, apparently worried about adverse incentive effects, have opposed welfare measures that would have protected the losers. The Scandinavians figured this out long ago
- Growth actually slowed as the rules of the game were rewritten to advance the interests of banks and corporations – the rich and powerful – at the expense of everyone else. Workers' bargaining power was weakened; in the US, at least, **competition laws** didn't keep up with the times; and existing laws were inadequately enforced. Financialization continued apace and corporate governance worsened.

#### Stiglitz on Regional Trade Agreements

- The two new large agreements that President Barack Obama has been pushing – the Trans-Pacific Partnership between the US and 11 Pacific Rim countries, and the Transatlantic Trade and Investment Partnership between the EU and the US – are moves in the wrong direction.
- The primary focus of trade agreements like the Trans-Pacific Partnership (TPP) is not on tariff reduction (which has already been achieved), but harmonization of regulations across countries.
- Stiglitz terms this a **race to the bottom**, because in the name of promoting efficiency, it is a ploy by corporations to circumvent regulations which might have been brought in place to protect the environment, consumers, workers and the overall economy by democratic governments.

## GENERIC STUFF

The **history of free trade** has indeed been one of conflicts. One of the earliest clashes over free trade was in England in the first half of the 19th century. The English government, in which rural elites had a greater say, had imposed import tariffs on the import of corn and other foodgrains. This led to high food prices, and higher earnings for landowners.

But the urban folk—both workers and their employers—were not happy. After a prolonged struggle, the “**corn-laws**” were repealed and cheaper food imports allowed in Britain, no doubt a progressive step.

Not all trade liberalization was progressive though. In the same century, British resorted to exporting opium to China to fulfil their growing trade deficit on account of increase in Chinese imports like tea. The Chinese considered the sale of opium illegal, and tried to resist. They were attacked, defeated in the so-called Opium Wars, and had to give up Hong Kong to the British and also surrender trading rights to a host of nations.

Heterodox Cambridge University economist Ha-Joon Chang has long questioned the belief in free trade that others share. Chang argues that economists who point to the examples of the UK and the US to show how openness to trade leads to greater prosperity actually misread their history: both countries have used the policy of free trade selectively. They grew on the back of protectionist policies and opened up only when it suited them, while at the same time denying colonies and less developed countries to protect and support the growth of their own industries, writes Chang.

After inking the **North American Free Trade Agreement (NAFTA)** with the US, **domestic farm production in Mexico** collapsed due to cheaper corn imports from the US. Much of the displaced low-skilled agricultural labour could not find jobs in the modern sector and ended up becoming street vendors, which can hardly be described as gainful employment. Unlike developed countries, which can afford to provide unemployment allowances or retraining to workers, the suffering is more acute in developing countries.

In a 2014 article published in The New York Times, Nobel laureate **Joseph Stiglitz**, one of the early economists to warn about the “**discontents of globalization**” wrote that the primary focus of trade agreements like the Trans-Pacific Partnership (TPP) is not on tariff reduction (which has already been achieved), but harmonization of regulations across countries.

Stiglitz terms this a race to the bottom, because in the name of promoting efficiency, it is a ploy by corporations to circumvent regulations which might have been brought in place to protect the environment, consumers, workers and the overall economy by democratic governments.

## WTO

### India wants to hasten talks on proposed global services pact

- The proposed **TFS**, among other things, aims to ensure portability of social security contributions and cross-border insurance coverage to boost medical tourism and to ease norms for movement of skilled workers across borders.
- According to India, the proposed pact is similar to the WTO's **Trade Facilitation Agreement (TFA)** in Goods that recently came into force, and aims to ease customs norms to boost global goods trade.

### What is the Doha round?

The Doha round is the first to focus on helping developing countries join the global marketplace, and boost their economies as a result. The round was launched in November 2001 – and it's still not over.

### Goals of Doha talks

- Cutting import taxes – which are known as tariffs – on everything from wheat to cars to lingerie.
- Restricting countries' use of subsidies for farmers and fishermen;
- Lowering taxes and regulatory barriers that affect the cross-border trade in services, such as banking and consulting; and
- Negotiating new intellectual property rules on things such as drugs and copyrighted works.

### Why haven't they finished negotiating yet?

- The Doha round is based on the **idea of a single undertaking**, which means that, in effect, "nothing is agreed until everything is agreed.
- The skewed rules in the areas of **agriculture** and **intellectual property rights** have been flagged by the developing countries as their particular areas of concern.
  - In **agriculture**, WTO rules have been loaded in favour of the developed countries, while the interests of small farmers have almost been completely ignored.

### India at WTO

India flagged the important issue of food security and argued that the sovereign states must have the right to decide the manner in which the poor should be provided subsidised food.

- This issue arose after questions were raised as to whether public stockholding of food, which is at the heart of India's Public Distribution System (PDS), meets the WTO disciplines on agricultural subsidies. After India countered the viewpoints of the countries questioning its PDS, an understanding was reached where even if India breached agricultural subsidies' disciplines to meet its food security needs, no penal action would be taken against it through what is commonly called a "**peace clause**".
- But India's insistence that there should be a permanent solution to the problem of public stockholding for food security purposes has been met with deafening silence.

**Agreement on trade facilitation**- signed during **Bali Ministerial conference** - facilitation was not exactly an area that excited the developing countries for their shares in global trade are at very low levels.

- Developing countries are required to undertake changes in their customs procedures and facilities, which seemed a daunting task for many of the poorer countries.
- The critical element was the availability of financing facilities for undertaking the modifications. However, despite their initial opposition, the developing countries eventually accepted the Agreement on Trade Facilitation at the end of the Bali Ministerial Conference in 2013.

#### **Four years later, e-commerce & Investment**

- This proposal speaks of promoting micro, small and medium enterprises (MSMEs) through the better adoption of e-commerce. The proposal argues that an effective e-commerce environment would level the playing field between large and small businesses, thus enabling the latter to overcome the hurdles in accessing markets.
- The ICC-B-20 have proposed that the "package" should also provide capacity building resources to the developing economies, "including targeted assistance to ensure that MSMEs can get online and expand their business through e-commerce".
- This approach is similar to the **Trade Facilitation Agreement Facility**, the window for supporting developing and least-developed countries to implement the Trade Facilitation Agreement. However, the biggest challenge for the WTO is to garner financial resources, since it does not have a financing arm.

#### **Divisive issue of investment**

The issue of including **investment** in the WTO has been a deeply divisive, almost right since the inception of the organisation. While previous attempts to include an investment agreement have been met with much resistance from the developing countries, the latest bid comes at a time when the investor-friendly bilateral investment treaties (BITs) are under the scanner. The focus is on the investor state dispute settlement process, using which investors can sue their host states in private international panels.

India has unilaterally revoked a majority of the 73 BITs that it was a party to and has adopted a **new model BIT** that would be the basis of its future BITs. The new model BIT vastly truncated the powers of the foreign investor and their right to initiate disputes.

It is quite clear that the inclusion of e-commerce and investment in the WTO would further drive the wedge between the rich and the poor nations. The growing disenchantment with the existing model of

globalisation has provided a historic opportunity to frame new rules that give equal opportunities to all countries and their citizens in the global marketplace.

## UN

### Securing the UN's Future – KEVIN RUDD, fmr Australian PM

The UN is not broken, but it is in trouble, particularly as more countries treat it as a **polite diplomatic afterthought** and seek solutions to major global problems elsewhere. We've seen this on issues ranging from Syria to Iran, North Korea, terrorism, cyber security, asylum-seekers and refugees, migration, Ebola, and the emerging crisis in humanitarian-aid funding.

The UN matters – a lot. It is a deeply embedded component of the post-World War II order. If its relevance declines – if it slowly becomes “just another NGO” – countries will change their fundamental assumptions about how to deal with one another in the future. Unilateralism and the law of the jungle – the hallmark of a now-distant past – would return to international relations.

The UN has shown that it is capable of reinventing itself. But now it must do so out of necessity, not convenience. It must urgently re-design its functions, structure, and finance mechanisms to maximize the delivery of measurable results

## Regionalisation of World Politics: EU, ASEAN, APEC, SAARC, NAFTA.

### Self Determination or Referendums

Given that less than 10% of the world's states are homogeneous, treating self-determination as a primary rather than secondary moral principle could have disastrous consequences in many parts of the world.

Perhaps that is why only a few new states have been admitted to the UN in this century. After it seceded from Sudan, ethnic turmoil inside South Sudan continued, practically unabated.

Voting does not always solve problems of self-determination.

Question of when one votes? In the 1960s, the Somalis wanted to vote immediately; Kenya wanted to wait 40 or 50 years while it reshaped tribal allegiances and forged a Kenyan identity.



Another problem is how one weighs the interests of those left behind. Does secession harm them, by taking resources away or causing other disruption? Iraqi Kurdistan holds significant oil reserves, and Catalonia is estimated to account for a fifth of Spain's GDP.

History is not encouraging. After the Habsburg Empire was dismantled in 1918, the Sudetenland was incorporated into Czechoslovakia.

Countries like Switzerland or Belgium provide considerable cultural, economic, and political autonomy to their constitutive groups.

Where autonomy is not enough, it may be possible to arrange an amicable divorce, as when Czechoslovakia peacefully divided into two sovereign countries. But absolute demands for self-determination are more likely to become a source of violence, which is why they must be handled extremely carefully.

## EU

The **top-down approach** that **Jean Monnet** used to launch European integration in the 1950s carried the process a long way, before losing momentum – **GEORGE SOROS**

The EU is governed by treaties that, following the financial crisis of 2008, became **largely irrelevant** to conditions prevailing in the eurozone.

Three different levels of participation already exist in Europe: **the customs union, the euro currency**, and the **Schengen Agreement** on the removal of internal borders.

Meaningful progress is indispensable in three areas: **territorial disintegration**, exemplified by Brexit; the **refugee crisis**; and the **lack of adequate economic growth**. On all three issues, Europe starts from a very low base of cooperation.

## Internal Challenges

### Economic issues

The EU has become an organization in which the eurozone constitutes the inner core and the other members are relegated to an inferior position. The failure to clarify the relationship between the euro and the EU reflects a broader defect – **GEORGE SOROS**

The **Eurozone** in particular became the exact opposite of what was originally intended. The EU was meant to be a **voluntary association** of like-minded states that were willing to surrender part of their sovereignty for the common good. After the 2008 financial crisis, the eurozone was transformed into an arrangement whereby creditor countries dictated terms to debtor countries that couldn't meet their obligations. By dictating austerity, the creditors made it practically impossible for the debtors to grow their way out of their liabilities – **GEORGE SOROS**

High Unemployment rate in EU

### Refugee crisis

Europe still lacks a comprehensive migration policy. Each country pursues what it perceives to be its national interest, often working against the interests of other member states as a result. German **Chancellor Angela Merkel** was right: the **refugee crisis could destroy the EU**. But we must not give up. If

Europe could make meaningful progress on alleviating the refugee crisis, the momentum would change to a positive direction.

### **Territorial disintegration**

#### **Brexit, Catalonia**

#### **Potential - Basque, Andalusia**

Defence could become a fourth. Efforts to build a **common European defence system** have begun, but the process is slow.

- Other than Britain, only the French have major expeditionary force capabilities, while Germany has been inhibited by history from doing more.
- And Britain was always reluctant to do anything that might compete with NATO. But these attitudes are beginning to change.

### **EXTERNAL CHALLENGES**

Europe now faces a series of **external threats**.

- Russia's attacks on Georgia and Ukraine have reminded Europeans of the dangers they face from their large neighbour. Deterring Russia will still require a strong NATO.
- Another set of threats, however, could come from **violence in the Balkans**. Some observers believe that civil war was only narrowly averted recently in Macedonia. A **European peacekeeping force** could make a major contribution to stability in the region.
- A third set of threats to Europe originates in North Africa and the Middle East. **Libya** is in chaos and the source of dangerous Mediterranean voyages by desperate migrants, and one can also imagine the need to protect citizens or rescue hostages in the region.
  - The refugee crisis has exposed the fault lines in EU. Driven by their respective national interests, individual countries have differed over tackling the refugee crisis
  - As it stands, member states want to reassert their sovereignty, rather than surrendering more of it.

### **What ails Europe?**

Replacing a "multi-speed" Europe with a "multi-track" Europe that allows member states a wider variety of democratic choices would have a far-reaching beneficial effect.

approach the Brexit negotiations in a constructive spirit, recognizing the unpredictability of the future

Europe still lacks a comprehensive migration policy

### **Trump's gift to Europe – JOSEPH NYE**

By most accounts, Trump's presidency has been terrible for Europe.

- Trump welcomes Britain's looming exit from the EU;
- Trump only belatedly reaffirmed NATO's Article 5
- He withdrew the US from the Paris climate agreement, which is very popular in Europe; and he has cut US funds for the United Nations, which has strong European support.

**Populists** have been defeated in Austria and the Netherlands; the French elected Emmanuel Macron, a centrist newcomer; and May, the champion of a 'hard' Brexit, lost her parliamentary majority in last month's snap general election.

## CATALONIA ISSUE

How is it that a country whose economic performance, human development and democratic integrity have improved so vastly over the past four decades is now dealing with one of Europe's worst territorial and constitutional crises?

**The answer isn't the economy.** Spain, and particularly Catalonia, is growing faster than most European countries. It isn't a deep ethnolinguistic conflict either. The relationship between Catalan and Spanish speakers is exemplary.

Ideas are the problem

1. The first is that Spain's government has historically been highly authoritarian and centralist. The view of Spanish central government as an oppressor fuelled the Catalan separatist movement from the start.
  - a. Subsequent kings tried to impose the Spanish language and laws on the region, but they abandoned their attempts in 1931 and restored the Generalitat (the national Catalan government).
  - b. The region was granted a degree of autonomy once more in 1977, when democracy returned to the country.
  - c. Quite the contrary Spain was a highly decentralised state where policies emerged as a result of bargaining between different factions.
  - d. Secessionism has stronger support among the politically influential Catalan upper-middle classes than among disadvantaged socioeconomic groups.
2. The economic crisis in Spain has only served to magnify calls for Catalan independence – as the wealthy Barcelona region is seen as propping up the poorer rest of Spain.
  - a. The Catalan region has long been the industrial heartland of Spain – first for its maritime power and trade in goods such as textiles, but recently for finance, services and hi-tech companies.
  - b. It is one of the wealthiest regions of Spain - it accounts for 18.8pc of Spanish GDP, compared to 17.6pc from Madrid. Madrid, however, has a higher per capita GDP.

Secession would therefore cost Spain almost 20 per cent of its economic output

There are historic reasons why many Catalans want to go their own way

- Catalonia, with its bustling economy, has drawn in outsiders from the rest of Spain and a wider Europe over many decades.
  - Seventy-five per cent of the people whose mother tongue is Catalan support Yes and 75% of the people with other languages as their mother tongue are against independence (too much inflow of foreigners as told by Aristotle is one of the causes of revolution)
- This region, and would-be country, is profoundly split: by language, by the origins of its population and between country and city.

But if the European Union is alarmed about Britain leaving, it is still more alarmed – from Belgium to France to Italy – about separatist movements destroying cohesion from within.

Madrid has already offered talks on autonomy issues.

But Catalans want to be in EU

### Impact of Catalonia

Events in Catalonia have implications for Europe. It's unlikely that Catalan separatism will propel similar secessionist challenges. No other separatist movement, apart from that of Scotland, has the popular and organisational support.

## NAFTA

### Facts

- Nafta removed most tariffs on goods traded between the three partners, eased investment rules and allowed for more movement of workers between the countries.
- Some goods are exempted from the accord, such as softwood lumber and dairy products, the source of recent tension between Canada and the United States.
- According to the Nafta secretariat, **nearly 40 million new jobs were created**, including 25 million in the US, over the first 15 years after the pact was ratified.
- With the elimination of tariffs, commerce between the three nations has surged, but trade imbalances between Mexico and the US have also skyrocketed.
- Mexican exports to the US increased sevenfold between 1993 and 2016, but less than threefold to Canada.
- Moving factories and jobs from the US to Mexico has changed the dynamic of the trade relationship. Some 80% of Mexican exports go to the US.
- **US automakers** often send parts back and forth across the border before a car or truck is fully assembled. High-end products like computers and electronics are exported in both directions.

### Mexico's Farmers Were Put Out of Business

- Thanks to NAFTA, Mexico lost 1.3 million farm jobs. The 2002 Farm Bill subsidized U.S. agribusiness by as much as 40 percent of net farm income. When NAFTA removed trade tariffs, companies exported corn and other grains to Mexico below cost. Rural Mexican farmers could not compete. At the same time, Mexico reduced its subsidies to farmers

### Current issues

#### RULES OF ORIGIN

- NAFTA says in order for a good to be traded duty-free within the three countries, it must contain a certain percentage of North American content, which differs for various products. The rule of origin is most contentious in the auto industry;

- The United States wants to increase the content threshold for NAFTA goods in a bid to return manufacturing jobs to the United States
- Canada has said it is prepared to discuss some strengthening of rule of origin in the auto sector, but any change must apply equally to all three countries.
- Mexico is willing to look at strengthening rules, but warns that going too far will make the region less competitive.

## DISPUTE RESOLUTION

- The United States has sought to ditch the so-called Chapter 19 tool, under which binational panels hear complaints about illegal subsidies and dumping and then issue binding decisions.
- The United States has frequently lost such cases since NAFTA came into effect in 1994, and the mechanism has hindered it from pursuing anti-dumping and anti-subsidy cases against Canadian and Mexican companies.

## PROTECTING AGRICULTURE

- U.S. negotiators are seeking to allow **U.S. seasonal produce** growers to **file anti-dumping cases against Mexico**. Seasonal fruit and vegetable growers in the **southeastern United States** have come under increasing pressure from year-round Mexican imports under NAFTA and are seeking the ability to pursue anti-subsidy and anti-dumping cases or seek temporary import quotas.
- But U.S. retailers and food industry groups argue that American producers could be left open to retaliatory measures if more complaints were to be filed, for instance, against avocados, tomatoes and other produce imported from Mexico.

## SUPPLY MANAGEMENT

- Quotas are a feature of NAFTA in several agricultural commodities including dairy and sugar, but Washington is seeking to eliminate non-tariff barriers to U.S. agricultural exports.
- Most notably, U.S. President Donald Trump has called Canada's restrictions on dairy imports a "disgrace."

**CURRENCY MANIPULATION** - The United States is seeking a provision to deter currency manipulation. While Washington wants a mechanism to ensure the NAFTA countries avoid tinkering with exchange rates to gain a competitive advantage, neither Canada nor Mexico is on the U.S. Treasury's currency manipulation watch list.

## GOVERNMENT PROCUREMENT

- The United States is pushing for governments in Canada and Mexico to open up their tender processes to U.S.-made products but at the same time is defending existing "Buy American" procurement laws.
- The Buy American provisions have blocked the use of Canadian steel to build U.S. bridges, and Canada is pushing for a freer market for government procurement.

## Other issues

- **Trump's campaign promise** to renegotiate the North American Free Trade Agreement

- Trump has called NAFTA the “**single worst trade deal**” ever approved by the United States, claiming that it has led to “terrible losses” of manufacturing production and jobs. But none of this is supported by the evidence.
- **Even as the US trade deficit with Mexico has grown in nominal terms, it has declined relative to total US trade and as a share of US GDP**
- The **NAFTA rules** esp the **rules of origin** are currently so onerous that some US importers reportedly choose simply to dispense with the benefits of NAFTA – and the accompanying paperwork – and instead to pay the low normal tariff imposed on non-NAFTA products.

#### Impact of Trump’s demand for renegotiation

- Mexico does have some options. For example, it could raise tariffs to its old high “bound rates,” buying more corn from Brazil and Argentina and less from US farmers.
- It could permit Central American migrants to pass through Mexican territory to the US border, rather than impeding them, as it currently does.
- It could curtail cooperation with US law-enforcement authorities in areas like drug crime.
- Most worrying, the Mexican people could respond to US provocation by electing their own nationalist president, Andrés Manuel López Obrador, in 2018.
- Donald Trump’s repeated threat to terminate Nafta could bring Mexico and China, the two US partners the president has complained about most, closer together

#### Intertwined nature of commerce

- Goods often move across the US-Mexico border numerous times before they are ready for final sale in Mexico, the US, or elsewhere.
- The US and Mexico aren’t just exchanging finished goods. Rather, much of their bilateral trade occurs within supply chains, with companies in each country adding value at different points in the production process. **The US and Mexico are not just trading goods with each other; they are producing goods with each other.**
- In 2014, Mexico imported \$136 billion of **intermediate goods** from the US, and the US imported \$132 billion of intermediate goods from Mexico.
- When cross-border trade flows are occurring largely within **supply chains**, traditional export and import statistics are misleading.

Trump claims that high tariffs on imports from Mexico would encourage US companies to keep production and jobs in the US. That would raise the prices of products relying on inputs from Mexico, undermining the competitiveness of the US companies.

Imports from Mexico support US jobs in three ways: by creating a market for US exports; by providing competitively priced inputs for US production; and by lowering prices of goods for US consumers, who then can spend more on other US-produced goods and services. A recent study estimates that nearly five million jobs in the US currently depend on trade with Mexico.

Trump has lately toned down threats to withdraw the US from NAFTA and to impose large unilateral tariffs on Mexican imports (his position on the border adjustment tax is unclear). Instead, in a draft proposal to Congress, his trade officials are calling for flexibility within NAFTA to reinstate tariffs as temporary “safeguard” mechanisms to protect US industries from import surges.

The Trump administration's draft outline for NAFTA renegotiation also sets objectives for stronger labor and environmental standards. Stronger standards could create benefits for all of NAFTA's partners; but with the Trump administration actively dismantling labor and environmental protections at home, a US-led effort to strengthen them within NAFTA in any meaningful way seems farfetched. Perhaps Canada will take the lead.

Uncertainty over the fate of NAFTA has already hit the Mexican economy. This may aid the rise of right-wing populists riding the wave of anti-Trump nationalism.

## ASEAN

Today, its **combined GDP is about \$2.6 trillion**. By 2020, the World Economic Forum expects Asean to be the world's fifth largest economy.

**As Europe reminds us again and again, an economic grouping is only as durable as its weakest links. And South-East Asia almost has too many to count.**

India's bid to accentuate its links with ASEAN comes at a time of **flux in the region** with China seen as growing more assertive vis-a-vis its territorial claims in the oil and gas-rich South China Sea, which is also a major international maritime trade route.

With the US under President Donald Trump giving mixed signals about its commitment to the region, strategic uncertainties in the region are growing.

It is against this backdrop that India is looking to make stronger inroads into ASEAN.

The only exception is the Philippines, which has not seen a visit by an Indian leader in the past many years but Modi is expected to rectify that when he visits Manila later this year for the India-ASEAN Summit.

"There is a lot of demand for Indian presence which most regional states view as a **benign force**. But India is yet to give a signal that it remains committed to a long-term strategic presence in the region.

- **Economically**, India needs to develop **connectivities** with the region so that economic complementarities can be fully realised.
- **Militarily**, India needs to evolve into a robust security provider in the region. Diplomatically, it needs a sustained outreach.
- **Culturally**, it needs to build on the shared cultural linkages.
- And most importantly, New Delhi needs to build intellectual capital in the region so that India is studied and understood much more than is the case today," **Harsh Pant** added.

## Challenges faced by ASEAN

### 3 main challenges – Unity, Economic Growth and Terrorism

1. Maintaining the regional bloc's unity and credibility, and the South China Sea issue has become a "barometer of ASEAN's unity and credibility",
  - a. ASEAN does not have a common foreign policy, common economic policy, or common security policy. This is perhaps understandable given the history of the association and the diversified political culture of its member countries.
  - b. ASEAN leaders avoided tacit references to China's building and arming of the South China Sea following efforts by Beijing officials
    - Beijing has reacted angrily to members expressing their concern about its rapid **reclamation of reefs in the Spratly archipelago** and its installation of missile systems on them.
    - The softened statement comes as the current ASEAN chairman, **Philippine President Rodrigo Duterte**, seeks to **bury the hatchet** with China after years of wrangling over its maritime assertiveness, including its four-year blockade of the Scarborough Shoal.
    - Duterte's foreign policy approach represents a stunning reversal of that of the previous administration, which had close ties with the United States and was seen by China as a nuisance.
    - The Philippines government in 2013 challenged Beijing by lodging a case with the Permanent Court of Arbitration in 2013.
  - c. ASEAN member states like Brunei, Malaysia, Philippines and Vietnam are currently in dispute with China over the South China Sea while non-claimants like the US want the territory to remain as international waters.
  - d. recent steps taken by ASEAN and China in coming up with a joint statement on Application of the Code for Unplanned Encounters at Sea (CUES) as well as guidelines for Hotline Communications amongst senior foreign affairs officials of the regional bloc in the event of maritime emergencies.
2. new aspects of the terrorism threat faced by the regional bloc - namely **self-radicalisation**, terrorist groups in the region linking up with the Islamic State, and the increased frequency of attacks.
  - a. Latest battle of Marawi, ARSA in Myanmar, Rohingya tension spreading to other ASEAN countries
  - b. Terrorism can widen the religious fault lines between Islamic countries like Indonesia, Malaysia and Buddhist countries
3. RCEP negotiations have not progressed as quickly as we had hoped

### APEC

Asia-Pacific Economic Cooperation (APEC) is regional economic forum of 21 Pacific Rim member economies that promotes free trade throughout the Asia Pacific region. These 21 member countries collectively account for nearly 50% of the world's trade and about 57% of GDP. ...

**21 Members Economies:** Australia, Brunei, Canada, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, United States...



India is observer of APEC since 2011 and has applied for membership....

APEC was originally conceived as an exclusively economic forum. Fortunately, it has also become an annual forum for US, Chinese, Japanese, and other leaders to engage with one another on critical questions of long-term strategic stability. The future of the region's economy and the global economy – and the stability upon which they are predicated – will be powerfully shaped by the outcome of these deliberations.

The core reality is that the Asia-Pacific region comprises a group of rapidly globalizing twenty-first-century economies sitting on top of a set of nineteenth-century national tensions.

US support for Japan's revision of its post-WWII "peace constitution" as a precursor for what China views as significant Japanese rearmament.

### **The End of Asia's Strategic Miracle? (Richard N Haas)**

Contemporary Asia's economic miracle rests on a less-discussed strategic miracle: the maintenance of peace and order.

Since the end of the Vietnam War in the mid-1970s, Asia has stood out for its lack of major conflicts within or across borders – an achievement that distinguishes it from Africa, Europe, the Middle East, and even Latin America.

This stability is all the more extraordinary because Asia is home to a large number of unresolved disputes. When World War II ended in 1945, Japan and Russia did not sign a peace treaty, owing largely to their competing claims over the Southern Kuril Islands, known in Japan as the Northern Territories. Eight years later, the Korean War also ended without a formal peace treaty, leaving behind a divided and heavily armed peninsula.

Today, competing territorial claims – mostly involving China – continue to stoke tension across Asia. Japan is embroiled in a dispute with China over the Senkaku (Diaoyu) Islands in the East China Sea. More than half a dozen other Asian countries disagree vehemently with China's territorial claims in the South China Sea. And India is at loggerheads with China over their long-shared Himalayan border.

### **Why peace in Asia despite these tensions?**

- Despite all of these tensions, Asia has remained largely at peace, partly because no country has wanted to jeopardize economic growth by initiating a conflict. This perspective is most clearly associated with Deng Xiaoping.
- But economics was probably not the only factor at play. Because most Asian countries are host to relatively homogenous societies with strong national identities, the chance of civil conflicts erupting and spilling over national borders is relatively low. Last but certainly not least, America's strong military presence in Asia – which underpins its robust regional alliance system – has reduced the need for Asian countries to develop large military programs of their own, and has reinforced a status quo that discourages armed adventurism.

**These factors have contributed to peace and stability in Asia, but they cannot be taken for granted.**

What changed? For one thing, China's economic rise has allowed it to expand its military capabilities. As China adopts an increasingly assertive foreign policy – exemplified by its border dispute with India and territorial claims in the South China Sea – other countries are increasingly motivated to boost their own military spending. As that happens, it becomes more likely that a disagreement or incident will escalate into a conflict.

Meanwhile, the US – the only power with the capability to offset China – seems to be retreating from its traditional role in Asia. Already, US President Donald Trump's administration has withdrawn his country from the Trans-Pacific Partnership, and confronted US allies on their defense spending and persistent trade imbalances.

More generally, the growing unpredictability of US foreign policy could weaken deterrence and prompt allies to take their security into their own hands.

The most immediate cause of potential instability is North Korea, which now poses not just a conventional military threat to South Korea, but also a nuclear threat to all of Asia, as well as to the US. This could invite a devastating preemptive strike from the US.

## **India and APEC**

The ostensible reason for India's non-inclusion in the APEC is its **extra-regional status**. APEC is essentially a group of 'Pacific' countries that came together in 1989 to form an economic community. Its guiding motive was to resist protectionist policies by individual member states, and the promotion of trade liberalisation and economic cooperation within the affiliated Asia-Pacific economies. By that description, India did not seem to fit in.

The main impediment, apparently, has been the opposition of some participants who have held India's record on economic reforms and WTO engagement to be unsatisfactory and unworthy of meriting inclusion as a member in the grouping.

Since 2012, when APEC's leaders decided not to extend the moratorium on new membership (in force since 1997), there has been a renewed push to grant membership status to India. A majority of members now believe that India must be brought into the fold for it has shown progress in reforming and liberalising its economy.

Granting India membership status may also act as a catalyst for trade reform among emerging economies. Moreover, **India's maritime strength** and strong strategic relations with the region's major powers, member states point out, could be used to bring **strategic balance** within the grouping. But the same logic is also causing some members to oppose India's inclusion. India, which presently has 'observer' status, has been very keen to join the economic grouping as a full member.

The Indian government's expression of renewed interest in APEC membership in 2015 was a signal of an orientation toward foreign trade and investment.

**Other stumbling blocks** - First off; there are already 21 members and this may be enough for now. Second, India's does not have enough backers within APEC.

Importantly, inclusion in the APEC might open the door for India's membership of the Trans-Pacific Partnership (TPP).

## GLOBAL ISSUES

### HUMAN RIGHTS

#### Rohingya

**BRAHMA CHELLANEY** calls it as Myanmar's Jihadi curse

**Both sides are to be blamed**

**Myanmar's jihadi scourge** is decades old, a **legacy of British colonialism**.

- In the years before India gained independence from Britain in 1947, Rohingya militants joined the campaign to establish Pakistan as the first Islamic republic of the postcolonial era. When the British, who elevated the strategy of "divide and rule" into an art, decided to establish two separate wings of Pakistan on either side of a partitioned India, the Rohingya began attempting to drive Buddhists out of the Muslim-dominated Mayu peninsula in northern Rakhine. They wanted the Mayu peninsula to secede and be annexed by East Pakistan (which became Bangladesh in 1971).
- Failure to achieve that goal led many Rohingya to take up arms in a self-declared jihad. Local mujahedeen began to organize attacks on government troops and seize control of territory in northern Rakhine, establishing a state within a state.

But, internally, Myanmar has failed to build bridges among its various ethnic groups and cultures. Since independence, governments dominated by Myanmar's Burman majority have allowed postcolonial nativism to breed conflict or civil war with many of the country's minority groups, which have complained of a **system of geographic apartheid**.

The bloodshed in Myanmar has uprooted hundreds of thousands of Muslim Rohingya, eroded the prestige of government leader Aung San Suu Kyi, and damaged the credibility of ASEAN and the United Nations. The crisis can be resolved, but not without international intervention.

The humanitarian crisis afflicting Myanmar's Muslim Rohingya has damaged the country's political stability and shattered its image as a country moving toward democracy

Moreover, it has tarnished the reputation of the government's de facto leader, the Nobel Peace Prize laureate Aung San Suu Kyi; called into question the crisis-management credentials of ASEAN and the United Nations; and made a mockery of international institutions for conflict prevention.

And yet, for all the woe, a resolution remains possible; to achieve it, five steps must be taken without delay.

First and foremost, the killings and atrocities must stop. Myanmar's military has engaged in a sustained campaign of ethnic cleansing, with the primary goal of expelling the Rohingya from the country.

For that to happen, however, Rohingya extremists must be contained. Contrary to the prevailing narrative in the West, the Myanmar military was provoked, after insurgents staged a series of attacks on police and army posts in August. Exploiting a history of armed clashes between Buddhists and Muslims in Rakhine State, the Arakan Rohingya Salvation Army (ARSA) has assumed leadership of an increasingly violent campaign.

Soldiers have burned entire Rohingya villages, engaged in sexual violence, destroyed mosques, and provoked mass displacement. The UN High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, says it is "a textbook example of ethnic cleansing," while UN Secretary-General António Guterres has called the crisis "catastrophic."

Rohingya extremists have long-established links with foreign jihadists, including those of the Islamic State. Complicating the military's position, **ARSA** is, according to the International Crisis Group, **commanded by Saudi-based insurgents** with extensive experience in guerrilla warfare.

It is precisely these concerns that have made it difficult for Myanmar to break the cycle of violence. Bangladesh and India have refused to resettle Rohingya refugees permanently, largely because they fear that jihadists could be among them. Indian intelligence agencies have linked ARSA to the Pakistani jihadist group Lashkar-e-Taiba. Similarly, China's government has supported Myanmar's efforts to protect its national security. As part of its Belt and Road Initiative, China is investing \$7.3 billion in a port project in Rakhine, which may lead China to block any attempt in the UN Security Council to censure Myanmar for its actions.

**This tangled web of interests**, coupled with the government's failure, means that responsibility for protecting all of Myanmar's people now falls to ASEAN or the UN.

Once hostilities cease, the second step toward ensuring long-term peace will be the repatriation of refugees, which could prove to be a logistical nightmare. According to UN figures, at the end of September some 700,000 Rohingya refugees had crossed into Bangladesh, with more than half arriving since late August. And Myanmar's military has mined the border with Bangladesh to stop them from returning.

ASEAN, which demonstrated its capabilities in the wake of Cyclone Nargis in 2008, is well positioned to take the lead in shaping a regional response. ASEAN could also coordinate with the UN in managing emergency personnel.

The fourth step is to hold enablers of the atrocities accountable. Myanmar's government must undertake – or permit ASEAN or the UN to do so on its behalf – an independent and impartial investigation into the killings, identify the perpetrators, and subject them to transparent and credible prosecution. If this cannot be done domestically, the matter must be referred to the International Criminal Court.

Finally, the government that Suu Kyi leads must repeal or amend all discriminatory laws and end official anti-Rohingya discrimination. With 1.1 million members, the Rohingya are one of the world's largest stateless ethnic groups. The 1982 citizenship law did not recognize them as one of the country's 135 ethnic groups, and they have severely limited access to health care, education, and employment, in addition to facing restrictions on their freedom of movement.

The report issued in August by the **Rakhine Advisory Commission**, led by former UN Secretary-General Kofi Annan, offers one possible path forward (Kofi Annan Commission )

- 1) **HUMANITARIAN ACCESS** - The Myanmar government and the Rakhine State government should allow full and unimpeded humanitarian access to all areas affected by recent violence. The government, assisted by international partners, should ensure adequate assistance to all communities affected by the violence.
- 2) **MEDIA ACCESS** - Myanmar authorities should provide full and regular access for domestic and international media to all areas affected by recent violence.
- 3) **JUSTICE AND RULE OF LAW** - In light of the allegations of serious violations of human rights law, the government should – based on independent and impartial investigation – ensure that perpetrators of serious human rights violations are held accountable.
- 4) **BORDER ISSUES AND THE BILATERAL RELATIONSHIP WITH BANGLADESH** - The Governments of Myanmar and Bangladesh should strengthen bilateral ties by immediately **activating a joint commission**, consisting of senior political and security officials from both sides. The joint commission – which should meet at least every quarter – should address the following issues:
  - a. Facilitate the **voluntary return of refugees** from Bangladesh to Myanmar through **joint verification**, in accordance with international standards.
  - b. Establish a joint mechanism to combat human trafficking, drugs smuggling and illicit trade – as well as illegal practices enabling such activities.
  - c. Develop a joint strategy to address the issue of illegal migration.
  - d. Promote a joint strategy to revive cross-border trade and investment, with private sector participation, and re-open all legal border crossings.
  - e. Strengthen intelligence sharing and cooperation to combat terrorism.
- 5) **SOCIOECONOMIC DEVELOPMENT: Context:** Rakhine is the second poorest state in Myanmar; the economic environment is failing to provide adequate livelihood opportunities for the labour force, and the economy is marked by a deficit of skilled labour and a lack external investment in productive sectors. The Commission recommends the fast-tracking of the following: Vocational and technical training, Health and Education
- 6) **INTER-COMMUNAL DIALOGUE**
- 7) **REGIONAL RELATIONS** - The government should continue its initiative to brief ASEAN members on a regular basis on the broader dimensions and regional implications of the situation in Rakhine State. The Government of Myanmar should maintain a special envoy to engage with neighbouring countries on this issue.

#### OFFICE OF THE HIGH COMMISSIONER OF HUMAN RIGHTS - UN

- The **Universal Periodic Review (UPR)** is a unique process which involves a review of the human rights records of all 193 UN Member States. The UPR is a State-driven process, under the auspices of the Human Rights Council, which provides the opportunity for each State to declare what actions they have taken to improve the human rights situations in their countries and to fulfill their human rights obligations.
- Currently, no other universal mechanism of this kind exists.
- UPR is non-intrusive in nature

## DEMOCRACY

### Cosmopolitan democracy

**Context** - The victory of Western liberal states ending the Cold War inspired the hope that international relations could be guided by the ideals of democracy and the rule of law.

Cosmopolitan democracy is a political theory which explores the application of norms and values of democracy at the transnational and global sphere. It argues that global governance of the people, by the people, for the people is possible and needed.

Writers advocating cosmopolitan democracy include Immanuel Kant,[1] David Held,[2][3] Daniele Archibugi,[4] Richard Falk,[5] and Mary Kaldor.

In the cosmopolitan democracy model, decisions are made by those affected, avoiding a single hierarchical form of authority. This can be done either through direct participation or through elected representatives. The model advocated by cosmopolitan democrats is **confederal and decentralized—global governance without world government**—unlike those models of global governance supported by **classic World Federalism thinkers**, such as Albert Einstein.

The idea of cosmopolitan democracy has been advocated with reference to the **reform of international organizations.** This includes the institution of the International Criminal Court, a directly elected World Parliament or world assembly of governments, and more widely the **democratization of international organizations.**

Supporters of cosmopolitan democracy have been sceptical about the effectiveness of military interventions, even when they are apparently motivated by humanitarian intentions. They have instead suggested **popular diplomacy** and **arms control.**

Criticisms of cosmopolitan democracy have come from realist, marxist, communitarian and multicultural perspectives. Democratic theorist **Robert Dahl** has expressed his doubts about the possibility of expanding democracy in international organizations to any significant degree, as he believes that **democracy diminishes with size.**

## GENDER JUSTICE

In just 42 countries do women hold more than 30% of seats in the national legislature, and girls still do not have the same educational opportunities as boys in Sub-Saharan Africa, Oceania, and western Asia.

### Women and Climate change

Women are among those most vulnerable to the impacts of unsustainable practices and climate change, because they often have no independent income or land rights. In many countries, women are responsible for the provision of water and food for their families. And when the usual sources of these resources are disrupted, women are forced to travel farther and spend more time working for less return. Scarcity requires them to make difficult choices like pulling children out of school or deciding which family member can afford to skip a meal.

In many homes around the world, women are at the heart of the household's nexus of water, food, and energy

### Women and Economic Growth

A widely cited **McKinsey Global Institute** study finds that closing gender gaps in labor-force participation rates, part-time versus full-time work, and the composition of employment would add 12-25% to global GDP by 2025.

### Issues affecting Gender Justice

- Globally, only 50% of women aged 15 and above are in paid employment, compared with about 75% of men. At the same time, women do about three times more **unpaid work** than men do.
- Even when women perform the same or equal-value jobs as men, they are **paid less**, on average (although the size of the pay gap varies considerably around the world).
- Women are under-represented in leadership positions in both business and government.
- And, compared to businesses owned by men, enterprises owned by women are smaller, employ fewer people, and are more concentrated in sectors with limited opportunities for profit and growth.

The **recent UN report** identifies four overarching and interconnected factors that impede gender equality in all forms of work, and at all levels of development:

1. Adverse social norms
2. Discriminatory laws and insufficient legal protections,
3. Gender gaps in unpaid household and care work, and
4. Unequal access to digital, financial, and property assets

Eliminating the obstacles faced by women in economic participation comes in many forms. **Gender budgeting** improves gender equality through well-structured fiscal policies and adequate and properly monitored spending on gender-related goals.

## ENVIRONMENT

Last year also marked the first time in millions of years that the concentration of CO<sub>2</sub> in the atmosphere reached 400 parts per million (ppm).

Describing the **Paris agreement** as “**a collective asset of the world**”, Mr. **Modi** assured the world during a joint news conference with French President Emmanuel Macron, “The protection of the environment and the mother planet is an **article of faith**.”

The Paris climate agreement requires each country is to do its part with “**common but differentiated responsibilities**.” America’s differentiated responsibilities start with the fact that the US is, by far, the largest cumulative greenhouse-gas emitter in the world.

And US per capita emissions are higher than in any other large country, by far.

US Climate finance – US has so far give one billion USD to Green Climate Fund – which is 3 dollars per American, against expected 10 billion USD

### Donald Trump’s Historic Mistake

Trump is making a mistake that will have grave repercussions for his own country, and for the world.  
(NOAM CHOMSKY’S pessimistic view on American Hegemony)

They have somehow concluded that America will be spared from the droughts already destroying farms in California’s Central Valley, the rising sea levels already flooding coastal cities, the storms and wildfires routinely ravaging vast swathes of the American countryside, and the water- and food-supply disruptions that threaten us all.

### Trump and the Truth About Climate Change – JOSEPH STIGLITZ

In fact, the Paris accord is very good for America, and it is the US that continues to impose an unfair burden on others.

According to Trump, “The concept of global warming was created by and for the Chinese in order to make US manufacturing non-competitive.”

But this was not the reason Trump advanced for withdrawing the US from the Paris accord. Rather, the agreement, he alleged, was bad for the US and implicitly unfair to it.

### Why USA should lead?

- US remains the biggest per capita emitter of carbon dioxide by far – more than twice China’s rate and nearly 2.5 times more than Europe in 2013 (the latest year for which the World Bank has reported complete data). With its **high income**, the US is in a far better position to adapt to the challenges of climate change than poor countries like India and China, let alone a low-income country in Africa.
- In fact, far more jobs are being created in solar panel installation than are being lost in coal.



- **It is always better to tax bad things than good things.** By **taxing CO<sub>2</sub>**, firms and households would have an incentive to retrofit for the world of the future. The tax would also provide firms with **incentives to innovate** in ways that reduce energy usage and emissions – giving them a dynamic competitive advantage.

Fortunately, large parts of the US, including the most economically dynamic regions, Large numbers of states and corporations have announced that they will proceed with their commitments – and perhaps go even further, offsetting the failures of other parts of the US.

## **Weathering the Violence of Climate Change**

### **(Impact of Climate change on Society, peace)**

According to a recent study by Tamma A. Carleton of the University of California, Berkeley, suicides among Indian farmers have increased with the temperature, such that an increase of 1° Celsius above the average temperature on a given day is associated with approximately 70 additional suicides, on average.

As global temperatures rise and droughts become more common, political agitation, social unrest, and even violence will likely follow.

In 2008, when severe weather cut into the world's grain supply and drove up food prices, countries ranging from Morocco to Indonesia experienced social and political upheavals. More recently, food insecurity has been used as a weapon in the wars in Yemen and Syria.

According to the Center for Climate and Security, failure to address such “climate-driven risks” could lead to increased fighting over water, food, energy, and land, particularly in already unstable regions. CCS identifies 12 “epicenters” where climate change might ignite or exacerbate conflicts that could engulf large populations, and spill across national borders.

Moreover, **psychological studies** have shown that when people are subjected to uncomfortably hot temperatures, they show increased levels of aggression. And new research is finding that what is true for the individual also holds true for populations.

- In **Sub-Saharan Africa**, researchers have found a strong correlation between three decades of rising temperatures and outbreaks of civil war.
- If warming trends continue, **civil wars and other conflicts** will become more common in Africa, the South China Sea, the Arctic, Central America, and elsewhere.
- **Parts of the Middle East**, for example, could become too hot for humans by the end of this century; and heavily populated cities such as New Delhi could experience temperatures over 95° Fahrenheit (35° C) up to 200 days out of the year.

The **International Organization for Migration** fears that as more people flee the heat, the concentration of humanity into smaller spaces will have an unprecedented impact on **local “coping capacity”**

## **Exposing Climate Change Obstruction – BENJAMIN FRANTA**

What is obstructing Climate change talks - oil and gas industry's highly effective infrastructure of **pseudo-science**

Throughout the 1990s, the **American Petroleum Institute (API)** – the largest oil and gas trade association and lobbying group in the US, argued that pro-climate policies would be devastatingly expensive. API successfully lobbied for delaying measures to address climate change solutions, using Bernstein and Montgomery’s projections to claim that job losses and economic costs would outweigh environmental benefits.

These arguments were used in 1991, to torpedo the idea of carbon dioxide controls; in 1993, against the Clinton administration’s proposed BTU tax (an energy surcharge that would have taxed sources based on their heat and carbon content); in 1996, against the goals of the UN Conference of Parties in Geneva (COP2); in 1997, against the goals of the UN Conference of Parties in Kyoto (COP3); and in 1998, against the Kyoto Protocol’s implementation. The API’s lobbying plan was repetitive. It also worked.

**George W. Bush**, who bought the industry’s claims and pulled the US out of the Kyoto Protocol.

KEERTHI PUJAR

## TERRORISM

The Islamic State, which advocates a **radical Salafi version of Sunni Islam** and regards Shias as heretics

### Five Truths about Terrorism – JOSEPH NYE

Terrorism is a serious problem, but it has been blown out of proportion by political opportunism and a sensationalist news media.

To put terrorism in proper perspective, Americans – and others – should bear in mind the following considerations.

**Terrorism is a form of theatre.** Terrorists are more interested in capturing attention and putting their issue at the forefront of the agenda than in the number of deaths they cause per se.

- The Islamic State (ISIS) pays careful attention to stagecraft. The barbaric beheadings that are broadcast and disseminated through social media are designed to shock and outrage – and thereby capture attention.
- By exaggerating their effect and making every terrorist act a lead story, we play into their hands.

**Terrorism is not the biggest threat facing people in advanced countries.** Terrorism kills far fewer people than auto accidents or cigarettes. Six thousand Americans die annually from texting or talking on the phone while driving. That is several hundred times more than die from terrorism.

**Global terrorism** is not new. It often takes a generation for a wave of terrorism to burn out. At the beginning of the twentieth century, the anarchist movement killed a number of heads of state for utopian ideals. In the 1960s and 1970s, the “new left” Red Brigades and Red Army Faction hijacked planes across national borders and kidnapped and killed business and political leaders (as well as ordinary citizens). With its sectarian attacks, it cannot even appeal to all Muslims, much less Hindus, Christians, and others. ISIS will eventually be defeated, just as other transnational terrorists were.

**Terrorism is like jiu jitsu.** The smaller actor uses the larger actor’s strength to defeat it. No terrorist organization is as powerful as a state, and few terrorist movements have succeeded in overthrowing one. But if they can outrage and frustrate citizens of the state into taking self-defeating actions, they can hope to prevail. Al-Qaeda succeeded in luring the US into Afghanistan in 2001. ISIS was born in the rubble of the subsequent US-led invasion of Iraq.

**Smart power is needed to defeat terrorism.** Smart power is the ability to combine hard military and police power and the soft power of attraction and persuasion. Hard power is needed to kill or capture die-hard terrorists, few of whom are open to attraction or persuasion. At the same time, soft power is needed to inoculate those on the periphery whom the die-hards are trying to recruit.

That is why attention to narrative and how US actions play on social media is as important and as necessary as precision air strikes.

**Antagonistic rhetoric** that alienates Muslims and weakens their willingness to provide crucial intelligence endangers us all. That is why the anti-Muslim posturing of some of the current presidential candidates is so counterproductive.

Terrorism is a serious issue, and it deserves to be a top priority of our intelligence, police, military, and diplomatic agencies. It is an important component of foreign policy. And it is crucial to keep weapons of mass destruction out of terrorists' hands.

But we should not fall into the terrorists' trap.

### **The Age of Blowback Terror – BRAHMA CHELLANEY**

The UK has not just actively aided jihadists in Libya; it encouraged foreign fighters, including British Libyans, to get involved in the NATO-led operation that toppled Colonel Muammar el-Qaddafi's regime in 2011.

**US-backed *mujahedeen* forces** that drove the Soviet Union out of Afghanistan in the 1980s

In fact, the United States' activities in Afghanistan at that time may be the single biggest source of blowback terrorism today.

- With the help of Pakistan's Inter-Services Intelligence agency and Saudi Arabia's money, the CIA staged what remains the largest covert operation in its history, training and arming thousands of anti-Soviet insurgents.
- The US also spent \$50 million on a "**jihad literacy**" project to inspire Afghans to fight the Soviet "infidels" and to portray the CIA-trained guerrillas as "holy warriors."

After the Soviets left, however, many of those holy warriors ended up forming al-Qaeda, the Taliban, and other terrorist groups to wage terror campaigns against what they viewed as Western-tainted governments.

**"We helped to create the problem that we are now fighting,"** then-Secretary of State **Hillary Clinton** admitted in 2010.

**Yet the US – indeed, the entire West – seems not to have learned its lesson.**

In Syria, the CIA is again supporting supposedly "moderate" jihadist rebel factions, many of which have links to groups like al-Qaeda.

**Russia has also been seeking to use the Taliban to tie down the US militarily in Afghanistan.**

Moreover, Saudi Arabia has been the chief exporter of intolerant and extremist Wahhabi Islam since the second half of the Cold War. Western powers, which viewed Wahhabism as an antidote to communism and the 1979 Shia "revolution" in Iran, tacitly encouraged it.

Ultimately, Wahhabi fanaticism became the basis of modern Sunni Islamist terror, and Saudi Arabia itself is now threatened by its own creation.

**Pakistan** – another major state sponsor of terrorism – is also **seeing its chickens coming home to roost**, with a spate of terrorist attacks.

It is high time for a **new approach**. Recognizing that arming or supporting Islamist radicals anywhere ultimately fuels international terrorism, such alliances of convenience should be avoided. In general, Western powers should resist the temptation to intervene at all. Instead, they should work systematically to discredit what British Prime Minister Theresa May has called "the evil ideology of Islamist extremism."

## UN ON TERRORISM

The United Nations General Assembly adopted the **Global Counter-Terrorism Strategy** on 8 September 2006. The strategy is a unique global instrument to enhance national, regional and international efforts to counter terrorism.

### 4 pillars

The General Assembly reviews the Strategy every two years, making it a living document attuned to Member States' counter-terrorism priorities.

**The Global Counter-Terrorism Strategy** in the form of a resolution and an annexed Plan of Action (A/RES/60/288) composed of 4 pillars

1. Addressing the conditions conducive to the spread of terrorism
2. Measures to prevent and combat terrorism
3. Measures to build states' capacity to prevent and combat terrorism and to strengthen the role of the United Nations system in that regard;
4. Measures to ensure respect for human rights for all and the rule of law as the fundamental basis for the fight against terrorism.

### *The Narrow and Broad Challenges of Terrorism*

Definitions fall short of defining the problem and the true task at hand.

First, terrorist attacks may or may not be designed to create fear. Many have far more direct political and economic motives; they are designed to intimidate and not to create fear.

Second, terrorism is not simply the province of individuals and groups; it is also committed by states. In many cases, repression by governments is both violent and systematic. Terrorism as a tool for **asymmetric warfare**

- The long, brutal, civil wars in Angola, Algeria, and the Sudan are cases in point. In such cases, both governments and their opponents have often ruthlessly attacked civilians. The primary goals have been political and economic power, and control over given areas, and once again, fear has been a secondary motive.

### *UN counter-terrorism actions in the 1990s*

Throughout the 1990s **economic sanctions** were the main policy instrument in the fight against terrorism

### *The UN Response to "9/11"*

**Resolution 1373** globalized the fight against terrorism and obligated all 191 UN Member States to take far-reaching domestic legislative and executive actions in order to prevent and suppress future terrorist activities.

**Security Council Resolution 1373** is a good example of such UN action.

- It requires all states to prevent and suppress the financing of terrorist acts, including freezing funds and other financial assets.
- The resolution also obliges all states to improve border security, clamp down on the recruitment of terrorists, intensify information sharing and law enforcement cooperation in the international

campaign against terrorism, and deny terrorists and their supporters any assistance or safe haven.

The Security Council has established a **Counter Terrorism Committee (CTC)** to oversee implementation of **Security Council Resolution 1373**, and much more is involved than word and good intentions

The various agencies of the UN also took new actions. Agencies like the **International Civil Aviation Organization (ICAO)** and the **International Maritime Organization (IMO)** adopted resolutions committing members to take measures to limit terrorists' ability to act.

The **International Atomic Energy Agency (IAEA)**, which is affiliated with the UN, adopted a resolution addressing measures to protect against acts of nuclear terrorism.

Other measures have included a convention to protect diplomats from terrorism signed in 1973, one on taking hostages signed in 1979, and one to **suppress terrorist bombings signed in 1997**.

The UN should act on the principle that, "one man's terrorist is another man's terrorist."

At a broader level, the UN has long made efforts to eliminate the misunderstandings between cultures through organizations like UNESCO, and efforts to address the causes of terrorism by fighting world poverty. It has indirectly addressed some of the most dangerous emerging threats, such as biological terrorism, through the activities of organizations like the World Health Organization.

### **The Challenge of a "Clash Within Civilizations"**

In most cases, international terrorism is a side effect of this clash within nations, within regions, and within civilizations. Terrorism and extremism usually become international when a given side is losing in its own nation or region, and then seeks to broaden the conflict in order to find allies, strengthen its position, or dramatize its cause.

" Broad **UN efforts** like **economic and humanitarian aid** can reassure the Afghans, the region, the Middle East, and other Islamic states that the West does not see Islam as an enemy.

**The Challenge of Poverty** – for ex the Rohingya issue; poverty and displacement will make the refugees amenable for recruitment by terrorists

### **The Challenge of Technology**

Several major ongoing changes in technology that pose emerging threats far more serious than the world has had to deal with in the past:

1. The first such change is the growing threat of **biological terrorism** and **asymmetric warfare**. The **Anthrax attacks** on the US, and the recent outbreak of Hoof and Mouth Disease in the UK
2. The second such change is the related threat of **chemical and nuclear terrorism** and asymmetric warfare.
3. Third, advances in conventional technology and weapons add to the threat. Secure communications, satellite phone systems, satellite imagery, highly effective anti-ship missiles and advanced mines, GPS location and triggering devices, advanced manportable surface-to-air missiles, robotic crop dusters and UAVs, and a host of other systems.
4. Fourth, advances in information systems, and the steady integration of world trading and financial systems, are steadily increasing vulnerability to **cyberterrorism and cyberwarfare**

- a. Wall Street and nuclear power plants are just two examples of such critical infrastructure.

## **NUCLEAR PROLIFERATION**

### **The Nuclear Danger – JOSCHKA FISCHER**

#### **Change in the nuclear power scenario**

Since the end of the Cold War, the risk of nuclear-armed superpowers triggering Armageddon has been substantially reduced. But it has been replaced by the increasing threat of smaller countries, usually ruled by unstable or dictatorial regimes, pursuing nuclear weapons to shore up their own safety and geopolitical interests.

In this new environment, the **“rationality of deterrence”** maintained by the United States and the Soviet Union during the Cold War has eroded. Now, if nuclear proliferation increases, the threshold for using nuclear weapons will likely fall.

- The fire and fury remark by Trump shows that he is not relying on the rationality of deterrence, as one would have expected from the leader of the last remaining superpower. Instead, he has given his emotions free rein.

#### **Wrt North Korea**

Ultimately, there are no good options for responding to the North Korean threat. A US-led pre-emptive war on the Korean Peninsula, for example, could lead to a direct confrontation with China and the destruction of South Korea, and would have unforeseeable implications for Japan. And, because the China-South Korea-Japan triangle has become the new power center of the twenty-first-century global economy, no country would be spared from the economic fallout.

A North Korea with nuclear weapons and the means to use them would add pressure on South Korea and Japan to develop their own nuclear capacity, which they could easily do. But that is the last thing that China wants.

The situation in Asia today has the nuclear attributes of the twentieth century and the national-power dynamics of the nineteenth century. That could prove to be a highly inflammatory cocktail. And at the same time, the international system is becoming increasingly unstable, with political structures, institutions, and alliances around the world being upended or called into question.

Today’s nuclear threats demand exactly the opposite of “fire and fury.” What is needed is level-headedness, rationality, and patient diplomacy

#### **Ten Lessons from North Korea’s Nuclear Program – RICHARD N HAAS**

North Korea has produced a number of nuclear warheads and is developing ballistic missiles capable of delivering them around the world.

It also is important to understand how North Korea has succeeded in advancing its nuclear and missile programs as far as it has, despite decades of international efforts.

What follows are ten lessons that we ignore at our peril.

**First**, a government that possesses basic scientific knowhow and modern manufacturing capability, and is determined to develop a number of rudimentary nuclear weapons, will most likely succeed, sooner or later. Much of the relevant information is widely available.

**Second**, help from the outside can be discouraged and limited but not shut down. Black markets exist any time there is a profit to be made. Certain governments will facilitate such markets, despite their obligation not to do so.

**Third**, there are limits to what economic sanctions can be expected to accomplish. Although sanctions may increase the cost of producing nuclear weapons, history suggests that governments are willing to pay a significant price if they place a high enough value on having them. There is also evidence that some or all of the sanctions will eventually disappear, as other governments come to accept the reality of a country's nuclear status and choose to focus on other objectives. That is what happened in the case of India.

**Fourth**, governments are not always willing to put global considerations (in this case, opposition to nuclear proliferation) ahead of what they see as their immediate strategic interests. China opposes proliferation, but not as much as it wants to maintain a divided Korean Peninsula and ensure that North Korea remains a stable buffer state on its borders. This limits any economic pressure China is prepared to place on North Korea over its nuclear efforts. The United States opposed Pakistan's development of nuclear weapons, but was slow to act, owing to its desire in the 1980s for Pakistani support in fighting the Soviet Union's occupation of Afghanistan.

**Fifth**, some three quarters of a century since they were first and last used, and a quarter-century after the Cold War's end, nuclear weapons are judged to have value. This calculation is based on security more than prestige.

Decades ago, Israel made such a calculation in the face of Arab threats to eliminate the Jewish state. More recently, Ukraine, Libya, and Iraq all gave up their nuclear weapons programs either voluntarily or under pressure. Subsequently, Ukraine was invaded by Russia, Iraq by the US, and Libya by the US and several of its European partners. Saddam Hussein in Iraq and Muammar el-Qaddafi in Libya were ousted.

North Korea has avoided such a fate, and the third generation of the Kim family rules with an iron fist. It is doubtful that the lesson is lost on Kim Jong-un.

**Sixth**, the Non-Proliferation Treaty – the 1970 accord that underpins global efforts to discourage the spread of nuclear weapons beyond the five countries (the US, Russia, China, the United Kingdom, and France) that are recognized as legitimate nuclear weapons states for an unspecified but limited period of time – is inadequate. The NPT is a voluntary agreement. Countries are not obliged to sign it, and they may withdraw from it, with no penalty, if they change their mind. Inspections meant to confirm compliance are conducted largely on the basis of information provided by host governments, which have been known not to reveal all.

**Seventh**, new diplomatic efforts, like the recent ban on all nuclear weapons organized by the United Nations General Assembly, will have no discernable effect. Such pacts are the modern-day equivalent of the 1928 Kellogg-Briand Pact, which outlawed war.



**Eighth**, there is a major gap in the international system. There is a clear norm against the spread of nuclear weapons, but there is no consensus or treaty on what, if anything, is to be done once a country develops or acquires nuclear weapons. The legally and diplomatically controversial options of preventive strikes (against a gathering threat) and preemptive strikes (against an imminent threat) make them easier to propose than to implement.

**Ninth**, the alternatives for dealing with nuclear proliferation do not improve with the passage of time. In the early 1990s, the US considered using military force to nip the North Korean program in the bud, but held off for fear of triggering a second Korean War. That remains the case today, when any force used would need to be much larger in scope and uncertain to succeed.

**Finally**, not every problem can be solved. Some can only be managed. It is much too soon, for example, to conclude that Iran will not one day develop nuclear weapons. The 2015 accord delayed that risk, but by no means eliminated it. It remains to be seen what can be done vis-à-vis North Korea. Managing such challenges may not be satisfying, but often it is the most that can be hoped for.

## **NUCLEAR TERRORISM**

Former U.S. President Barack Obama called nuclear terrorism "the single most important national security threat that we face".

Nuclear terrorism could include:

1. Acquiring or fabricating a nuclear weapon – stolen or purchased on black markets
2. Fabricating a dirty bomb from the radiation material obtained from medical equipment devices, industrial wastes. The aim of a 'dirty bomb' is to cause harm by spreading radioactive material that can , contaminate an area and poison the human body.
  - a. Caesium-137 is produced by nuclear fission processes and is essentially used to treat cancer in hospitals.
3. Attacking a nuclear reactor, e.g., by disrupting critical inputs (e.g. water supply)
4. Attacking or taking over a nuclear-armed submarine, plane or base.

### **Is India equipped to detect a dirty bomb?**

**Bhabha Atomic Research Centre (BARC)** has developed many systems such as the aerial gamma spectrometry system which can be used to detect even shielded and hidden devices. BARC has also developed technology to detect elements from solid and liquid industrial wastes, as most of these radioactive elements can dissolve in water.

## **The Global Initiative To Combat Nuclear Terrorism**

The Global Initiative to Combat Nuclear Terrorism (GICNT) is a voluntary partnership of 88 nations and five international organizations that are committed to strengthening global capacity to prevent, detect, and respond to nuclear terrorism.

The eight principles contained within the GICNT Statement of Principles (SOP) aim to develop partnership capacity to combat nuclear terrorism, consistent with national legal authorities and obligations as well as

relevant international legal frameworks such as the Convention for the Suppression of Acts of Nuclear Terrorism, the Convention on the Physical Protection of Nuclear Material, and United Nations Security Council Resolutions 1373 and 1540.

**NATO** has its own Counter terrorism policy

### **Washington Nuclear Security Summit**

The goal was to strengthen international cooperation to prevent nuclear terrorism.

Russia informed Washington in mid October it will not attend the NSS 2016 summit. Their Foreign Ministry stated, "We shared with our American colleagues our doubts regarding the added value of a forum that is planned to be held in the United States in 2016," "We believe it is unacceptable to create a precedent of such outside interference into the work of international organizations," and "Washington is trying to assume the role of the main and privileged 'player' in this field," the foreign ministry said, adding that Russia would instead focus on its cooperation with the International Atomic Energy Agency.

### **The road not taken - NSS**

**Nuclear Security Summits** have yielded little by focussing on securing small amounts of nuclear material. Any real progress must entail the U.S. and Russia reducing stockpiles and India and Pakistan reining in competitive nuclearisation.

These summits started with the recognition of the risks posed by plutonium and highly enriched uranium (HEU), the key ingredients for making nuclear weapons, and aimed to "secure all vulnerable nuclear material in four years". Despite this high-level political attention, and fanfare, these summits have achieved little. To make matters worse, countries that in 2010 were producing plutonium and highly enriched uranium continue to do so, and the dangers from nuclear weapons have been neglected.

The main failings were of conception and a political willingness to settle for easy options. Despite the expansive declarations of the need "to maintain effective security of all nuclear materials, which includes nuclear materials used in nuclear weapons", the summits narrowed their focus to civilian holdings in non-nuclear weapon states. This material is already being monitored by International Atomic Energy Agency (IAEA) inspectors and, more importantly, is but a tiny fraction of actual global stockpiles. Some numbers will help put this in perspective.

U.S. President Barack Obama summed up what has been achieved in the six years since this effort started: "We've now removed or secured all the highly enriched uranium and plutonium from more than 50 facilities in 30 countries - more than 3.8 tons, which is more than enough to create 150 nuclear weapons. However The **International Panel on Fissile Materials (IPFM)** estimated the global stockpile of separated plutonium as about 505 tons, enough for about 1,30,000 nuclear weapons. About 98 per cent of this material is stored in the nuclear weapon states.

### **Hurdles to Nuclear Disarmament**

In his wrap-up statement to the media, **Mr. Obama** pointed out two major obstacles to nuclear disarmament.

1. The first was that “it is very difficult to see huge reductions in our nuclear arsenal unless the United States and Russia, as the two largest possessors of nuclear weapons, are prepared to lead the way”.
2. The second was “we’d need to see progress in Pakistan and India... making sure that as they develop military doctrines, they are not continually moving in the wrong direction”.

Realists point towards SECURITY DILEMMA and Offensive Realists talk about POWER MAXIMIZERS

### No sign of scaling down

The United States and Russia had about 14,700 nuclear weapons (as of 2015), and the other seven nuclear weapon states held a combined total of about 1,100 weapons. Worse yet, both the United States and Russia have launched massive long-term nuclear weapons “modernisation” programmes, which in the case of the United States is estimated to cost as much as \$1 trillion over the next 30 years. For a President who started off promising in Prague in 2009 that the “United States will take concrete steps towards a world without nuclear weapons”, the modernisation programme represents Mr. Obama’s greatest failure.

UK is overhauling its **TRIDENT** Nuclear programme

India has developed a variety of land-based missile types and is operationalising the Arihant nuclear-powered submarine, to be armed with the 700-km range K-15 or 3,500-km range K-4 nuclear missiles. Pakistan, for its part, has been developing air-launched, ground-launched and sea-launched cruise missiles and an array of nuclear-capable ballistic missiles

Pakistan also is seeking nuclear weapons to use on the battlefield. “**Tactical nuclear weapons** that are designed for use on the battlefield... are a source of concern because they’re susceptible to theft due to their size and mode of employment... the threshold for their use is lowered” and these weapons create “the risk that a conventional conflict between India and Pakistan could escalate to include the use of nuclear weapons”.

India has also pursued the construction of a special kind of nuclear power plant called a fast breeder reactor that makes more plutonium than it consumes as fuel. Most countries with nuclear energy have never gone down this route;

**Just as India clings to its plutonium ambitions, Pakistan refuses to budge on its tactical nuclear weapons.**

## SOFT POWER

From the Kremlin's perspective, color revolutions in neighboring countries and the Arab Spring uprisings were examples of the United States using soft power as a new form of hybrid warfare. The concept of soft power was incorporated into Russia's 2013 Foreign Policy

What is soft power? Some think it means any action other than military force, but this is wrong. Soft power is the ability to get what you want through attraction and persuasion rather than threats of coercion or offers of payment.

Soft-power instruments like the **Marshall Plan** and the **Voice of America** helped to determine the outcome of the Cold War.

After the Cold War, Russian elites believed that European Union and NATO enlargement, and Western efforts at democracy promotion, were designed to isolate and threaten Russia. In response, they tried to develop Russian soft power by promoting an ideology of traditionalism, state sovereignty, and national exclusivity. This resonated in countries like Hungary

Information warfare can be used offensively to disempower rivals, and this could be considered **"negative soft power."** By attacking the values of others, one can reduce their attractiveness and thus their relative soft power.

But while Russian information warfare has been somewhat successful in terms of disruption, affecting the 2016 US election somewhat, it has failed in terms of generating soft power. The Portland Consultancy in London publishes a **"Soft Power 30" index** that ranks Russia 27th.

In 2016, Finland's Institute of International Affairs found that Russian propaganda had little impact on mainstream Western media and had never resulted in any change in policy.

As some analysts point out, the best response to a “**fire hose of falsehoods**” is not to try to answer each lie, but to **forewarn** and **inoculate** against the process.

KEERTHI PUJAR

# KEERTHI PUJAR

## **SOME AUTHORS TO BE READ**

**JOSEPH STIGLITZ**

**JOSCHKA FISCHER**

**GEORGE SOROS**

**JOSEPH NYE**

**CHRISTOPHER R HILL**

**JEFFEREY SACHS**

### **Preface to the second edition**

**Realism.** Raymond Aron ; Edward Hallet Carr ; Robert Gilpin ; John Herz ; Samuel Huntington ; George Kennan ; Stephen Krasner ; Hans Morgenthau ; Kenneth Waltz

**Liberalism.** Karl W. Deutsch ; Michael Doyle ; Francis Fukuyama ; Ernst Haas ; Stanley Hoffmann ; Robert O. Keohane ; Richard Rosecrance

**Constructivism.** Friedrich Kratochwil ; Nicholas Onuf ; Christian Reus-Smit ; John Gerard Ruggie ; Alexander Wendt

**Critical theory.** Robert Cox ; André Gunder Frank ; Stephen Gill ; Antonio Gramsci ; Jürgen Habermas ; Andrew Linklater

**English school.** Hedley Bull ; Barry Buzan ; Timothy Dunne ; John Vincent ; Martin Wight

**Postmodernism.** Richard Ashley ; David Campbell ; Michel Foucault ; Robert B. J. Walker

**Feminism.** Jean Bethke Elshtain ; Cynthia Enloe ; Christine Sylvester ; J. Ann Tickner

**International political theory/International ethics.** Charles Beitz ; David Held ; Terry Nardin ; John Rawls ; Michael Walzer

**Historical sociology.** Anthony Giddens ; Michael Mann ; Justin Rosenberg ; Charles Tilly ; Immanuel Wallerstein.

## Neorealist stability theory: the logic of numbers?

From a neorealist perspective, bipolar systems tend towards stability and strengthen the likelihood of peace. This happens for the following reasons:

- The existence of only two great powers encourages each to maintain the bipolar system as, in the process, they are maintaining themselves.
- Fewer great powers means the possibilities of greatpower war are reduced.
- The existence of only two great powers **reduces the chances of miscalculation** and makes it easier to operate an effective system of deterrence .
- Power relationships are more stable as each bloc is forced to rely on inner (economic and military) resources, external (alliances with other states or blocs) means of expanding power not being available.

On the other hand, **multipolar systems** tend to be inherently unstable, for the following reasons:

- A larger number of great powers increases the number of possible great-power conflicts.
- Multipolarity creates a bias in favour of **fluidity** and, perhaps, **instability**, as it leads to **shifting alliances** as great powers have external means of extending their influence.
- As power is more decentralized, existing great powers may be more restless and ambitious while weak states may be able to form alliances in order to challenge and displace existing great powers.

Such thinking was most prevalent during the Cold War, when it was used to explain the dynamics of the superpower era. Since then, it has become less fashionable to explain stability and conflict simply in terms of the structural dynamics of the international system.

## APPROACHES TO...

### BALANCE OF POWER

#### Realist view

The idea of the balance of power has played a central role in realist theory. Waltz (1979), for example, portrayed the balance of power as the theory of international politics.

Realists view the balance of power, understood as a rough equilibrium between two or more power blocs, in strongly positive terms. As **only power can be a check on power**, the balance of power tends to lead to peace and stability.

However, realism embraces two quite different conceptions of the balance of power.

1. For **classical realists**, the balance of power is essentially a policy, a product of political intervention and statesmanship. This example of voluntarism (implying faith in free will and personal commitment) assumes that key decision-makers in foreign policy enjoy great (though not unlimited) freedom of manoeuvre.



2. For **neorealists**, on the other hand, the balance of power is treated more as a system, as a set of arrangements that tend to arise automatically, rather than through the selfwilled actions of decision-makers. This example of determinism (implying that human actions are entirely conditioned by external factors) suggests that the balance of power is essentially 'imposed by events' on statesman who are constrained by the dynamics of the international system. This happens because states in a self-help system are likely to act to prevent the emergence of hegemonic domination by a single state. A balance of power, nevertheless, is more likely to develop in a bipolar system than it is in either a multipolar or unipolar system (see Neorealist stability theory, p. 63)

## Liberal view

Liberals have generally been critical of the idea of balance of power. In their view, the balance of power legitimizes and entrenches power politics and international rivalry, creating **inherent instability** and **deepening distrust**. This is because the basic premise of the balance of power is that other states, or coalitions of states, pose a threat to security, and this can only be contained through a rival build-up of power or the formation of a rival alliance.

A balance-of-power mindset is therefore more likely to cause war than prevent it. Much of liberal thinking about international politics has therefore focused on finding alternative and more effective mechanisms for ensuring peace and security. The principal liberal solution is the construction of **international organizations** such as the **League of Nations or the United Nations**, which are capable of turning the jungle of international politics into a zoo. This happens, in part, because whereas the balance of power fosters private agreements amongst states, international organizations foster public agreements that cover most if not all states, so making possible a system of collective security (see p. 440).

## Critical views

A variety of critical approaches to the balance of power have emerged.

- **Social constructivists**, for instance, have emphasized the extent to which any assessment of the balance of power is dependent on perception, ideas and beliefs. Any assessment of the balance of power is therefore shaped by the identities that states have of themselves and of other states. In short, paraphrasing **Wendt's** (1999) oft quoted assertion about anarchy, the balance of power is what states make of it.
- **International society theorists** have, similarly, argued that the balance of power is an artefact: it emerges out of the existence of common norms and values and a mutual desire of states to avoid war. The balance of power, then, works because states want it to work (Bull [1977] 2002).
- **Feminist theorists** have shared with liberals the belief that balance-of-power thinking tends to intensify international conflict and make war more likely, not less likely. For feminists, this reflects a gendered conception of the balance of power, in which power is almost always conceived as 'power over', the ability to control or dominate others. The balance of power therefore invariably becomes a struggle for power.
- Finally, **postcolonial theorists** have viewed the balance of power as an essentially European, or western, game, which excludes consideration of the rest of the world. The European balance-of-power system in the late nineteenth century thus coincided with the 'scramble for Africa', and a deepening of global inequalities and imbalances.

## THE END OF THE COLD WAR

### Realist view

The end of the Cold War came as a shock to the overwhelming majority of realist theorists, creating something of a crisis within realist theory. The problem was that the events of 1989–91 simply do not fit in to realist assumptions about how states behave. States are meant to pursue their national interests, particularly though the maintenance of military and territorial security. However, under Gorbachev, the Soviet Union was prepared to relinquish its military and political domination over Eastern Europe and accepted the break-away of its non-Russian republics. This was, moreover, accomplished without the Soviet Union being subject to irresistible strategic pressure from outside.

Nevertheless, realism may shed some light on these developments. From a realist perspective, the Cold War could only end either in the military defeat of one superpower by another, or through the decline in the relative power of one or both of the superpowers, either bringing about the collapse of bipolarity. The contours of the bipolar system were certainly affected in the 1970s and 1980s by the relative decline of the Soviet Union. However, it is difficult to argue that bipolarity had disappeared altogether, certainly as far as military matters were concerned.

### Liberal view

Although the end of the Cold War led to a burst of optimism amongst liberal theorists who anticipated that morality, rather than power politics, could be placed at the heart of international diplomacy, liberals fared little better than realists in predicting the end of the Cold War.

Nevertheless, since the 1970s, liberals had been highlighting a general trend in favour of cooperation and away from the use of military power. This was based on the tendency of **economic modernization** to create **patterns of 'complex interdependence'** that both favoured integration and encouraged states to compete through trade rather than war. Cold War style antagonism and military confrontation in the form of the nuclear arms race were therefore seen to be increasingly outmoded, as the tendency towards détente demonstrated. In this view, the Soviet Union's reluctance to use military force to maintain its control over Eastern Europe as well as its own territorial integrity stemmed, in part, from the recognition that ending East–West rivalry would be likely to bring economic benefits.

### Critical views

The end of the Cold War struck many critical theorists with disquiet. While disillusionment with the Soviet Union had steadily grown in critical and radical circles, many theorists, especially those linked to the Marxist tradition, continued to regard the actually existing socialism of the Eastern bloc as a viable, if imperfect, alternative to western capitalism. Communist regimes were therefore usually viewed as stable and cohesive, especially in view of their ability to deliver economic and social security. The levels of public disaffection with the communist system that were demonstrated across Eastern Europe in 1989 therefore caught most critical theorists by surprise, particularly as these revolutions sought to reverse history, by ditching socialism in favour of capitalism.

The one way in which critical thinkers can claim to help to explain the end of the Cold War is through the extent to which the Gorbachev reform process was inspired by a model of 'market socialism',

which some had seen as the best hope for a non-authoritarian or 'reform' communism. However, the failure of the Gorbachev reforms merely demonstrated the limitations of market socialism.

The end of the Cold War nevertheless gave significant impetus to **social constructivism**. The failure of conventional theories adequately to explain why the Cold War ended highlighted, in a sense, a missing dimension: the **role played by ideas and perceptions**. What was changing during the 1990s was the identity of the Soviet Union, which informed its interests and, in turn, its actions. The **social identity of the Soviet Union** was reshaped by the 'new thinking' that Gorbachev and a younger generation of Soviet leaders brought to the conduct of domestic and foreign policy. Believing that Soviet interests would best be served by international engagement across the capitalist–communist divide and no longer perceiving the USA and the capitalist West as a security threat, they calculated that political and military domination over Eastern Europe had ceased to be a key strategic interest for the Soviet Union, and may indeed have become an impediment.

KEERTHI PUJAR