



Daily Mains Answer Discussion (Punjab PCS) (Day - 9)

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1. What do you understand by the term “Asian Century” when it comes to Geopolitics of the world, and also examine the opportunities that India may have in this Asian Century?

Structure

- Introduction and Body (Part 1) - Define the term Asian century in detail, as it is half of the question asked.
- Body (Part 2) - Opportunities that India has and may have in future in this Asian century
- Conclusion - What preparations and measure that need to be taken in order to maximise this opportunity

Answer:

- The term "Asian century" refer to the dominant role that Asia is expected to play in the 21st century due to its growing economic productivity and participation at the global level and also the positive demographic trends which can reshape the power centres (Politically, economically and culturally) all around the world.
- According to Mckinsey Global Institute, Asia could generate more than half of the world's GDP by 2040. Asian countries have emerged to global economic scale by capitalising on technology, their human resources and most importantly their civilisational values.
- Today Western institutions are collapsing and many multilateral platforms are becoming dysfunctional, failed climate talks, inability to check conflict vulnerability, forced inclusion of intellectual property rights, etc. are some of the issues which are raising concerns about the inability of the West to cater the need of the present world.
- In these situations, Asia and mainly Indo-China have got the opportunities to rebuild them with Asian vision and secure the tag of 21st century as that of Asian century, and various initiatives have been taken for the same such as International Solar Alliance (positive environmental integration), Belt and Road initiative (economic integration).
- Through adding the Asia focus, India could expect to target four major opportunities to help drive its next chapter of growth –
 - Manufacturing Hub - As more advanced Asian countries like China move up the economic development ladder, phasing out manufacturing in favour of a shift to R&D and more knowledge intensive manufacturing, there is room for India to seize the baton and become a larger sourcing base for global supply chains. Just the global sourcing value of mobile handsets is over \$500 billion in scale, and India could aspire for a 15-20% share of this footprint.
 - Investment and Capital Hub - There are opportunities for India to benefit from the flows of capital and Investments, powering developments as Asia integrates more closely. India has already started to attract investment from firms across Asia—Softbank, for example, has led several rounds of funding for Indian unicorns.
 - Innovation Hub - East Asia has emerged as a leading hub, rivalling the leading innovation hubs globally, Nearly 65% of global patents stemmed from Asia between 2015 and 2017, derived from the 50 fastest rising innovation cities in Asia, this stands out as an opportunity for Indian firms to be a part of this Asia-wide innovation arc.
 - Consumption Hub - A rapidly growing Asia is catapulting its major cities into leading consumption centres, that offers a ripe market opportunity for Indian businesses ranging from IT services, tourism services, generic pharmaceuticals, automotive components, agrochemicals, and so forth. MGI research found that about 420 cities in emerging markets could generate 45% of global growth, many of them residing in Asia, that Indian firms could target.

- Measures that need to be taken for the Maximum utilisation of this period of growth –
 - Improving Infrastructure - Investments are needed to improve the logistical backbone supporting manufacturing. While India is attracting investments, more needs to be done to realise the potential opportunity of investment flows from other countries.
 - R&D and Innovation - One of the major section because of which India lacks to utilise its potential to the maximum, incentives can be given to encourage future investment in R&D and large scale innovation hubs need to be set up, If Indian wants to compete with developed economies of the world.
 - Resolving border conflicts - India and China are the major pillars on which this vision of Asian century exists and the ongoing territorial and trade disputes hampers the strength of this emerging power centre of Asia, these need to be resolved as soon as possible and turning this trust deficit into cooperation dividend.
- The Asian century is truly underway. As globalisation gives way to regionalism, Asia takes a leading position. India could look to many of the opportunities arising out of the region's rapid integration and shifting networks and flows to help drive its next chapter of growth.

2. United Nation Security Council permanent membership status no longer represents the present geopolitical order of the world. In the light of the above statement, discuss India's claim to the permanent membership status at UNSC.

Structure

- Introduction - Brief about UNSC and how it no longer represents the present the geopolitical order of the world.
- Body - Points for why India should be given the permanent membership of the UNSC
- Conclusion - Frame a bigger picture than with or without permanent seat, India can still dominate the geopolitical order of the world.

Answer

- UNSC is one of the six principal organs of the United Nations and is charged with the maintenance of International peace and security. Its powers include the establishment of peacekeeping operations, establishment of International sanctions, and the authorisation of military action through Security Council resolutions.
- It is the only UN body with the authority to issue binding resolution to member states. Its membership includes 15 member countries of which 5 - Russia, United Kingdom, France, China and United States are the permanent members of this commission and the rest 10 are elected on a regional basis for 2-year term.
- However, in the recent past, UNSC seems to be losing its glory and is slowing receding and fading away as a dying star in the following ways –
 - Democracy Deficit - The permanent seat at UNSC represent non democratic representation with Asia being underrepresented and continents such as Africa, Latin America etc. not represented at all.
 - Misuse of Veto power - Most of the times the veto powers in the hands of the permanent members are used to serve the strategic interests of themselves and their allies, for example Since 1990, the United States has cast a veto on Council resolutions 16 times, concerning IsraeliPalestinian relations. Russia has done so 17 times, including eight times over Syria.
 - Global Mis governance Issues - There is no unanimity on how to deal with the global issues like terrorism - as that in Syria, Afghanistan, Climate change - failure of Paris climate deal, cyber security and public health, and also at the same time there is no regulatory mechanism for global commons like Internet,

Space and High Seas.

- Current composition of the Security Council represent the post-World War II realities and is not in pace with the changing balance of power of the World, thus there is in need of certain reforms such as Equitable Representation ,veto reforms and Categories of membership like permanent, semi-permanent, observer status as in the case of other Multilateral Organisations.
- Amidst all these reforms India pitches a very strong voice and potential for the permanent seat at the UNSC due to the following reasons –
 - Largest Democracy of the World - Being the largest democracy of the world, India should have the first say at the Highest democratic governing body of the world. India is the founding member of the UN and has always been an active participant in all the initiatives undertaken by the UN like MDG's-SDG's and other UN summits.
 - Largest Contributor to Peace Keeping missions - India since independence has become a leading contributor of troops to UN peacekeeping missions and today India has over 8000 peacekeepers which is more than twice that of P5 group.
 - Economic Leverage - When it comes to Economics, India outweighs many developed nations of the world, as it is 3rd largest Nation when accounted for Purchasing Power Parity and 7th largest economy of the world when accounted according to GDP.
 - India has the 3rd largest active armed forces along with Nuclear Weapons, India's candidature is justified since India is already party to most of the Multilateral organisations such as Nuclear Weapons State, MTCR, Wassenaar Agreement etc.
- Being elected as the permanent member to UNSC, India will invariably provide enormous powers, prestige and opportunities to India to work better for its interests, However at the same time the counter argument which arises is that Permanent seat in UNSC neither necessary nor only way for India to assert its 'arrival' on global centre-stage.
 - We have many examples around the world where Nations without being the permanent members of the UNSC have emerged as the powerful, persuasive and progressive power that has made significant power for itself, biggest example being Israel - even though the number of UN resolutions condemning Israel are more than the total number of UN resolutions, against the rest of the world!
 - Germany contributes more to UN budget than Great Britain, France or Russia but then also it has been denied its rightful seat. However, this denial has not come in the way of Germany becoming the de facto powerhouse in the European Union and amongst the most stable, future-ready and influential countries in the globe,
 - India must manage, invoke and even circumvent the constraints of the prevailing situation by baking another cake, instead of seeking a slice in the existing one, where it has been perennially denied. India has to continue seeking its rightful place in any expanded United Nations Security Council without unnecessarily vesting all its hopes, plans and ambitions in the quest for a such a status, as the changed world offers examples like Germany, Japan and Israel who have stitched alternative arrangements that could be multilateral (European Union), bilateral (US-Israel), regional or creatively/strategically relevant, eg, 'Quad'.
 - A permanent seat in the United Nations Security Council is more significant from the perspective of sovereign pride, rather than any meaningful lever of national transformation.

3. India recently decided to step out of RCEP, list out the reasons because of which India chose to opt out of this trade agreement and also write the implications arising out of the same.

- RCEP is a free trade agreement (FTA) signed by 10 ASEAN members along with China, South Korea, Australia, Japan and New Zealand. India was earlier a part of negotiations but recently India stepped out of this agreement. The reasons for Indian withdrawal are following –
 - Geo-Political Reasons –
 - RCEP is seen as Chinese gameplay to save its manufacturing industries from crumbling under its own weight. Indian industries are wary of such dumping tendencies of China. Free Trade Agreement can push such China's agenda of flooding Indian market with cheap goods.
 - Trade Deficit –
 - India has a huge trade deficit with at least 11 of 15 RCEP members. FTA can further amplify trade deficits for India. Thus India stepped back from such agreement.
 - Domestic demands -
 - Farmers and domestic industries in India red-fagged RCEP. Manufacturing hub in ASEAN and dairy sector of Australia and New Zealand could have potentially impacted Indian markets.
- Past experience –
 - Asian Development Bank has clearly stated that India has remained close to 5% to 20% bandwidth in utilising its FTA's which is very low. Thus, India wants to strengthen its capacities before entering into such large FTA agreements.
- Neglect of Indian demands-
 - India had raised demands of stricter norms against circumvention of rules of origin and auto-trigger mechanism as a shield against sudden import surge. But these demands were not included in agreement.

Possible implications of India's decision to opt out of RCEP are following –

- Negative Implications –
 - Economic Concerns –
 - India's decision might impact its trade relations with RCEP member nations as member nations would be more inclined to focus on bolster ties within the block.
 - It might impact India's ambition to tap world market in order to increase exports. RCEP constitutes around 30% of the global population.
 - Geopolitical Concerns –
 - Potentially impact growing India-Japan-Australis ties in the IndoPacific.
 - Might Impact India's chance to develop its strategic muscle by joining such as giant club of economies.
 - Positive Implications –
 - India's decision to step out of RCEP will provide India with enough time to correct its domestic issues. Raise competitiveness of domestic industry and prepare itself for such FTA's.

- Atmanirbhar Bharat and “Vocal for Local” like projects will provide impetus to domestic industry.
- Strategic autonomy and safeguard against possible misuse of power by China to hurt Indian interests.
- Therefore the need of the hour is to strengthen the strong footholds of India economic policy by strengthening trade relations with the New Biden administration, and at the same time focussing on deep bilateral trade deals instead of multilateral ones and at the weak end kick starting India-EU trade negotiations that haven’t seen light of the day due to pending issues should be India’s goal for the time being.