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Subject: GS 2

Syllabus: International Relations

Questions

Q1. Analyse the reasons behind the growing preference for mini-laterals in global politics and discuss the advantages of mini-laterals compared to global bodies.

(150 Words) 10

Q2. Examine the growing importance of financing infrastructure projects in international relations and analyse the opportunities available for India in global infrastructure financing. Additionally, discuss the challenges and obstacles that hinder India from fully realising its potential in this area.

(250 words)

Model Structures

Q1. Analyse the reasons behind the growing preference for mini-laterals in global politics and discuss the advantages of mini-laterals compared to global bodies. (150 words) 10

Model Structure

Introduction:

- Minilaterals are informal initiatives involving a small number of states that aim to address specific threats or security issues within a defined timeframe. They are ad hoc in nature and rely on voluntary commitments from participating countries.
- Minilaterals have existed alongside bilateral and multilateral approaches in global governance since the post-war era. The creation of multilateral institutions involved disguised minilateral negotiations among Atlantic powers led by the United States.

Main Body:

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In recent years there has been a **steady proliferation of minilateral initiatives** in the areas of trade, security, finance, and climate change. Certain reasons for this are:

- Inertia and stagnation in Multilaterals: Multilateral organisations face hurdles in decision-making due to their formal structures and diverse membership.
 - The changing global order raises questions about their continued relevance.
- The growing importance of Strategic Alliances over global cooperation.
 - These initiatives can facilitate issue-specific partnerships between like-minded countries.
 - Example: Quad has been created to advance the interests of like-minded countries.
- **Rising Geopolitical Rivalry:** Geopolitical rivalry and a multipolar world have strained multilateral organisations, leading to stalled decision-making and institutional reforms.
- **Growth of ICT:** Technological advancements have facilitated global and regional cooperation by expanding networks and enabling less formal means of communication, such as telephony and the Internet.
- Capacity constraints of countries: China's territorial disputes with neighbours challenge
 minilateralism due to its aggressive behaviour and the power disparity with smaller
 countries.
- Cooperation in humanitarian assistance and disaster relief (HADR), Freedom of navigation, the rule of law, and the rules-based order are key drivers of minilateralism in the Indo-Pacific region.

The advantages of mini laterals are:

- Bring in Balance of Power: Disputes with China have compelled India and other Indo-Pacific countries to adopt a power-centric approach in shaping the regional order, contrary to their historical stance.
- Coming together of Like-minded Partners: India's multilateral engagement strengthens
 military preparedness and interoperability through agreements with key Indo-Pacific
 powers.
- The slower pace of Multilateral bodies: Plurilateral initiatives have shown greater success in international trade regulation than multilateral agreements.

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- For ex-, Because of the slow pace of the Doha trade negotiations, countries have increasingly explored minilateral and plurilateral mechanisms to renegotiate tariffs and remove trade barriers.
- Absence of Formal Institutions: Minilaterals operate without formal institutions or physical offices, allowing member states to determine objectives and priorities based on pressing issues.

However, the rise of these mini laterals is also associated with certain disadvantages and limitations. Some of them are:

- Impact on Multilaterals: Minilaterals can undermine the role of regional multilateral institutions like ASEAN, ARF, and East Asia Summit, weakening their neutrality and centrality.
- Impact on Global Organisations: Minilaterals undermine international organisations, impacting their relevance and work programs.
- Impact on Global governance: Minilaterals can fragment global governance mechanisms and escalate great power competition, hindering cooperation.
 - Example: SCO and AIIB, led by China, compete with G20 and G7, led by the West, forming parallel power structures.

Conclusion:

 Minilaterals foster political dialogue and confidence-building among key partners, paving the way for streamlined negotiations in multilateral platforms and advancing international cooperation.

Q2. Examine the growing importance of financing infrastructure projects in international relations and analyse the opportunities available for India in global infrastructure financing. Additionally, discuss the challenges and obstacles that hinder India from fully realising its potential in this area. (250 marks)

Introduction:

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- According to the Global Infrastructure Hub, globally, it is estimated that by 2040 there will be a fifteen trillion-dollar gap between infrastructure needs and actual investment.
 Closing this gap is critical to accelerating global growth and mitigating the effects of climate change. OR
- India has been at the forefront while financing infrastructure projects globally. There are
 various infrastructure projects ongoing around the globe. For example, the Asia-Africa
 growth corridor, INSTC, along with various bilateral projects in the neighbourhood and
 around the world.

Main Body

Significance of global infra financing in international relations:

- **Strengthening relationships:** Strengthening the mutual relation between the countries through infra development.
 - o E.g. In Afghanistan, India built a symbol of democracy, i.e. Parliament.
- Building trust: To gain an important voice in case of crucial votes.
 - E.g. votes for UNSC membership.
- **Proving the credential:** To take the lead at the global forum.
 - E.g. International solar alliance by India.
- **Countering China:** China's investment in the neighbourhood creates a security threat.

Opportunities for India in global infra financing:

- Evolution in geopolitics: Future economic diplomacy agencies must be located in a new geopolitical dimension that goes far beyond the impulse of the Bandung Conference of 1955 (NAM principles).
- **Post-pandemic opportunity:** Post-pandemic countries focus on revitalizing development cooperation to leverage economic growth, trade, and investment in emerging markets and developing economies.
- Enhancing Bilateral relations: India's development cooperation focuses on meeting partner countries' needs and strengthening bilateral relationships through private sector investments.

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- Effective Accountability and evaluation framework: As India's development cooperation grows, the spending will come under public scrutiny; this requires an effective accountability and evaluation framework.
- **International branding:** Motive of Make in India and the software sector will be promoted with infra financing.
- Check the growth of China: Chinese expansion in the neighbourhood and other areas will be checked by the Indian investment growth.
- Connectivity to the neighbourhood: Major challenge is connectivity.
 - o Projects like Kaladan multimodal project, BBIN etc., will get a boost.

Major Roadblocks to global infra financing

- Punctuality of projects: Lack of timely completion creates a trust deficit.
 - E.g. Project in Kenya was impacted due to delays.
- Cost: Due to delays in the projects, the cost of the projects gets increased multiple times.
 - E.g. Iran removed India from the Farzad-B oilfield project and inked a 25-year deal with China.
- Competition: from developed countries and China. In Africa, China is the major party in most African countries.
- **Bilateral issues:** Most neighbouring countries have issues like borders with Pakistan, China, Nepal etc. and river water sharing.
- China factor: China's model of financing though unpopular but is dominant due to huge quantitative investment.
- **Certification issue:** Most recent case of approval of fruits and vegetables by European countries is a major roadblock.
 - Eg Phytosanitary certification.

Way forward:

- Timely completion of projects will lead to building trust and opening up future investment prospects.
- Resolving bilateral issues: esp with neighbouring countries.
 - E.g. Land border agreement with Bangladesh.
- Make financing competitive: By adopting the PPP model of investment.

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• Exposing the exploitative nature of the Chinese model of financing and their debt trap diplomacy.

Conclusion:

Thus, to project India as a world leader and responsible for the world platform, it is
necessary to project India as a reliable partner. India needs to implement initiatives like
the Indian Development and Economic Assistance Scheme (IDEAS) as per its intended
objectives.



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