

# INSIGHTS

|  SYNERGIA FOUNDATION

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WINDS OF CHANGE ?



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AR. NO. 01

# WINDS OF CHANGE?

PM Kishida faces an uphill task in steering his country through the maze of political and economic uncertainties that have emerged, amidst a raging pandemic and a worsening U.S.-China relationship.

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**B**elying all predictions, the Liberal Democratic Party (LDP) in Japan has coasted to victory in the recently held Parliamentary elections. With exactly 261 seats in the Lower House of the National Diet, the party has an absolute majority, even without the support of its coalition partner Komeito. This comes as a major shot in the arm for Mr. Fumio Kishida, who was sworn in as the country's Prime Minister only a month ago. Armed with the mandate to control Parliamentary Committees and pass bills with relative ease, it is anticipated that Mr. Kishida will successfully steer the Japanese economy out of its COVID-inflicted woes. More broadly, he is expected to leverage his experience as a top diplomat to put a decisive stamp on the country's foreign policy agenda.

## VOTE FOR STABILITY?

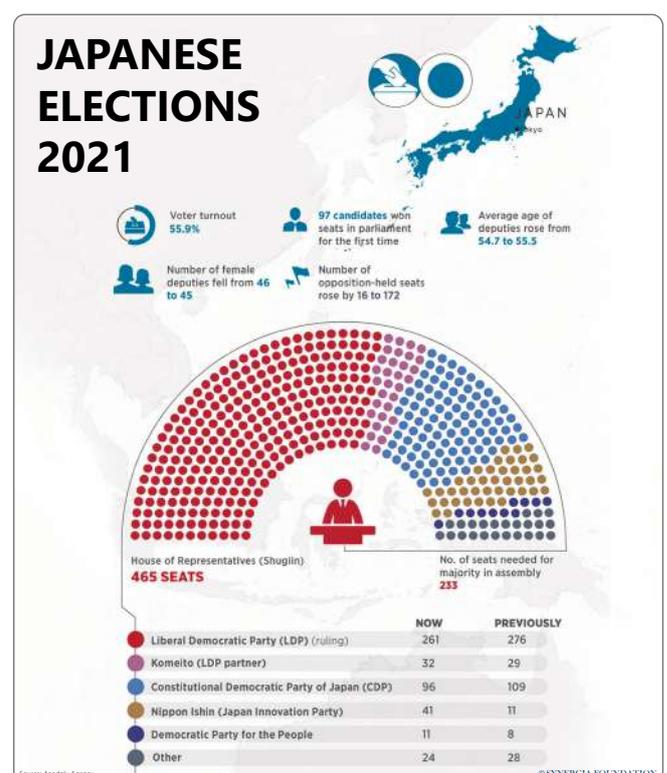
As he assumes the reins of power, Mr. Kishida would do well to learn from the mistakes of his predecessor. As can be recalled, the former Prime Minister Yoshihide Suga had been forced to demit office, when his approval ratings plummeted after the poor handling of the pandemic. In particular, his insistence on pushing through with the 2020 Tokyo Olympics had triggered widespread criticism among the public. Brought in to institute damage control measures by his beleaguered party, Mr Kishida has begun well by prioritising domestic issues like the vaccination drive. To consolidate his position, however, a peoples' mandate is critical, which has now been secured with the recently concluded Parliamentary elections.

The results have been nothing short of a personal victory for the new prime minister. They have not only expanded his political clout in the country, but also afforded him enough time and space to execute his preferred policies. More importantly, the vote has been perceived as a public endorsement of 'stability' and 'new capitalism', which seeks to combine economic growth with redistribution strategies.

Nevertheless, the poor voter turnout, estimated to be at just under 56 per cent, remains a cause for concern.

## AN EQUITABLE AGENDA

Without a doubt, the primary focus for Mr. Kishida would be the rebooting of a COVID-ravaged economy. Apart from the lifting of restrictions on social and business activities, a supplementary budget that financially supports pandemic-hit individuals and businesses is being eagerly anticipated. This stimulus package will be key in reducing the wealth gap in the country, which has been exacerbated by a corporate-led growth model. In fact, Mr Kishida's policy is touted to be a significant departure from 'Abenomics' (named after former Prime Minister Shinzo Abe), which had focussed on boosting stock prices and corporate earnings to fuel growth without necessarily balancing household consumer needs.



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**Mr. Daisuke Kotegawa** is the Research Director of the Canon Institute for Global Studies and Former Executive Director for Japan at the International Monetary Fund (IMF).

**What explains the electoral success of Japan’s ruling Liberal Democratic Party?**

A major reason for the LDP’s victory comes from the nightmarish experiences of voters, during the time of the Japanese government of Democratic Party of Japan (DPJ) in 2009-2012. The main offspring of the DPJ, the Constitution Democratic Party, adopted the wrong policy of cooperating with the Japan Communist Party, which still supports the abolishment of the alliance with the United States and claims that the Japan Defense Force is unconstitutional. Such policy was viewed by voters as unrealistic, particularly due to the challenge from China.

**Given China’s intensified military activities near Taiwan and North Korea’s missile tests, will Prime Minister Kishida seek to increase Japan’s defense spending?**

The major difference between now and the Cold War era is the fact there were very limited economic relations between the West and the East in the latter period. This is not the case today. Both the United States and Japan have economic relations with China. In view of this relationship, it is difficult to imagine the situation of an all-out confrontation with China. However, it seems that there is a need to send a message to ‘hawks’ in the Chinese Government that offending the West on crucial issues is a very risky path and from that point of view it is likely that Japan’s defence capability will be enhanced, although qualitatively, not quantitatively.

Moreover, PM Kishida will be preoccupied with addressing the demographic imbalances that arise from a rapidly ageing citizenry. Currently, around 28.4 per cent of the Japanese population is believed to be 65 years old or higher. This will only increase with time. Coupled with declining birth rates, the country may have a relatively smaller pool of young people in the labour force who can support the social welfare costs of senior citizens. In this context, Mr Kishida will have to aggressively pursue a robust economic model that reverses the effects of a potentially inverted age structure.

**GEOSTRATEGIC BALANCING**

Given the ongoing strategic competition within the Indo-Pacific and Peninsular regions, Japan lies in the eye

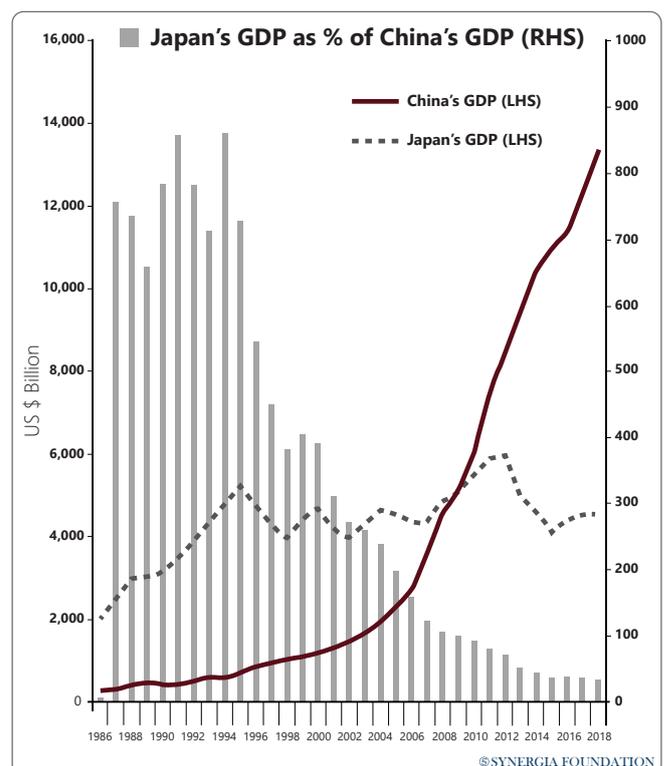
of a storm. In this context, the international community is keenly watching the security and foreign policy signals from the new administration. Most experts believe that PM Kishida is more of a dove than a hawk. However, this time around, he may be compelled to increase the country’s defence spending, in line with the wishes of the more conservative bloc within the LDP.

Indeed, in the election manifesto, his party had pledged to increase defence expenditure to 2 per cent of the GDP, which was almost double the amount that was usually spent. With China’s intensified military activities near Taiwan as well as North Korea’s missile tests, this pressure to augment military spending will only increase. For now, however, PM Kishida has refrained from setting any specific targets or timelines. He understands any attempt to increase spending beyond 1 per cent of the GDP may attract political opposition, especially since post-war Japan has been careful to adopt a generally pacifist stance.

In fact, the gradual emergence of Japanese offensive capability has recently been illustrated with the operationalisation of the Izumo, called a ‘helicopter destroyer’ by its Navy. In actuality, it is a formidable platform capable of operating the latest F-35 stealth fighters. It will not be surprising if more such platforms follow in the near future.

“Mr. Kishida is fully cognisant of the strategic risks involved in its delicately balanced relations with China.”

Like his predecessors, he will actively push back against any attempts to change the status quo in the East and South China Seas, especially in the disputed Senkaku Islands. In fact, he has already clarified that his government will ‘vigorously promote’ a free and open Indo-Pacific while



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INSIGHTS

**Mr. Akio Okawara** is the President and CEO of the Japan Center for International Exchange.

### How will Prime Minister Kishida define bilateral relations between Japan and the U.S.? Will critical technologies and semiconductor supply chains be prioritised an area for cooperation?

PM Kishida will basically follow the Abe-Suga policies and continue to strengthen bilateral relations with the U.S. in all aspects. Critical technologies and semiconductor supply chains will be a renewed focus for cooperation.

### Given China's intensified military activities near Taiwan and North Korea's missile tests, will Prime Minister Kishida seek to increase Japan's defence spending?

PM Kishida will seek to increase Japan's defence spending not bound by the 1% of GDP ceiling.

working with allies and like-minded countries like Australia, India, and the United States. To bolster economic security, he will also focus on supply chain resilience and regulation of critical technologies, areas in which the Dragon has been stealing a march on others.

At the same time, PM Kishida cannot afford to completely antagonise Beijing, as it remains a key trading partner for Tokyo. He will seek to stabilise bilateral ties with China, drawing on his earlier experience as a foreign minister. In this regard, 2022 may prove to be an opportune year for taking the Sino-Japanese relationship forward, as it marks the 50th anniversary of the normalisation of diplomatic ties between the two countries. With respect to the U.S.-Japan alliance, there is little leeway for deviations from the long-established equations. Mr. Kishida had made this amply clear when he said that the 'Treaty of Mutual Cooperation and Security between the United States and Japan' continues to form the cornerstone of the latter's diplomatic and security policies.

This is particularly relevant as China ramps up its military modernisation and North Korea develops its nuclear and missile programs. Moreover, it is pertinent to note that Mr Kishida has retained Foreign Minister Toshimitsu Motegi and Defence chief Nobuo Kishi from the previous government, even while reshuffling the larger cabinet. It appears that he is seeking to reassure Washington about the continuity of Tokyo's diplomatic and security policies. President Biden, however, is expected to press for greater trilateral cooperation between Japan, the U.S., and South

Korea, considering the threats posed by Pyongyang.

This is easier said than done, as the compensation of South Korean 'comfort women' who were sexually abused by the Japanese military during World War II, remains a contentious issue between Tokyo and Seoul. Speculations are rife that PM Kishida will resume dialogue only after the next Presidential elections in South Korea, which is scheduled for March 2022. Finally, Mr. Kishida appears determined to strengthen multilateral initiatives like the Quad. This is clearly evidenced by the fact that he made his first phone calls to heads of state in the U.S, Australia and India. Over the coming months, he is expected to push for initiatives like the funding of infrastructure projects, development of technical standards in 5G and Artificial Intelligence (AI) as well as the enhancement of military interoperability between participating countries. Such cooperation between like-minded nations is perceived as an effective tool in countering China's outsized influence.

**1957**  
He was born in July in Tokyo

He studied elementary school in this city **after his father's official appointment to New York** as a deputy



**Fumio Kishida**  
Prime Minister of Japan

He is known as a "moderate liberal" politician who has been an LDP deputy for nine terms, and is known for his mastery of foreign languages and international issues

**1982**  
He graduated from Waseda University with a degree in law

**1993**  
He was elected to the assembly from the Hiroshima prefecture

He served as the state minister for Okinawa affairs, consumer affairs, as well as science and technology

**DECEMBER 2012**  
**AUGUST 2017**

He assumed the post of the foreign minister. He achieved the title of "the country's longest-serving foreign minister" in the post-war period

He led the visit of former US President Barack Obama to Hiroshima in 2016, which was considered "historic in Japan"

He played a role in the signing of an official agreement with neighboring South Korea

on the issue of "abused women of the colonial era" in 2015

**2020**  
He lost the September elections to current Prime Minister Yoshhide Suga

**2021**  
On Sept. 29, he was elected the chairman of the ruling LDP

Kishida, 64, is expected to take over the post of "prime minister of Japan" next week

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### Assessment

At a time when the military balance in the Indo-Pacific and the Korean Peninsula is shifting ominously, PM Kishida must be prepared to make high-stakes decisions. This may entail a revision of the defence budget, balancing of relations with Seoul and Taiwan and upscaling of participation in multilateral initiatives like the Quad. In this regard, his diplomatic skills and experience as a former Foreign Minister will come handy.

Of course, it would be counterproductive for Japan to adopt an openly confrontational stance against China, owing to its economic interests. It would be interesting to see how it manages Beijing's application for membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which was originally conceived as an important economic counterweight to the latter's regional influence.

AR. NO. 02

# UNPACKING POST-ELECTION NARRATIVES

Irrespective of who is appointed as the new foreign minister, it is unlikely that the 2021 Parliamentary election will change Japan's foreign policy.



**Mr. Kuni Miyake** is the President of the Foreign Policy Institute and Research Director at Canon Institute for Global Studies. A former career diplomat, he also serves as a Special Adviser to Prime Minister Fumio Kishida's Cabinet. This article was first published in the Japan Times. The views expressed here do not necessarily reflect the positions of the Japanese government.

In contrast to the mainstream media's predictions, Japan's ruling Liberal Democratic Party comfortably won a stable majority of 276 seats against unified opposition party candidates in the general election held last month. The major newspapers' editorials, however, were more divided than united over the election.

The most conservative Sankei Shimbun's editorial, for example, calling the election results a victory for the LDP and a "failure of the 'joint struggle' by Constitutional Democratic Party and the Japan Communist Party, urged that "Kishida must achieve results with new stable majority," and that "it's time to get serious about deterring China."

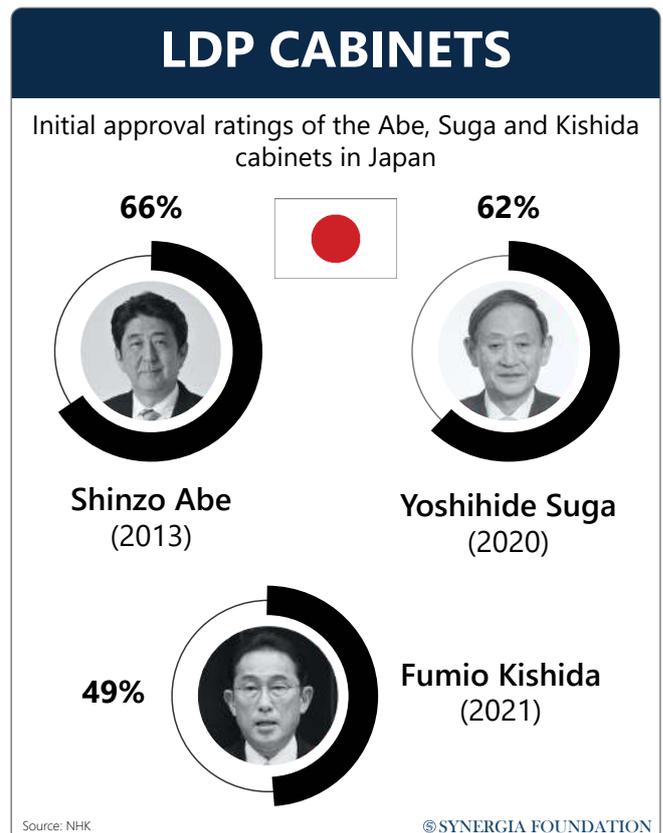
The liberal Mainichi Shimbun, on the contrary, asserted that "the prime minister must manage government with humility" because the "failure of big-name politicians to win elections shows people's distrust." The paper urged Kishida to break with old politics on the grounds that "the nine years of the Shinzo Abe administration have seen a series of events that have eroded the public's trust in politics".

The arguably most liberal Tokyo Shimbun was more optimistic about the opposition. Its editorial said that the "Continuation of power is a tough call, but the awakening of public sentiment will spur change," predicting that this "election will be a turning point" and "the awakening of

the will of the people will change politics and revitalize democracy." The varying claims by the media have been fueling several narratives in Japan. Now that the post-election dust has settled, it's time to check some of these storylines.

## DID JAPAN'S MEDIA MISLEAD THE PUBLIC?

Probably not. Most opinion polls conducted by major news media before October clearly indicated that many voters had expressed dissatisfaction with the LDP's governance of the past nine years. The LDP government had come under severe criticism for a series of political scandals and a slow economic recovery due to the COVID-19 pandemic. Although not intentionally misleading the public,



Japan's mass media might have misread the capricious constituents or failed to catch up with the rapidly changing mood of the voters in Japan or probably both. It might have been too risky for them to change the more-than-probable predictions of their own.

### DID COVID-19 MATTER?

Very likely. The COVID-19 infection cases in Tokyo rose to 5,000 per day in mid-August and was around 2,500 in early September. Many voters surveyed in the polls at the time were not happy with the government. By the time the Lower House was dissolved on October 14th, however, the political winds seemed to have started to change. The daily infection cases in Tokyo dropped to 62 on October 14th and further to only 24 on October 29th, two days before the election day. Apparently, those numbers mattered.

### DID THE LDP WIN?

Hardly. As compared to the previous numbers of seats before the election, the LDP lost only 15 seats while the Constitutional Democratic Party won 96 seats, 14 seats less than the previous number. Although more detailed analyses are needed, it may not be coincidental that Osaka-based Nippon Ishin no Kai won 41 seats-- 31 more than the previous number of 10.

This all means that the biggest winner was Nippon Ishin and not necessarily the LDP. Many voters might have felt either "We can live with the LDP," "We may reprimand the LDP later," or "We decided not to vote for the LDP but not for the Constitutional Democrats-Communists, either, but for conservative reformists like Nippon Ishin this time."

### IS THERE A GENERATIONAL CHANGE?

Not necessarily. Some pundits pointed to a "generational shift" in the election. Several well-known veteran lawmakers from both the ruling and opposition parties surprisingly either lost their seats or at least their districts (but re-elected under the proportionate representation scheme).

That said, it remains to be seen whether we can call it a "generational shift." First, many unsuccessful legislators may have simply underestimated the "frustration of the voters," or in other words, were so over-confident that they did not take this election seriously. Secondly and simply put, some of those who lost their seats are just either too old or have been elected too many times.

### ANY CHANGE IN FOREIGN POLICY?

Foreign Minister Toshimitsu Motegi succeeded the LDP's Secretary-General Akira Amari, who resigned from the post following his loss of his district in the election. No matter who is appointed as the new foreign minister on November 10th, however, it is unlikely that this election will change Japan's foreign policy for the following three reasons.

“First, the global security situation, and

the U.S.-China hegemonic competition, in particular, has defined and will continue to define the basic principles and fundamental directions of Japan's foreign policy.”

Secondly, Prime Minister Fumio Kishida has no reason to deviate from the consensus of the newly formed political coalition inside the LDP, including the continuation of the Abe/Suga foreign policy of the past nine years. Finally, given the results of the general election, the majority of the Japanese constituents seem to support the ongoing foreign policy of Japan, including the state of affairs in its relations with China, South Korea or the United States. I, for one, am not particularly worried about the next six months.

What we should be more concerned about, however, is the Upper House election to be held in Japan next summer. If the LDP did not win the Lower House election in the way they wished this year, we should not be surprised even if the LDP-Komeito ruling coalition loses a simple majority in the next Upper House election.

Japan's political world is already in a new battle for the Upper House election, whether the next COVID-19 "wave" would come back this winter or not. The Lower House election may have served as a prelude for a more structural transformation of Japanese politics in the years to come.

## SLIMMING DOWN JAPAN

### Seats in the lower house of the National Diet

September 17th 2021

**Government:** ■ Liberal Democratic Party ■ Komeito  
**Opposition:** ■ Constitutional Democratic Party ■ Others ■ Vacancies



### Voter turnout at general elections, %



Source: The Association for Promoting Fair Elections; The House of Representatives

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AR. NO. 03

# A QUADRATIC ENGAGEMENT

A virtual meeting held between the foreign ministers of India, Israel, the U.S., and the UAE has been touted as the 'New Quad', but emphasizes economic rather than security issues.

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In the post-Covid world, virtual meetings have become the norm for international diplomacy at all levels. Therefore, there was nothing out of the ordinary when the foreign ministers of India, Israel, the U.S. and the UAE met virtually on October 18th. However, the meeting garnered considerable media attention, with many labelling it the 'New Quad'. As may be recalled, the Abraham Accords announced in August 2020 had fully normalized relations between Israel and the UAE, with the active support of the U.S. Ensuring peace and stability in the region had been a core part of the agreement. However, bilateral agreements regarding energy, technology, security and environment were also signed.

In this context, the New Quad is being perceived as an addendum to the Abraham Accords. Given India's good relations with these nations, there is potential for great cooperation. The comparisons drawn with the original Quad (Australia, India, Japan and the U.S) have raised a few eyebrows, as the objectives of both groups appear to be at variance with each other. The Quad is mainly a security-oriented forum, with economic undertones, whose primary objective is to keep maritime routes in the Indo-Pacific free from military or political influence. It is viewed as a response to China's growing ambitions in the region. On the other hand, the 'New Quad' has no such military objectives, focusing more on shared economic interests.

## THE NEW QUAD

The basis of this New Quad is rooted in cooperation to tackle a wide range of issues such as infrastructure, trade, health, technology, climate change, energy and security. The partnership aims to expand both economic and political cooperation between the four countries. As with the other QUAD, this arrangement is a loose grouping, not an alliance. The comments made by the respective participants at the end of the virtual meeting are enlightening. The Israeli

Foreign Minister, Yair Lapid, pointed out that the four countries have a "unique set of capabilities, knowledge, and experience that can be used to create the network that we all want to see created. [...] I think the word we're looking for here is synergy because this is what we're going to try and create starting with this meeting. Synergy that will help us work together on infrastructure, digital infrastructure, transport, maritime security and other things that preoccupy us all".

The U.S. State Department called it a platform that "discussed expanding economic and political cooperation in the Middle East and Asia, including through trade, combating climate change, energy cooperation, and increasing maritime security" and "people to people ties in technology and science". Incidentally, the Indian Foreign Minister was on an official visit to Israel and participated

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INSIGHTS

**Mr. Ariel Levite** is a non-resident senior fellow in the Nuclear Policy Program and Cyber Policy Initiative at the Carnegie Endowment. Previously, he served as the Deputy National Security Adviser for Defense Policy and Head of the Bureau of International Security and Arms Control in the Israeli Ministry of Defense.

“For now, I see the 'New Quad' as little more than political hot air. It helps leaders to appear to be making headway and gain favourable domestic opinion. The Biden administration seems especially desperate for some foreign policy gains. The practical agenda from an Israeli perspective would ideally be to counter Iranian influence and present a credible alternative to Russian, and to a lesser extent, Chinese inroads. But I doubt India would go along with this agenda. The UAE may waiver and hedge its bets, and the U.S. has no stomach for heavy engagement of any kind in the Middle East.”

EXPERT



INSIGHTS

**Mr. Jonathan Zadka** is the Consul General to South India (Bengaluru) at the Israel Ministry of Foreign Affairs

“The new grouping should be viewed as a quadratic engagement between four countries that share a lot in common and have strong bilateral bonds between them. It is not directed against anyone but rather is in place to promote joined economic-related development and cooperation.”

in the virtual meeting from there. Mr Jaishanker cryptically tweeted later, “Discussed working together more closely on economic growth and global issues. Agreed on expeditious follow-up.”

## GEOPOLITICAL CALCULATIONS

The Middle East holds strategic importance for India as it is a principal source of energy supply and precious repatriations. A 75-billion-dollar UAE-India infrastructure fund had been set up to support investments into India’s infrastructure over the next ten years. Only 3 billion dollars have been used; India can use this new relationship to move this project forward. Israel plays a vital role in the defence and security sector of India. Through this new arrangement, India can hope to strengthen its ties with Israel and work on projects beyond the scope of defence, such as water management technologies to improve agricultural efficiency.

The Israeli foreign minister has also spoken about renewing negotiations to set up free trade areas and vaccine acceptance between countries. New Delhi is also looking at a long-term role in the Middle East, which such an arrangement allows it to play. Indian diplomacy would not like to give up on an opportunity that will make its engagements in the Middle East more meaningful while at the same time shoring up its relationship with the U.S and its friend Israel.

“For the UAE, the normalization of relationships was a strategic necessity as it will earn global recognition as a mature nation and a vital cog in the peace-making structure of the region.”

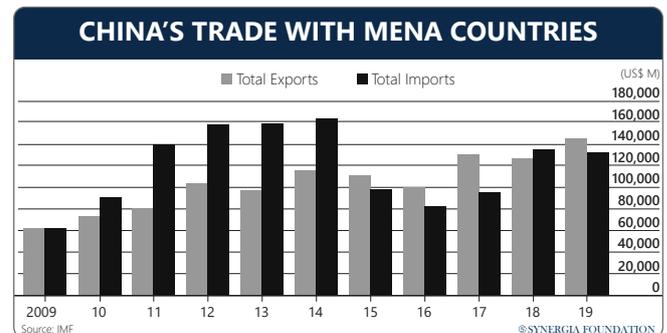
A close ally of the U.S., the UAE hopes to leverage this relationship to develop its science and technology sector, particularly with Israeli know-how which is aptly suited to its peculiar needs, for now, and in the post-oil era. For the U.S., the growing influence of China in the Middle East has been a source of concern. Both Israel and the UAE have improved their relations with China in recent times.

The first vaccines to be used in the UAE was Chinese, and the UAE has opted to use Huawei tech for its 5g telecom

networks. Shanghai International Port Group has built a \$1.7 billion container terminal in Israel’s Haifa. Ashdod, which is another major Israeli port on the Mediterranean, is also being upgraded by China. While the New Quad has no overt assertions of being ‘anti-China’, unlike the Indo-Pacific Quad, the effort to knit a set of old allies into a ‘forum’ of like-minded countries will enable the U.S. to influence the geopolitical undercurrents in the region. It is possible that the U.S. could use this relationship to try and convince UAE and Israel to step back from their growing relationship with China; this also currently fits with India’s interests. It is also being hinted that this new alignment may be tweaked by the U.S. and Israel to counter the growing Turkish influence in the region. All four members, including India, have strained relations with Turkey under President Recep Tayyip Erdoğan.

## A REALITY CHECK

Right now, the New QUAD is in very early stages. The structure and scope are still unknown. With the lack of a singular focus, it is fair to ask if the New QUAD is prepared to hold regular meetings and follow up promptly to further its economic and political agenda. However, due to the strong relationships that most members have, there is massive potential for cooperation. This should enable it to outlast the failed quadrilateral agreement between Afghanistan, Pakistan, the United States, and Uzbekistan, which was launched just a month before the Taliban takeover. For India, there are two major concerns. Firstly, the implications of the New Quad on bilateral ties with Iran remains to be seen. Secondly, the lack of a singular goal may dilute the credibility of such groupings.



## Assessment

The New QUAD cannot be equated with the original partnership between India, Japan, Australia and the U.S. It is not a security dialogue, and has not been set up to counter China, as some would assume. It is a forum for political and economic cooperation between the four nations.

It is possible that the U.S. could use this relationship to try and convince the UAE and Israel to step back from their growing relationship with China. This also currently fits with India’s interests.

For India, the new arrangement may help it to expand its role on the world stage, engage more deeply in the Middle East, and strengthen cooperation with the United States.

# 04 THE 'NEW QUAD'?

While the New Quad purports to be economically oriented, there are concerns that its security undertones may well impact India's long-standing strategic autonomy.



**Mr. M K Narayanan** was the National Security Adviser of India from 2005 to 2010. He also served as the Governor of West Bengal from 2010 to 2014.

In October this year, Israel, India, the UAE and the U.S. announced the launching of a new Quadrilateral Forum, which India prefers to refer to as a Quadrilateral Economic Forum. It purports to build on the spirit of cooperation in the wake of the Abraham Accords and the subsequent U.S.-Israel-UAE cooperative endeavour. Since then, there have been quite a few high decibel announcements by individual countries, with the U.S., for instance, talking of expanding both economic and political cooperation in the Middle East and Asia, including in the domain of Maritime Security. India's involvement in the second QUAD follows its membership of a similar pact with U.S., Japan, and Australia, in the Asia-Pacific region referred to as the Quadrilateral Security Dialogue (QUAD). The announcement of India's participation in the second QUAD was, however, unexpected. Observers of the shifting geostrategic landscape have noted that while both the QUADs emphasise economic cooperation, the involvement of the U.S. in both Forums and the growing anti-China tilt in its policies hint at security gaining in prominence in the course of time, notwithstanding current disclaimers by the Members.

“India has for long had a unique role in West Asia, being acceptable to all players, big and small.”

This includes key antagonists such as Saudi Arabia & Iran, Egypt, Turkey & Libya, Israel & Palestine, and with all members of the Gulf Cooperation Council, irrespective of tensions among them. In recent years, relations between

India and Israel have steadily grown, notwithstanding the warm relations India enjoys with the Palestinian Authority. Its relations with the UAE and Saudi Arabia have grown stronger without affecting relations with Iran. It had so far managed this without being a member of any bloc or arrangement. While stress is currently being put on the economic imperatives of the New QUAD, it is difficult to accept - in the backdrop of the Abraham Accords and the existing tensions between key countries of West Asia - how security considerations can be ignored or avoided in the coming period. All the more so, as the New QUAD is seen as a sequel to the cooperation between the U.S., Israel and the UAE after the Abraham Accords.

It is again unclear how India, which places so much emphasis on strategic autonomy and on maintaining strategic equidistance between conflicting nations, can continue to play the same role in the future as it has been during in the past, viz., to be an arbiter among contending forces. As it is, West Asia has become a political and security quagmire of sorts. Given the presence of the U.S., the New QUAD may find itself inexorably drawn into this quagmire that would involve nations like Turkey, Iran, Syria, and Egypt, Russia, and different Arab nations & Israel (notwithstanding the Abraham Accords). Added to this would be existing and emerging tensions which would stem from the past and existing role of U.S. and Israel in the region. Given such a scenario, it is difficult to comprehend what India would gain from its partnership in the New QUAD. The bilateral relationship with each of the countries in the region had paid India good dividends in the past. As India emerges as a key economic power across Asia, strengthening these bilateral economic relationships should have been the key imperative. This could be adversely impacted due to the underlying security undertones of the New QUAD. It would be unfortunate if India were to be sucked into some of the current controversies that rage across West Asia, which would affect not only its economic prospects but might well impact on India's longstanding position as an arbiter of conflicts in the region, without becoming involved in any kind of controversy.

AR.  
NO. 05A MILITARY-INDUSTRIAL  
COMPLEX?

India's dreams to replicate the trajectory of powerful Western countries whose modern arsenals are forged in private factories remain to be realised.



**Major General Ajay Sah, SM, VSM (Retired)** is the Chief Information Officer at Synergia Foundation.

For long, anything connected with the defence has been a sacred cow, and none enjoyed this immunity more than the elephantine public sector conglomerate, the Ordnance Factory Board (OFB) of India. At long last, this behemoth comprising of a chain of 41 factories employing over 70,000 employees and controlling over 60,000 acres of priceless land has been dismantled into seven Defence Public Sector Units (DPSU). Few tears will be shed over its demise. Enjoying an unchallenged monopoly over many critical requirements of the armed forces, the OFB showed the least inclination for innovation, quality assurance and cost efficiency over its long period of existence. Though these new entities remain entirely government-owned, the grip that OFB had over all aspects of the supply of arms, ammunition, and clothing to India's armed forces for over two centuries of its existence has finally been broken. More importantly, it raises hopes for the corporatisation of India's huge defence industry, whose potential as an engine of growth has so far been lagging despite the best intentions of successive governments. There has been a lack of trust in India in its own private sector companies for far too long. Despite the liberalisation of its economy in 1991, the successive governments did not deem it politically safe to allow private capital into the defence industry until 2001, that too in a half-hearted manner. It is a fact that due to poor investment in research and development, the overall technological and scientific base of the defence industry in India is extremely narrow. With research on weapons being expensive and with few guarantees of commercial success, not many Indian companies were capable of venturing into the sector on their own and hence the pre-eminence of

public sector undertakings that could dip into the national coffers.

## PLAYING FOR HIGH STAKES

It would be an understatement to call South Asia a 'tough neighbourhood' since it is considered the most dangerous flashpoint for a nuclear holocaust. Along its disputed and still undefined margins sit potential conflicts which may engulf not only Asia but also its extended neighbourhood. Religious and ethnic divides are rife that fuel armed rebellions, and since India has staked its future economic well-being on its IT infrastructure, there is an ever-present threat of an army of hackers supported generously by its enemies. In sum, no other country in the world needs a robust and resilient defence shield more than India. Yet, it has been a long story of ad hoc measures compromised by lack of funds that scripted India's quest for self-sufficiency in arming itself. Undoubtedly, the OFB and the DPSUs performed their designated role when India was emerging from its colonial past and struggling to establish itself as an economically stable regional power. Now that dream stands realised, the Indian defence industry too must shed its colonial past and emerge as a modern, corporate-driven mega enterprise.

“The domestic market for arms, ammunition, and associated paraphernalia itself is huge and can sustain such an industry with minimum dependence on exports.”

However, if quality products are made available at the right prices in the highly competitive international arms bazaar, the prospects for exports are immense. The defence industry could become another engine for India's growth story, like the IT sector. This was clearly stated by the Defence Minister Mr. Rajnath Singh at the dissolution of the OFB when he declared that the opening of “opportunities for mega defence programmes, including

EXPERT



INSIGHTS

**Mr. Sanjay Mitra, IAS**, is a former Defence Secretary of India.

### **How can a workable and effective synergy be created between the public sector and the private sector to create a credible defence industry partnership?**

This will call for sustained engagement between all parties. To start with, the DRDO might need to interact closely with the interested private parties to ensure technology transfer and hand holding. The DARPA in the US has a strong Project Manager (PM) system where empowered PMs interact with the industry over an extended period. Perhaps the DRDO could expand its present industry engagement structure and appoint a group of talented individuals to promote its most promising technology products through the domestic industry. Like DARPA, these individuals could be placed for a specified (3year?) time period. Like-wise the DPSUs, including the newly established OFB spinoffs could also set up similar institutional mechanisms. This arrangement could be periodically reviewed at the level of Secretary, DRDO/ Defence Production. Each PM should be assigned only a few selected technologies.

### **What are the key milestones for the private sector to make a success of their investments. How can they attract FDI as permitted by the government?**

A fully mature domestic defence industry will take time to develop. The technology gap is extremely wide in most cases. The only time-bound approach will be via TOT and the only good TOT mechanism appears to be through, joint ventures, co-production or mergers and acquisitions. Licensed production has not really worked. India has some good examples, for example, technology acquisition through mergers in the case of wind turbines; the JVs to manufacture supercritical boilers and turbines or the electric locomotive factory for manufacturing and supply of 800 units of high horse-power locomotives at Madhepura in Bihar by Alstom. The development of the export-oriented Caracal small arms factory in the UAE is another good example of successful TOT through acquisition. The RAND Corporation had explored the problems of dwindling domestic markets for the arms industry in Eastern and Central Europe. This feature, allied to their strong tech base in niche areas, could open up several possibilities for technology acquisition. The foreign vendors have not really delivered on offsets. This avenue could be explored in much greater depth and the major offset holders forced to start co-production. Aero engines could be a great point to start, now that HAL has got the orders for Light Combat Aircraft.

fighter aircraft, helicopters, tanks and submarines through a strategic partnership model that will help our private companies become global giants in the years to come.” The prerequisites are all present to guarantee a thriving arms industry in India - the third largest armed forces in the world and the world’s fifth-largest defence spender. As per the latest data on international arms transfers released by the Stockholm International Peace Research Institute (SIPRI), India occupies the unflattering second rank (after Saudi Arabia) of the biggest global arms exporters, accounting for nearly 10 per cent of total global arms imports during 2016 to 2020. Despite a reasonably strong industrial base, India has been unable to achieve the long-cherished 70 per cent self-sufficiency in defence procurements; for long, this has stagnated around a doubtful 35 per cent! The bulk of the much-hyped production in our DPSUs/ OFB is licensed production in which some of the more critical parts are still imported (Sukhoi, T-72/T-90, Hawk Trainer etc to name just a few). The private sector has generally been kept out of the ecosystem with less than a 5 per cent stake in such enterprises. This low percentage gives hope that with a well-orchestrated and state-supported plan, the potential for private sector growth in the defence industry is vast. Apparently, funding is not an issue. In the Financial year 2021, India’s defence production recorded an increase to nearly US \$10.9 billion, and the government has set a target of US \$ 25 billion by 2025. To balance out its ballooning defence bill, the government has spelt out an export target of US \$ 5 billion by 2026.

### **THE WAY AHEAD**

It is a harsh reality that the private industry does not survive on mere promises; it needs a regular and constant flow of cash to survive. Only a steady flow of domestic orders supplemented by government-supported and aided exports will enable the Indian private defence industry to ramp up the economies of scale to keep their investments alive. A positive indicator has been the continuously improving policy environment for the private manufacturer, as also for the start-ups which has been the hallmark of this drive underpinning the call for an ‘Aatmanirbhar Bharat’. The efforts being made by the government to make the entire ‘Aatmanirbhar Bharat’ project a success are significant and a pointer to their seriousness in seeing it through. Undoubtedly, the Indian government will have to do a great deal of handholding in the initial few decades of privatisation of the defence sector. It is for the private industry to come forth and prove their commitment towards this endeavour by investing in defence-related projects. Beginning this October, a new regime has been put in place to facilitate production by homegrown defence industries in the private sector. The targets set are ambitious - Rs 1.5 trillion in turnover and Rs 35000 crore in exports annually by 2025! In simple terms, it means nearly doubling the domestic defence production and quadruplicating exports. If up to the task, the Indian private sector can grab a sizeable chunk of this pie. The government plans to lay out two defence corridors and several defence parks exclusively for the manufacture of defence equipment which is aimed to facilitate the contribution of start-ups and micro, small & medium



**Mr. Srinivasan Dwarakanath** is a former CEO & MD of Airbus India Operations.

“For the Indian private sector to build a profitable and credible impact in the defence market, they should see the opportunity to compete and win regular work from Defence and Civil programmes. Then, they would be keen to invest in the required R&D and create world class infrastructure, to compete both domestically and internationally. This requires India to commit in developing few versions of Military and Civil products (i.e., indigenous fighter jets, passenger, and transport aircraft) where the Indian private sector can compete. No country in the world has developed and matured its aerospace and defence ecosystem without having their own national programmes, as foreign countries will not be willing to give their crown jewels (high technology product with IP) to Indian private sector companies for development. In fact, until such opportunity arises, it is profitable for the Indian private sector to work on engineering services and manufacture parts / assemblies (built to print) for global majors.”

enterprises (MSMEs). In another first, in February this year, the Defence Research and Development Organisation (DRDO) handed over the licensing agreements for Transfer of Technology (ToT) for DRDO developed technologies to 20 private players. In April, the field of developing and producing sophisticated missile systems, heretofore the exclusive domain of DRDO, was thrown open for the private sector. In order to generate capital, foreign direct investment (FDI) up to 74 per cent through automatic route in defence manufacturing has been allowed, and in case of even greater investment, government sanction would be necessary. To discourage imports, 101 defence items have been placed on an embargo list which would cut imports by a whopping US \$ 2 billion by next year. The tax regime too has been tweaked to establish a well-run maintenance, repair, and overhaul (MRO) sector run by the private sector with a reduction in GST from 18 to 5 per cent. In addition, the headline corporate tax rates have been slashed to 22 and 15 per cent, which along with a generous FDI cap is bound to bring much-needed capital into the private defence sector. Two high profile mega-deals that caught the media focus recently have boosted hopes for a future where defence production in India will be dominated by well-run, profit-making private manufactures, as is the practice in most of the developed Western world. The first was the ‘Dassault Reliance Aerospace’ joint venture signed in 2016, as part of the 36 Rafale aircraft deal valued at Euro 7.87 billion. This company will be responsible for the execution of the offset obligations channelising approximately Rs 30,000 crores into the Indian ecosystem. The second development was the approval by the Cabinet Committee on Security in September for the procurement of 56 C-295 transport aircraft for the Indian Air Force (IAF) from the Tata-Airbus

combine. The deal worth over \$2.5 billion is a path breaker as, for the first time, a private company will be undertaking their manufacture in preference to the public sector-owned Hindustan Aeronautics Limited. This project was mooted by Airbus and Tata Advanced Systems Ltd as far back as 2014, and it is only now that it has fructified. The long delay in decision making notwithstanding, it is encouraging to see an Indian company emerging as a credible partner for an international aviation giant like the Airbus Industries, providing a viable alternative to the DPSUs. In its statement, the Indian Defence Ministry called the project a “boost to the aerospace ecosystem in India wherein several MSMEs spread over the country will be involved in manufacturing parts of the aircraft.

### WORD OF CAUTION

One of the indisputable advantages of a captive OFB was its surge capacity. It was well known and officially acknowledged that these dinosaurs functioned well below their rated capacity, which could be ramped up to cater for emergency requirements. The Nation will have to ensure that the private industry, amply supported by DRDO and DPSUs, always maintain sufficient war stocks of war material and be capable of surge capacity at short notice to meet the demands of a national emergency like a two-front war.



**Mr. Subhash Chandra, IAS**, is a former Secretary for Defence Production with the Government of India.

“The corporatisation of OFBs marks a bold reform in defence manufacturing. It promises greater proximity between the private and the 7 distinct PSUs atleast theoretically, as the creation of PSUs is premised on greater autonomy for them in creating JVs and ushering in higher investment in R&D. However, for them to break out of their comfort zone, the PSUs will need to be handheld and nudged by their parent Department. Joint ventures with the domestic and foreign OEMs will need to be proactively pursued with identified products for different each Service. It is far too early to contemplate exports from a pragmatic perspective beyond what is already on hand. The domestic defence industry must step up too to leverage this opportunity. There are prospects for manufacturing a wide range of products. However, this should be embraced by the MSMEs and the bigger players jointly. The PSUs should use this as an opportunity to modernise its plant and machinery to improve quality and reduce rejections/product malfunctions, shopfloor practices and managerial expertise. Product diversification with a broader vendor base can ensure competitive costs and adherence to timelines, both of which have been customer bugbears. Last, but most importantly, the Services must demonstrate support for the PSUs by actively moving beyond the propensity to import to product indigenisation and domestic manufacturing.”

AR. NO. 06

# SURVIVING THE CHIP CRISIS – PART II

While the automotive chip industry may have imbibed some lessons from the 2010 allocation crisis, it has missed other factors that exacerbate supply chain disruptions.



**Mr. Prashant Doreswamy** is the Country Head of Continental India and Managing Director of Continental Automotive. This article is based on his exclusive insights on the automotive chip crisis, published as a two-part series. Part I was published in the October I edition of Insights.

In Part I of the article, we had examined how the automotive sector cut its inventory and revised its schedules in light of the pandemic, prompting semiconductor manufacturers to sell their additional chip capacity to adjacent markets. However, as the demand for vehicles picked up in the post-COVID phase, the industry was hit with a chip shortage crisis, owing to this reallocation of capacity.

The effects of this allocation crisis continue to be discernible today. Earlier, when an order for chips was placed by Tier I firms, it was readily fulfilled. Now, however, if there is a demand for say 1000 chips, only 800 pieces are supplied. Even the ones that are received need to be fairly distributed between different Original Equipment Manufacturers (OEMs) on an equitable basis. It is not the case that one or two OEMs can be favoured over the others.

Against this backdrop, it becomes critical to future-proof the automotive industry from similar crises. This entails an appreciation of the fundamental issues that plague the management of automotive chip supply chains. Firstly, Tier 1 companies have gotten used to placing only 12 weeks firm orders. This has created a significant gap, as it takes around 14-24 weeks to manufacture chips, based on the type and specifications.

Placing orders which are shorter than the lead time is

inherently risky and can exacerbate the supply situation in times of crises. Secondly, the utilisation rate of semiconductor fabs is a pressing issue. The ideal utilisation rate is 95 per cent. Profitability becomes a concern if the figure is below 95 per cent and the risk of bottleneck arises if the utilisation rate is above 95 percent. Given this reality, it is important to look at solutions that better manage the intricacies of automotive supply chains.

## LESSONS FROM 2010

The current situation is emblematic of the 'toilet paper syndrome'. Owing to the spike in the demand for vehicles, automotive companies are magnifying their numbers and placing more orders for chips, irrespective of whether they can produce them or not. This is reminiscent of the allocation crisis witnessed by the sector in 2010. The pertinent question is whether the industry has drawn any lessons from the crisis, this time around.

To a certain extent, yes. Chip vendors, for instance, have maintained a reasonable amount of inventory, post-2010. Also, when the pandemic hit, they had refrained from cutting down on their CAPEX investments, as they did in 2008-2009 during the financial crisis. Moreover, they have worked closely with Tier I companies to avoid a disconnect between order and real demand, as the industry starts to revive itself.

However, such initiatives have not been enough to ward off supply disruptions. The industry has still missed two crucial factors. One, it has not taken into account the faster recovery of other industries like consumer electronics, 5G mobiles, gaming stations, laptops, phones and data centres. With their volumes increasing, there has been a visible spurt in chip demand. Two, the increased dependency of companies on a single foundry has not been factored in.

In the process of pursuing asset-light business models, many semiconductor companies have concentrated only on design and packaging, with the manufacturing of wafers being outsourced to specific foundries. As a result, all wafer

demands have landed at the doors of a single company, namely the Taiwan Semiconductor Manufacturing Company (TSMC). It is believed to supply almost 56% of the automotive requirements for wafers.

This is clearly a case of too many eggs in a single basket. In contrast, the automotive sector constitutes only 3.6 per cent of TSMC’s annuals sales. The biggest market is smartphones, followed by High-Performing Computers (HPCs) and Internet of Things (IoT). In other words, there is a huge mismatch between the automotive demand for chips and TSMC’s market sales.

Aggravating this further, automotive companies still rely on old technology chips, as they are more cost-effective. However, leading wafer manufacturers like TSMC focus on the latest technology nodes like 7nm, 5nm, 16nm and 28nm, causing the automotive sector to be left behind. Amidst all this, one company that has managed the chip shortage well is Toyota, despite being known for its ‘just-in-time’, ‘just-in-sequence’ and ‘zero inventory’ models.

As part of its business continuity plan, the company had identified that natural calamities or other such crises could potentially halt its production. So, to overcome this, it went against its own principle of taking out the inventory. Indeed, its business continuity plan was so strong that the company had considerable chip inventories in the pipeline, when the pandemic hit. This enabled it to produce more cars in the post-COVID phase, even as other companies were impacted badly

**SCALING UP CAPACITY**

With companies reeling from the chip shortage crisis, the need to increase capacity has been increasingly recognised. Even TSMC has pledged to invest \$100 billion dollars. However, while this is being implemented, a few more unexpected incidents have thrown a spanner in the works. In February 2021, the Texas snowstorm impacted a lot of suppliers in the area, including NXP and Cypress. Since the power was shut down, one-third of their work-in-process inventory of wafers had gotten contaminated.

Around a month later, Renasus reported a fire in one of its factories in Naka, which burned many of its equipment. As a result, the plant had to be shut down for more than one-and-a-half months. Thirdly, when Malaysia was hit with COVID, it impacted a lot of back-end and packaging operations of semiconductor manufacturers, which was concentrated in the region. Owing to all these factors, actual capacity has not been added. The equipment required to scale up capacity was used up in replacing the ones that were damaged or lost. Companies are now waiting for the additional equipment to come in.

**PROGNOSIS FOR COMING DAYS**

Currently, while the number of cars produced is 80 million, the orders with semiconductor manufacturers are for about 84 million cars. This means that there is a buffer of 4 million vehicles, which is typical of the ‘toilet paper syndrome’. This is expected to come to an end in 2022,

when the overall situation improves. However, even though we might see some stabilization happening, this cannot be guaranteed for all components and parts.

In some cases, the crisis may spill over to 2023. To sum up, 2022 will not be as bad as 2021, but it will not be without its share of struggles. Anticipating this, companies like Continental have confirmed the schedule for next year’s capacity, as early as July. Going forward, the automotive chip supply chain needs a complete rethink. Certainly, the foundry policy must be revisited.

“In the process of making an asset-light business model, relying too much on one foundry is not a prudent policy.”

There is also a need to ensure more transparency along the entire supply chain, from OEMs to Tier I firms to semiconductor manufacturers. Although the possibility of OEMs procuring chips directly from the semiconductor industry is being debated, it will be difficult to implement. One cannot dictate terms to Tier I companies because of technological complexities.

For the time being, the only workable solution is to secure supply by extending commitments. Secondly, it is important to prioritise supply assurance by keeping 2-4 months of inventory for critical chips. Ofcourse, the question of who will pay for the blocking of this capacity and inventory remains to be seen. The consumer may have to pay the price, with costs of vehicle ownership projected to increase by around 8-10 percent over the coming years.

**KEY DRIVERS OF AUTOMOTIVE CHIP DEMAND & SUPPLY**

Global supply shortage for automotive semi-conductors

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**SEMICONDUCTOR OPERATIONS**



**Disruption risk in global supply chain**  
Fukushima, earthquakes, COVID lockdown, Texas power outage, regional political risks



**Semiconductor cycle time**  
Typical 12+ weeks order lead times, 6-12 months for capacity expansion vs. 95% utilization targets for SemCo profitability reconfigurations

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**AUTOMOTIVE SUPPLY CHAIN/ OPERATIONS**

**COVID recovery**  
Automakers are ramping up production to fulfill pent up demand caused by global lockdowns



**Just-in-time paradigm**  
Automotive supply chain relying on JiT and minimized inventory for cost



Source: Public information, Roland Berger ©SYNERGIA FOUNDATION

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07

MALNUTRITION  
AMIDST PLENTY?

Despite its impressive growth, India continues to grapple with malnutrition, with nutritional deficiency afflicting a larger percentage of the populace.

SYNERGIA FOUNDATION  
RESEARCH TEAM

While famines and food scarcities may have become a thing of the past, nutritional inadequacies in a large section of the Indian population remains a concern and an international embarrassment for a nation aspiring for global recognition. Between 1950s-1960s, the ‘Green Revolution’ had harnessed scientific improvements to usher in decades of bountiful harvests.

The new and revolutionary high-yielding crops had led to overflowing granaries. Sadly, the public distribution system (PDS) today has not been able to keep pace and ensure an equitable distribution of nutritious diet. Despite the impressive statistics indicating ever higher crop yields and bursting godowns in the state-run Food Corporation of India (FCI), a closer analysis will reveal stark inequality in balanced nutrition among different classes of the society. This raises doubts about whether the country has, in reality, moved away from the troubles of the past.

Nutritional deficiencies are glaring and widespread among the population. The PDS continues to focus on calorific intake, a legacy of the past, when even basic food items were scarce. This has led to lopsided levels of nutrition and public health. Even though monthly ration quotas are being met in full through the PDS, nutrition values are not being adequately addressed.

### MISSING BUILDING BLOCKS

It is a harsh reality that India is home to the world’s second-largest undernourished population. Research has revealed that India loses up to 4 per cent of its gross domestic product (GDP) and 8 per cent of its productivity due to child malnutrition (DownTo Earth 2021). This is, of course, further compounded by historical issues of poverty, inequality, and access to food supplies.

Malnutrition is a deadly malady and cannot be ignored;

in the short term, it may cause pneumonia, diarrhoea and fatigue, and the long-term effects can impact a whole generation through ‘adult size, intellectual ability, economic productivity, and reproductive performance, and increase the risk of metabolic disorders and cardiovascular disease’ (Outlook Poshan 2021).

EXPERT



INSIGHTS

**Mr. Kapil Mohan, IAS**, is Additional Chief Secretary (Food, Civil Supplies and Consumer Affairs and Legal Metrology) to the Karnataka Government.

“It is important to distinguish between undernourishment and malnutrition. In the Global Hunger Index, if you break down and analyze the figures, you see that India figures worst in stunting and malnutrition. We have linked calorie intake to poverty levels, and over the years this has gotten institutionalized through the Green Revolution. As a result, we are now supplying enough number of calories to the population. But this does not necessarily translate to a healthy balance of micronutrients.

An important factor to acknowledge is that India is a protein-deficient country and our knowledge about the importance of protein in our diets is not satisfactory. One of the reasons for this is that we are a predominantly vegetarian country. This is not to say that only non-vegetarian food contains protein. Vegetarian diets can also be rich in protein, however, the possible options like soyabean are not necessarily a big part of the Indian diet. Without addressing this issue of protein deficiency, we cannot climb up the nutritional scale.”

EXPERT



INSIGHTS

**Dr. N. Nagaraj** is the Professor and Programme Coordinator at GPS Institute of Agricultural Management. He had spoken to the Synergia Foundation, as part of the roundtable on 'Chokepoints: Food and Nutritional Security' organised in 2017.

“Food and Nutritional security ultimately depend on the income i.e., if you have purchasing power then you can buy nutritive foods. These nutritive foods like legumes, pulses etc. are concentrated in dry-land agriculture and most of the protective foods like vitamins, minerals etc. are confined to irrigated agriculture. We need both macro-level and micro-level interventions to address all these problems, which have a direct bearing on food and nutritional security.”

The principal cause is that protein is often missing from the diet of the common man. Proteins are crucial for overall well-being as they help to 'combat undernutrition, improve the immune system, and reduce the burden on non-communicable diseases' (Outlook Poshan 2021). With cereals forming the staple diet in an average Indian family, it is not surprising that a large segment of the population suffers from protein deficiency. Dieticians recommend dietary protein intake for an average Indian adult at 0.8 to 1 gm per kg body weight. However, the actual average intake is only at about 0.6 gm per kg body weight, pointing towards a serious deficiency.

The National Food Security Act has ensured only the supply of subsidised rice, wheat and, more recently, millets through the PDS. All these food schemes have a low protein content. The protein supplementation through PDS averages 7.2 gm/day and 3.8 gm/day in rural and urban areas, respectively. Protein-rich foods are very low under the PDS as a result of a combination of various factors, including lack of availability, affordability and/or awareness. In addition, there are still a large number of 'below-the-poverty-line' (BPL) households that do not get covered under the PDS due to various bureaucratic reasons like not possessing supporting documents or being migrant labourers. For them, even the more inexpensive energy components remain entirely unmet, let alone the protein-yielding food items. India has a unique conundrum of problems with respect to food.

“Amidst poverty and starvation, we also experience a 'dual burden of malnutrition' whereby both overnutrition and under-nutrition coexist.”

Current estimates are at about 38 per cent undernutrition (46.6 million) in children under the age of five and about

15 per cent obese and overweight (14.4 million). This problem is not unique to India, and as incomes rise, urban communities globally are characterised by the coexistence of undernutrition and micronutrient deficiencies as well as obesity.

## INDIA'S QUANDARY

India continues to present many complexities to policymakers. There is a widening income disparity even as per capita income and per capita purchasing power have increased substantially. Development has not been along the lines of a comprehensive, holistic framework, and as a result, India still lags far behind with respect to several key social indicators such as health, nutrition, education, and human rights.

As regards nutrition, the Indian growth story has not translated into a corresponding rise in calorie intake or improvement of nutrition levels. While there has been a steady rise in consumption of electronic goods, mobile phones etc., an indicator of economic growth, these have not translated into nutritional enhancements. To quote economists Angus Deaton and Jean Dreze, “undernutrition levels in India remain higher than for most countries of sub-Saharan Africa, even though those countries are currently

## REALIZING THE VISION OF MALNUTRITION-FREE INDIA



Aim to reduce malnutrition in a phased manner through the life cycle concept by adopting a synergised and result-oriented approach

Will ensure mechanisms for timely service delivery & a robust monitoring as well as intervention infrastructure



To bring down stunting of children in age group of 0-6 years from 38.4% to 25% by 2022

Prevalence of stunting, wasting & underweight among children reduced from the levels reported by NFHS-4



EXPERT



INSIGHTS

**Dr. G. Anuradha** is the Principal Scientist at MS Swaminathan Research Foundation. She had spoken to the Synergia Foundation, as part of the roundtable on 'Chokepoints: Food and Nutritional Security' organised in 2017.

“We know that an increase in production and productivity has been the main focus for addressing the availability of food. Now, given the levels of high malnutrition, the focus has to be towards nutrition security.”

much poorer than India, have grown much more slowly, and have much higher levels of infant and child mortality.” The protein deficiency is markedly higher amongst women and children.

Clearly, rising incomes alone cannot provide answers to India's nutritional worries. There is a strong interplay of socio-economic and political factors which impact nutritional intake. These must be accounted for if we are to ensure an equitable distribution among girls and women across the board in India. In addition to the gender divide, there are economically and socio-culturally marginalised groups. These communities end up consuming food that is not very nutritious and dominated by carbohydrates. Crucial protein and vitamins are largely, if not entirely, missing. Food and nutrition are clearly part of a larger socio-economic, cultural story that must be addressed if inclusive growth is to take place.

## PANDEMIC FOCUS

Proteins build immunity and are important during pandemics. With fears of a third wave still stalking the country, there is a special concern about malnourished children whose immunity needs to be boosted. Government

EXPERT



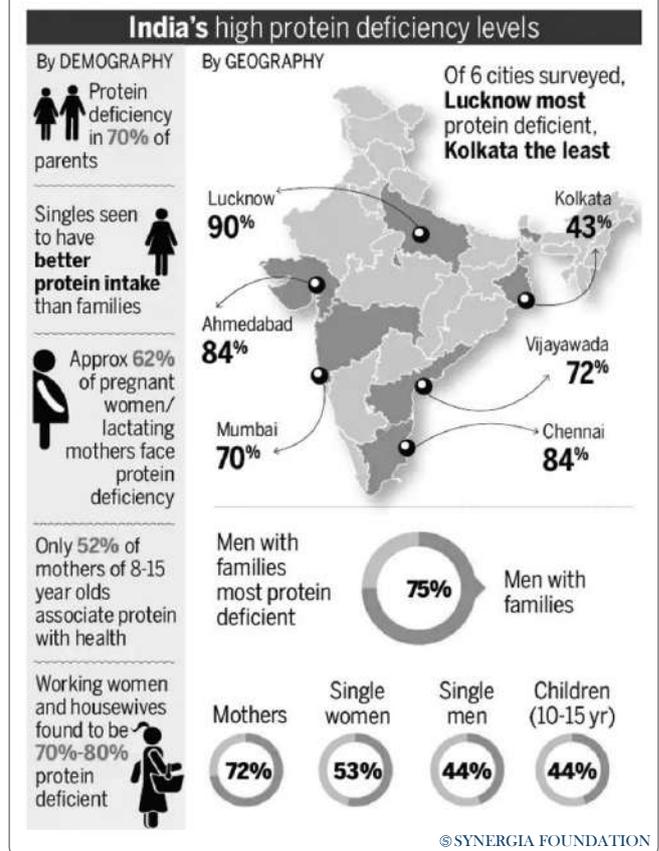
INSIGHTS

**Mr. Suresh Babu** is a Farmer in the Chitradurga District of Karnataka. He had spoken to the Synergia Foundation, as part of the roundtable on 'Chokepoints: Food and Nutritional Security' organised in 2017.

“Without soil, we can grow using a hydroponic system, but our minimum requirement is water. Without it, we cannot get anything. Thus, the government should come up with programs which ensure that minimum water is provided to all farmers.”

efforts during the pandemic ensured that sufficient food stock was made available through the PDS. In 2020, the 'Garib Kalyan Yojana' scheme supported the government's efforts by providing an additional Rs. 22.6 billion relief package. The scheme provides an additional 5 kg rice/wheat and 1 kg of preferred pulses per month, as a supportive measure during the health-scare. As with any other government-sponsored scheme, effective implementation remains a challenge, particularly when it comes to reaching out to the neediest.

## 73% URBAN RICH INDIA PROTEIN DEFICIENT



## Assessment

Public awareness around healthy and protein-rich food needs to be generated in a sustained manner, without spending too much on such a diet. Cheap and easily available alternatives like vegetables and pulses, apart from expensive items like fish/poultry/meat, must be an essential part of the diet for every Indian.

The PDS has vindicated its effectiveness as a tool to reach a large section of the underprivileged. Inclusion of protein-rich foods - both plant and animal protein - and diversification of diet have been attempted by the government with mixed successes. These need to be strengthened further.

'Malnutrition amidst plenty' continues to be India's development paradigm. We need to constantly address inequities to effectively manage the country's growth story.

AR.  
NO. 08

# A FESTERING FAULTLINE

In seeking to deliver on their climate finance commitments, developed countries should refrain from dubious accounting practices that 'greenwash' investments.

SYNERGIA FOUNDATION  
RESEARCH TEAM

Over the past couple of weeks, developments at the 26th United Nations Climate Change Conference (COP26) in Glasgow have captured global headlines. International negotiators at the summit have been busy trying to strike a balance between the developmental complexities of the Global South and the climate expectations of the Global North, where most countries have already passed their peak emission rates. While much of the attention has been focused on the emission reduction targets announced by developing countries like India, climate finance has also emerged as an emotive and contentious issue.

The extent to which richer countries ought to shoulder the financial burden for transitioning to a sustainable future continues to be a distinct faultline today. Although many states like the United States, Japan, Canada, and the European Union have pledged to scale up their financial support, it is nowhere close to the \$1.3 trillion commitments anticipated by certain developing countries. Against this backdrop, it remains to be seen how the domain of international climate finance navigates these geopolitical pulls and pressures.

## COP OUTCOMES

The idea that developed countries should compensate for their historical carbon emissions has been around for quite some time. One of the more obvious methods to achieve this is the provision of financial assistance to developing countries for adopting clean energy and reducing carbon emissions.

Acknowledging this, the concept of 'climate finance' was discussed for the first time at the 2009 COP summit in Copenhagen. Envisaged as an addition to standard development aid, the United Nations Environment Programme (UNEP) had defined climate finance "as financing that seeks to support actions for emission

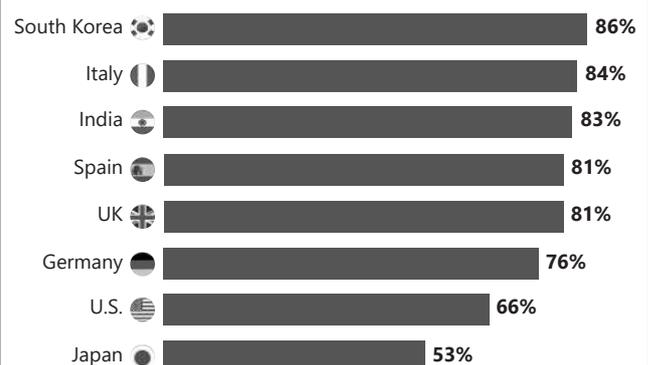
reduction, mitigation and adaptation in order to address climate change". Agreeing with the fundamental premise, wealthy countries had committed to provide US\$100 billion a year in climate finance by 2020, after a turbulent round of negotiations with developing nations. However, this target was not met, as borne out by the recent 'Climate Finance Delivery Plan', released at COP26.

According to the report, financial assistance will rise to the \$100 billion level only by 2023. This is a full three years behind schedule. Moreover, there are considerable disparities within developed countries when it comes to the disbursement of climate finance. Russia, for instance, has extremely high greenhouse gas (GHG) emissions. However, it contributes less money than Romania, whose GHG emissions are just a fraction of that of its bigger neighbours.

Given this reality, developed countries have been urged to enhance support for their poorer counterparts at the COP26 summit. Responding to this clarion call, Japan and Australia have pledged to double their adaptation finance, while the U.S. has committed to over US\$11 billion annually

## WHERE BELIEF IN CLIMATE CHANGE IS HIGHEST & LOWEST

Share of adults in selected countries who agree human activity contributes to climate change



Source: Ipsos

SYNERGIA FOUNDATION

by 2024. Even the EU has promised an additional €4.7 billion until 2027. Out of the numerous commitments made by member-nations, \$12 billion is expected to be devoted to forest-related climate finance alone, available between 2021 and 2025. The pertinent question, however, is whether these assurances are enough to tackle the climate crisis and meet the aspirations of developing countries.

**RAISING THE CEILING**

The prevailing sentiment in the Global South is that the target of \$100 billion a year is not sufficient today. The Indian Government, for example, has stated that climate finance should be ramped up to \$1 trillion at the earliest. Similarly, the African Group of Negotiators on Climate Change has called for a 13-fold increase in finance (\$1.3 trillion) for poorer countries to make the green transition. Even the Intergovernmental Panel on Climate Change (IPCC) estimates that \$2.4 trillion is needed annually for the energy sector alone if global warming is to be limited below 1.5 °C.

Clearly, therefore, there is a mismatch in the climate finance goals envisioned by developed and developing nations. Exacerbating these tensions even further, poorer countries are distrustful of the accounting and self-reporting practices followed by richer nations. For example, in 2013, the Indian Government had published a discussion paper that described the figures submitted by donor countries as open to ‘gaming’ and ‘exaggeration’. In addition to this, a large chunk of the climate finance provided by countries had often been given in the form of loans and not grants. In fact, the Organisation for Economic Cooperation and Development (OECD) estimates that out of the \$62.9bn (£46bn) in public climate finance flows, outright grants had amounted to merely 27 per cent.

Even in terms of accounting for these loans, most donor reports had overstated climate finance by counting them at their full-face value. As pointed out by Oxfam - a global anti-poverty NGO, they should have ideally calculated the grant equivalent after accounting for the interest payments and repayments made by developing nations as part of their loan conditions. However, most of the developed countries are unlikely to agree to an independent review of their climate finance delivery in the coming months. As a result, their recent pledge to meet the \$100 billion target by 2023 sounds hollow to many countries in the Global South.

**LEVERAGING PRIVATE FINANCE**

Climate finance does not refer to public contributions from governments alone. It can also encompass private contributions from businesses and financial institutions. However, up until now, public sources have been exclusively responsible for the increase in climate finance.

Portending a significant departure from this trend, members of the Glasgow Financial Alliance for Net Zero (GFANZ) have committed to aligning their global assets, worth around \$130 trillion, with the climate goals set out in the Paris Agreement. Since the group has around 450-500

financial institutions under its umbrella, including banks, asset management firms, insurance companies and pension funds, it is hoped that climate issues will now move to the forefront of finance. However, a growing number of sceptics are questioning the credibility of these commitments.

“Given that even wealthy sovereign nations have struggled to keep their promise of \$100 billion, the ability of private financial institutions to meet the Paris Accord objectives remains suspect.”

After all, in order to develop a credible plan for transition, they will have to significantly adjust their business models and implement systemic changes. Additionally, the Glasgow initiative has been criticised for not addressing the issue of investments in fossil fuels, which remains rampant in the private finance sector. As per a report by the Rainforest Action Network, 60 of the world’s largest banks had provided \$3.8 trillion to companies dealing in fossil fuel between 2015 and 2020. In the absence of specific commitments to disinvest from this sector, therefore, the GFANZ pledge is perceived to be a paper tiger.

**HOW CAN CLIMATE FINANCE SUPPORT COVID-19 RECOVERIES?**

**BOOSTING GREEN ECONOMIC RECOVERY**

- Provide immediate relief and social protection
- Improve health, livelihoods, and other socioeconomic benefits
- Foster more equitable and inclusive green recoveries

**SUPPORTING VULNERABLE POPULATIONS AND SOCIAL INCLUSION**

**STRENGTHENING POLICIES AND INSTITUTIONS**

**INVESTMENTS IN CLEAN ENERGY, CLIMATE RESILIENCE, AND FORESTS CAN:**

- stimulate economic activity
- Generate millions of jobs
- Strengthen key sectors
- Prepare for future shocks

**CLIMATE INVESTMENTS THAT SUPPORT VULNERABLE POPULATIONS CAN:**

- Provide immediate relief and social protection
- Improve health, livelihoods, and other socioeconomic benefits
- Foster more equitable and inclusive green recoveries

**COUPLING CLIMATE INVESTMENTS WITH TECHNICAL ASSISTANCE CAN:**

- Advance climate-friendly policies alongside recovery efforts
- Test and strengthen regulations through demonstration projects
- Advance climate-friendly policies alongside recovery efforts

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**S Assessment**

Augmenting climate finance is in the interest of both developed and developing nations, as emissions reduction is critical to the future of the planet. While the decade-old target of \$100bn might be a good starting point, it is important to revise and update it in line with the objectives of the Paris Accord.

Although rich countries have a higher responsibility to pay for emissions reduction, poorer countries should create a conducive environment for public and private investments in sustainable sectors. In other words, their ecosystems should be primed for climate finance delivery. This includes the devising of regulatory frameworks that mandate climate risk reporting and other disclosures.

AR.  
NO.

09

FIRST LINE OF  
DEFENCE

With the distinction between external and internal security paradigms getting blurred, the Indian police constitutes the first line of defence.

SYNERGIA FOUNDATION  
RESEARCH TEAM

This article is based on the 109th Forum on 'Police as First Line of Defence in Ensuring Internal Security', organised in collaboration with the Hyderabad City Police.

On the 21st of October of every year, India celebrates the National Police Commemoration Day. It marks the heroic deaths of SI Karan Singh and ten other policemen, who were ambushed and killed by Chinese forces at Hot Springs Ladakh in 1959. As the nation remembers their valiant sacrifice, this is an opportune time to analyse the critical role played by the police in matters of internal security.

### CHANGING FRONTIERS

A nation's internal security apparatus must be ever vigilant to meet evolving threats through eight different frontiers - vigilantism, counterfeit currency, cybercrime, border management, climate change, pandemics, trans-frontier crime, and cross border terrorism. Vigilante attacks are taking place in India with increasing frequency. Some attribute this to the relatively younger profile of the Indian population, who are more prone to letting emotions get the better of them. According to Human Rights Watch, between 2015 and 2018, 44 people were killed in vigilante attacks, with many of them targeting civilians and minorities.

In response, the Hon'ble Supreme Court had issued a set of directions in 2018 for implementation by the police. The prevalence of counterfeit currency is yet another challenge that must be addressed at multiple levels. Apart from striking at the very core of a country's financial security, unfettered use of fake currency has been a principal source of terror financing and other security threats.

Recent reports indicate that roughly Rs 700 crores of fake currency is circulating in Jammu and Kashmir (J&K) to fuel the ongoing proxy war in the state. Cybercrime

is evolving at a swift pace and touches the lives of every citizen. Between 2016 to 2020, there was a four-fold increase in online criminal activities. Moreover, the increased use of online services during the pandemic further exacerbated these vulnerabilities. Equally worrying is the climate change-induced extreme weather events that have been reported in various parts of the country.

Just in the last month, Uttarakhand and Kerala have suffered heavy losses in lives and property during unseasonal cloud bursts. The police are naturally the first responders, being locally located and, therefore, must be trained and equipped adequately to handle any such natural calamity, even before the induction of central agencies like the National Disaster Management Authority (NDMA) or the Armed Forces.

The pandemic has also illustrated the crucial role that police personnel play in controlling a pandemic of this magnitude. They not only enforce social control measures, as demanded by the situation, but also constitute the most important cog in the entire state machinery. Since pandemics are here to stay, the police will remain an intrinsic part of frontline efforts.

EXPERT



INSIGHTS

**Ms. Shikha Goel, IPS**, is the Additional Commissioner of Police in Hyderabad City.

“In a country as diverse as ours, there are a large number of fault-lines which already exist based on caste, creed, religion and economic status. It is very essential that the policeman, who is the last person on the ground, is aware of these fault-lines and understands their gravity. He should make the effort to smoothen these rough edges, because any of those fault-lines can turn into potential flash points.”

EXPERT

INSIGHTS

**Mr. Vappala Balachandran** is a national security intelligence specialist, who formerly served as Special Secretary in the Cabinet Secretariat of the Government of India.

“Unlike Central forces, the local police can arrive at a situation much earlier. They have the advantage of knowing the terrain and composition of the local population, enabling them to take quick decisions.”

India has one of the most disturbed and live borders in the world, both with Pakistan and now even with China. In the east, our borders with Myanmar and Bangladesh, although without a significant military threat, have their own internal security challenges which demand strict vigilance. The Indo-Bangladesh border is already in the hands of the Central Reserve Police Force (CRPF), and the Indo-Myanmar border will be manned by the Assam Rifles, an Indian paramilitary force under the Home Ministry but under Army control.

The Ministry of Home Affairs had said that the Line of Actual Control (LAC) with China would also be handed over to the Indo-Tibetan Border Police (ITBP) once the dispute is resolved. India lies at the crossroad of a flourishing drug pipeline - the Golden Crescent towards its West (Pakistan-Afghanistan- Iran) and the Golden Triangle to its East (Myanmar, Thailand, Laos and Vietnam). The flow of drugs into India is a constant occurrence and although large quantities are regularly intercepted, a lot more manages to get through unchecked.

Frontier states like Punjab have a serious drug addiction problem due to this seepage of drugs during transit. Although all these areas are important, tackling cross border terrorism is most critical to national security. India must be prepared for a terror outrage, drawing lessons from previous attacks like 9/11, 26/11, the standoff at the Golden Temple, Beslan 2004, Colombo 2019, Peshawar 2014 etc.

**BLURRED LINES?**

The concept of national security has three components as outlined by Chief Justice Hidayatullah of the Supreme Court of India in the landmark case of Dr Ram Manohar Lohia v. State of Bihar. These are the security of the state, public order as well as law-and-order. The security of the state is, of course, all-encompassing- from the safety of our chief executive, the Prime Minister, to the protection of all other national institutions that uphold our Republic. Public order involves the management of disturbances that can spread between districts and even states, such as communal riots.

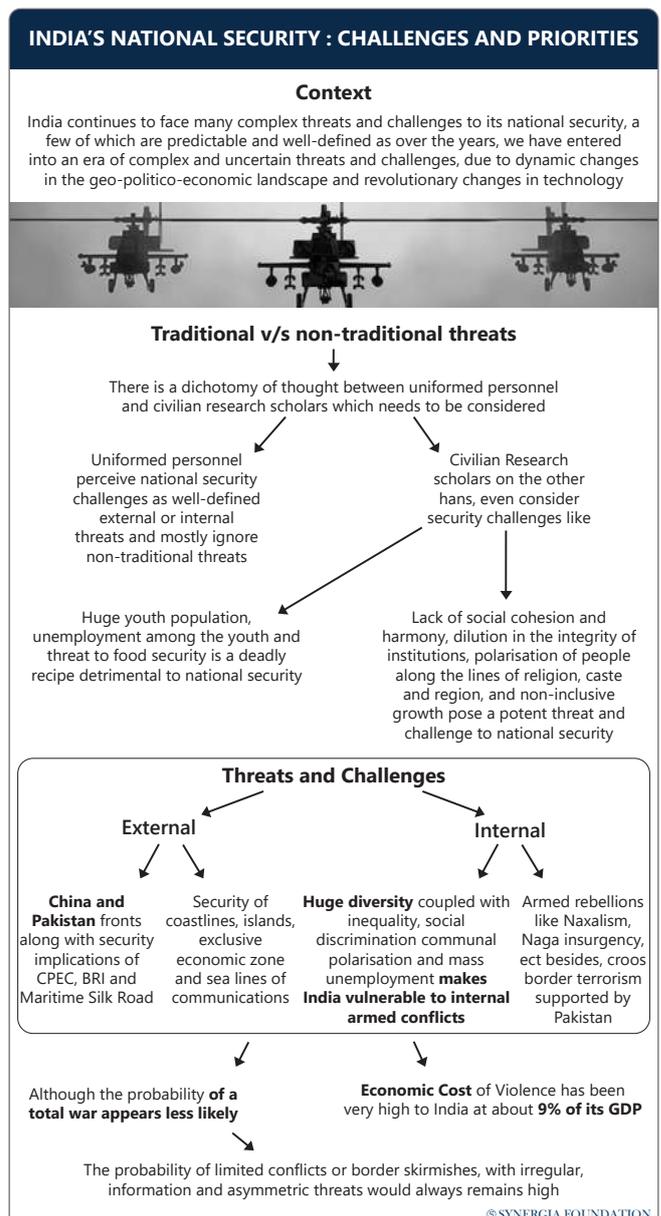
Law-and-order entails the day-to-day enforcement of

laws. While the security of the nation is the responsibility of the Centre, law-and-order is in the hands of respective states.

“To maintain public order, a high degree of coordination and cooperation between the states and the Centre is essential.”

India has inherited the colonial legacy of ‘divide and rule’, which finds its way into politics by creating internal divisions and dissensions along the lines of religion, caste, language, region, and ethnicity. When these divisive forces are supplemented by the spread and depth of social media, it makes for a dangerous cocktail. Citizens are vulnerable to misinformation, disinformation, and propaganda, especially during religious events.

This is made even more volatile if there is an influx of illegal economic migrants from neighbouring countries like Bangladesh, which threaten to alter tribal demographics in the sensitive North-Eastern states of India. According to Mr Anjani Kumar, the Commissioner of the Hyderabad



City Police, “the distinction between external security and internal security is increasingly blurred now. There is no watertight compartment and what is happening at the borders or across the border has a direct impact on what is happening inside it.”

Over the years, there have been considerable improvements in the counter-terrorism capabilities of the police force. The Hyderabad police, in particular, has been lauded for their efforts in this area. The state police forces, superbly supported by Central Armed Police Forces, have achieved a high degree of success in pacifying the Naxal movement, although sporadic incidents continue to occur. Similarly, the entire security infrastructure in the border regions of J&K has, over the years, synchronised its efforts to attain supremacy over the various foreign-supported terror organisations. In this endeavour, the J&K police have played a stellar role and can take credit for the relative peace that reigns today.

**POLICE REFORMS ARE CRITICAL**

Reforming the police force is integral to upholding the rule of law. As articulated by Mr Praveen Swami, a specialist in strategic and security issues, “Democracy rests on bedrock, and that bedrock is not just the will of the public. It is the rule of law. Police forces have historically evolved to ensure that this rule of law is upheld in society.” However, there are certain challenges that need to be overcome to ensure an efficient and stable police force.

Firstly, India does not have a large enough police force. The United Nations recommends that a country should try and maintain 250 police officers for every 1,00,000 people. In 2007, India was only 153 police officers per 1,00,000 people. Some states are worse off than others. Bihar, for example, has only 73 police officers per 1,00,000 people.

Secondly, not enough money is spent on augmenting the police force. In 2017-18, only Telangana, Tamil Nadu and Delhi had spent over 2 per cent of the State Budget on the police. According to the Bureau of Police Research and Development (BPRD), when both the State and Central spending on modernisation is combined, it is less than 7 per cent of the total budget. Thirdly, there is limited knowledge regarding the changing nature of urban societies. Gangsterism is increasing exponentially in many cities and

EXPERT

INSIGHTS

**Mr. Praveen Swami** is a Group Consulting Editor at Network 18.

“Today, maintaining forces for fringe or outlier events seems almost impossible, given the grinding strains of day-to-day policing and the chronic deficits of human resources and spending. I think the time has come for the higher police leadership, either directly or through institutions of professional policing to start speaking to political leaders about the long-term costs of ignoring these deficits.”

towns, requiring urgent action by the police.

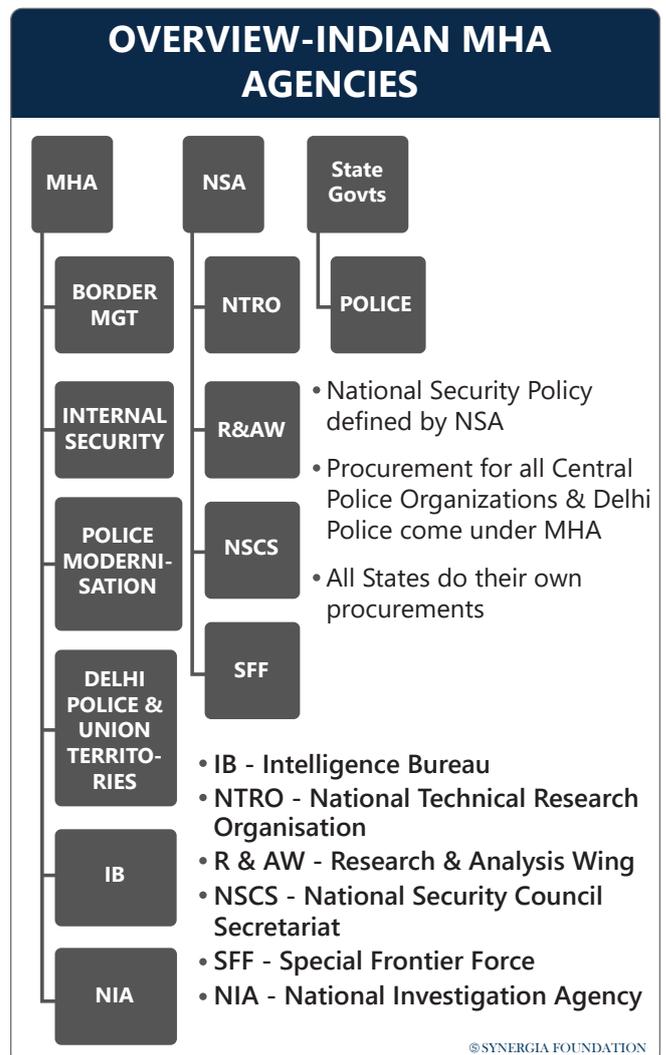
Although platforms such as the Multi-Agency Centre and the subsidiary Multi-Agency Centre (SMAC) have been developed to increase the amount of cooperation between the various organs of law enforcement, there is still a long way to go. Training and organisational awareness need to be ramped up as a matter of immediate priority. At the end of the day, policymakers must understand the importance of having a well-established and legitimate police force to uphold the rule of law.

EXPERT

INSIGHTS

**Mr. Anjani Kumar, IPS**, is the Commissioner of Police in Hyderabad City.

“I think the distinction between external security and internal security is blurred now. There is no watertight compartment and what is happening at the borders or across the border has a direct impact on what is happening inside it.”



AR. NO. 10

# A MOUNTING CRISIS

With a harsh winter around the corner, Afghanistan is witnessing a steady outflow of distraught and hungry masses, fleeing their own homes and hearths.

SYNERGIA FOUNDATION  
RESEARCH TEAM

As a stunned international community tries to comprehend the humanitarian tragedy unfolding in Afghanistan, the steady flood of Afghans fleeing into neighbouring countries continues. Thousands of men, women and children take their chances across the rugged Afghan-Iran border every day for a hefty price, in money and often in their lives.

A recent Al Jazeera documentary graphically portrayed this illegal migration, with human trafficking syndicates operating across the Iran-Afghan border having a field day. The aftermath of years of war has left a majority of Afghans in the lurch, as people struggle to survive under deleterious conditions. With a harsh winter around the corner, Afghanistan requires an urgent, concerted humanitarian operation to stem this flow of distraught, hungry masses fleeing their own homes and hearths.

## A TURBULENT LEGACY

Even prior to the US-led Western forces' ignominious exit, conditions in Afghanistan foretold a humanitarian disaster in the making. The country has recorded at least 4.1 million internally displaced people (IDPs) since 2012. As the third-largest source of refugees (after Syria and Venezuela), over 2.2 million documented Afghans have sought refuge in Pakistan and Iran alone since 2020. Afghanistan saw a ninefold increase in refugees fleeing to neighbouring countries between January and July.

Since the Taliban takeover in August, these numbers must have skyrocketed, but with no independent records being maintained, it is hard to put a figure on numbers that have escaped and those who are waiting to get out. TV images have brought the stark reality of Internally Displaced Persons (IDP) camps into our drawing rooms, with overcrowding, unhygienic living conditions and a severe lack of basic amenities being the norm in such facilities. Recent

reports highlight over 14 million IDPs currently suffering from starvation, and 54.5 per cent of the population living below the poverty line. With limited functioning of banks and passport offices, almost non-existent employment, and a mere 6.4 per cent of the population fully vaccinated against COVID-19, the country is a ticking humanitarian time bomb.

## AN UNEVEN PLAYING FIELD

The dynamics of human migrations due to economic causes and war/ natural disaster vary from one region to another, as does the attitude of sheltering countries, most of whom are rich western nations. Sadly, the immediate neighbours, themselves struck by poverty, food scarcity and internal conflicts, are rarely in a position to provide succour to their neighbours. Yet, proximity forces a huge mass of refugees to flood across the porous borders and co-exist in almost bestial conditions along with their hard-pressed hosts.

On the other hand, asymmetrical power enables wealthier countries to sustain their socio-cultural homogeneity by solely offering financial support rather than physically hosting refugees. This has prompted various host countries to propose equitable burden-sharing, or responsibility-sharing, to relieve current pressures on countries like Pakistan, Iran, and Turkey. In fact, many scholars argue that this responsibility is rooted in soft law, international humanitarian law, and refugee law.

But while frameworks like the Global Compact on Refugees address the issue, they are not legally binding and remain elusive without stipulating concrete humanitarian practices. Thus, international organisations must lobby Western governments to provide legal status and assimilation support to refugees. Those Afghan refugees who have been fortunate enough to be accommodated in the U.S. have been benefactors of the U.S. Refugee Admissions Program, which offer refugee status albeit after a tedious bureaucratic process. Yet a subset of this group includes those who collaborated with the Americans as translators

in the field, clerks etc. So far, the United States has airlifted 65,000 of their former Afghan allies. But loopholes remain, as thousands are still vulnerable to the Taliban, while others have been shifted to a third country, like Qatar, for visa processing.

## PRIORITISING THE AFGHAN PEOPLE

As the humanitarian crisis exacerbates with the recent bombings claimed by IS (K), it is crucial to divide solutions into urgent, short-term, and long-term steps. Urgent steps would include ensuring the safe presence of essential stakeholders on the ground, such as the United Nations High Commissioner for Refugees (UNHCR) and the Danish Committee for Aid to Afghan Refugees (DACAAR). They will streamline a smooth flow of food supply, safety, and hygiene kits.

Under the overhang of the IS (K) threat, these agencies may lower their visibility and maintain a presence of neutrality to avoid becoming targets. Meanwhile, short-term steps would include government stakeholders' efforts to relocate and re-accommodate people. Although the Taliban Ministry of Refugees has elicited a two-phased plan for IDPs, it cannot work in isolation from other humanitarian stakeholders. Long-term goals should be directed towards facilitating institutional and legislative changes in the country.

Until 2020, the UNHCR has played an active role in promoting policies in collaboration with the Afghan government, such as the Afghanistan National Peace and Development Framework, the Citizens Charter National Program, and policies of the Ministry of Refugees and Repatriations (MORR). The future of these policies is uncertain, although the Taliban dispensation has assigned a Minister for Refugees and Repatriations.

Ultimately, all these goals are contingent on Afghanistan's finances, severely depleted as business owners have fled and female professionals were dismissed over the last few months. More significantly, billions of dollars of foreign reserves were frozen, and organisations like the World Bank and European Union have halted developmental aid. These sanctions are affecting current humanitarian operations and long-term developmental projects, like schools, hospitals,

and homes. Although the UN has released emergency funding and received donations of over 1 billion dollars, the international community must continue supporting non-governmental humanitarian organisations and encourage the return of long-term civil rights for the Afghan population.

## THE INDIAN CONNECTION

India has always been a popular destination with Afghans, with many rich Afghans investing in property in cities like Bangalore. Thousands of students attend universities in India, and even the Afghan T-20 team was training in India before the World Cup. India has launched an e-Emergency X Misc Visa programme aiming to expedite Afghans' entry into the country.

But as the new visa also invalidates pre-existing visas in the process and is only valid for six months, thousands are likely to retire to the rear-end of yet another lengthy bureaucratic process. Although India has hosted around 15,000 Afghan asylum-seekers over the last 20 years, many are yet to receive official refugee status.

“Without such recognition, residing Afghans are denied education and employment opportunities and risk facing deportation under the 1946 Indian Foreigners Act.”

Meanwhile, the 2019 Citizenship (Amendment) Act -- which is yet to be properly implemented -- does little to ameliorate the situation. Its scope is limited to undocumented asylum-seekers that entered before 2014. Moreover, the Act has faced widespread criticism for its exclusion of Muslims, which constitute most of Afghanistan's population.

A non-member of the 1951 Refugee Status Convention, India currently grants protection to specific groups on an ad-hoc basis. India has further attenuated institutional safeguards as it has refrained from offering formal status to UNHCR and its refugee status certificates. Therefore, India requires a comprehensive domestic refugee policy that delineates economic migrants from asylum-seekers, is not limited to non-Muslim minority groups, and honours the principle of non-refoulement.

## Readers' Feedback



**Mr. Surendra Ahuja,**

Managing Director of Boeing Defence India (BDI)

“INSIGHTS lives upto its name in the sense that it is indeed quite insightful. It provides discourse on a diverse set of topics that affect us all. I especially appreciate how research is used to recommend pragmatic policymaking. There is always something new to offer from expert thinkers with wise and unbiased writing. I compliment Synergia Foundation for this initiative.”



**Mr. Shekhar Dutt**

Former Governor of Chhattisgarh & Former Defence Secretary of India

“The efforts made by you and your colleagues are very commendable and the thoughts encapsulated are very good on subjects that are very important for our country. You and all your colleagues have obviously done a marvellous job for which you all deserve to be congratulated.”



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## UPCOMING FORUMS:

THE FUTURE OF  
COMBAT AND  
DRONE WARFARE

PANDEMIC RESPONSE  
AND DATA  
ANONYMISATION

THE FUTURE OF  
CYBERTHREATS  
AND RANSOMWARE

CIRCULAR  
ECONOMY



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