



'INTERNATIONAL ORGANISATIONS'

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Polity part I Notes- <http://www.satishdhage.com/wp-content/uploads/2019/08/part-1-of-indian-polity.pdf>

Budget 2019-20- <http://www.authorstream.com/Presentation/drsatishdhage-3893203-union-budget-2019/>

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PREVIEW-INTERNATIONAL ORGANISATIONS

- ✓ **G-4,G-7,G-20,G-77**
- ✓ **UN Family**
- ✓ **EU, BREXIT**
- ✓ **ASEAN**
- ✓ **BRICS**
- ✓ **SAARC**
- ✓ **BIMSTEC**
- ✓ **World Bank, IMF, WTO,AIIB**

G-4, G-7, G-20, G-77

- ✓ **G-4 nations:** Group for UNSC reforms (BIG J- Brazil, India, Germany, Japan)
- ✓ **G-7 nations:** mainly related to global politics with members as P4+Canada, Italy, Japan and now EU. (In 1998, Russia joined but kicked out due to Crimea annexation in 2014) 2019 Summit- Biarritz, France 24-26 Aug 2019.
- ✓ **G-20 nations:** mainly related to global financial stability under Bretton Woods arrangements. Established by Fin. Ministers of G-7 in 1999. Since 2008, summit of heads.

G20 members represent around 85 per cent of global gross domestic product, over 75 per cent of global trade, and two-thirds of the world's population.

2019 summit- Osaka, Japan; 28-29 Jun 2019.

- ✓ **G-77 nations:** Largest intergovernmental organisation comprising 77 developing nations in UN. Now the number has been raised to 134.

UN

- ✓ It is an international organization founded in 1945 after the World War II.
- ✓ Its charter was signed in San Francisco on June 26, 1945 and came into existence on **October 24, 1945** after 51 countries have signed the charter.
- ✓ Its predecessor, the **League of Nations, created by the Treaty of Versailles in 1919** was disbanded in 1946.
- ✓ Its mission is to maintain international peace and security, developing friendly relations among nations and promoting social progress, better living standards and human rights.
- ✓ **1. HQ - New York**
- ✓ **2. Official Languages - Arabic, Chinese, English, French, Spanish, Russian**
- ✓ **3. Members - 193 (Latest Member South Sudan)+ 2 Observer status Vatican City, Palestine.** Palestine and Vatican City are the United Nations' two non-member observer states, which have the right to speak at assembly meetings but cannot vote on resolutions.
- ✓ **4. Secretary General - Antonio Guterres (Portugal)**
- ✓ UN System is made up of the - **Main Organs + Specialized agencies + Funds & Programmes**
- ✓ **Indian Members in the UN** - Soumya Swaminathan , Dy DG & Chief Scientist at the WHO.
- ✓ Justice Dalveer Bhandari was re-elected as a judge to the International Court of Justice.
- ✓ International law expert Neeru Chadha was elected to the International Tribunal for the Law of the Sea.

1. UNGA

✓ The main organs of the UN are

1. the General Assembly,
2. the Security Council,
3. the Economic and Social Council,
4. the Trusteeship Council (suspended in 1994)
5. the International Court of Justice,
6. the UN Secretariat.

- General Assembly :

- ✓ The General Assembly is the main deliberative, policymaking and representative organ of the UN. The mandate of UNGA is to discuss, debate, and make recommendations on subjects pertaining to international peace and security, including development, disarmament, human rights, international law, and the peaceful arbitration of disputes between nations.
- ✓ All **193** Member States of the UN are represented in the General Assembly, making it the **only UN body with universal representation**.
- ✓ It **considers reports from the other four organs of the United Nations, assesses the financial situations of member states, and approves the UN budget**, its most concrete role.
- ✓ **Sessions** - The assembly meets in Regular session (annually from Sep to Dec), Special session and Emergency Special Session (within 24 hours) at the request of UN security council or majority of members or one-member state if the majority of states concur.
- ✓ **Appointments by UNGA** - It appoints **Secretary General** of UN based on the recommendations given by Security Council. • General Assembly elects **Non-Permanent members** in Security Council and elects Members for Social and Economic Council. • Along with Security Council, General Assembly elects **Judges to International Court of Justice**.
- ✓ **UN budget** - United Nation is funded by its member states through compulsory and voluntary contributions. The size of each state's compulsory contribution depends mainly on its economic strength, though its state of development and debt situation are also considered. Member countries can make voluntary contribution to UNESCO, WHO, UN Programmes and Funds such as Office of the UN High Commissioner for Refugees (UNHCR) and the UN Children's Fund (UNICEF).
- ✓ **Venezuela and Libya have been suspended from voting** in the UN General Assembly for the third time in 3 years because of millions of dollars in unpaid dues to the world body.
- ✓ **Tijjani Muhammad-Bande of Nigeria** was elected the **President** of the upcoming 74th session of the **UN General Assembly**, to succeed María Fernanda Espinosa, whose term ends in September **2019**.

2. UNSC

- ✓ It has primary responsibility for the maintenance of International peace and security.
- ✓ 15 members: 5 Permanent - US, UK, Russia, France & China + 10 members elected by the General Assembly for 2-year terms.
- ✓ Equitable geographical distribution is also taken in to account for membership - African Group (3), AsiaPacific Group (2), Latin American and Caribbean Group (2), Western European and Others Groups (WEOG)(2)and Eastern European Group (1).
- ✓ **UNSC Reforms- UNSC Composition** has remained largely **static**, while the UN General Assembly membership has expanded considerably. In 1965, the membership of the Security Council was expanded from 11 to 15. There was no change in the number of permanent members. Since then, the size of the Council has remained frozen.
- ✓ **G4 Nations** - 4 countries bids for permanent seats in UNSC- Brazil, Germany, India, and Japan.
- ✓ **Uniting for Consensus (Coffee Club)** - These are group of countries who are opposing the expansion of permanent seats in the UNSC under the leadership of Italy. • Members - Italy, Spain, Malta, San Marino, Pakistan, South Korea, Canada, Mexico, Argentina, Colombia & Turkey.
- ✓ **Proposed Reforms in UNSC** would require the agreement of at least two-thirds of UN member states. Importantly, the agreement of all the permanent members of the UNSC enjoying the veto right is also required.
- ✓ UNSC 1267 Resolution

3. UNEcoSoC

- ✓ It is the principal organ that guides sustainable development policies and coordinates the activities of several UN units and organisations **working on development and social and economic issues.**
- ✓ **54 members**, which are elected by the General Assembly for a **three-year term.**
- ✓ It **coordinates the work of the 14 UN specialized agencies, ten functional commissions and five regional commissions, receives reports from nine UN funds and programmes** and issues policy recommendations to the UN system and to Member States.
- ✓ **India & ECOSOC** - In 2017, UNGA re-elected India to another 3-year term starting from Jan,2018 (as its previous term was set to expire in 2017).

4. ICJ

- ✓ It is the principal judicial organ of the United Nations also called the “World Court”.
- ✓ It is seated at the Peace Palace, **Hague** (Netherlands), and the only principal organ of UN to be not located in New York.
- ✓ It settles legal disputes between states and gives advisory opinions to the UN and its specialized agencies. It hears cases related to war crimes, illegal state interference, ethnic cleansing, and other issues.
- ✓ It is presided over by **15 judges elected to 9 years terms** by the UNGA and the UNSC from a list of people nominated by the national groups in the Permanent Court of Arbitration. 5 judges are elected every 3 years to ensure continuity within the court and are eligible for re-election. No two judges can be the nationals of the same country. The P5 members of the UNSC always have a judge on the Court.
- ✓ The Court can only hear a dispute when requested to do so by one or more States. It cannot deal with a dispute of its own motion. If a country does not wish to take part in a proceeding it does not have to do so, unless required by special treaty provisions. Once a country accepts the Court's jurisdiction, it must comply with its decision.
- ✓ **India and ICJ** - An Indian Justice Dalveer Bhandari was re-elected as a judge to the ICJ. • India recently won the plea against Pakistan to grant counsellor access to Indian national Kulbhushan Jadhav and ICJ has directed to Pakistan to stop carrying out the execution of Jadhav.

5. UN Secretariat

- ✓ It undertakes the day-to-day work of the UN, administering the programmes and policies of the organization.
- ✓ It is headed by the Secretary-General, assisted by a staff of international civil servants worldwide.
- ✓ **Secretary General - Antonio Guterres (Portugal)**

UN- Specialised Agencies

- **Specialised agencies-**
- World Bank Group
- International Monetary Fund (IMF)
- International Labour Organization (ILO)
- Food and Agriculture Organization of the United Nations (FAO)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- World Health Organization (WHO)
- International Civil Aviation Organization (ICAO)
- International Maritime Organization (IMO)
- International Telecommunication Union (ITU)
- Universal Postal Union (UPU)
- World Meteorological Organization (WMO)
- World Intellectual Property Organization (WIPO)
- International Fund for Agricultural Development (IFAD)
- United Nations Industrial Development Organization (UNIDO)
- World Tourism Organization (WTO)

United Nations Organization & HQ

- International Atomic Energy Agency (IAEA)- Vienna
- WTO- Geneva
- World Meteorological Organization (WMO)- Geneva
- World Health Organization (WHO)- Geneva
- International Labour Organization (ILO)- Geneva
- Food and Agricultural Organization (FAO)- Rome
- United Nations International Children's Emergency Fund (UNICEF)-New York
- United Nations Development Programme (UNDP)- New York
- United Nations Fund for Population Activities (UNFPA)-New York
- United Nations Education, Scientific and Cultural Organization (UNESCO)- Paris
- International Development Association (IDA)- Washington DC
- International Monetary Fund (IMF)- Washington DC
- United Nations Environment Programme (UNEP)- Nairobi
- United Nations Conference on Trade and Development (UNCTAD)-Geneva

UN- Specialised Agencies & FUNDS

1. **UNCTAD**-(United Nations Conference on Trade and Development)

-**Function**- was formed specifically to handle the problems of developing countries dealing with trade, investment and development issues.

-**HQ** - Geneva, Switzerland. It is a part of UN Secretariat.

- **Reports published by UNCTAD**- Trade and Development Report, World Investment Report, The Least Developed Countries Report, World Economic Situation and Prospects, Information and Economy Report, Technology and Innovation Report, and Commodities and Development Report.

2. **UN- Habitat:**

- **Function**-to promote socially and environmentally sustainable human settlements development and the achievement of adequate shelter for all.

- Reports to UNGA.

3. **World Food Programme by FAO:**

- **Function**- To eradicate hunger & malnutrition

- **HQ- Rome (1963)**

UN- Specialised Agencies

4. **United Nations Development Programme (UNDP)** –(global devlt agenda)

-UNDP was established in 1965 by the General Assembly of the United Nations.

-It provides expert advice, training and grants support to developing countries, with increasing emphasis on assistance to the least developed countries.

-The **UNDP Executive Board** is made up of representatives from 36 countries around the world who serve on a rotating basis.

-UNDP is central to the **United Nations Sustainable Development Group (UNSDG)**, a network that spans 165 countries and unites the 40 UN funds, programmes, specialized agencies and other bodies working to advance the **2030 Agenda for Sustainable Development**.

- **Reports**- The UNDP Human Development Report Office also publishes an annual Human Development Report (since 1990) to measure and analyze developmental progress. In addition to a global Report, it also publishes regional, national, and local Human Development Reports

UN- Specialised Agencies

5. United Nations Environment Programme (UNEP)- global environmental agenda.

- **HQ** - Nairobi, Kenya

-**Reports**- Global Environment Outlook, Emission Gap Report, Actions on Air Quality & Rise of Environmental Crime Report (along with INTERPOL)

6. International Atomic Energy Agency –

-It seeks to promote the peaceful use of nuclear energy, and to inhibit its use for any military purpose, including nuclear weapons and materials by the early detection of the misuse.

-**HQ – Vienna.**

7. International Organization for Migration-

- It was established in 1951. It had been an observer to the UN since 1992 and joined the UN system in 2016.

- HQ - Geneva, Switzerland.

- The organisation has 166 member countries (including India) and 8 observer states.

UN- Specialised Agencies

8. United Nations Human Rights Council (UNHRC):

- It is responsible for promoting and protecting **human rights** around the world.
- UNHRC has **47** seats with a term of **3 years**. No member may occupy a seat for more than 2 consecutive terms.
- The General Assembly, via a two-thirds majority, can suspend the rights and privileges of any Council member that it decides has persistently committed gross and systematic violations of human rights during its term of membership.
- The Universal Periodic Review of the UNHRC assesses the human rights situations in all UN Member States by taking into account information from different sources including the NGOs.

UNHRC & India-

The 18 new members (for next 3 years) were elected by absolute majority through a secret ballot. India was also elected beginning January 1, 2019, in the Asia-Pacific category with highest number of votes among all candidates.

UN- Specialised Agencies

9. UNICEF-

-United Nations Children's Fund (UNICEF), originally known as the United Nations International Children's Emergency Fund, was created by the United Nations General Assembly in 1946, to provide emergency food and healthcare to children and mothers in countries that had been devastated by World War II.

- In **1950**, UNICEF's **mandate was extended** to address the long-term **needs of children and women in developing countries** everywhere. In 1953, it became a permanent part of the United Nations System, and the words "international" and "emergency" were dropped from the organization's name, though it retained the original acronym, "UNICEF".
- **Executive Board:** A 36-member board establishes policies, approves programs and oversees administrative and financial plans. The members are government representatives who are elected by the **United Nations Economic and Social Council (ECOSOC)**, usually for three-year terms.

10. UNFPA- **United Nations Population Fund (UNFPA)**, formerly the United Nations Fund for Population Activities.

- Its mission is to deliver a world where every pregnancy is wanted, 'every childbirth is safe' and every young person's potential is fulfilled.

UN- Specialised Agencies

11. **ILO**- International Labour Organization

- It sets international labour standards, promotes rights at work and encourages decent employment opportunities, the enhancement of social protection and the strengthening of dialogue on work-related issues.
- **As an agency of the League of Nations**, it was created in **1919**, as part of the **Treaty of Versailles** that ended World War I.
- By signing of the United Nation agreement whereby the ILO became the **first United Nations specialized agency** in 1946.
- The Organization won the Nobel Peace Prize on its 50th anniversary in 1969 for pursuing decent work and justice for workers.

UN- Specialised Agencies

12. **UNESCO** is a specialized agency of the United Nations (UN) based in **Paris**.

- Its declared purpose is to contribute to peace and security by promoting international collaboration through educational, scientific, and cultural reforms in order to increase universal respect for justice, the rule of law, and human rights along with fundamental freedom proclaimed in the United Nations Charter.
- It is the successor of the League of Nations' International Committee on Intellectual Cooperation.
- UNESCO has **195 member states** and ten associate members.
- UNESCO pursues its objectives through five major programs: education, natural sciences, social/human sciences, culture and communication/information.
- Projects sponsored by UNESCO include literacy, technical, and teacher-training programmes, international science programmes, the promotion of independent media and freedom of the press, regional and cultural history projects, the promotion of cultural diversity, translations of world literature, international cooperation agreements on secure the world cultural and natural heritage (World Heritage Sites) and to preserve human rights, and attempts to bridge the worldwide digital divide.
- Jaipur Indian 38th entry in World Heritage sites by UNESCO.
- Maharashtra: 5 World Heritage sites (E CAVE- Elephanta caves, CST,Ajanta,Victorian and art Deco ensembles,Ellora)

IMF

- Background- 1930's Depression
- **Bretton Woods Twins**-The representatives of the USA, the UK and 42 other (total 44 countries) nations met at Bretton Woods, New Hampshire, USA in **July 1944** to decide a new international monetary system (IMS). The International Monetary Fund (IMF) and the World Bank (with its first group-institution IBRD) were set up together—popularly called as the ***Bretton Woods' twins—both having their headquarters in Washington, DC, USA.***
- The International Monetary Fund (IMF) came up in 1944 whose Articles of Agreement were signed by 29 countries on the **December 27, 1945** with the main functions as exchange rate regulation, purchasing short-term foreign currency liabilities of the member nations from around the world, allotting special drawing rights (SDRs) to the member nations and the most important one as **the bailor to the member economies in situation of any BoP crisis** (by giving short term loans)
- **France** is First country to get loans from IMF.
- Presently, total no of members in IMF- **189**.
- The Board of Governors of the IMF consists of **one Governor and one Alternate Governor from each member country**. For India, Finance Minister is the Ex-officio Governor while the RBI Governor is the Alternate Governor on the Board. The day-to-day management of the IMF is carried out by the Managing Director who is Chairman(*currently, David Lipton*) of the *Board of Executive Directors*.
- **Quota**- *Quota means member country's share of capital investment in IMF, based on which voting rights are decided.*
- *Concept of Reserve Tranche & EFF*
- *IMF Chief- David Lipton(after resignation of Ms Christiane Laggard & joining as Chief of EU Central Bank*

World Bank

- The World Bank (WB) Group today consists of ***five closely associated institutions propitiating in the role of development*** in the member nations in different areas.
 - **1. IBRD(1945)**

International Bank for Reconstruction and Development is the **oldest** of the World Bank institutions which started functioning (1945) in the area **of reconstruction of the war-ravaged regions (WW II) and later for the development of the middle-income and creditworthy poorer economies of the world.**
 - **2. IDA(1960)**

The International Development Agency (IDA) which is also known as the ***soft window of the WB*** was set up in 1960 with the **basic aim of developing infrastructural support among the member nations, long-term lending for the development of economic services especially in poor countries.**
 - **3. IFC(1956)**

The International Finance Corporation (IFC) was set up in 1956 which is also known as the ***private arm of the World Bank. It lends money to the private sector companies of its member nations.***
 - **4. MIGA(1988)**

Multilateral Investment Guarantee Agency (MIGA), **encourages foreign investment in developing economies by offering insurance (guarantees) to foreign private investors against loss caused by *non-commercial (i.e. political) risks, like currency transfer, expropriation, war & civil disturbance.***
 - **5. ICSID(1966)**

The International Centre for Settlement of Investment Disputes (ICSID), set up in 1966 is **an investment dispute settlement body** whose decisions are binding on the parties.
 - **India is not its member** (that is why the Enron issue was out of its preview).
 - India is largest loanee from IDA & IBRD for devlt & infra devlt.
- Chief- David Malpass

IMF Vs World Bank Difference in functions

Function of IMF and World Bank in the context of the world economy.

International monetary Fund

IMF gives short-term loans to its members, and helps in recovering from BoP crisis (balance of payment crisis). In simplest terms, BoP crisis means you don't have enough money/ foreign currency to pay for your imports. So in that case you run to IMF.

→ Then IMF gives loans, they'll ask you to change your policies accordingly. eg. they'll ask you to

1. let the MNCs enter your market,
2. reduce the jobs or shut down the loss making Public sector units etc.
3. stop giving subsidies to particular section (petrol/fertilizer etc.)

and so on...

IMF gives loans, it expects you to pay full amount back + interest rate.

In IMF there is a thing called **Quota i.e.**

Every member has to give some money to IMF, (IMF will give it to loan as other members). The rich nations with bigger Quota has more voting rights (USA). So rich nations can effectively decide how IMF should function.

World Bank

In short, They give soft loans to poor nations for Development purpose and various health education, poverty removal programs, etc

Soft loan = minimal interest rates, the EMIs have longer time brackets in between, and they don't expect you to pay back the principle. They facilitate private players to setup business in poor nations. (via insurance and loans)

Asian Infrastructure Investment Bank (AIIB)

- The Asian Infrastructure Investment Bank (AIIB) is an international financial institution **proposed by China**. The purpose of the multilateral development bank is **to provide finance to infrastructure projects in the Asia-Pacific region**.
- **AIIB President-** Jin Liqun
- **Establishment-** Jan 16,2016
- **HQ-** Beijing
- **Members**
- The China-led Asian Infrastructure Investment Bank (AIIB) has officially approved 86 nations as prospective founding members, with Sweden, Israel, South Africa, Azerbaijan, Iceland, Portugal and Poland the latest to be included.
- Countries accepted as AIIB founding members include China, India, Malaysia, Indonesia, Singapore, Saudi Arabia, Brunei, Myanmar, the Philippines, Pakistan, Britain, Australia, Brazil, France, Germany and Spain.
- **Voting pattern:**
- The voting shares are **based on the size of each member country's economy (GDP in PPP terms) and not on the basis of contribution** to the bank's authorized capital. **China, India and Russia are the three largest shareholders**.
- Beijing holds a 30.34 per cent stake in the bank as it contributed US\$29.78 billion of the institution's initial capital. It will also have 26.06 per cent of the voting rights, giving it effective veto power, as the bank's major decisions will require the support of at least 75 per cent of the votes.

Asian Infrastructure Investment Bank (AIIB)

- **Why the need for new multilateral organization aroused?**
- The reasons are:
 - **a) Western dominance:**
 - **b) Lack of reform in IMF & World Bank:**
 - **c) Huge demand of infrastructure fund in Asia:**
- **Why China is interested?**
 - a) With forex reserve \$3.8 tn it gives immense financial muscle to China to take the leadership of the group.
 - b) It will contribute to the internationalization of the Yuan.
 - c) It will help secure contracts for Chinese firms and thus boost employment opportunities at home
 - d) According to some analysts ,AIIB is the economic wing of China's "one belt one road initiative", where money will be strategically invested towards China's geopolitical objective
- **Relevance for India**
 - a) India is a founding member of the AIIB and is expected to have the second-largest shareholding after China.
 - b) Establishment of the AIIB will help India and other signatory countries to raise and avail resources for their infrastructure and sustainable development projects.
 - It is expected that with membership in AIIB, India would be able to raise and obtain more resources for much needed infrastructure development.
- **Conclusion**
 - This long-planned initiative mirrors the growing influence China intends to play on world economic and financial affairs hence care must be taken to prevent it to become the sole driving factor for the bank.

SAARC, BIMSTEC, ASEAN

-SAARC- MAP+ MT= BIMSTEC

SAARC (1985, HQ- Kathmandu)est in Dhaka

- **MBBS PAIN**
- M – Maldives
- B – Bangladesh
- B – Bhutan
- S – Sri Lanka
- P – Pakistan
- A – Afghanistan
- I – India
- N – Nepal

BIMSTEC (HQ- Dhaka, 06 Jun 1997)

- **BIMSTEC NimBu**

- Bangladesh
- India
- Myanmar
- SL
- Thailand
- Nepal
- Bhutan

ASEAN(HQ-Jakarta(est in Bangkok, 08 Aug 1967)

- **MBBS PTV LIC**

- Malaysia
- Burma
- Brunei
- Singapore
- Phillipines
- Thailand
- Vietnam
- Laos
- Indonesia
- Cambodia

BIMSTEC

**BAY OF BENGAL INITIATIVE FOR
MULTI- SECTORAL TECHNICAL AND
ECONOMIC COOPERATION.**

DATE OF ESTABLISHMENT
6th June 1997
(20 years of establishment)

 **BIMSTEC HEADQUARTER**
DHAKA, BANGLADESH

CURRENT SECRETARY GENERAL OF BIMSTEC
SUMITH NAKANDALA, SRI LANKA

CHAIRMANSHIP
NEPAL (2015 – PRESENT)

Priority Sectors for Cooperation: Trade, Technology, Energy, Transport, Tourism, Fisheries, Agriculture, Public Health, Poverty Alleviation, Counter-terrorism, environment, culture, people to people contact, and Climate change



Fourth BIMSTEC summit
to be held in
Nepal in 2017

MEMBER COUNTRIES

- BANGLADESH
- INDIA
- MYANMAR
- SRI LANKA
- THAILAND
- BHUTAN
- NEPAL

TOTAL POPULATION

1.5 billion

(22% of the global Population)

GROSS DOMESTIC PRODUCT (GDP)

2.7 trillion

BIMSTEC is a regional organization for technological and economic cooperation among **SOUTH ASIAN & SOUTH EAST ASIAN COUNTRIES** along the coast of Bay of Bengal.

BRICS

- BRICS is an acronym for the grouping of the world's leading emerging economies, namely Brazil, Russia, India, China and South Africa. The BRICS Leaders' Summit is convened **annually**.
- **Structure**
- BRICS does not exist in form of organization, but it is an **annual summit between the supreme leaders of five nations**. The Chairmanship of the forum is rotated annually among the members, in accordance with the acronym B-R-I-C-S. BRICS cooperation in the past decade has expanded to include an annual programme of over 100 sectoral meetings.
- Salient Features
- Together, BRICS accounts for about **40% of the world's population and about 30% of the GDP (Gross Domestic Product), making it a critical economic engine**.
- It's an **emerging investment market and global power bloc**.
- **Genesis**
- The acronym "BRICS" was initially formulated in 2001 by economist Jim O'Neill, of Goldman Sachs, in a report on growth prospects for the economies of Brazil, Russia, India and China – which together represented a significant share of the world's production and population.
- In 2006, the four countries initiated a regular informal diplomatic coordination, with annual meetings of Foreign Ministers at the margins of the General Debate of the UN General Assembly (UNGA).
- This successful interaction led to the decision that the dialogue was to be carried out at the level of Heads of State and Government in annual Summits.
- **Timeline**
- The first BRIC Summit took place in 2009 in the Russian Federation and focused on **issues such as reform of the global financial architecture**.
- **South Africa was invited to join BRIC in December 2010**, after which the group adopted the acronym BRICS.
- **Objectives**
- The BRICS seeks to deepen, broaden and intensify cooperation within the grouping and among the individual countries for **more sustainable, equitable and mutually beneficial development**.
- BRICS takes into consideration each member's growth, development and poverty objectives to ensure relations are built on the respective country's economic strengths and to avoid competition where possible.
- BRICS is **emerging as a new and promising political-diplomatic entity with diverse objectives, far beyond the original objective of reforming global financial institutions**.

- Areas of Cooperation
- **1. Economic Cooperation**
- There are rapidly growing trade and investment flows between BRICS countries as well as economic cooperation activities across a range of sectors.
- **2. People-to-People exchange**
- BRICS members have recognised the need for strengthening People-to-People exchanges and to foster closer cooperation in the areas of culture, sport, education, film and youth.
- **3. Political and Security Cooperation**
- BRICS member political and security cooperation is aimed at achieving peace, security, development and cooperation for a more equitable and fair world.
- **4. Cooperation Mechanism**
- Cooperation among members is achieved through:
- **Track I:** Formal diplomatic engagement between the national governments.
- **Track II:** Engagement through government-affiliated institutions, e.g. state-owned enterprises and business councils.
- **Track III:** Civil society and People-to-People engagement.
- **Impacts of BRICS on global institutional reforms**
- The main reason for co-operation to start among the BRICs nation was the **financial crises of 2008. The crises raised doubts over sustainability of the dollar-dominated monetary system.**
- The BRICs called for the “**the reform of multilateral institutions** in order that they reflect the structural changes in the world economy and the increasingly central role that emerging markets now play”.
- BRICs managed to push for institutional reform which led to **International Monetary Fund (IMF) quota reform in 2010.** Thus the financial crises had momentarily reduced western legitimacy and briefly let the BRICs countries become “agenda setters” in multilateral institutions.

New Development Bank

- NDB is headquartered in **Shanghai**. At the Fourth BRICS Summit in New Delhi (2012) the possibility of setting up a new Development Bank was considered to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies, as well as in developing countries.
- During the Sixth BRICS Summit in **Fortaleza** (2014) the leaders signed the Agreement establishing the New Development Bank (NDB).
- NDB's key areas of operation are **clean energy, transport infrastructure, irrigation, sustainable urban development and economic cooperation among the member countries**.
- **Contingent Reserve Arrangement**
 - Considering the increasing instances of global financial crisis, BRICS nations signed BRICS Contingent Reserve Arrangement (CRA) in 2014 as part of Fortaleza Declaration at Sixth BRICS summit. The BRICS CRA aims to provide short-term liquidity support to the members through currency swaps to help mitigating BOP crisis situation and further strengthen financial stability.
- **Challenges**
 - The marked dominance of big three Russia-China-India is challenge for the BRICS as it moves ahead. To become a true representative of large emerging markets across the world, BRICS must become pan-continental. Its **membership must include more countries from other regions and continents**.
 - The BRICS will **need to expand its agenda** for increasing its relevance in the global order. As of now, climate change and development finance, aimed at building infrastructure dominate agenda.
 - As BRICS moves forward foundational principles of BRICS i.e. respect for sovereign equality and pluralism in global governance are liable to be tested as the five member countries pursue their own national agendas.
 - The **military standoff between India and China** on the Doklam plateau, which has effectively brought to an end the naive notion that a comfortable political relationship is always possible amongst the BRICS members.
 - China's efforts to co-opt nation states, which are integral to its **Belt and Road Initiative**, into a broader political arrangement has potential to cause conflict among BRICS members especially China and India.
- **Importance for India**
 - India can benefit from collective strength of BRICS by way of consultation and cooperation on economic issues of mutual interests, as well as topical global issues, such as, international terrorism, climate change, food and energy security, reforms of global governance institutions, etc.
 - India remains engaged with the other BRICS countries on its **NSG membership**.
 - The NDB will help India to raise and avail resources for their **infrastructure and sustainable development projects**. The NDB has approved its first set of loans, which included a loan of US\$ 250 million in respect of India for Multitranches Financing Facility for Renewable Energy Financing Scheme'.
- **Way Forward**
 - BRICS did well in its first decade to identify issues of common interests and to create platforms to address these issues.

BRICS

- **FEATURES OF BRICS:**

- Represents 3 Billion People. (40% of World Population)
- Accounts for \$20 Trillion of GDP which is growing at 28% Growth Rate.
- First Summit in 2009, in the midst of Global Recession.
- No European/USA as a member.
- Idea to form this group was conceived by Goldman Sachs.

- **WHY THE BRICS ARE IMPORTANT?**

- The BRIC are both the **fastest growing and largest emerging markets economies**. They account for almost three billion people, or just under **half of the total population** of the world. In recent times, the BRIC have also contributed to the majority of world GDP growth. According to various economists' projections, it is only a matter of time before China becomes the biggest economy in the world - sometime between 2030 and 2050 seems the consensus. In fact, Goldman Sachs believes that by 2050 these will be the most important economies, relegating the USA to fifth place. They are primarily an investment category now, although there may some political and economic alliances that develop from that grouping. If they do, it is likely to be temporary - once China has assumed its rightful place, it may have no need for these alliances. A G2 of China and the US may be more important for it unless the 2050 predictions do come true.

- **STRENGTHS OF BRICS:**

- **Move towards a multipolar economic and political order**
- **Move towards making the global economic system more robust**

- **MAJOR ISSUES AND CONCERNS FACED BY BRICS:**

- Trade and investment
- Infrastructure and industrial development
- Food Security
- Research and development
- Cultural exchange and tourism

- **WHAT CAN WE EXPECT AT 2025?**

- The BRICS will significantly increase their share in the world economy and trade. A new global financial system with a significant presence of these countries, compared with the current situation, will be created. Or maybe even a financial system of its own, allowing the economies to support each other

ASEAN



Image: ASEAN

ASEAN PLUS 3= ASEAN + PRC,JAPAN,KOREA

ASEAN PLUS 6= ASEAN PLUS 3 + INDIA+AUS+NZ

EU-Introduction

- The European Union (EU) is an **economic and political union of 28 member** nations that are located primarily in Europe. European Union has launched a single European Currency – the Euro.
- The capital of the European Union is **Brussels**, Belgium.
- **28/44** of European countries: Not all nations of Europe are member nations of the European Union. There are 44 countries in Europe as per the United Nations, however, the European Union so far consists only of 28 members.
- Cyprus lies wholly in Asia but is at times considered as a European country. Cyprus is a member nation of EU, despite its geographical location.
- Not all member nations use the common currency **Euro**. **Only 19** member states consider Euro as their currency. However, a few countries in Europe like Montenegro and Kosovo, even though not part of the EU, use Euro as their currency.
- While the attempts to have a Constitution for the EU have failed, it has its own flag, anthem, founding date, and currency.
- EU has some form of a **common foreign and security policy** in its dealings with other nations.
- Under the **Schengen agreement**, you have to get a visa from just one of the EU countries and that allows you entry in most of the other European Union countries. 26 Schengen countries allow visa.
- Background **economic & political unification of Europe and EU formation on 01 Nov 1993**.

THE HISTORY AND TIMELINE OF THE EUROPEAN UNION

1849

Emergence of Pan-European Feelings

Victor Hugo used the term 'United States of Europe'

1949

The first great effort to bring the nations of Europe together

Council of Europe was formed.

1952

Paris Treaty - The first step in the federation of Europe

Creation of the European Coal and Steel Community (ECSC)

1957

Rome Treaty

Creation of the European Economic Community (EEC)



1993

Maastricht Treaty

Creation of the European Union (EU)

2009

Lisbon Treaty

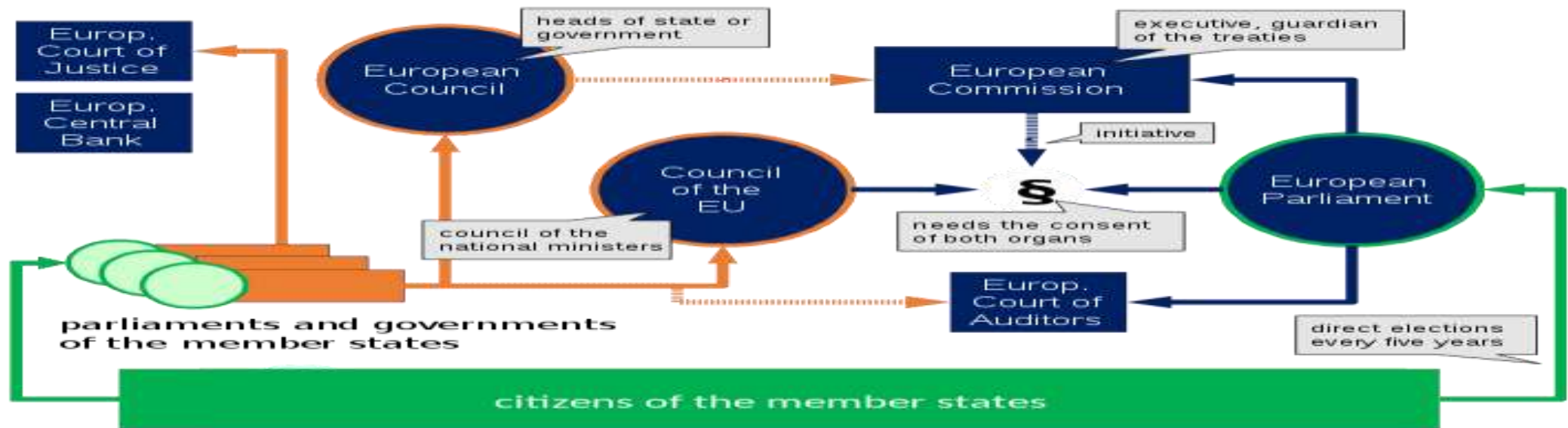
Amendment to the Maastricht Treaty and the Rome Treaty

Why EU is Powerful?

- The EU has an economic, political, diplomatic, and military influence.
- **Economic Power of EU:**
- The EU is the **worlds biggest economy** with GDP larger than that of the United States.
- Its currency, the **euro, can pose a threat to the dominance of the US dollar.**
- Its **share of world trade is three times larger than that of the United States** allowing it to be more assertive in trade disputes with the US and China.
- Its economic power gives it influence over its closest neighbours as well as in Asia and Africa.
- It also functions as an important bloc in international economic organisations such as the World Trade Organisation (WTO).
- **Political and Diplomatic Powers of EU:**
- **Two members of the EU, Britain and France, hold permanent seats on the UN Security Council.** The EU includes several non-permanent members of the UNSC. This has enabled the EU to influence some US policies such as the current US position on Iran's nuclear programme.
- Its use of diplomacy, economic investments, and negotiations rather than coercion and military force have been effective as in the case of its dialogue with China on human rights and environmental degradation.
- **Military Powers of EU:**
- Militarily, **the EU's combined armed forces are the second largest in the world.**
- Its total spending on defence is second after the US.
- Two EU member states, Britain and France, also have nuclear arsenals of approximately 550 nuclear warheads.
- It is also the world's second most important source of space and communications technology.

CONTRARY VIEW-

- **No hard power (military); Lack of Unified EU Foreign policy; No common constitution; Euro crisis; Euroskepticism; BREXIT**



- There are five EU institutions, each playing a specific role:
- **European Parliament** (elected by the peoples of the Member States);
- **Council of the European Union** (representing the governments of the Member States);
- **European Commission** (driving force and executive body);
- **Court of Justice** (ensuring compliance with the law);
- **Court of Auditors** (controlling sound and lawful management of the EU budget).
- These are flanked by **five other important bodies**:
- European Economic and Social Committee (expresses the opinions of organised civil society on economic and social issues);
- Committee of the Regions (expresses the opinions of regional and local authorities);
- **European Central Bank** (responsible for monetary policy and managing the euro);
- European Ombudsman (deals with citizens' complaints about maladministration by any EU institution or body);
- European Investment Bank (helps achieve EU objectives by financing investment projects)

BREXIT TIMELINE

- Britain = England+Scotland+Wales
- UK = Britain + Northern Ireland

- **Brexit Timeline: 2016 Key Dates**
- 23rd June, 2016: UK holds a referendum to either remain or exit the EU(51.9% in favour)

- **Brexit Timeline: 2017 Key Dates**
- 29th March, 2017: UK Prime Minister Theresa May invokes Article 50 of the Treaty on European Union – starting a 2 year countdown within which the UK must leave the EU
- 19th June, 2017: UK-EU exit negotiations start
- 12th September, 2017: European Union (Withdrawal) Bill also known as the “Great Repeal Bill” or more commonly as the “EU Divorce Bill” is approved by the UK Parliament

- **Brexit Timeline: 2018 Key Dates**
- October, 2018: UK – EU Exit negotiations to end with: Publication of “Withdrawal Agreement” Political declaration on “Framework for the Future Relationship”
- November / December 2018: European Parliament votes on the “Withdrawal Agreement”

- **Brexit Timeline: 2019 Key Dates**
- March 2019: Withdrawal Agreement to be reviewed by European Council (requires EU majority 20 out of 27)
- Withdrawal Agreement and Implementation Bill to be passed by UK Parliament
- 29th March, 2019: Brexit Day – UK ends its membership of the European Union, leaves the European Union
- 30th March, 2019: UK moves into a “transition period”

- **Brexit Timeline: 2020 Key Dates**
- 31st December, 2020: Transition period ends, and the UK – EU start a new economic and political relationship

• Reasons for Brexit

Economic reasons – The primary contention was that economically, Britain loses more than what it gains.

- The first issue being that of **membership fees** paid – about 340 pounds per year per household
- Secondly, it was said that **EU's policies were too protectionist and did not favour competitiveness to the extent that would be beneficial for the British economy**
- Post the Sovereign Debt Crisis, EU introduced Fiscal Compact and tighter control on national budgets. Britain was not comfortable with these ideas
- Germany's proposal to impose taxes on financial transactions also did not find favour with London, which is an important financial hub

Immigration issues

- **Half of British legal migrants come from EU.** There is this feeling that they have a negative impact on UK born workers. Adding credence to local fears was the fact that since 1997, **3/4th of jobs created are taken up by EU immigrants**
- EU's obligation on its members to accommodate more refugees also did not find favour with UK. Especially at a time when the refugee influx in Europe is at an all time high in light of multiple crisis in Middle East and Africa
- There is also this perception that immigrants pose a threat to national security

Sovereignty Issue

- EU is a transformative idea in many senses. One of the things that it leads to is the weakening of national sovereignty. EU has been pushing for creation of an Ever Closer Union which would accord greater decision making powers to European Parliament, while, limiting the authority of British Parliament.

• **Implication for Britain and the World**

- Britain makes up about a sixth of the European Union's economy. There is a consensus that leaving European Union would hurt Britain financially because European Union is Britain's most important export market and its greatest source of foreign direct investment.
- Secondly, the EU membership has been crucial to establishing London as a global financial centre in Europe. Without access to the EU's open markets, Britain would probably lose trade and investment opportunities which will be a big blow to its economy.
- Third, Britain may also lose the labour force that came from Europe and helped in increasing its productivity and economic growth. Thus leaving the EU would jeopardize Britain economic growth and with it the high pay job opportunities it offered.
- Fourth, the destabilization of EU could affect the global economy. The fact that the 'Brexit' has affected the pound which is at its lowest valuation in seven years is already making a global impact.
- Fifth, there could be political consequences of Brexit as well. This may give momentum to the nationalistic, anti-migrant message and policies of populist, right wing parties that are already rising across Europe and elsewhere.
- Sixth, the 'Brexit' has implications for the European Union experiment itself. It's for last 70 years Britain has helped Europe enjoy peace and stability. Now there is growing strain of discontent against EU brewing in the EU member countries.
- Seventh, with Germany already having much power in the bloc, 'Brexit' would make EU lose its balance. This may undermine the EU's legitimacy and make it more difficult to respond to its internal crises.

- **Implications for India**

- There is lot of discussion going on India about Britain's exit from the European Union. The short term implication of 'Brexit' would be on the Indian stock exchange due to the volatility in the pound. It's making Indian stock exchange jittery and this has increased the risks for Indian businesses.
- There is concern among Indian investors of the negative impact of the British exit from the EU. India invests more in the UK than in the rest of Europe combined. India has emerged as the UK's third largest FDI investor.
- Last year alone the value was estimated at 1.9 billion pounds (around \$2.75 billion). As some Indian companies and sectors have investments and exposure to Britain, they are very worried of the 'Brexit'.
- Those having business interest in UK believe that leaving the EU would create considerable uncertainty for Indian businesses. It would have an adverse impact on investment and movement of professionals to the UK.
- The 'Brexit' is also going to hamper India's access to European markets. Hundreds of Indian firms that have base in the UK because they had continued border-free access to the rest of Europe. It was one of the main reasons for Indian companies to go to the UK.
- Now with 'Brexit' there will be less attractiveness of going to UK and this may have a bearing on future investment decisions of Indian companies.
- There is some positive fall out of the 'Brexit' for India as well. Britain ranks twelfth, among, India's bilateral trade with individual countries. It is also among just seven in 25 top countries with which India enjoys a trade surplus.
- Britain is also the third largest investor in India after Mauritius and Singapore, with a cumulative inward flow of \$22.56 billion between April 2000 and September 2015.
- As per data with the Commerce and Industry Ministry, India's bilateral trade with Britain was worth \$14.02 billion in 2015-16, out of which \$8.83 billion was in exports and \$5.19 was in imports. The trade balance thus was a positive \$3,64 billion.
- So on the positive side 'Brexit' would help India more. It may also lead to greater investments by the British companies into India, which will increase the overall outflows of the domestic market.
- UK's outgoing Prime Minister David Cameron hailed India as an "important partner" in his first statement since 'Brexit' and said Britain must not turn its back on Europe or the rest of the world.

Impacts of the Brexit referendum to India

- India being more of an importing country than an exporting nation, the overall effect may turn out positive for India (if the dollar doesn't appreciate much against rupee).
- With lower pound value, Indian companies may be able to acquire many hi-tech assets.
- As investors look around the world for safe havens in these turbulent times, India stands out both in terms of stability and of growth.
- Brexit might give a boost to trade ties between India and the UK.
- Britain will now be free to discuss a bilateral trade pact with India.
- Due to **fall in the value of Pound sterling**, those who import from the UK will gain. Indian export companies operating in the UK may also gain.
- More Indian **tourists** can afford to visit Britain in coming days as the currency value has fallen.
- More Indian students can afford to **study in Britain** (for higher education) as the fees may seem cheaper.
- Britain will need a steady **inflow of talented labour**, and India fits the bill perfectly due to its English-speaking population.
- The fall in the prices of commodities like crude, which will help India save a lot on its import bill (every \$1 drop in crude prices leads to roughly \$1 billion savings in India's oil import bill), reducing its trade and current account deficits (CAD).
- **Brexit would weaken global growth** and lead to a meaningful decline in commodity prices. This is only going to enhance both the relative and absolute appeal of India.
- Lower commodity prices will help the macro fundamentals: be it fiscal deficit, current account deficit or inflation, which will give the government more levers to pump up the investment cycle.
- There may be foreign fund outflow and dollar rise.
- **Rupee may depreciate** because of the double effect of foreign fund outflow and dollar rise. This may increase petrol and diesel prices to an extent.
- Prices of gold, electronic goods, among others may also increase.
- Sensex and Nifty may tumble in the short-run.
- Falling value of the pound could render several existing contracts loss making.
- The vote is also bad news for Indian outsourcers.
- Brexit will have a **negative impact on the \$108 billion Indian IT sector** in the short term

TPP, TATIP, RCEP

-**TPP**- The Trans Pacific Partnership represents a trade agreement between 12 countries geographically located around the Pacific Rim. The TPP is part of the earlier Trans-Pacific Strategic Economic Partnership Agreement (TPSEP or P4) actually signed by member countries like Chile, Brunei, New Zealand and Singapore. Various features of the TPP include comprehensive market access, regional approach to commitments, addressing new trade challenges, inclusive trade and platform for regional integration. The TPP agreement is expected to remove tariffs on US manufactured goods and includes every US farm product. Simply put these provisions are expected to boost small businesses in the US.

USA decided to quit from TPP.

- **TATIP**(Trans Atlantic Trade & Investment Partnership)- It is a proposed trade agreement between the European Union and the United States of America. Aims to promote trade and multilateral economic growth

Its main three broad areas are- market access; specific regulation; and broader rules and principles and modes of co-operation.

It is under negotiation

- **RCEP**(Regional Comprehensive Economic Cooperation)- ASEAN plus 6

TPP Trans-Pacific Partnership



1+2 = Erode Indian grip over US-EU markets



TATIP(Trans-atlantic Trade & Investment Partnership)

TPP(Trans-Pacific Partnership)

RCEP(Regional Comprehensive & Economic Partnership) 33% of world trade & 50% of popln

50% of world trade captured

Trans-Pacific Partnership (TPP), which has been signed but not yet ratified by member countries, and the Trans-Atlantic Trade and Investment partnership (TTIP), which is currently being negotiated. India is not part of these groupings and will hence be outside these large trade zones. Atlantic Trade and Investment partnership (TTIP) TTIP, when concluded, will be a PTA between the United States and the European Community of 27 member states and representing "30 percent of global merchandise trade, about 40 percent of world trade in services, and nearly half of global GDP". Trans-Pacific Partnership (TPP) The TPP comprises 12 member countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam. The TPP will cover 40 percent of global GDP and 33 percent of world trade

REPORTS & THEIR ORGANISATIONS

- Ease of Doing Business - **World Bank**
- World Development Report - **World Bank**
- Global Financial Stability Report - **IMF**
- World Economic Outlook - **IMF**
- Inclusive Development Index – **WEF (Cologny Geneva, Claus Schwab Presi)**
- Global Financial System Report- **Bank for International Settlements (BIS)**
- Global Money Laundering Report - **Financial Action Task Force (FATF)**
- World Investment Report- **United Nations Conference on Trade and Development (UNCTAD- Geneva, Mukhisa Kityui)**
- World Happiness Report- **UN Sustainable Development Solutions Network (SDSN)**
- Gender Inequality Index- **UNDP (United Nations Development Programme)**
- Ambient Air Pollution Report - **WHO**
- World Intellectual Property Report (WIPR)- **World Intellectual Property Organisation (WIPO- Geneva, Francis Gurry)**
- Red Book- **IAEA (Vienna, Yukiya Amano)**
- Red List- **International Union for Conservation of Nature (IUCN)**

Reports and their organisations

- Corruption Perception Index - **Transparency International (Berlin, Jose Ugaz)**
- World Press Freedom Index - **Reporters Without Borders**
- Global Hunger Index report- **International Food Policy Research Institute(IFPRI, Wahington)**
- 'An Economy for the 99%' - **Oxfam**
- National Air Quality Indices- **Central Pollution Control Board (CPCB)**
- National Ambient Air Quality Standard- **CPCB**
- India Innovation Index- **NITI Aayog, DIPP, CII**
- Interest Subvention Report- **Reserve Bank of India (RBI)**
- Financial Stability Report- **Reserve Bank of India (RBI)**
- Internet Readiness Index- **Internet and Mobile Association of India(IAMAI)**
- RESIDEX -**National Housing Bank**
- Annual Survey of Education Report(ASER)- **PRATHAM**
- School Education Quality Index (SEQI)- **NITI Aayog and Min of HRD**
- Red Data Book -**Botanical Survey of India**