

## NO LIMITS TO RUSSIA-CHINA TIES, SAYS EU CHIEF

- Ursula von der Leyen seeks ‘diplomatic solution’ to Ukraine crisis
- The friendship between Russia and China has “no limits”, President of the European Commission Ursula von der Leyen said here on Monday.
- Addressing the inaugural session at the annual Raisina Dialogue, which was attended by Prime Minister Narendra Modi and External Affairs Minister S. Jaishankar, she condemned the Russian aggression in Ukraine but also supported the need to find a “diplomatic solution” to the crisis.
- “They (Russia and China) have declared that the friendship between them has ‘no limits’; that there are ‘no forbidden areas of cooperation; this was in February this year. And then, the invasion of Ukraine followed. What can we expect from the ‘new international relations’ that both have called for,” asked Ms. von der Leyen, who described the current relation between Russia and China as an “unrestrained pact”.
- The top diplomat of the European Commission recollected her recent visit to Ukraine, where she witnessed the ravages of the conflict and expressed Europe’s collective determination to ensure “strategic failure” of Russia in Ukraine. She clarified that imposing sanctions on Russia is not a “standalone solution”.
- Ms. von der Leyen highlighted the common links such as democracy and the rule of law that bound European states and India.



## THE QUARREL OVER KURIL ISLANDS

- The Russian invasion of Ukraine seems to have brought to the forefront some other disputes that Russia has with the West’s allies. On April 22, Japan’s Diplomatic Bluebook for 2022 described the Kuril Islands (which Japan calls the Northern Territories and Russia as the South Kurils) as being under Russia’s “illegal occupation”. This is the first time in about two decades that Japan has used this phrase to describe the dispute over the Kuril Islands. Japan had been using softer language since 2003, saying that the dispute



over the islands was the greatest concern in Russia-Japan bilateral ties.

### **WHAT ARE THE KURIL ISLANDS/ NORTHERN TERRITORIES?**

- These are a set of four islands situated between the Sea of Okhotsk and the Pacific Ocean near the north of Japan's northernmost prefecture, Hokkaido. Both Moscow and Tokyo claim sovereignty over them though the islands have been under Russian control since the end of World War II. The Soviet Union had seized the islands at the end of World War II and by 1949 had expelled its Japanese residents. Tokyo claims that the disputed islands have been part of Japan since the early 19th century.

### **WHAT LIES BEHIND THE DISPUTE?**

- According to Tokyo, Japan's sovereignty over the islands is confirmed by several treaties like the Shimoda Treaty of 1855, the 1875 Treaty for the exchange of Sakhalin for the Kuril Islands (Treaty of St. Petersburg), and the Portsmouth Treaty of 1905 signed after the Russo-Japanese war of 1904-05 which Japan had won. Russia, on the other hand, claims the Yalta Agreement (1945) and the Potsdam Declaration (1945) as proof of its sovereignty and argues that the San Francisco Treaty of 1951 is legal evidence that Japan had acknowledged Russian sovereignty over the islands. Under Article 2 of the treaty, Japan had "renounced all right, title and claim to the Kuril Islands."
- However, Japan argues that the San Francisco Treaty cannot be used here as the Soviet Union never signed the peace treaty. Japan also refuses to concede that the four disputed islands were in fact part of the Kuril chain. In fact, Japan and Russia are technically still at war because they have not signed a peace treaty after World War II. In 1956, during Japanese Prime Minister Ichiro Hatoyama's visit to the Soviet Union, it was suggested that two of the four islands would be returned to Japan once a peace treaty was signed. However, persisting differences prevented the signing of a peace treaty though the two countries signed the Japan-Soviet Joint Declaration, which restored diplomatic relations between the two nations. The Soviet Union later hardened its position, even refusing to recognise that a territorial dispute existed with Japan. It was only in 1991 during Mikhail Gorbachev's visit to Japan that the USSR recognised that the islands were the subject of a territorial dispute.

### **HAVE THERE BEEN ATTEMPTS AT RESOLUTION?**

- Since 1991, there have been many attempts to resolve the dispute and sign a peace treaty. The most recent attempt was under Prime Minister Shinzo Abe when joint economic development of

the disputed islands was explored. In fact, both countries had agreed to have bilateral negotiations based on the 1956 Japan-Soviet Joint Declaration. Russia was even willing to give back two islands, the Shikotan Island and the Habomai islets, to Japan after the conclusion of a peace treaty as per the 1956 declaration. Japan's attempt to improve ties with Russia was driven by its need to diversify energy sources and Russia by its need to diversify its basket of buyers and bring in foreign investments. But nationalist sentiments on both sides prevented resolution of the dispute.

### WHAT NEXT?

- Soon after the Russian invasion of Ukraine, Japan made its unhappiness with Russia clear with its Foreign Minister Hideki Uyama, saying that Russia had “occupied” the southern part of the Kuril Islands, thereby violating international law.
- Japan has been among the most steadfast of Western allies in denouncing Russian aggression and punishing it with sanctions. The April 22 statement in its Diplomatic Bluebook will further damage relations between the two countries. Japan has probably been spurred by its fears of a Russia-China alliance as Japan itself has territorial disputes and an uneasy history with China.
- Secondly, Japan might have felt that this is a good opportunity to further isolate Russia and paint it as a “habitual offender” of international law.
- Finally, Tokyo might have been prompted to take this position as it feels that the invasion of Ukraine proves that getting back the Kuril Islands is a lost cause.
- Japan's policy shift on the Kuril Islands will only embitter bilateral relations with Russia while advancing the possibility of its two neighbours, China and Russia, coming together against it.

## INDIA 3RD HIGHEST MILITARY SPENDER

Nation's spending rose to \$76.6 billion

- World military spending continued to grow in 2021, reaching a record \$2.1 trillion despite the economic fallout of the pandemic, according to new data on global military spending published by the Stockholm International Peace Research Institute (SIPRI). The five largest spenders in 2021 were the U.S., China, India, the U.K. and Russia, together accounting for 62% of expenditure. The U.S. and China alone accounted for 52%.
- “India's military spending of \$76.6 billion ranked third highest in the world. This was up by 0.9% from 2020 and by 33% from 2012. Amid ongoing tensions and border disputes with China

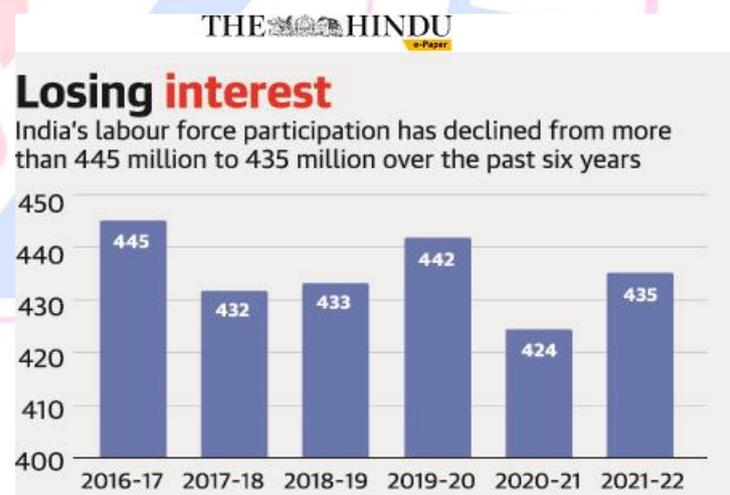


and Pakistan that occasionally spill over into armed clashes, India has prioritised the modernisation of its armed forces and self-reliance in arms production,” the report said.

- Stating that military spending in Asia and Oceania totalled \$586 billion in 2021, the report noted that spending in the region was 3.5% higher than in 2020, continuing an uninterrupted upward trend dating back to at least 1989. “The increase in 2021 was primarily due to growth in Chinese and Indian military spending. Together, the two countries accounted for 63% of total military expenditure in the region in 2021,” it observed.
- “Even amid the economic fallout of the COVID-19, world military spending hit record levels,” the report said quoting Diego Lopes da Silva, Senior Researcher with SIPRI’s Military Expenditure and Arms Production (MEAP) programme.
- Russia increased its military expenditure by 2.9% in 2021, to \$65.9 billion, at a time when “it was building up its forces along the Ukrainian border,” the report pointed out.
- On Ukraine, the report remarked that as it had strengthened its defences against Russia, its military spending “has risen by 72% since the annexation of Crimea in 2014”.
- Spending fell in 2021, to \$5.9 billion, but still accounted for 3.2% of the country’s GDP, it added.

## LABOUR PARTICIPATION DIPS TO 40% FROM 46% IN SIX YEARS’

- Labour force participation for women drops to 9.2% from 15%, CMIE data show
- Only 40% of Indians of legal working age were employed or were looking for jobs in 2021-22. In comparison, the labour force participation rate was above 46% in 2016-17, according to data from the Centre for Monitoring Indian Economy.
- In absolute terms, India’s labour force has shrunk from about 445 million to 435 million in the six years. Currently, about 1,085 million Indians are aged 15 or above and can be legally employed.
- Labour force participation among women, which was already in low double digits, has declined further. In 2016-17, about 15% women were employed or looking for jobs. This metric dipped to 9.2% in 2021-22.



- Among men, the participation rate declined to 67%, from more than 74%. The dip in the participation rate was higher in the urban areas.
- The rate slid to 37.5% from 44.7% in urban areas – a more than seven percentage-point drop. The rate in rural areas fell to 41.4% from 46.9%. Of the 24 States with data, 23 saw participation rates decline in March 2022 compared with March 2016.
- The rate dropped in all the States, except in Rajasthan. The slide was more pronounced in two southern States, which had a high participation rate to start with.
- Andhra Pradesh and Tamil Nadu had participation rates of 54% and 56%, respectively, in March 2016, and witnessed the sharpest declines. Between 2016 and 2022, participation rates fell 20 percentage points and 17 percentage points for Tamil Nadu and Andhra Pradesh respectively.

## **INDIA'S RUSSIAN OIL IMPORTS IN 2 MONTHS EXCEED TWICE 2021**

- total 40 mn barrels bought since Feb. 24 versus 16 mn in 2021
- India has bought more than twice as much crude oil from Russia in the two months since its invasion of Ukraine as it did in the whole of 2021, according to Reuters calculations, as Indian refiners snapped up discounted oil that others have shunned.
- Refiners in India have placed orders for at least 40 million barrels of Russian oil since the invasion on February 24, Reuters calculations based on information from crude tenders and traders show. The purchases are for loading in the June quarter.
- That compares with total imports of Russian oil into India of 16 million barrels in the whole of last year, according to Reuters calculations. India ships in more than 85% of its crude oil needs of 5 million barrels per day. Its refiners are buying cheaper Russian oil to partly offset the impact of higher official selling prices of producers like Saudi Arabia, company sources said.
- According to Reuters calculations, purchases of Russian barrels by private refiners outstrip imports by state refiners IOC, HPCL and BPCL. Reliance has bought at least 15 million barrel of Russian oil so far for the June quarter, trade sources said last week.
- Nayara Energy, part owned by Russia's Rosneft, has purchased 8-9 million barrels of Russian crude for loading in April-May, trade sources said. Analysts said India's Russian oil imports may taper off as a full-scale implementation of the European and U.S. sanctions from mid-May and late June might hit logistics.

## **INDIAN ENTITIES FILED 1.38 LAKH PATENTS FROM 2015 TO 2021'**

- Entities in India had filed 1,38,000 tech patents in the country and more than 9,500 patents in the U.S. from 2015 to 2021, according to India Patents Report published by Nasscom.

- More than 60% of the patents were filed by Indian firms and start-ups while 17% of the tech patents were filed by individual inventors/academia research outfits.
- Some 65% of the total patents filed in the U.S. in 2020-21 by India-domiciled firms were in the technology domain, compared with 55% in 2019. Some 45% of the filings had been granted technology patents.
- Besides, more than 400 technology patents were filed by Indian start-ups from 2015 to 2021, an increase of 45% from the 280 patents in the 2015-2019 period, the study showed.
- Some 21% of the tech patents were related to software applications, healthcare and medical devices and other leading segments.
- “The study marks the start of our IP charter for FY2023, which will be followed by a deep-dive analysis into the tech patents filed in India,” said the apex body in a statement.

## THE GOAL OF AN ENERGY-SECURE SOUTH ASIA

- South Asia has almost a fourth of the global population living on 5% of the world’s landmass. Electricity generation in South Asia has risen exponentially, from 340 terawatt hours (TWh) in 1990 to 1,500 TWh in 2015. Bangladesh has achieved 100% electrification recently while Bhutan, the Maldives, and Sri Lanka accomplished this in 2019. For India and Afghanistan, the figures are 94.4% and 97.7%, respectively, while for Pakistan it is 73.91%. Bhutan has the cheapest electricity price in South Asia (U.S.\$0.036 per kilowatt hour, or kWh) while India has the highest (U.S.\$0.08 per kWh.) The Bangladesh government has significantly revamped power production resulting in power demands from 4,942 kWh in 2009 to 25,514 MW as of 2022. India is trying to make a transition to renewable energy to provide for 40% of total consumption, while Pakistan is still struggling to reduce power shortage negatively impacting its economy.
- The electricity policies of South Asian countries aim at providing electricity to every household. The objective is to supply reliable and quality electricity in an efficient manner, at reasonable rates and to protect consumer interests. The issues these address include generation, transmission, distribution, rural electrification, research and development, environmental issues, energy conservation and human resource training.
- Geographical differences between these countries call for a different approach depending on resources. While India relies heavily on coal, accounting for nearly 55% of its electricity production, 99.9% of Nepal’s energy comes from hydropower, 75% of Bangladesh’s power production relies on natural gas, and Sri Lanka leans on oil, spending as much as 6% of its GDP on importing oil.

## ELECTRIFICATION, GROWTH, SDGS

- Given that a 0.46% increase in energy consumption leads to a 1% increase in GDP per capita, electrification not only helps in improving lifestyle but also adds to the aggregate economy by improving the nation's GDP. For middle-income countries, the generation of power plays an essential role in the economic growth of the country. More electricity leads to increased investment and economic activities within and outside the country, which is a more feasible option as opposed to other forms of investments such as foreign direct investment.
- The South Asian nations have greatly benefited from widening electricity coverage across industries and households. For example, 50.3% of Bangladesh's GDP comes from industrial and agricultural sectors which cannot function efficiently without electricity. Nepal's GDP growth of an average of 7.3% since the earthquake in 2015 is due to rapid urbanisation aided by increased consumption of electricity. On the other hand, Pakistan suffered a drop in industrialisation of textiles by 9.22%, wiping off U.S.\$12.4 billion from the industry in 2014 due to power shortages. India leads South Asia in adapting to renewable power, with its annual demand for power increasing by 6%.
- Solar power-driven electrification in rural Bangladesh is a huge step towards Sustainable Development Goal 7 (which is "Ensure access to affordable, reliable, sustainable and modern energy for all") by 2030 and engaging more than 1,00,000 female solar entrepreneurs in Sustainable Development Goal 5 (which is "achieve gender equality and empower all women and girls"). India's pledge to move 40% of total energy produced to renewable energy is also a big step. Access to electricity improves infrastructure i.e., SDG 9 (which is "build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation"). Energy access helps online education through affordable Internet (SDG 4, or "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"), more people are employed (SDG 1: "no poverty"), and are able to access tech-based health solutions (SDG 3, or "ensure healthy lives and promote well-being for all at all ages").

### **GREEN GROWTH, GREEN ENERGY**

- South Asian leaders are increasingly focused on efficient, innovative and advanced methods of energy production for 100% electrification. Prime Minister Narendra Modi in his 'net zero by 2070' pledge at COP26 in Glasgow asserted India's target to increase the capacity of renewable energy from 450GW to 500GW by 2030. South Asia has vast renewable energy resources – hydropower, solar, wind, geothermal and biomass – which can be harnessed for domestic use as well as regional power trade. The first-ever Clean Development Mechanism (CDM) benefits such as poverty reduction, energy efficiency and improved quality of life were realised when there was India-Bhutan hydro trade in 2010.
- The region is moving towards green growth and energy as India hosts the International Solar Alliance. In Bangladesh, rural places that are unreachable with traditional grid-based electricity

have 45% of their power needs met through a rooftop solar panel programme which is emulated in other parts of the world. This is an important step in achieving Bangladesh's nationally determined contributions target of 10% renewable energy of total power production.

### **REGIONAL ENERGY TRADE**

- The South Asian Association for Regional Cooperation (SAARC) prepared the regional energy cooperation framework in 2014, but its implementation is questionable. However, there are a number of bilateral and multilateral energy trade agreements such as the India-Nepal petroleum pipeline deal, the India-Bhutan hydroelectric joint venture, the Myanmar-Bangladesh-India gas pipeline, the Bangladesh-Bhutan-India-Nepal (BBIN) sub-regional framework for energy cooperation, and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, rumoured to be extended to Bangladesh.
- 'South Asia's regional geopolitics is determined by the conflation of identity, politics, and international borders. Transnational energy projects would thus engage with multiple social and ideational issues' which is a major limitation for peaceful energy trade. If energy trade is linked and perceived through the lens of conflict resolution and peace building, then a regional security approach with a broader group of stakeholders could help smoothen the energy trade process. The current participation in cross-border projects has been restricted to respective tasks, among Bhutan and India or Nepal and India. It is only now that power-sharing projects among the three nations, Nepal, India, and Bangladesh, have been deemed conceivable.
- India exports 1,200MW of electricity to Bangladesh, sufficient for almost 25% of the daily energy demand, with a significant amount from the Kokrajhar power plant in Assam worth U.S.\$470 million. Bhutan exports 70% of its own hydropowered electricity to India worth almost U.S.\$100 million. Nepal on the other hand, not only sells its surplus hydroelectricity to India but also exported fossil fuel to India worth U.S.\$1.2 billion.

### **WHAT IS NEEDED**

- South Asia is reinforcing its transmission and distribution frameworks to cater to growing energy demand not only through the expansion of power grids but also by boosting green energy such as solar power or hydroelectricity. Going forward, resilient energy frameworks are what are needed such as better building-design practices, climate-proof infrastructure, a flexible monitoring framework, and an integrated resource plan that supports renewable energy innovation. Government alone cannot be the provider of reliable and secure energy frameworks, and private sector investment is crucial. In 2022, private financing accounted for 44% of household power in Bangladesh, 48.5% in India, and 53% in Pakistan. Public-private partnership can be a harbinger in meeting the energy transition challenges for the world's most populous region.

# IMPORTANT MCQ

1. National Statistical Office usually conducts the All-India Household Consumer Expenditure Survey every five years. The survey helps arrive at estimates of what?

A. Wealth levels      C. Poverty levels      D. Resource levels      C. None of the above

2. Fancy Bear is a highly active and prolific cyber-espionage group that has been operating since at least the mid-2000s, making it one of the world's oldest cyber-spy groups. It is said to be connected to which country?

A. China      B. The U.S.      C. Russia      D. Turkey

3. Name the village in Samba district of Jammu and Kashmir that has become the first panchayat in the country to become carbon-neutral, fully powered by solar energy?

A. Palli      B. Salar      C. Ichi Nar      D. Punch

4. Which nation has become the second one to launch Trade and Technology Council with the European Union?

a) Japan      b) Canada      c) India      d) Australia

2. Which country was the largest military spender in the world in 2021?

a) US      b) India      c) China      d) Russia

3. Who won the Laureus World Sportsman of the Year 2022 Award?

a) Max Verstappen      b) Novak Djokovic      c) Robert Lewandowski      d) Tom Brady

4. Who won the Laureus World Breakthrough of the Year 2022 Award?

a) Neeraj Chopra      b) Emma Raducanu      c) Daniil Medvedev      d) Pedri

ANS -1-C., 2-C, 3-A

4. (c) India

India has become the second country to launch Trade and Technology Council with the European Union. The European Union has set up only one such Trade and Technology Council before and that is with the United States. The EU-India Trade and Technology Council will allow both India and the European Union to tackle challenges related to trade, trusted technology and security and further deepen cooperation in these fields.

5. (a) US

The United States was the largest military spender in the world in 2021, followed by China and then India. The US military spending reached USD 801 billion in 2021, which shows a drop of 1.4 percent in comparison to 2020. The United States has increased funding for military research and development by 24 percent and reduced spending on the purchase of arms by 6.4 percent between 2012 and 2021.

#### 6. (a) Max Verstappen

Max Verstappen, the 2021 Formula One World champion, was voted as the Laureus World Sportsman of the Year 2022 at the 2022 Laureus World Sports Awards virtual event that was screened live from Seville, Spain, on April 24, 2022. Max Verstappen took the top honour, beating the likes of Tennis legend Novak Djokovic, Footballer Robert Lewandowski, American football star Tom Brady, American swimming star Caeleb Dressel and Kenyan athlete Eluid Kipchoge. Max Verstappen had secured his first World Championship at the Abu Dhabi Grand Prix in December, becoming the first Dutch driver to win the World Championship.

#### 7. (b) Emma Raducanu

India's Neeraj Chopra missed out on the Laureus World Breakthrough of the Year 2022 Award, which went to British Tennis sensation Emma Raducanu, who became the first qualifier in tennis history to win a Grand Slam. She had won the US Open, her second Grand Slam event, without losing a set. The Indian Javelin star Neeraj Chopra was nominated for the award alongside major sporting names including Tennis player Daniil Medvedev and Spanish Footballer Pedri.