



RAPPORTEURS REPORT

Emerging Strategic Trends in Asia and India's Response February 19-21, 2014



Session 1: Asia's Geopolitical Future

Chairperson: Arvind Gupta





The session was chaired by <u>Arvind Gupta</u>, Director General, IDSA. This session dealt with the structural dimensions of Asian geopolitics, the impact of bipolarity and multipolarity, shifts and anxieties related to power transition and an uncertain future, and the maritime dimension. Papers were presented by <u>Yan Xuetong</u>, <u>Sujit Dutta</u>, <u>Takenori Horimoto</u> and <u>Michael Wesley</u>.

Yan Xuetong presented on "The bipolarization in East Asia". He stated that no visible signs of multipolarization exist in Asia if one were to take states as the unit of analysis. Quoting Henry Kissinger, Xuetong argued that international institutions like the European Union cannot be taken as an example of multipolarity. Consequently, in the next ten years, China and the US will emerge as the major powers in international politics capable of competing with each other. China is the only country capable of mounting a challenge to the US, especially after Russia's decline since 1992. Countries that have tried to keep the balance between the US and China are Germany, the UK, France, India, and Brazil. A change in China's foreign policy is visible with its 'New Model of Major Power Relations' (NMMPR) which indicates that the relationship between China and the US will be competitive if not cooperative, but it will not be confrontational. Obama's National Security Advisor, Susan Rice agreed to operationalize the NMMPR, which informed Obama's Pivot to Asia policy. Xuetong cautioned that while national interest drives international politics among states, China is worried about the turn of events in East Asia, especially the ideology of Japan, if not its military capability. Ideology has been instrumental in causing wars with the Cold War between the US and the USSR as proof. The visits by Japanese Prime Minister, Shinzo Abe to the Yusukuni shrine are a deliberate attempt by Japan to provoke China. Xuetong ended his presentation by indicating that China-India relations will improve further based on common interests created by globalization.

Sujit Dutta presented on "Asia's power transition: uncertain future of stability and peace". He elaborated on three factors that impacts Asia's power transition. First, globalization, which has resulted in China's integration into international institutions leading to huge capital flows, trade, and interdependence, even between China and Japan and China and South Korea. Globalization has created overlapping interests, norms and structures in Asia leading to huge growth patterns in the Indo-Pacific creating the underpinnings of liberal institutionalism in Asia. Second, globalization has changed the state system in Asia. Due to social media and satellite based communications, there have been calls for social change by popular movements. Even within China, popular movements have called for political, economic and land reforms, and fight against corruption, etc. Hence, the international relations of Asia will have to account for these domestic forces. Third, balance of power in Asia is superimposed due to the US-China factor. However, despite the logic of balance of power, economic interaction and interdependence between the US and China will work against devastating conflict. Most importantly, large parts of Asia at the societal level do not favour conflict. As a consequence, there is diminishing support for a broad based rivalry between the US and China. Dutta ended on a cautionary note that despite these three factors, nationalism within China, territorial disputes, and China's desire for power and prestige will willy-nilly push countries like India to form strategic partnerships with Japan, US and Vietnam to maintain strategic balance in Asia.

Takenori Horimoto presented on "How is power transition in Asia taking place?" He focused on Asian geopolitics highlighting the status quo states like the US, Japan and Australia, and revisionist states like China. In terms of ASEAN, despite its focus on cooperative security, ASEAN's interests are quite opaque. China, with its growth in power, has been inclined to question Asian power structures and has asserted that Indian Ocean cannot be just limited to India. This change in Chinese influence is propelled by its rise in power and economic growth. Horimoto indicated that China's influence in East Asia is not a new phenomenon. China, historically, has been rather influential in East Asia but the humiliation it faced after the Opium wars deeply scared it. To restore itself and get over its humiliation, the contributions of the 2008 Beijing Olympics and the 2010 Shanghai Expo are noteworthy. However, Horimoto cautioned that China's rise may not be peaceful and will test the US presence in the Western Pacific. China's NMMPR will lead to its assertion in the island chains vis-à-vis Japan further complicated by its recently announced Air Defence Identification Zone (ADIZ). For the US, its relations with Japan in the Western Pacific and India in the Indian Ocean are crucial as net providers of security. Obama's "pivot to Asia" represents a shift from the war on terror to advocating a counter to China in Asia. Horimoto indicated that China views US engagement with India and Japan through the "containment of China" prism. However, China's "bid your time, maintain low profile" strategy advocated by Deng Xiaoping is focused solely on the US. While the US presence in Asia is important, whether it is a dependable partner given its own internal limitations, is a critical question. Japan has reasons to be anxious about US commitment given the latter's shift of focus to building a strategic relationship with China and its desire to operationalize the NMMPR. A survey conducted by Japan's Ministry of Foreign Affairs in July 2011 indicated that 36 per cent of Americans view US-China relations as critical for peace compared to 31 percent for the US-Japan relations.

Michael Wesley spoke on "Restless Giants: Asia's new geopolitics" highlighting the importance of the maritime dimension especially reemergence of the old trading highway discovered by Vasco da Gama in 1492. He argued that the Indo-Pacific is emerging as an important strategic realm in the heart of Eurasia. This has given rise to two contradictory trends: economic interdependence and rising strategic rivalry. What is significant here is that pan-Asian trade dominates this region and China and India with continental economies have witnessed exponential growth curves. This growth has led to changes in self-perception with a desire for greater prestige and status. Wesley indicated that while China and India have enjoyed growth, this growth is dependent on energy imports. In 1993, China became a net importer of energy, while countries like South Korea, Japan, India, Taiwan and the Southeast Asian countries are highly dependent on energy imports. Significantly, one region of the world holds most of the reserves, the Gulf

region, with Saudi Arabia being the largest exporter and Asia the largest importer, and this demand for energy in Asia will only increase. Globalization has also turned Asia into a manufacturing hub with 39 per cent of global component parts being made in Asia. Wesley indicated that China's rise has resulted in strategic rivalry in Asia, with tightening partnerships between Japan and South Korea, Japan and India, and an increase in the purchase of maritime naval systems in Asia. This is a new age of maritime economic dependence and maritime strategic competition. In this, instead of choke points and ports, three peninsulas and three bays will assume significance; namely, the Indo-Pacific, West Pacific, the South Asian peninsulas, and the Arabian, Bay of Bengal and South China Sea bays. In the near future, those countries that will dominate the Pacific and Indian Oceans will enjoy the largest maritime influence.

Discussion

The discussion revolved around bi-polar Asia, whether a framework of rules and norms will evolve in Asia, issues of ideology, military power and the role of Russia in Asia. A distinction was made between multilateralism as a strategy and multi-polarity as representing the structure of international politics. It was pointed out that competition is inevitable in Asia due to the conflicting interests of many of its actors including the US. Interestingly, the alternate trend is a process of dialogue underway especially between the US and China on norm building in Asia. During the course of the discussion, it was stated that while territorial disputes in the East and South China Seas by themselves do not constitute a threat, it is domestic politics, which utilizes these issues for confrontation that has emerged as a critical cause of concern. It was indicated that within Japan, while the older generation is much more open and flexible, the younger generation is becoming more nationalistic. Australia's role in Asia was defined as motivated to maintain US preponderance in Asia especially for purposes of freedom of navigation.

Report prepared by Dr. Namrata Goswami, Research Fellow, IDSA.

Session 2: Military trends in Asia

Chairperson: Satish Nambiar

Fumio Ota	Andrew Scobell	Nguyen Hung Son	Prakash Menon



The session was chaired by <u>Lt Gen (retd) Satish Nambiar</u>, Distinguished Fellow, IDSA. This session dealt with the Asian countries military modernisation and how it will impact the region? Questions about military doctrines; implications of military expenditure on future force structure and strategic posturing were also brought forth. The panellists were <u>Fumio Ota</u>, <u>Andrew Scobell</u>, <u>Nguyen Hung Son</u> and <u>Prakash Menon</u>.

Vide Admiral (Retd) Fumio Ota, spoke on the Chinese strategy and covered the change since the twenty four character phrase of Deng Xiaoping "Hide our capabilities and bide our time" to Hu Jintao's "Active participation and acting on will." He showed the increase in the Chinese military budget since 1989 and compared it to the Japanese military budget indicating that the Chinese budget had increased by 33 times since 1989. He pointed out that there was a part of the Chinese military budget that was hidden in other non-military areas that funded areas like defense research and development, weapon production and purchase production. In doing so the speaker, with examples, showed the pace of build up and compared it with the Japanese military. In a depictive slide Ota covered Chinese assertiveness by showing various incidences involving China and other nations from the South China Sea to the Western Pacific including the passing of Chinese naval ships and aircraft through Japanese territorial waters and airspace. Before concluding he said that this assertiveness of China was bringing about a reaction from other nations who were also building up their maritime capabilities.

Andrew Scobell, spoke on the Chinese carrier programme. He commenced his talk by covering how some analysts were viewing the modernisation and expansion of navies and coast guards in Asia as an arms race. He covered the costs, complexities and intricacies that nations building and operating aircraft carriers face. He spoke of India's commitment to a three aircraft carrier force and the possibility of converting the new Japanese helicopter carrier to be able to operate short take off and vertical landing aircraft. He then examined the three drivers behind the Chinese carrier programme – bureaucratic push by the PLAN,

prestige driven by nationalism and strategic planning. While stating that the first two drivers had important roles he said that the programme was most probably based on the third driver. The strategic planning was propounded by Admiral Liu Huaqing thirty years ago that PLAN would extend its reach in three phases. Scobell then covered the three phases of coastal defence, first island chain and second island chain. He spoke about the genesis of the carrier programme based on strategic thought process, growing economic might, protection of SLOCs and the view of US being a threat. He further stated that hints of a carrier programme were evident from the time China bought three aging carriers at a cost of around 33 million USD. Scobell then covered the usage of carriers emphasising that the primary role was in war and other uses were either adjunct or secondary. While concluding the speaker mentioned that the carrier programme corresponds to the aspect that the Chinese were thinking beyond the Taiwan Straits scenario.

Nguyen Hung Son focused on Vietnam's naval modernisation. At the outset he highlighted that neither is Vietnam in arms race nor is it reacting to Chinese military modernisation. He highlighted that the basis for its modernisation was the decision of the politburo taken in 1997 to enhance the nations marine-based economy and develop capabilities to protect the marine economy. He said that in 2007 the communist party central committee approved the resolution on Vietnam's marine strategy 2020 and set out three broad strategic directions that looked at turning Vietnam into a strong marine country, integrate marine based economic development with national defence and explore all resources for social economic development. He also stated that a target was set for marine based economies to account for 55 per cent of the nations GDP. He then reiterated the need for a secure maritime environment and therefore the modernisation drive. Hung Son then spoke about the trends in the modernisation drive that indicate the motivation and objectives that he said were protection of Vietnams sovereign territory and managing and controlling its maritime zones. Given the obsolete state and numbers of assets available, Vietnam felt the need to improve its capabilities. However, due to economic reasons in the 1980s and 1990s the modernisation drive was initiated later. He further said that as the acquisitions were taking place at the time of heightened tensions in the South China Sea, it was seen as if Vietnam was participating in an arms race and reacting to China. While covering the acquisition plans he stated that Vietnam was also diversifying by acquiring equipment from other nations other than Russia, widening its defence cooperation by seeking training assistance from other nations, participating in multi and bi lateral exercises and also opening up – in which he mentioned the opening up of Cam Ranh Bay to the US. In conclusion he said that Vietnam's modernisation could be viewed as trying to achieve self reliance and build capacity to protect its maritime interest while staying non-aligned.

Prakash Menon, spoke on the issue that India's military was modernising and not militarising. He stated that modernisation meant that militaries in a democracy plan and prepare for war based on guidance from the political leadership and resources made available. However, in the absence of such guidance mainly due to the existing civil military relations there was an impediment in a clear understanding between modernising and militarisation. As a result India's modernisation was oft seen as militarisation. He spoke on the issue of civilian control and the misunderstandings on the issue that impinge on the arena of security. He highlighted the creation of CDS or Permanent Chairman Chief of Staff Committee would in a way diffuse the issue of 'too much control' in one person as it apparently was against the existing structure. This he said in a way would enhance civilian control, which he reiterated was control by politicians and not the bureaucracy. He also highlighted that the Indian military had always remained subordinate to political control and therefore any notions of misadventure were misplaced. He stated that the growing gap between the salaries of military personnel and civilians working in the corporate world had led to a drain on the talent coming to the armed forces resulting in a decline in leadership standards that was also affecting the military leading to further complications. In conclusion he said that though the character of civil military relations was changing there was a requirement for structural change.

During the Q&A session, discussions covered a wide range of topics with focus mainly on China's assertive behaviour, efficacy of aircraft carriers, modernisation of militaries and civil military relations.

Report prepared by Commander S S Parmar, Research Fellow, IDSA.

Session 3: Economic global shift to Asia

Chairperson: Ambassador US Bhatia

Rajat Kathuria Hu Sheshing Kristy Hsu



The session was chaired by <u>Ambassador US Bhatia</u>. This session examined the various dimensions of the global economic shift towards Asia and focused on the specific challenges that constrain Asia's integration and its true potential. Papers were presented by <u>Rajat Kathuria</u>, <u>Hu Sheshing</u> and <u>Kristy Hsu</u>.

The session was chaired by Ambassador US Bhatia. This session examined the various dimensions of the global economic shift towards Asia and focused on the specific challenges that constrain Asia's integration and its true potential. Papers were presented by Rajat Kathuria, Hu Sheshing and Kristy Hsu.

The chair introduced the session through a set of challenges. The first challenge is of rule making and governance. With the decline of multilateralism, the role of Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) have become more important as they try to supplant the role of WTO. The second challenge is the role of the global value chains and third concerns that of security, especially tensions within the Asian countries related to unresolved boarder issues. The final challenge is of the economic tensions between India and China, mainly related to the huge trade imbalances between the two countries.

Hu Sheshing spoke in his paper about the intra and inter regional trades of East Asia which has been becoming more and more impressive, accounting more than the half of global trade in terms of trade volume. In particular, according to the statistics issued in 2012 by the US commerce department and China's Ministry of Commerce, China's trade volume was 3.87 trillion USD, while the US 3.82 trillion. China has overtaken the U.S. as the world's largest trading nation. However, the above global economic shift toward Asia, with East Asia in particular, is still in process and still has a long way to go. And more importantly, such a process could be stopped and even be reversed.

He stressed that Asia still has to address the following challenges with success:

In terms of policy making powers and in setting up or reforming economic orders and institutions, the US and EU are still playing dominating roles. In recent years, there have been some modest reforms in the existent international economic regimes and institution. This reform still needs the US Congress to approve to come into force. More significantly, the US alone still have the veto power in blocking any major decisions made by International Monetary Fund and World Bank, since the US still holding about 17% voting powers in these institutions. In recent years after the global financial crisis, the international community has witnessed that the US has let three sets of big international negotiations. The successful conclusion of the Trans-Pacific Partnership talks and the parallel Transatlantic Trade and Investment Partnership negotiations would definitely cement the dominant positions of US and EU in global economy. To complete the patchwork, the US and EU are also leading the talks between more than 20 advanced and rising economies to liberalize trade in services.

The economic performance of East Asia still lacks the solid support of financial infrastructures. Although RMB is fast becoming the dollar's major competition for dominance in global trade, but the US dollar is still functioning as the bedrock of the global financial system. RMB has become the No. 2 most widely used currency for trade finance, supplanting the EURO, which is used in 6.64%. However, the USD has still accounted for more than 81% of global trade finance. Asian currencies are still used in a negligible quantity. Moreover, there is still no Asian Central Bank; there is no financial power or powerful financial infrastructure in Asian countries to match their economic might and dynamics in the global trade; there is no parallel financial capital in Asia on par with London or New York.

Asia's innovation capacity still lags behind that of US and EU. Although the number of patent applications and science papers published by Asian countries has witnessed rocketing increase, especially in China and India, although more and more high-tech companies have mushroomed in Asian countries with South Asia and Japan in particular, the capacity to lead the global tendency of industry is lacking in Asia, the capacity to undertake technological, scientific and industrial revolutions is lacking in Asia.

The internal strategic mistrust even confrontations among Asian powers have been disturbing the regional economic integration efforts. The World Wars and Cold War legacies, sovereignty disputes, regional power tussles, and etc. have persistently disturbed the efforts of regional economic institutional cooperation, especially between China and India, among China, Japan and South Korea. For example, the sovereignty and historical disputes have greatly disturbed the negotiations among China, Japan and South Korea in formulating FTA arrangements and in inking currency swap deal.

Rajat Kathuria discussed the benefits of integration of the two economies of India and China who have the capacity to change the dynamics of trade and investment in the region. Being a part of the BRIC's conglomerate, both countries are seen as leading the global economic revival. In terms of trade, China had a trade to GDP ratio of 51.84 in 2012. The corresponding figure for India was 55.36 in the same year. The possibility of peace through trade cannot materialize without considering security issues that are pertinent on a wider Asian and global canvas.

In 2012, India had the largest trade deficit with China of USD 39.41 billion. From an economic point of view, this isn't surprising. Trade balance is not a bilateral issue but a regional or global one especially when the world is coming to be dominated by global value chains and regional production networks.

China has captured the advantages of integrating into global value chains (GVCs) in the recent times. On the other hand, India has not been able to capitalize on this phenomenon, despite its proximity to the East Asian economies. Both India and China are relatively open economies with trade to GDP ratios exceeding 50%. The trade engagement of both countries is geographically dispersed and therefore addressing the trade balance at a bilateral level is neither feasible nor desirable. Moreover, the current account deficit is not necessarily a sign of weakness, just as surpluses aren't symbols of strength. An FTA between India and China should therefore not be viewed from the narrow lens of bilateral trade, but from the perspective of issues related to growth and development.

He reaffirmed that the strategic geo-political location of both India and China inevitably has consequences for the way trade and investment arrangements in the Asian region are developed. The border disputes between India and China are generally seen as the biggest hurdle to improving bilateral ties. Disagreements such as that over the Arunachal Pradesh border, the westernmost Aksai Chin region and construction on the Brahmaputra river that flows from Tibet to China have been at the fore.

Comparing India's and China's Roles in the Global Value Chains, Kristy Hsu emphasized that role and performance of Indian and Chinese economy in the global value chains varies significantly. Conceptual and practical intricacies of GVCs are firstly, India was not counted among the highly popular investment destinations for manufacturing sector FDIs and second, China's manufacturing has earned a niche for itself in the global market and has succeeded in increasing its exports of higher value added products and services. It was further stated that relocation of Taiwanese firms towards Southeast Asia and China in post-1980 period was driven by scarcity of natural resources and escalating land and labour costs. Political situation and government policy was discussed to indicate that the dependence on China is not merely an economic issue, but a national security issue.

She highlighted that in India, the Taiwanese investors did not initially consider as a separate potential market, and it was perceived as an extension to the Southeast Asian region. The Indian economy was receiving growing attention from Taiwan vis-à-vis China. The Taiwanese perspective on Indian vs. Chinese economy was done with reference to nature of goods produced; raw materials or basic, intermediate and advanced goods, geographical location of projects, tariff barriers etc. Institutional bottlenecks like lack of strong industrial foundations, tax-related intricacies and legal systems were the complexity of manufacturing operations in India compared with China and most Southeast Asian countries.

In the discussion, the following issues were discussed:

Role of currency swap arrangements in current trading situation:

It was suggested that future prospects of a currency swap system, particularly local currency swap were very bright as it entails huge monetary benefits to trading nations and would also help in stabilizing commodity prices. China, Japan and South Korea have been attempting to bring this change, and China has already arranged for currency swaps with few countries like Australia.

In response to a Counter question on Chinese openness towards regional mechanisms to encourage trade, it was articulated that the Chinese economy had become more open in the last few years, and trends in capital flow exemplify the same trends.

Role of RCEP in enhancing regional trade:

The potential role of RCEP negotiations in achieving a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement was acknowledged; and its potential was discussed in terms of trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement and other issues.

Realistic timeline for RCEP:

Economic tools like RCEP ought not to be pre-judged, and should be put to test in regional trading markets to obtain the best estimate of its efficacy and effectiveness.

Politics of closer tie up between India and China in a trade relation, and need for closer political alignment via international forums like ASEAN to bolster economic trade benefits in the region: It was mentioned that even though it was desirable for both the nations to integrate economically and align their regional interests, there were enormous political complexities. The notion of integration via engagement in international forums was acknowledged and appreciated and a Free Trade Agreement between India and China was labeled as mutually beneficial. Not only will India's low value added goods find a new market in China, but the agreement would incentivize India to innovate and climb up the value-chain. With reference to regional trade, it was also highlighted that the Inter-SAFTA trade continues to remain much below the potential, and trade within the region has not increased appreciably vis-à-vis pre-SAFTA period.

Potential of FTA in enhancing Indo-Sino Trade:

It was underlined that the idea of an FTA is to ensure a phased liberalization of trade by altering trade and non-trade barriers, and therefore encouraging favorable price changes. As an explanation to why India has not been able to benefit from trade with China, it was stated that while scale of operation and economies of scale have been realized to its fullest potential in China, Indian industrial sector has not been able to harness the same benefits. Institutional factors such as India's fragmented markets, failure to pass Goods and Services Tax add to the burden of trade. Thus, domestic reform in Indian economy remains indispensible to Indian economy's success in the contemporary globalized economic landscape.

Report prepared by Ms. Eshita Mukherjee, Research Associate (MEA Project), IDSA.

Session 4 Resource Stress in Asia

Chairperson: Uttam Kumar Sinha

Tamaela Wattimena	Mukul Sanwal	Huang Ying	Yashika Singh



The session was chaired by <u>Uttam Kumar Sinha</u>. This session looked at the concerns of resource security examined the stresses through population rise and the resource nexus of energy-water-climate change. It asked questions whether resource pressure will bring Asia to a dangerous crossroads of dependence, geopolitical tension and environmental degradation. Papers were presented by <u>Tamaela Wattimena</u>, <u>Mukul Sanwal</u>, <u>Huang Ying</u> and <u>Yashika Singh</u>.

Tamaela Wattimena spoke on 'Energy Security Challenges under Limited Resource Pressure in Asia Region: An Overview'. The speaker argued that due to the increasing economic and population growth, energy demand has grown exponentially. He underscored four objectives, namely the four A's – availability, accessibility, affordability and acceptability in situating the challenges in energy security. Each challenge complicates securing energy for Asia: stress on 'availability' results from uneven resource distribution across Asia despite being rich in resources, while stress on 'accessibility' results from the lack of energy infrastructure and investment connecting the supply lines to the demand centres. In the third A, i.e., 'Affordability', the author articulated that the need to control the price of energy resources led some countries to use subsidies resulting in higher demand for energy. Finally, 'acceptability', in his argument showed that renewable energy resources does not have high acceptance in the community as it affects population displacement, public interests, and governance issues. The author suggested reforming domestic energy policies, developing third generation of bio-fuel resources and increasing regional cooperation to alleviate these concerns.

Mukul Sanwal, spoke on 'Why Water Politics Matter?' He emphasised the need to define the context in which the issue of water resource and scarcity is framed. The speaker conceptualised the emerging trend of urbanisation and the use of resources to facilitate it. Compared to the West, he argued that China has been relatively efficient in resource management given the trends of high use of natural resources linked to

urbanisation. The speaker commented that China became the first global power through its economic influence, not by its military projection. Therefore, the use and distribution of natural resources are important than framing it as scarcity. He underscored that how South Asian and Southeast Asian countries rely on pre and post-monsoon instead of glacier melt from the Tibetan plateau. The speaker insisted on more scientific studies on glaciers in Asia and information and data sharing among the Asian countries as a factor of trust between the countries. The speaker emphasised on building trust based rules and norms, as water is a transboundary issue.

Huang Ying presented a paper on 'Urbanisation and Water Security in China'. The speaker gave a brief introduction to the challenges faced by China in securing water for its urban population and argued that the shortages of quality water is the main problem. Huang analysed China's policy to tackle water challenges and identified five categories: quality drinking water, fighting floods, food security, safe supply of fresh water, and safeguarding eco-systems. While illustrating such measures, the speaker gave insight into the implications in each of these policies. The speaker briefed the inadequacies of the water diversion projects against the rising water consumption in urban China. Efforts at desalination of seawater have gained importance in managing water resources in China though it is cost intensive. The measures to control water pollution and preventing industries moving into residential areas have moved industries from coastal areas to the hinterland. The speaker suggested that China needs to play more active role in bilateral and regional cooperation in international rivers, information sharing, and move to develop domestic legal framework for protection of international rivers.

Yashika Singh spoke on 'India's Resource Economy: Possible Choices and Probable Outcomes'. She argued for what India could do 'inwardly' and what policy it could develop to utilise resources available in India. The speaker while examining Chinese supply response argued that it follows the model of 'buybuild-acquire'. According to the author, India while not up to the world average of resource utilisation, could increase its resource supply by adopting various measures such as increase in manufacturing, infrastructure and urbanisation. The speaker explained that the need for India is to identify the kind of resources it has and increase the supply to meet the demand.

Discussion

A number of issues and queries were raised during the discussion.

- The discussion reflected the role of China assuring other lower riparian states with regard to the diversion of water from south to north. One of the concerns is the role of China in enabling data and information sharing with the riparian states and water treaty with these states. The inefficient management of resources in both China and India needs to be taken care of before delving into regional cooperation.
- Comments were placed on China having more cooperation regarding water with Southeast Asian and Northeast Asian countries, in contrast to South Asia. It was also pointed that China needs to be more open about water issues and as a responsible power, it should engage with lower riparian on water concerns.
- The issue to reduce demand is linked to the control of price since there is unserved demand with respect to energy resources. Since there is no authoritative data on glaciers in South Asia, it is difficult to predict water scarcity and most water transport projects are about monsoon waters. The strategic issue for Asia is whether China's rise would contribute to increase the resources available for utilisation or constrain other country's choices to gain energy resources.

It was pointed out by the Chinese speaker that the China has no intention to divert water from Tibetan plateau, as it cannot afford ecological disasters as with the case of Three Gorges Dam. Another obstacle in

the response of China is that it perceives that India would use cooperation regarding water resources to claim disputed land because of the border dispute.

Report prepared by Ms. M.S. Prathibha and Ms. Titli Basu, Associate Fellow and Research Assistant at IDSA respectively.

Session 5: Ocean Governance in Indo-Pacific

Chairperson: Ambassador Sudhir Vyas

KV Bhagirath	You Ji	Lan-Anh T Nguyen	Anup Singh



The session was chaired by Ambassador Sudhir Vyas. In his initial remarks, the Chair dwelt on why the issue of ocean governance in the Indo-Pacific is important today. He held that economic growth in the Indo-Pacific region is driving economic links of different countries in the world with resource rich Gulf states and Africa, which makes I-P one of the busiest trade corridors of the world and adds to its geo-strategic significance. It is not only the littoral states of the region that rely on the sea lanes for their energy and material resources. A third of world's bulk cargo and 2/3rd of global oil pass through Indian Ocean and west pacific. Yet outstanding sovereignty issues remain along with unsettled frameworks for resources management. Readjustment of regional and international postures by important global players for maritime dominance and jurisdiction to safeguard their own interests adds to potential risks of misunderstanding. The Arabian Sea is a region or as a maritime domain has been badly impacted by piracy in past years and risks continues to linger. Poaching and unstainable fishing, natural disasters like cyclones, earthquakes, Tsunami and environmental risks from oil spills make it a heady cocktail that underlines the criticality and difficulty of developing institutional structures to deal with the issue.

The new geostrategic construct of Indo-Pacific is gaining traction and it integrates Indian Ocean and West Pacific into a composite region. Nevertheless the issues of the two subregions have their distinguishing characteristics and separate dynamics. Situational differences require each to develop its own institutions and structures to deal with the issues that it faces. Yet the concept of Indo-Pacific recognizes that future challenges will impact both the regions given their economic and strategic interdependence. The primary stakes and responsibility for stability and security of the domain lie with the states of the subregions whose intersecting economic interests and a stake in the common domain should push for a regional security order that can maximize strategic convergences and manage differences. Yet the ongoing shift of balance of power in the Indo-pacific region will need to be anchored in institutional arrangements that are flexible, open, inclusive and most importantly responsive to the needs of the states concerned to build a regional climate conducive for peace and security and the challenge is also to manage diversity because there is vast power asymmetry among the states of the region.

How are the states of the region responding to the challenges that confront them? The IORA set up in 1976 has struggled to adapt to changing needs of the times. It has now identified priorities for its action and gradually shifted its attention to taking on issues that had not been on its agenda earlier. Necessary steps are being taken through an inclusive approach and in conformity with its charter to play the role as an apex organsiation in the IOR which can effectively deliver on issues of contemporary relevance.

At Perth last year IORA comunique declared that it would try to "to broaden and deepen efforts through IORA to bolster maritime security and safety particularly in the light of continued threats to maritime commerce and freedom of the high seas, consistent with the UN Convention of the Law of the Seas (UNCLOS) as well as on the safety of the seafarers".

There are other institutions and mechanisms in the Indian Ocean region with similar objectives like IONS very much like WPNS seek to promote cooperation among the navies of the region by providing an inclusive forum for discussion of regionally relevant maritime issues. Other initiatives at bilateral and plurilateral levels (Indian Ocean Commission, African Union) have taken place too to address these issues. In the West Pacific, the Declaration of Conduct (DoC) of parties in South China Sea in 2002 is being carried forward and discussions on a Code of Conduct (CoC) are in progress. It may not be easy however because it will have to sidestep major sovereignty issues while protecting economic and security interests of all the players. And there is logic in expecting an early conclusion of the process.

The papers were presented by <u>KV Bhagirath</u>, <u>You Ji</u>, <u>Lan Anh</u> and <u>Anup Singh</u> in this session

While presenting his paper, Ambassador Bhagirath, Secretary General of Indian Ocean Rim Association (IORA)— until November 2013 it was Indian Ocean Rim Association for Regional Cooperation (IOR-ARC)— focused on the functioning of the IORA and the promises that the organisation has in the coming days. He regretted the fact that in spite of a rich and robust maritime history on the the fact that Indian Ocean region, very few Indian Ocean rim states have developed any integrated ocean policy to address their economic and security imperatives. Many of them are short of resources, capacities and assets to guard their maritime sovereignty and protect their interests. With new regional powers emerging in the region competing for influence and resources of the region, which are central to their growth and development, both intra- and extra-regional trade have grown exponentially. IOR countries are all aware that as far as passage through Indian Ocean in concerned, geography has ordained natural constraints for them in the shape of chokepoints on all sides. For countries seeking energy, and resources, therefore, ensuring security is very important.

He identifies many non-traditional threats emerging in the horizon as well. On the high seas, issues like environmental degradation, overfishing, protection of economic zones, scourge of piracy and trafficking in narcotics and human beings, and presence of private armed vessels to provide security against piracy, are becoming increasingly important.

He talked about the new concept of ocean economy and held that exploitation of this last frontier (of oceanic waters) had the endorsement of multilateral and international agencies and business bodies. The intermingling of strategic interests and economic interdependence between regional and extra-regional states is quite evident today. All this has transformed Indian Ocean into a frontline of geo-strategic theatre and a veritable lifeline of global economy.

Introducing IORA, he acknowledged that as an apex body it had a big role to play. Consisting of 20 member-states in a maritime region washed by Indian Ocean starting from South Africa in the west till Tasmania in the east, IORA covers almost all rim countries excepting Somalia, Pakistan and Myanmar. IORA also has dialogue partners Egypt, China, France, Japan, UK and USA, which gives it a Pacific context.

He admitted that even if IORA was launched in Mauritius in 1997 its achievements remained debatable. This was because of a combination of reasons like lack of direction, absence of interest among member states, sparse resources, and lack of homogeneity and cohesiveness. However, he would terms the year 2011 as a defining moment for IORA, when India assumed its Chairmanship. It was then that the priorities of the organisation were completely overhauled and reformulated, in consonance with the geostrategic challenges confronted by the states. Top priority was accorded to maritime safety and trade and investment. Indian contribution of \$1 million to the IORA project fund also regenerated interest in IORA activities. India's dynamic leadership has over the last two years created a critical mass of interest in IORA. Australia and Indonesia have also taken due interest and they will take over the chairmanship from India in the coming years.

He was optimistic that the possibilities for IORA delivering in its promises will expand in the coming days. The troika mechanism within the IOR— consisting of the past, present and the future chairs— which takes decision on behalf of all the twenty members will succeed in making the organisation more effective. Interest shown by some other countries like Singapore, Thailand, as well as some of the dialogue partners like China, US and Japan may be critical in revitalizing the organisation.

Emphasising the need for expansion of the scope of dialogues among member-states, Amb Bhagirath said that so far, IOR charter has been focused on economic cooperation and development. Political issues are kept out of the purview of IOR discussions. However, the forum can provide a platform for multi-track dialogue and cooperation. This are being taken up discussion with all seriousness. Future chairs will have a big role to play in making IORA more effective in the days to come.

Prof You Ji, presented his paper on "Meeting the challenge of a la carte maritime disorder in the Indo-Pacific region", sought to clarify some of the misconceptions about Chinese perspective, as he understood it. He held that it was important to lay emphasis on crisis prevention and crisis management rather than on conflict resolution. Focusing on the controversy surrounding nine-dotted line, which outlines the Chinese claims in the South China Sea, he said that the line was claimed by China way back in 1947. Hence, the line is 35 years older than UNCLOS. He argued that UNCLOS could not be applied to deal with a problem 35 years older than it. In 1992, in the UNGA, Jiang Zemin met Suharto to restore bilateral relationship. In the dialogue, Suharto raised the issue of nine-dotted line encroaching on Indonesian EEZ. Jiang Zemin clarified that the line applied only to the islands and the adjacent waters surrounding the islands. In 1993, China in its diplomatic notes to Indonesia explaining Chinese position on the nine-dotted line. Hence, the line does not cover all the waters, as it is being mistakenly held.

As far as the issue of EEZ is concerned, out of all the islands in the Spratleys, only one is entitled to its EEZ, which is occupied by Taiwan. China, he said, had not yet drawn maritime baseline and boundary around Spratleys, as it had done in the case of Paracels or in the Hainan provincial area. The view that China has made EEZ claims was not correct because the baselines for maritime boundary have not yet been finalized. China has not shied away from either multilateralism or bilateralism. Multilateralism is mainly for crisis management or territorial dispute control. This is indicated in the Declaration of Conduct (DoC) and Code of Conduct (CoC). In such multilateral negotiations, the claimants with the help of outside world can lay down legal framework to stop countries from pushing beyond a point to generate tension or crisis. China is actively participating in negotiations for evolving a CoC. This runs contrary to the distorted view that China prefers bilateralism to multilateralism because as a big country it can intimidate smaller countries in a bilateral setting. However, bilateralism is more suited for attempts at sovereignty resolution compared to multilateralism. He contradicted the view that China gained from bilateral negotiations over land boundaries with smaller countries in the neighbourhood and argued that in its landborder deals with countries like Pakistan, Burma and Mongolia it incurred territorial losses.

Bilateralism is a policy of preference for Beijing but it is not averse to multilateralism. Multilateralism is more suitable for crisis management and crisis prevention rather than dispute resolution. We must first work on crisis management at multilateral level, then move to sovereignty resolution at bilateral level.

As far as the issue of freedom of navigation in the South China Sea is concerned, he said that China has not on any occasion impeded movement of any vessel in the region. Citing the case of USS Impeccable, he said that it was deliberately misrepresented by media without a proper understanding of the South China Sea. It consists of three parts— the Hainan Island part, the Paracel part disputed between China and Vietnam and the Spratley part, which is also disputed. The USNS Impeccable incident happened in March 2009, in the undisputed area close to the Hainan island, where US spy planes were on a reconnaissance mission and it was electronic warfare and the issue of freedom of navigation did not arise. In March 2010, during Sino-US discussions, China firmly declared that South China Sea was China's core strategic interest referring to US spying activities close to a Chinese nuclear submarine base in Hainan. Moreover, the vessel emitted signals which harmed marine ecosystem.

You Ji also cited the case of the EP3 incident of 2001 and said that it took place at a time when China was conducting intensive military drills. China intercepted it because it was an issue of military security rather than freedom of navigation. The USNS Cowpens incident of December 2013 was also brought in to explain Chinese behaviour in face of what You Ji said was an American attempt to get dangerously close to an area where Chinese carriers were conducting some naval exercise. Keeping all this in view, Prof Ji said that it was debatable as to what kind of an acceptable maritime governance system should be there to deal with issues where the issue is not about resources but about sovereignty.

Lan-Anh T Nguyen, Director of the Centre for Legal Studies of the Institute for East Sea (South China Sea) and Vice Dean of the International Law Faculty of the Diplomatic Academy of Vietnam, focused on "The quest for effective ocean management in the South China Sea". She provided a counter to Prof You Ji's perspectives on South China Sea (SCS) in her paper. She argued that South China Sea was a sea of resources as well as a sea of disputes. She informed the audience that according to EIA estimates, SCS has higher potential than Europe as far as hydrocarbon reserves are concerned. Moreover, SCS has vast fishing potential as well. It is also one of the busiest maritime routes in the region. Therefore, the disputes in the region need to be addressed by the countries in the region.

She held that You Ji's contention that China came out with its declaration on ninedash/dotted line in 1947 did not legitimize the Chinese claim. Vietnam also had similar claims in 1914. She argued forcefully that China had not made its stance on nine-dotted line clear enough and this was a problem. Referring to Prof Ji's argument that China only claimed islands and waters adjacent to it, she said that there was a need to define the word "adjacent". She disagreed with Prof Ji that UNCLOS was irrelevant because it was 35 years younger than the nine-dotted line, and said that there had to be some legal basis and some customary international law to govern state behaviour to ensure international peace. The waters claimed made by China in South China Sea lie within the continental shelf of Vietnam. There was a need to have fishing regulations and manage resources to ensure stability. She drew attention of the audience to existing instances of cooperation in the overlapping maritime zone between Malaysia and Vietnam to jointly develop the area. Similar attempts can be made among other countries in the region. Dwelling on the concerns raised by a Chinese scholar during the course of the discussion in the conference about Vietnam inviting Indian and US companies to prospect for hydrocarbon resources along the Vietnamese shores, she said that it was necessary first to discuss the jurisdictional claims by China in the region. If China was concerned then it has to clearly spell out what it meant by the nine-dotted line. The nine-dotted line for example covers 60 per cent of continental shelf and EEZ of Vietnam, 75 per cents of Philippines, 85 per cent of Brunei, and 80 per cent of Malaysia and 25 per cent of Indonesia. In the absence of a formal interpretation of the meaning of the nine-dotted line by China it is difficult to ascertain the zones where joint explorations with China can be made.

She expressed her dismay about the adoption of a "3-no principle", by China when it came to discussing the disputes, i.e., no participation, no response and no implementation. She said that Chinese stance that all its claims were indisputable shut the door on dispute management. Saying that China's willingness to participate in dialogues was encouraging, she expressed her hope that without parroting its usual line that time was not ripe yet for resolution of these disputes, China will participate meaningfully in the discussions in multilateral arrangements like Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), Information Fusion, Centre (IFC), Indian Ocean Naval Symposium, Western Pacific Naval Symposium. With China poised to take the lead in West Pacific Naval Symposium endorsing the Code of Conduct this time as the chair. The two symposia, IONS and WONS, having overlapping memberships can exchange their best practices and put them to good use.

Admiral Anup Singh, in his paper titled "Time to discipline the sea lawyers" provided a useful overview of the evolution of norms of ocean governance, or international principles governing the maritime domain. He said that in the past there were attempts by powerful states to claim sovereign rights over the seas. Romans laid exclusive claims over the Mediterranean. The Iberian empires claimed most parts of the world in the middle ages. A Papal edicts were issued in in 1493 support of the claims by imperial powers like Spain and Portuguese— it granted Spain all lands to the west and south of a pole-to-pole line of any of the islands of the Azores or the Cape Verde islands, and the Portuguese were given all land to the east, except the land belonging to the Christian Kings. The Dutch were worried about it and tasked Hugo Grotius with the job of providing a defence of the Dutch rights. Grotius came out with his famous treatise mare liberum, which argued out the case of free seas and held that oceans were open to every country and free to navigate by all of them. The British followed the Dutch and commissioned John Selden to provide their perspective. He advocated mare claussum or the concept of closed seas and held that seas could be appropriated like territory. Conflict between these two principles led to controversies about competing claims by maritime states on the waters close to their territories. They made their maritime claims on the principle that their right over the waters extended seawards from land. Cornelius Bynkershoek in his De dominio maris (1702), came out with a compromise principle of restricting maritime dominion to the actual distance within which cannon range (3 nautical miles) could effectively protect it. This was known as the famous cannon-shot principle. Increased harvesting of fish and exploration of minerals led in early twentieth century to further revision in maritime thinking. Harry Truman in 1945 proclaimed American jurisdiction over its entire continental shelf, which included the seas, the ocean floor and subsoil. This led the United Nations Convention on the Law of the Sea (UNCLOS) to evolve the principle of continental shelf and place it under the legal ownership of a coastal state. UNCLOS was born as a conference in 1973 and after 9 years of negotiations it came up as one of the greatest UN Treaty or Convention if the free world. It was a total package in that it included codification of all the principles concerning the maritime domain, i.e., territorial sea, contiguous zone, EEZ etc.

Admiral Singh also discussed in detail some maritime disputes predating UNCLOS like Cod Wars (England/Iceland), problems in Indonesian Archipelago waters, competing claims over the Senkaku/Diaoyou islands, and also disputes in South China Sea. He also briefly covered the case of Air Defence Identification Zone (ADIZ)-overlaps in the East China Sea. He concluded by saying that issues like this can be addressed through mutual understanding and cooperation. He argued that UNCLOS-IV will be difficult and in view of the disputes about the convention itself and it may take a long time to mature, and hence seeking a review commission through United Nations Open-ended Informal Consultative Process on

Oceans and the Law of the Sea and bring all UNCLOS members and stakeholders may be of some help to evolve norms to deal with outstanding issues.

The Chair concluded by saying that in the West Pacific region there was a need to push for conflict management at the moment, while in the Indian Ocean region, there was a need to evolve into a layered structure with institutions at the regional levels, like IONS, various regional economic for a and overlapping regional organisations like IOC, African Union, ASEAN etc, with IORA as an apex organisation acting as a facilitator at the top. That is the way forward.

Report prepared by Dr. Ashok K. Behuria, Research Fellow, IDSA.

Session 6: Assessing Risks: Cyber and Critical Infrastructure

Chairperson: Nehchal Sandhu



The session was chaired by Nehchal Sandhu. The four panellists were Gulshan Rai, Timothy Legrand and Saskia Hufnagel; Simon Bronitt and Ashutosh Misra. The session looked at the world as an interconnection with sharing risks and vulnerabilities. Some of the biggest security challenges will come from the cyber space. As cyber-attacks and hacktivism increase, challenges to information sharing will mount. Against this backdrop, how then will governments and policing bodies cooperate on law enforcement and sharing information? The lens also shifted to civil-military cooperation and how 'calling out the troops' to combat emergencies occurs in countries with a comparative study on Australia and India.

Gulshan Rai gave a panoramic view of cyberspace, explaining the complexity on a country by country and region by region basis. There were vulnerabilities at the infrastructure level, such as submarine cables, fibre optics, and at the user services provider level, such as citizen centric centres, Internet Service providers (ISPS), mobile services providers. While the more complex attacks occurred across layers, the magnitude of vulnerabilities was highest at the application layer since that presented the intersection of end user, changing software/applications and devices for which the vulnerabilities were as yet unknown. Taking social media as an example, while the best known networks were Facebook and Twitter, similar networks existed in areas ranging from medicine to entertainment. Mobile phones had become the first point of access to social media for 61% of the Indian population. Traditional security measures such as antivirus packages and firewalls were insufficient in the face of threats that kept mutating and expanding. Rai explained that cyber-crime and cyber security had become two sides of the same coin since breaches in cyber security gave rise to cyber-crimes. The speaker pointed that state actors, non-state actors, corporate and terrorists are taking advantage of the vulnerabilities. The difficulties of attribution largely contributed to this complexity.

The challenges faced included technical challenges such as encryption and the presence of back doors. This was compounded by the lack of an international legal framework to manage these variables. Under the circumstances, the best that a country could do was to ensure that its cyberspace was made secure to the extent possible through creation of adequate legislation, enhancing law enforcement capabilities, and capacity development. Compared with the speed at which cyber-criminal activities took place, the speed

of co-operation was glacial, and there was a need to evolve a fast mechanism for information sharing, incidents mitigation and threat assessment. Even within the region, a cooperative institution like APCERT held exercises only twice a year.

Tim Legrand and Saskia Hufnagel explored the changing nature of 'threats' to the state and the new strategies pursued by governments towards increased informal modes of cooperation and collaboration with international and private sector partners to offset these threats.

Hufnugel postulated that in the fight against terrorism, there were informal networks at the internal level, formal levels at the federal/national level, and a mixture of the two at the regional level with particular reference to the European Union. They all came with their advantages and disadvantages. As a case in point, the INTERPOL is an informal network of international police forces, bound together by an agreement that was not legally enforceable. This has thus resulted in anomalies varying from an inability to collecting membership fees to having procedures such as RED Corner Notices abused for political purposes. The example of the formalised structure at the federal level was the Australian Federal Police who operated under a very clear structure. They were not considered as real police since they were only engaged in investigation and did not have sufficient practical experience. Examples of the 50-50 approach could be seen in Europe where there were organisations such as EUROPOL which had formal structures as well as organisations such as the Terrorism Working Group which was a completely informal structure.

Legrand noted that while the cyber era had brought enormous benefits across developed and developing countries, the fact that the ownership of much of the infrastructure was highly fragmented geographically and in private hands presented a unique problem to governments. For example, Britain had a two tier approach, centralising the protection of the minority of critical infrastructure run by the government, while providing informal advise and support to the private sector. The fragmented nature of the cyber sector with multiple requirements made it difficult to have homogenised standards and a cohesive architecture.

Simon Bronitt & Ashutosh Misra focused on issues related to the use of emergency powers to combat terrorism and insurgencies through legal and constitutional frameworks such as those authorising the domestic deployment of the military in aid of civil power, and legislation authorising the military to use lethal force against hijacked planes pre-emptively to counter attacks similar to 9/11. They analysed how modern democracies like India and Australia could combat internal security challenges effectively, while remaining compliant with the relevant international treaties and conventions, constitutional and domestic laws relating to human rights, as well as fundamental liberal ideals related to the Rule of Law and separation of powers.

Key Indian counter-terrorism legislation such as the Armed Forces (Special Powers) Act 1958 (AFSPA), the Anti-Hijacking Act 1982, and Unlawful Activities (Prevention) Amendment Act 2008 was compared in the paper with the relevant Australian legislative provisions.

Mishra traced the evolution of anti-terrorist legislation down the years suggesting that the most salient lesson from the analysis was that the aftermath of any terrorist incident or crisis leads to broad emergency powers and legislation leading the government to subsequently assuage international concerns regarding human rights violations. An analysis of the controversies surrounding the Armed Forces Special Powers Act over the years and successive reports by committees constituted by the government show this to be the case with respect to India.

According to Bronitt, the time was right for moving away from discourse of human rights and international law to comparative law. The moot question was how can modern democracies combat internal security challenges while remaining compliant with human rights and other laws within respective countries.

Among the principles which formed the basis of the Act was that the Australian Defence Force (ADF) would would be called out only as a last resort; that civil power would remain paramount; ADF members would remain under military command; if called out, ADF members can only use force that is reasonable and necessary in the circumstances; and ADF personnel remained subject to the law and are accountable for their actions. The Amendments also provided immunity to the ADF from civil and criminal liability under certain conditions. Subsequently, the ADF has been deployed many times to deal with internal disturbances, including a controversial deployment for over a year in the Aboriginal Territories.

By way of concluding, Bronit noted that comparative analysis of the type carried out was not without its challenges, necessitating both technical domain knowledge as well as historical understanding. Nonetheless, with militaries increasingly working within borders, and performing roles and functions as an adjunct to policing in liberal democracies, this was necessary if the discourse was to move beyond a human rights critique to one of considering alternate models. Modernising the legislation to focus on the broader role of the military in contingencies ranging from law and order to natural disasters would bring about a balance which would benefit the military on the ground. The training to the military could be expanded to include political and cultural aspects as well as human rights.

In the Q&A session, the Chair made a few clarifications regarding some of the statements made by Mishra. He noted that the first attacks from the sea took place in 1993 at the time of the Bombay blasts. Even where the AFSPA is in force, the Indian Penal Code and the Criminal Procedure Code are still supreme. He also pointed out that the *Habeas Corpus* was not suspended when AFSPA was in force.

In the discussion it was noted that International Co-operation on cybercrime was mired by procedural issues. The privacy concerns in different countries also added to the confusion. As a case in point, when attacks were traced to specific servers in foreign countries, even basic registrant information was withheld citing privacy laws. In the Indian case of cybersecurity, a Crisis Management Plan was put out in March 2013 and thereon a Cybersecurity Framework was approved in May 2013 which apportioned duties to the relevant parties in the government and private sector. The Nation Cyber Security Policy was sanctioned in June 2013 with 41 action points. In the European context, the EUROPOL is now responsible to the European Court of Justice which makes it a more formal structure. The Data Protection Framework has consequently been tightened around it. It was clear from the discussion that real-time co-exchange of information on cyber incidents needed to be enhanced.

Report prepared by Dr. Cherian Samuel, Associate Fellow, IDSA.