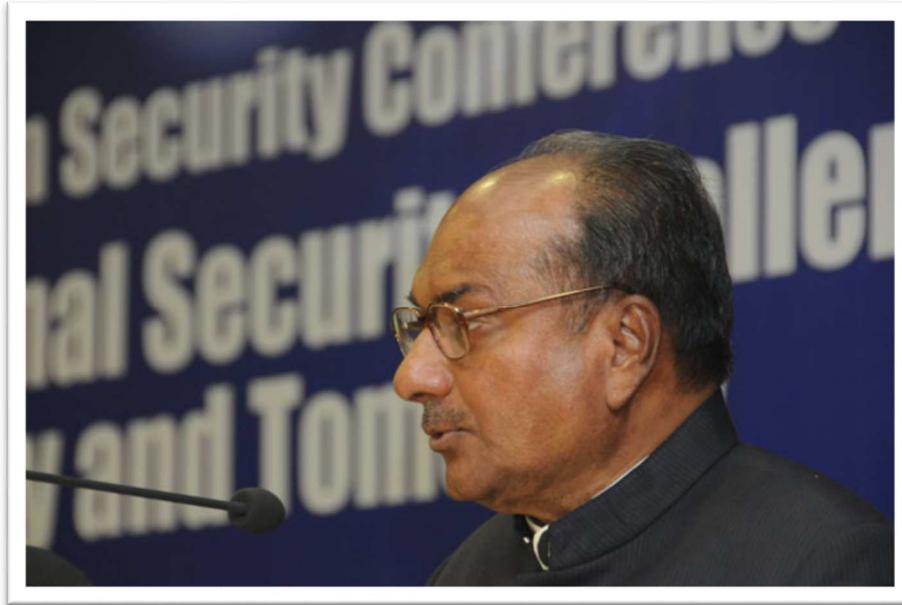


RAPPORTEURS REPORT

**Non-Traditional Security
Challenges- Today and Tomorrow
February 13-15, 2012**



Inaugural Session



Director General IDSA Dr Arvind Gupta in his opening remarks welcomed Indian Defence Minister as well as the distinguished guests and the scholars from around the world. Highlighting the aim of the Asian Security Conference (ASC), an annual feature at the IDSA since 1999, the DG stated that the common objective of these conferences has been to identify the emerging security trends and to understand how they impact on the global and regional geopolitical environment. On the theme of the 14th ASC, being held this year, he argued that the concept of non-traditional security issues is still evolving and not defined precisely. However, there is a general agreement among scholars that the traditional concept of security, which focuses on inter-state relations, conflict and military issues, is too narrow to fully describe the security challenges of today.

The DG also pointed that a considerable effort is required to understand the interplay between traditional and non-traditional issues. He stated that some of the non-security issues are beginning to have serious geopolitical and geo-economic impact. He identified key traditional security issues such as climate change, international terrorism and asymmetric warfare, maritime piracy and Sea Lanes of Communication, competition for scarce resources and food and water scarcity which can have major impact on societies and inter-state relations.

He pointed that a common feature of the non-traditional security threats is that they are transnational and thus wider international cooperation are required to tackle these threats. He hoped that many of these issues will be discussed at length by experts and scholars during the 14th Asian Security Conference and the deliberations of the conference will bring forth new ideas which will enrich our understanding of the challenges arising out of Non-traditional security threats.

Indian Defence Minister and President IDSA Shri A K Antony while delivering keynote address stated that over the years, Asian Security Conference has emerged as a platform to discuss and analyse the recent trends in security across the world. The Conference provides the scholars a unique opportunity to understand each other's perspectives and identify common issues for cooperation.

He noted that the theme of 14th ASC- "Non-Traditional Security Threats: Today and Tomorrow"- is extremely relevant as the non-traditional security factors continue to pose a threat to nations in general and

Asia, in particular. He cautioned that the growing world population will put enormous burden on existing natural resources and competition to acquire these resources can lead to conflicts among various countries in Asia.

The Minister stated that terrorism, drug trafficking, money laundering and transnational crimes are common concerns the world over and nations must draw up collective measures to counter and defeat such threats. He further observed that water is fast emerging as a major source of insecurity and a potential issue for conflict among nations. Thus, nations need to cooperate on sharing water and initiate collective action for preserving our common environment.

The Minister identified cyber security as a critical area of concern noting that breach of cyber networks can cause untold damage to the security of any society or country. Nations must take serious and prompt note and cooperate with each other to strengthen seamless cyber security. Against this context he suggested to set up multilateral regional framework of Asian countries to tackle these challenges. He also articulated the need to establish a network of Asian think-tanks to hold regular dialogues on security issues. He hoped that the Asian think tanks can make common recommendations to governments to address challenges of non-traditional security threats.

In lieu of conclusion, he emphasized that peaceful coexistence and equitable development are the keys to the future and security of nations in the Asian region. He hoped that scholars participating in the Conference will hold comprehensive deliberations on these issues and will come up with innovative ideas to aid planners and policy makers.

Report prepared by Shamshad A. Khan, Research Assistant Institute for Defence Studies and Analyses, New Delhi

Session-I: Traditional Vs Non-Traditional Security Issues: Conceptual Framework

Chairperson : T K Oommen

Rear Admiral Neil Morisetti	John Jackson Ewing	Cleo Paskal	Col (Retd) P K Gautam
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The opening session was chaired by Prof T.K. Oommen. There were four speakers in this session who presented their papers on the conceptual and practical challenges of traditional versus non-traditional security issues and sought to arrive at a clearer conceptual framework through which these issues can have a better understanding.

The first panellist, Rear Admiral Neil Morisetti focused on the issue of “Traditional and Non-traditional Security Issues” from a UK perspective. At the outset, he pointed out that in the 21st century the states are confronted with a number of new security challenges which necessitates a change in the way the states approached these challenges. As a result of the impact of globalisation and consequently more interconnectedness of the world, any change in one part of the world affects the other.

Highlighting the issue of climate change, Morisetti said that food, energy and water issues are all linked to climate change. He said that the consequences of climate change would add to the stressful environment prevailing in some parts of the world possibly leading to conflict which is a traditional concern. For instance, in the equatorial belt there is conflict within states and as well as with other states, the consequence being loss of land and livelihood.

That brings us to the question to what is to be done. He suggested that strategic thinking should go beyond the political and planning horizon. It must begin to encompass the government, private enterprises, public life and so on, in other words there must be a horizontal progression of things especially within the government. This will lead to more coherent political agenda's. He was of the opinion that addressing non-traditional security threats on the same platform as other challenges such as economic recession, is difficult.

But he believed that traditional tools could be used to address non-traditional concerns. Finally, he said that NTSI must develop into a public, private, government as well as an academia issue. It is not the responsibility of any one nation or global entity but unified global action.

Mr John Jackson Ewing from RSIS, Singapore, presented the second paper of the session where he outlined the conceptual and practical challenges that occur when NTSI are placed under the rubric of securitisation. Security, he said, has manifold meanings. Since the cold war, the concept of security has become more and more institutionalised and now finds itself high up in the decision making echelons.

Some of the questions that Mr Ewing sought to answer are: How do the food, water, energy and environment issues put under securitisation? Who has the power to do so and does it add value to the discourse by doing so. He pointed out that the traditional security paradigms like force capability, great power status, great power rivalries, and threat manipulation are still the same. What has changed is that domestic factors and NTSI are now beginning to be taken into account as well. Referring to the UNDP report of 1994, he said that so far as the human security is concerned, protection from crime, hunger, environmental hazards, disease, economic security etc are very important. However, by absorbing NTSI in to traditional threats reduces the value and coherence. Human security is very comprehensive which covers many aspects of security. However, a concept as broad as this can be used by policy makers with policy prioritisation.

Ms Cleo Paskal focussed on the geopolitical aspects of environment change which she regarded as a very traditional security threat. Beginning with the understanding that environment is the physical foundation of everything which we build and we largely carry on living assuming that this environment will remain the same. She graphically pointed out several instances where critical infrastructure has been damaged due to environmental changes. During the course of her presentation the Kautilyan precepts of power; place and time were shown to be closely linked to environmental context. Similarly, the weather and terrain had implications in Sun Tzu's philosophy too.

To ensure more clarity Pascal introduced two case studies, the first one being- environmental change and legal infrastructure, particularly the UN law of the sea. The central question is: if land disappears, then what happens to the territoriality of the waters. She hoped for more strategic foresight into environment change.

Moving on to the geo political aspect of environment change, she brought up the Arctic ocean issue. This particular region has all the geo's i.e geo economic, geo physical, and geo political. She pointed out that due to the thawing of the permafrost not only is more energy accessible, the sea routes and sailing patterns of major economies like China will change, therefore expanding the Arctic issue from a regional to a global issue.

Col P.K. Gautam from IDSA explained the conceptual framework of the subject from an Indian and Asian perspective. He focussed on the reasons for increase in NTS threats; broadening, deepening of the concept by providing more inclusiveness to human security; United Nations and the evolution of the NTS; and also on the securitisation and risk analysis. He stressed upon the issue of bringing environmental security into the discourse of international relations theory and security studies more actively. He pointed out that non-military threats are wider and need to be understood from a multi and trans-disciplinary approach. He also felt the necessity of involving policy makers, the elite, academics and a larger public in this ongoing debate and suggested the state must be in the forefront in combating these threats.

The chairperson, Prof. T.K. Oommen summed up the discussion from a sociological perspective. He said that the session focused on the dichotomy between the two which he said was a 'temporal inverse'. He

opined that the discourse suffered from too much ‘conceptual obesity’. He identified three types of violence such as physical; structural and symbolic and said that these are important to the conceptual framework of the security issue. He felt the necessity of arriving at a concretized conceptual framework for securitisation and observe the intertwining continuum between these three kinds of violence. Security, according to Prof Oommen, is a joint concern of the state, market institutions as well as civil society.

The Q and A was lively. The discussions lay stress on the fact that military continues to play an important role in mitigating non-traditional security issues. The entire panel was in concurrence that issues like food, water, energy, climate change, disease, drug trafficking etc erstwhile considered as outside the purview of security discourse cannot be sidelined anymore. On India the general view was that it cannot alone mitigate all the challenges, since it is still a poor nation and can only adapt. It was also pointed out that China’s growth path has exposed its domestic vulnerabilities. Also, in response to giving the military engineers suitable role in dealing with climate change, it was argued that while the idea is good it can also be misused by the political establishment. All in all, the domestic and international institutions need to further evolve and develop mechanisms to engage each other more adequately, in order to be better equipped to deal with these global challenges.

Report prepared by Akash S Goud, Research Intern and Saroj Bishoyi, Research Assistant, IDSA, New Delhi

Session II : Water Security

Chairperson : Leela K. Ponappa

Tinh Dinh Le	Robert Wirsing	Uttam Kumar Sinha
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Chair: Leela K. Ponappa

Tinh Dinh Le

Water security Issues in Southeast Asia: in Search of Mechanisms, Regulations and Norms

Dr. Tinh Dinh Le's paper highlighted on the work by Council for Security Cooperation in the Asia Pacific (CSCAP) regarding water security while focussing on mechanisms, regulations and norms within his paper. He stated upfront that water security is a formidable challenge in South and Southeast Asia. Second, the existing mechanisms in the region are not adequate in dealing with water security issues, Mekong River Commission (MRC) being a typical example. To make institutions like MRC effective the states must strengthen institutionalization, increase efficiency, and expand membership.

Moreover, MRC should have dispute settlement mechanisms as well. MRC so far looks more on processes and not on ensuring that members are bound to its principles. Moreover it has no dialogue with civil society, private sector or other actors. To this he proposed solutions: one, member states should have strong political will towards establishing institutions which address water security; improve efficiency through transparency and responsible leadership; and institutional growth. Moreover, he emphasised the role of ASEAN wherein this forum can be utilised to accommodate the interests of Southeast Asian countries towards water security. This can be achieved through incorporating ASEAN Regional Forum (ARF), through confidence building as well as diplomatic measures, through ASEAN+1 with countries like USA, India, Japan, etc.

Robert Wirsing

River diplomacy in Himalayan Asia: On the Way to Calamity?

Himalayan Asia has 17 countries. However, the paper dealt with four states: China, India, Pakistan and Bangladesh. He warned that the Himalayan Asian region is in the midst of unprecedented crisis emanating from water rivalry among these countries. He put forward four propositions to highlight the gravity of the water crisis in the region. One is the gap between demography and fresh water availability. Countries like China, India, Pakistan and Bangladesh will have surge in their population by 2050 which will make water resources unsustainable. Second, there is gap between water availability and arable land. The third, proposition was that food security is connected with water availability. Fourth proposition was on Yarlung Tsangpo/Brahmaputra and China, wherein the latter is not forthcoming in sharing of information regarding the building of dams and diversion water. Chinese moves have caused huge concerns in India and Bangladesh.

Several wars have been fought, wherein water has been one of the factors, though the percentage might have been small. Moreover, international law, bilateral and multilateral mechanisms, and international institutions like UN, cannot be relied upon. There is an extraordinary sluggishness in ratifying treaties among member states.

Uttam Kumar Sinha

Prospects and Challenges of Hydro-diplomacy in Water-scarce Regions

Dr. Uttam Kumar Sinha opened his presentation by remarking that hydro hegemony is an important feature of river basins. Over 263 transboundary lakes and rivers comprise half of the Earth's land surface, wherein the transboundary waters comprise of the largest shared resource in the world. The last 60 years have seen only 37 'acute disputes' involving violence, compared to 200 treaties/arrangements that have been signed. However, this does not rule out the possibility of future wars on water.

Legal agreements on water sharing have persisted in spite of conflict over the issue. There are elements of resource cooperation namely, between Mekong Basin countries since 1957, between Jordan and Israel since 1955 etc. Treaties formed earlier will not hold forever. In fact two elements determine the water security: exponential function due to pressing needs, demographic changes, etc and two, climate change.

Next, he addressed the question 'what does the water sector tell us?' First, water is indispensable and there is no substitute. Second quality and health needs to be maintained. Third, there is ever expanding gap between demand and supply which may led to contest—an exponential function. And lastly hydro diplomacy is required to address these problems. The key geo political question is of hydro-politics—preciousness of water translates to possessiveness and at times to resource aggressiveness. Water insecurity relates to availability, reliability and quality. Water insecurity relates to insecurity arising from control of headwaters (one who controls headwaters i.e., the upper riparian state has the advantage).

Hydro diplomacy is determined by hydro hegemony. There is a great deal of power play in the river basins. Hegemony at the river basin level can be achieved through water resource control strategies, integration and containment. This arises especially when there is an asymmetry of power. Power asymmetry in a river basin is determined by one or several states over others, termed as riparian politics. In such a scenario, hydro hegemony plays in.

Three forms of engagement are generally seen: shared (amounting to some form of cooperation), consolidation (minimum cooperation) and contested (where competition is fiercest). Therefore based on

these three possible situations either a negative or positive hegemon can emerge. Most of the treaties are bilateral in nature which amounts to great deal of asymmetry of power. Multilateral treaties are difficult to achieve. It is important to look at South Asia through hydrological approach. Future treaties will require revisiting of existing treaties and recalculating treaties with the demand side of water resources. Though China challenge is enormous, there is a need for India to establish dialogue on water with the former.

Q&A

The discussion revolved on the need to have reliable database on water sharing, diversions and dam buildings. In this regard it was pointed by several participants that China has been laggard in providing the same. Again the point reiterated by the audience was to engage China through dialogue. Robert Wirsing pointed out that census should be conducted on water resources which may help researchers and policy makers. One of participants said that right to information is the basic norm of any cooperative understanding. Dr. Le prescribed that sharing of information on operations of dams through political diplomacy; cooperative gestures can help avert water crises. Also DG, IDSA Dr. Gupta pointed out that water scarcity may lead states to cooperate.

Models on settlement of water disputes can be evolved through drawing best practices from cooperative mechanism from the treaties that have been successfully concluded. However, there can be no one template to resolve water disputes due to different dynamics, hegemonic interests, etc. This was reiterated by Uttam Sinha. Options like desalination, etc should be explored. However, Wirsing pointed that utilisation of desalinated water can have adverse environmental consequences and therefore such option is not feasible till all options are exhausted.

The Chair pointed out that some issues like floods, illegal migration, which were not addressed in the session, may have adverse effects on water resources. The chair summed up the issues and also enlightened the audience on Maldivian approach to water management. In this regard she highlighted the role of local communities in achieving water security.

(Report by Sanjeev Kumar Shrivastav and Joyce Lobo)

National Security Adviser's Speech and Book Release



In his speech that was read out, Amb. Shiva Shankar Menon, National Security Adviser, observed that over a period of time there has been a broadening of definition of the word 'security' and a gradual inclusion of non-traditional security challenges within its ambit. This is probably due to the inability of societies to withstand, mitigate and adapt to the challenges of water scarcity and natural disasters and its general impact on human beings on account of their increasing dependence on complex systems in their economic, social and (to a lesser extent) political lives.

Therefore, it is imperative to define the word 'non-traditional challenge to security'. The NSA felt that it should include a mixed application of hard and soft power, where solutions are not so clear as victory and defeat, and where problems mutate into more benign forms. It should also include those which do not respond to the application of hard power, such as food security.

He felt that there is a tendency to treat every issue as a matter of security and gave the example of climate change being treated as a security issue even though ideally it should be a scientific challenge.

Amb. Menon highlighted the differences between zero-sum and non zero sum challenges. According to him, zero-sum challenges include terrorist threats, espionage and traditional military threats. They respond to the application of hard power.

Non-zero sum challenges, on the other hand, include energy, water, maritime security and others.

He also mentioned challenges in the form of cyber, space and nuclear threats which overlap both the above mentioned categories. These are domains where the combination of intent and capability ensure that the nature and definition of the threat is necessarily subjective, and perception management becomes an extremely important part of both the challenge and the response.

Which aspects should concern India?

The traditional answer is that focus should be on issues of strategic significance. However, not many of the non-traditional security challenges actually meet the test of this definition. In fact not many of them actually serve the attainment of longer term military objectives, or are of long term military significance. They are, instead, of varying long term significance to the attainment of India's grand strategy, the purpose of which is to transform India, so that every Indian has a fair chance of achieving his true potential.

If India's transformation is the criterion, energy security must have one of the highest priorities among the many non-traditional challenges. The NSA summed up his speech by emphasizing on the following;

- The need to prioritize non-traditional security challenges and examine how they could affect the ability to transform India.
- India's strengths could well be in asymmetric domains – cyber, nuclear and space – which require not just (the creation and design of) capabilities but also imagination (in doctrines and uses of those capabilities).
- Traditional or hard security issues should not be under-estimated. There is an overwhelming need to undertake the hard power military modernizations and revolutions and internal security reforms necessary to defend the increasingly complex society and economy.

The Director General of IDSA also released the book *Bending Army's Human Resource for Sub-conventional Warfare* authored by Colonel KC Dixit and invited the author to highlight a few points from his book.

The author in his brief remark pointed out to the fact that traditionally the Army has been geared to fight a conventional warfare. However, in today's changing world there are serious apprehensions over its ability to fight a sub-conventional conflict. In his book, Col. Dixit has advocated the need for a rapid transformation of mindset and capability involving greater specialization to tackle the more common sub conventional conflicts. The various chapters deal with ways to improve motivation levels of soldiers, reduce stress levels and develop strategies to deal with any exigency.

Event report prepared by Rajorshi Roy, Research Assistant, Eurasia Cluster, IDSA.

Session-III: Climate Change and Natural Disasters

Chairperson: Rear Admiral Neil Moresetti

Takeshi Takama	T Jayaraman	Dennis Taenzler	Zheng Xiaoming
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Chair: Rear Admiral Neil Moresetti

Zheng Xiaoming spoke on China-Brazil relations on climate change. While China and Brazil are different in terms of politics, international stature and understanding, the two countries have, nonetheless, come together to cooperate on climate change. Zhen Xiaoming stressed on climate change cooperation between China and Brazil from an emerging power perspective. Cooperation between China and Brazil on climate change is significant in a number of ways as it is important for their bilateral relations. It equally helps promote south-south cooperation and enhances the solidarity of the developing countries to safeguard their interests.

On the aspects of the bilateral relations (2010-2014), the speaker laid out the various agreements signed by the two countries including cooperation in the politics, economy, science and culture sphere and work together on common challenges. Zheng drew her presentation towards the US factor. The speaker was categorical in stressing that Washington views this as a grouping that counters its position and therefore it would like to see it break and drift apart. The speaker found both the US and the EU as a challenge to China-Brazil relationship that needs to be tackled effectively.

Dennis Taenzler spoke on 'Climate Change: Adaptation as a means of crisis prevention'. He divided his presentation in three sections:

- Challenges of climate change, crisis and conflict
- Adaptation, crisis and conflicts
- Water, crisis, climate change analytical framework (WACCAF)

Examining the first section, Taenzler explained degradation of fresh water resources, decline in food prod, floods, and other natural disasters, environment induced migration as 'conflict constellations'. The states affected are fragile and instable.

In the section on adaptation, crisis and conflict sensitivity, the speaker stressed that abrupt changes occurring in the environment will lead to political crisis and diplomatic deadlocks. It is therefore important to be 'conflict sensitive' and understand the context in which one is operating.

Taenzler concluded by saying that decision makers and policy makers in developing countries including India have started considering adaptation as a contribution to crisis prevention, improving the information base, mainstream climate change adaptation in conflict prone area and finally improving communication between government and non-government institutions.

Takeshi Takama in his paper on 'Identifying issues and purpose, context and variables for the vulnerability' discussed the reasons to identify the issues. He focused on the case of Bali and Indonesia.

The speaker mentioned six methods to identify vulnerability. First, identify the range of issues; second, select the range of issues of concern, example Indonesia's concern is agriculture; third, identify potential risks, for example in the case of Bali the three most vulnerable sector are farmland, fishery and water. The fourth method according to the author is to define the institutions, like in the case of Bali, there is Presidential Decree No.5 for Paddy sustainability. The fifth method is to identify the harm that vulnerability will create, as in the case of Bali, the paddy fields are decreasing by 5% and non-paddy fields are increasing by 2.5%. The sixth step according to the speaker is to identify and select variables for the change and vulnerability.

Takama spoke about supporting the food security issues in two ways: domestic and international. He also emphasised that the idea of transfer of assistance and offers should meet the needs of the locals.

T Jayaraman spoke on India in the field of climate change and mentioned that the country still lacks behind in having an adequate framework to deal with climate change. He stressed on an urgent need to design a climate policy for the country. In the changing global scenario and international negotiations, India must participate and contribute to the climate change debate.

Jayaraman discussed the aspects and challenges of global warming. He explored two options for India. First, mitigate by cutting down the anthropogenic emission and second adaptation keeping in mind the political, economic and social consequences.

The difficulty in dealing with global warming is due to the significance of the uncertainties at all the levels and also the difficulties in misunderstanding and dealing with climate risk and finally the continued and extraordinary dependence on the fossil fuels.

The speaker suggested two measures: first, burden sharing. This rests on counterfactuals, how much one should reduce from how much one is entitled. Second, resource sharing, this is based on the idea of carbon space and carbon budget as a global commons. The idea of fair and equitable access to this global commons rests on the national consensus in India.

Question and Answer:

The discussion centred on the measures required especially for the fragile nations and a need to shift attention and refocus on the partnership at the government to government level.

Another point deliberated was that there are two worlds in its approach and action towards climate change. Jayaraman mentioned that the world is surely unequal but there is no escape from the adaptation of measures on climate change.

The discussion also centred on countries who are doing and those who are not. Europe was discussed as being more attentive and sensitive to climate change having announced its decision to cut down emissions by 30%.

India must not be in a strategic panic. Politics needs to be kept aside and an honest understanding, plan of action and implementation needs to be developed on climate change.

There was unanimity on the carbon budget as adopted in Germany and a good case for others to follow. India's problem to such an approach was discussed. Finally at the end the chair said that there is a perception that nothing substantial is being done, however, at the micro level there is plenty that been initiated and accomplished. The key to any forward movement on tackling climate change lies in being pragmatic and ready to share the burden in order to make progress.

Prepared By Soumya Tiwari and Rahul Mishra

Session-IV: Energy Security

Chairperson : Girjesh Pant

Yiorghos Leventis	Zhao Hongtu	Samir Pradhan	Vivek Mathur	Amitav Mallik
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Chair: Prof. Girijesh Pant

Panelists: Dr. Yiorghos Levintis, Mr. Zhao Hongtu, Dr. Samir Pradhan, Mr. Vivek S. Mathur, and Mr. Amitav Mallik

The session highlighted and deliberated on the components of the energy security debate in India and in the wider world. At the outset, **Prof. Girijesh Pant** informed that energy was traditionally considered to mean hydrocarbons; its current definition also includes non-traditional sources of energy. Previously, Western world was the main consumer of energy; now Eastern world has become its major consumer. Prof. Pant mentioned that global energy relations were undergoing a change and in the changing energy scenario, the Western world was slowly reducing its dependence on energy as observed in the case of the US which is striving towards energy independence. On the other hand, according to Asian Development Bank (ADB), 50 per cent of global Gross Domestic Product (GDP) will be sourced from Asia in the coming decades. But, this growth rate is highly dependant upon energy security in Asia. However, Asia is not monolithic and the chair highlighted the lacunas in the discourse on energy security. According to him, the debate lacks an articulation of the Asian perspective (or the “Asian Way”) on the issue of energy security.

The session opened with the presentation by the Cypriot delegate, **Dr. Yiorghos Leventis**, who highlighted the geopolitical significance of the discovery of natural gas reserves in the Eastern Mediterranean in November 2011, and its implications for the settlement of the Cyprus issue. Explaining the geopolitical importance of the Eastern Mediterranean, the speaker mentioned that it lies at the crossroads of three continents of Europe, Asia and Africa and at the heart of substantial natural resources reserves. However, the final outcome of the exploitation, the degree to which vital natural resources will prove to be a blessing and not a curse will depend upon the spirit in which it is worked. Interestingly, the speaker was very critical of Turkey’s ‘designs’ in preventing Cypriots from exercising control over Cyprus’s natural resources and hoped that the gas bonanza might potentially be a catalyst for the settlement of the political-cum-geographical division of Cyprus. An interjection by the Chair attempted to tone down the speaker’s criticism of Turkey’s policies in the Mediterranean saying that one must not overestimate Turkey’s muscle power in controlling the hydrocarbon reserves in the region.

Discussing the energy security challenges and China's strategy, **Zhao Hongtu's** paper emphasized the importance of domestic demand management in ensuring energy security. Zhao opined that energy security is a poorly understood concept resulting in adopting different policies to meet the challenge. However, the real challenges relate to cost of technology and environment, how to make energy resources achievable, affordable and efficient. He argued that a number of factors will restrict the energy demand in future: slow population growth, peaking oil demand and energy consumption, and potential alternative energy. Then, he talked about several kinds of energy shortage: economical shortage caused by low affordability; shortage related to domestic system and management as well as undeveloped market; demand oriented energy shortage; and political shortage caused by global energy supply disruption. According to him, push forward the interdependence is the best way to safeguard energy security than seeking energy independence. Further, he cautioned that the overseas investment is seen as competition for energy resources and said this sort of competition is actually market competition for business or profit rather than for energy sources. On its part, China is paying more attention to the demand side management and pushing forward the energy market reforms while encouraging the diversity of energy structure and imports.

The critical role of the Gulf in India's external energy security calculus was highlighted by **Dr. Samir Pradhan**. India and the Gulf region constitute two strategic building blocks in the current global energy regime. Dr. Pradhan also explored the geoeconomic and geopolitical dimensions of India's energy security centering on trans-Asian energy axis. While discussing India's emergence as a major consumer and importer of energy regionally and globally, he highlighted volatility of prices as a more immediate and pressing concern than actual reserves. According to him, India is faced with a constrained oil supply scenario and given its increasing import dependence, it is highly imperative for India to devise suitable policy responses to mitigate future insecurities. Exploring the policy options for the Gulf in India's energy security, he argues that India needs to calibrate a Gulf specific strategy centering on energy and economic interdependence. India must engage more with the Gulf and promote energy 'interdependence' as opposed to energy 'independence'. It was added that because of its proximity to India, Gulf will continue to be the primary source of crude oil to India. Therefore, the policy challenge for India is to help de-escalate instability in the region that adversely affects prices.

Taking the discussion further, **Mr. Vivek S. Mathur** provided a brief overview of the nature and complexity of global oil market. He also emphasized the continued importance of OPEC as supplier to net importing regions like Asia and its implications for energy security. He argued that structural shifts in the nature of global oil demand and evolution of spare production capacity have changed global oil fundamentals, shaping oil prices in recent years. Mr. Mathur provided a brief description of these fundamentals, their progression and implication for net oil importing countries like India. In response, he highlighted the need to promote international energy interdependence in the long-term. Speaking about India's role in the international oil market, Mr. Mathur provided an analysis of India's evolving oil market and recommended key policy measures to enhance the country's energy security. He began with a profile of India's oil market, its key challenge as a net importer and recommended supply and demand-side measures to enhance India's energy security and making India an effective stakeholder in the global oil market. He also advocated reforms in the retail-pricing system of oil and diesel in India, which is of course politically difficult.

Discussing the energy and environment dilemma, the final speaker **Mr. Amitav Mallik** gave a technology perspective on energy security and advocated no holds barred approach to developing alternatives to fossil fuel based energy before the adverse impacts of climate change become irreversible. He was of the opinion that global dependence on fossil-fuel based energy consumption has caused unprecedented GHG emissions at a higher magnitude and hence is the need for technology innovations and investments— even for Carbon Sequestration at affordable costs. The costs of not achieving the above could be seen in economically painful cuts in future energy usage, or environmental disaster that can threaten human survival. As the concept of

national security now encompasses everything that can affect national interest, there is a changing perception towards ‘Comprehensive National Power’ (CNP) to protect ‘National Interests’ and also influence ‘Global Decisions’. Energy security and sustainable development will be critical to enhancing CNP for every nation— more so for India. Mr. Mallik argues that “Energy, Environment & Economics” are the 3 Es that will control the future. On energy security from Indian perspective, he hoped that India will not be allowed to remain ‘Energy Intensive’ nor will it be allowed to demand energy equity. He is of the opinion that India must focus on ‘Energy Efficiency’ to manage demand growth and increase share of ‘Renewable Energy’ to reduce Carbon Footprint. India must also use more of Solar/Wind/Nuclear/ B-Gas. Highlighting breakthrough technology possibilities, Mr. Mallik mentioned about the ITER Project; transport sector hoping for Hydrogen fuel to replace oil; nuclear reactors designed to produce Hydrogen; deployment of solar panels in outer space and jet-streams in upper atmosphere. However, he warned that technology can be both the problem and the solution for security of mankind and environment. How man manages technology will determine future safety and security of human race.

The presentations were followed by meticulous **Q&A session** in which questions were asked and observations were made on wide range of topics as follows:

- Nuclear energy is still not considered as a credible source of energy for India even after dramatically reducing the time of commissioning and achieving tremendous success in nuclear waste management and safety of nuclear reactors. Because, it is not the question of technology but of political will since the public perceptions of nuclear power plants are sometimes negative.
- The energy security policy taking account of the contingencies or unnatural situations such as the closing of the Gulf of Hormuz, which will have an impact on prices. However, the overall impact on prices will depend on the degree to which other sources can fill that supply shortfall.
- Futuristic technologies like scalar technology that can produce energy by capturing electromagnetic charge in the atmosphere. A group of five countries are looking into it: Russia, US, Israel, Japan, and Brazil as also China. But, harnessing electromagnetic energy will depend on its commercializing potential.
- Adaptation strategy one need to look at in the event energy peak is closer to contingency. It is understood that there are too many variables and it is complex to determine such a state. But there is a tendency towards the world getting hotter and if oil peaks, then people will be forced to change their lifestyle.
- Solar energy as a “real” option. The required land is available in Gujarat and Rajasthan. But, it is not a question of land; it is about commercial viability and cost-effectiveness. Cost of storage must be decreased by improvements in battery technology.
- Underestimating the potential demand of energy and overestimating the possibility of a ‘soft-landing’. Given the growth in population, one cannot be complacent as complacency is not optimism.
- The problem of gross misuse of power and time to reduce the same.
- Defining fuel efficiency and level of subsidies on Kerosene/Gasoline vis-à-vis Diesel/Petrol
- Defining energy security for the 600 million poor people in the country
- Relating India’s national energy security to the global context and linking it with various aspects of development in other parts of the world.
- Energy interdependence and need for mutually beneficial relationships as there is no way any country can achieve energy independence. Need to engage with other countries to find solutions. India needs to engage more with the Gulf in terms of investment as India is no where in the picture vis-à-vis Japan and China in terms of investments in the Gulf.
- Developed countries controlling the flow of green technology to India and the status of research and development of technology in India. Technology is controlled more by the private sector and not the government. The State operates depending on the requirements of its private sector. India

has no indigenous capacity to produce silicon; it import components but it can have economies of scale. There are investments coming in solar as a result of which it is slowly becoming commercially viable.

- Reaching a definitive point of understanding Carbon sequestration. Carbon sequestration is manifold. A lot of R&D is required in determining how much can be done by natural and artificial resources.

The Chair concluded the session by flagging that economic sacrifices are necessary to ensure energy security; we need to bring back the consumption question in the debate. After all, “How much should a society consume?”

Prepared by Mr. Babjee Pothuraju and Mr. Aditya Parolia, IDSA, New Delhi.

Session V: Trans-national Crime

Chairperson: D P Dash

Ali Jalali	Arabinda Acharya	Ely Karmon	Molly Charles
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Professor Ali Jalali's paper looked at some of the emerging trends in transnational crimes and the threats they pose to national and international security. He argued that under the impact of globalization, crime groups have transformed from domestic organized crime syndicates that were regional in scope and hierarchically structured, to criminal organizations that are global and transnational in nature. A very wide range of criminal activities are being pursued across countries and continents in an organized fashion while new forms of crime emerge constantly as global and local conditions change. Professor Jalali also talked about the crime-terror nexus that inevitably shifts the focus of national security to transnational threats posed by non-state actors. According to Jalali, since transnational crime involves criminal groups and networks from many nations operating across countries and continents, therefore, individual nations are challenged to respond domestically. Only through international collaboration can nations develop effective means and policies for countering these crimes and mount a serious opposition. According to the speaker, as threats span borders, the response needs to become transnational. However, international cooperation to fight transnational crime often gets mired in the problems of geopolitical complexities, political turmoil and armed conflicts, weaknesses of state institutions and official corruption. Therefore, he concludes that fighting transnational crime requires a comprehensive international approach leveraging a wide range of political, legal, law enforcement, military and diplomatic means.

Responding to some of the questions during the general discussion, Jalali mentioned that Afghanistan is living in a difficult neighbourhood and thus to deal with transnational crimes, particularly drug trafficking, the overall environment needs to change. Certain countries and groups tolerate or in some cases facilitate transnational crimes. In such case, extradition of criminals or terrorist becomes problematic. Political will is required to deal with transnational crimes.

Arabinda Acharya presented his paper on "Crime and Terrorism in Comparative Perspective: Impact on National Security and Development". The essence of Acharya's presentation was the need to balance

hard security with the obligation to provide other public goods. Acharya argued that number of people killed due to criminal activities is more than the people that get killed in terrorist activities in India. Yet, government spends more resource on counter terrorism efforts. He argued that the number of death and injuries caused by criminal activities may be more, but since terrorism has deeper impact on the stability of the state, it receives more attention. Crime and terrorism share similar root causes, which might not be mutually exclusive, for example, poverty, inequality, governance deficit including corruption and underdevelopment. However, the 9/11 attacks undermine poverty and unemployment cause to terrorism, but by and large in many countries these two are still considered as root causes of terrorist activities. Acharya submitted that attempts to subdue one form of violence should not manifest in another form in higher intensity. There is thus a need for a proportionality on state security vis-à-vis security of the individual. Prior to 9/11, state was considered the worst human security provider, but post-9/11, the state once again has become important as civil society is not equipped with dealing with 9/11 kind of threats. However, Acharya also mentioned that even after huge spending on counter terrorism efforts, threat from terrorism has not reduced. He concluded that balance has to be made between allocation of government resources in dealing with threats emanating from terrorist activities and criminal activities.

During the discussion, Acharya clarified that the differences between terrorists and insurgents are getting blurred and therefore they are used interchangeably. While commenting on terrorist organization and organized criminal organization, the speaker referred to the “black hole” syndrome which predicts that groups will soon become one group.

Ely Karmon’s address focused on the issue of biological, chemical and nuclear weapons and their proliferation. Giving the example of the 2001 Anthrax attacks in America, he said that although WMDs (Weapons of Mass Destruction) have been given enough attention, administrations around the world have largely been incapable of responding to targeted biological attacks. In 2006, Al Qaida orchestrated some attacks using chlorine. Although their technique wasn’t very sophisticated, even a ‘dirty bomb’ could cause massive damage. Besides, it demonstrates the organization’s interest in using such weapons in the future. Many states have also contributed to proliferation of such weapons. In the case of Syria, it has been the view of many that the Syrian regime might have proliferated biological and chemical weapons to Hamas and Hezbollah. Hezbollah has more than 14000 rockets, some possibly armed with biological/chemical weapons. Similarly in South Asia, Pakistan has been a major proliferators of sensitive technologies. Many observers are afraid that political turmoil could seriously undermine the security of Pakistan’s nuclear assets. Pre 2001, many Pakistani nuclear scientists were known to have links with radical elements. Although the government has claimed to put rigorous safeguards since then, the threat remains high. The threat of nuclear proliferation from Pakistan is higher than that of Iran.

Molly Charles focused on the inefficacy and the myopic nature of international drug laws. She argued that international drug control laws have seriously illegitimized cultural use of soft drugs, and their place has been taken by more concentrated hard drugs. This has also undermined traditional medicine systems in countries like India, where many banned substances like cannabis were used in various medicines. This has ensured the monopoly of western pharmaceutical companies.

She also focused on the issue of terrorism. She argued that we need to stop treating the terrorist as the ‘other’ and instead should look at the human angle of the problem. Furthermore, she argued that there was a need to change the way armed forces are trained, and they should be taught the ‘art of peace’ rather than the ‘art of war’. An attitude of understanding and reconciliation is required on both sides instead of indulging in pointless blame games. She also discussed the issue of ‘privatisation and crime control’, wherein she held the view that the concept holds dangerous implications for society, since it could lead to unfair arrests and mishandling of the situation

The **Chair** broadly summed up the proceedings by emphasizing that there are 13 international instruments to deal with transnational challenges. However, organized crime includes a gamut of activities which are not covered by any international conventions. Moreover, mere ratification to these conventions is also not helpful until and unless they are implemented in an effective manner. The Chair also mentioned the necessity to have transnational law regulatory machinery.

(Prepared by Gulbin Sultana and Amit Jhulka)

Special Address by Roza Otunbayeva, Former President of Republic of Kyrgyzstan



Ms Roza Otunbayeva on the onset stated the purpose of her visit was to understand the economic revival of countries like India. She explained Kyrgyzstan's painful journey to democracy and market economy over the last 20 years.

Today Kyrgyzstan is the only parliamentary democracy in the Central Asian region among the ex-Soviet republics, whose citizens have chosen this path not out of despair, but because of the transparent process itself which found political echo in society. The nation diversified in terms of political development, mushrooming of political parties, etc. The last parliamentary elections saw the participation of around 130 political parties, termed as absurdity by neighbouring states, clearly emphasising people's participation in political development.

In Kyrgyzstan, today there is a strong civil society with more than 500 NGOs, along with an independent media and internet access. Ms Otunbayeva said, "I do believe in the force of the means and instruments of democratization of our nation". The rule of former President Askar Akayev riddled by "privatisation of power" and ownership of public goods by the clientele was brought to an end in the 2005 Tulip Revolution. His successor Kurmanbek Bakiyev did not bring much hope to the people. The April 7, 2010 protest against Bakiyev rule was suppressed with force. Sadly, she pointed out that this event did not gain the international attention as compared to the present Middle East protest against ruthless dictators. However, the opposition, led by Ms Otunbayeva, kept the promise of April 2010 to Kyrgyz people of a new constitution and parliamentary elections within the stipulated time.

Kyrgyzstan has looked for inspiration from parliamentary democracies like Central and Eastern European states, Turkey, Mongolia and also to its closest friend and neighbour, India. Ms Otunbayeva who became the president of Kyrgyzstan through the June 2010 referendum stepped down from power as per her promise when the new president was elected in the December 2011 elections. She urged that Kyrgyzstan needs to be recognised by the international community, as its democracy is nascent and untested. She said that her nation has proved to the world that power transition is possible peacefully. Today in Kyrgyzstan there are no street protests or controversies.

Ms Otunbayeva also stressed on some of the non-traditional challenges which eventually is political challenge. Lack of economic development, social and political instability can lead to non-democratic rule. Kyrgyzstan lies in the centre of Central Asia bordering several states. It witnesses frequent natural disasters. The Central Asian region also faces acute water problems. Before 1991, the Tajiks, Uzbeks and the Kyrgyz lived in harmony in the Ferghana Valley. This peace was disrupted with adoption of market economy. The June 2010 events witnessed the forces of Bakiyev fomenting conflict between the Uzbeks and the Kyrgyz. Though this has been resolved, the Kyrgyz government strives to maintain normalcy within the region.

Kyrgyzstan economic development and modernisation has received considerable boost from countries like Kazakhstan, China and Russia. Mining and hydro-energy are the two key sectors of the economy. To achieve dynamic growth, Kyrgyzstan is inviting investors especially from India. Kyrgyzstan is also part of many alliances and works closely with the UNO.

Ms Otunbayeva took up a few questions on military bases in her country, reconciliation in Afghanistan, challenges arising out of border demarcations within the former Soviet space, etc. She said the reconciliation strategy in Afghanistan should be left up to 2014 exit; however, one must note that there are no military solutions. The international community and the neighbouring states must help convert and turn Afghanistan over to economic survival and revival. She however stressed that the route to democracy, however painful, provides opportunities and is irreversible. In terms of reviving the Kyrgyz economy, she said that her country looks up to innovative approaches from India towards IT, agriculture, energy, handicrafts, especially IT applications in the field of governance, agriculture, medicine amongst others.

—Report prepared by Joyce Lobo, Research Assistant, IDSA.

Session VI: Financial and Economic Security

Chairperson : N S Sisodia

Sanjaya Baru	Meibo Huang	Pradumna Bickram Rana
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The sixth and the last session of the 14th Asian Security Conference revolved around the idea that close connections between economics and geopolitics have brought the importance of financial and economic security to the fore. This is evident from the impact of global economic slowdown on the US and the EU. China's rising profile, on the other hand, is mainly driven by its economic growth.

The session chaired by N.S. Sisodia comprised of eminent speakers – Sanjaya Baru, Meibo Huang and Pradumna Bickram Rana.

Dr Baru in his paper titled *The geo-economics of Financial Stability* argued that financial and economic security issues not only contribute to conflict but also diminish State's military and diplomatic capabilities. Decline of the US and rise of China's international profile demonstrate that.

Citing the Government of India's Strategic Defence Review 2007, he argued that Indian policy makers have realized it very well that the foundations of national security must rest on economic and social wellbeing of its people. Military security is necessary not a sufficient condition. The same applies to the human security as well. Therefore, to ensure a robust national security a collective of human, socio-economic and military security is required by India.

Highlighting the possible consequences of the current economic slowdown, he said that management of global currency has geopolitical consequences in terms of creating new alliance. It has two possible implications for a country's domestic politics – scapegotism and 'beggar thy neighbour' policy. The Latin American crisis of 1980s and Asian Financial crisis of 1997 had huge impact on regional and international politics not to mention the alterations in the domestic politics of countries involved. For instance, the Latin

American financial crisis affected Argentina and Brazil's nuclear programme and they were forced to abandon it due to financial reasons. Asian financial crisis altered the relationship between Japan and China. The financial crisis contributed to the further rise of China. Manufacturing base shifted from ASEAN to China during the crisis.

He opined that the US is not likely to slip to the margins of global politics anytime soon, owing to its wide economic base and powerful military credentials. EU, on the other hand, might find itself in a tough situation in the aftermath of current financial crisis.

Meibo Huang's paper titled, *Reform the International Monetary System- An East Asian Perspective* gave the East Asian perspective on global economic slowdown, Meibo said that the current international monetary system is still dominated by the US \$ and the US benefits from it. East Asia, however, has been suffering due the US dollar trap. The countries of the East Asian region had accumulated huge amounts of US dollar to avoid any financial eventuality. If the dollar depreciates further, according to Huang that might lead to further problems for the East Asian economies. However, depreciation is inevitable in the medium to long run. To rectify the flaws of international monetary system reforming the IMF is important, as only a reformed IMF with its restructured supervisory role and governance mechanism can effectively regulate the current international monetary system. East Asia should be given more opportunities to have its say in such a reform.

Pradumna Bickram Rana's paper on *The Evolving Multi-layered Global Financial Safety: Asia's and India's Role* gave an overview of the evolution of decentralized global financial safety nets. Bickram Rana argued that there are several layers of global financial safety net evolving, which aim to tackle the regional and global economic crises. Mentioning the Asian context, he suggested that the Asian Monetary Fund could play a key role in saving the Asian countries from future financial crises. In that regard, India could play a key role along with ASEAN, China and Japan. While appreciating India's Look East Policy, he said that greater engagement with Southeast and East Asian countries will be a boon for regional integration. This is important due to the fact that fiscal federalism is the new architecture beginning to emerge in East Asia, and India needs to participate in emerging financial institutions in East Asia.

Bickram Rana also stressed on the importance of re-balancing and re-structuring of the International monetary system. He recommended that the inclusion of Asian powers to the western-dominated financial system would truly reflect the changing realities. Even if the process is slow and pedestrian, Asian countries should lobby for a greater voice in the G20.

Points of discussion

The discussion centered on emergence of a multi-polar world and how the global economic institutions need to reflect these changing realities. Another point discussed was the concept of a sovereign currency replacing the US Dollar as the main world reserve currency. Meibo Huang proposed a special quota for East Asian countries in the IMF, while Sanjaya Baru argued that the world still views the US Dollar as a safe bet. There was unanimity on the restructuring of the International monetary system with emerging economies playing a greater role in future. Other points of deliberation in the Session were:

- Mercantilist policies vs. the liberal policies. China has been practicing mercantilist policies, which has long- term implications on global politics.
- How to reduce the role of the US Dollar- the problem gets aggravated in the light of the fact that no coalitions have been built so far on that issue. Additionally, plans such as IMF reform, AMF all have been scuttled.
- Are we going to have the AMF through stealth? And if yes, what are the ways?
- India's possible role in the changing global financial structure.

- Given the economic shift to Asia, what role the countries are going to play- implications of that on Asia.
- How to reconcile the socio-cultural differences in a democracy like India.

(Report prepared by Rahul Mishra and Oliver Paul, Research Assistant and Research Intern respectively at the Institute for Defence Studies and Analysis, New Delhi)