

AUKUS could rock China's boat in the Indo-Pacific

While there is nothing surprising about AUKUS, a Pacific-centric orientation has advantages in the context of China



AUKUS:

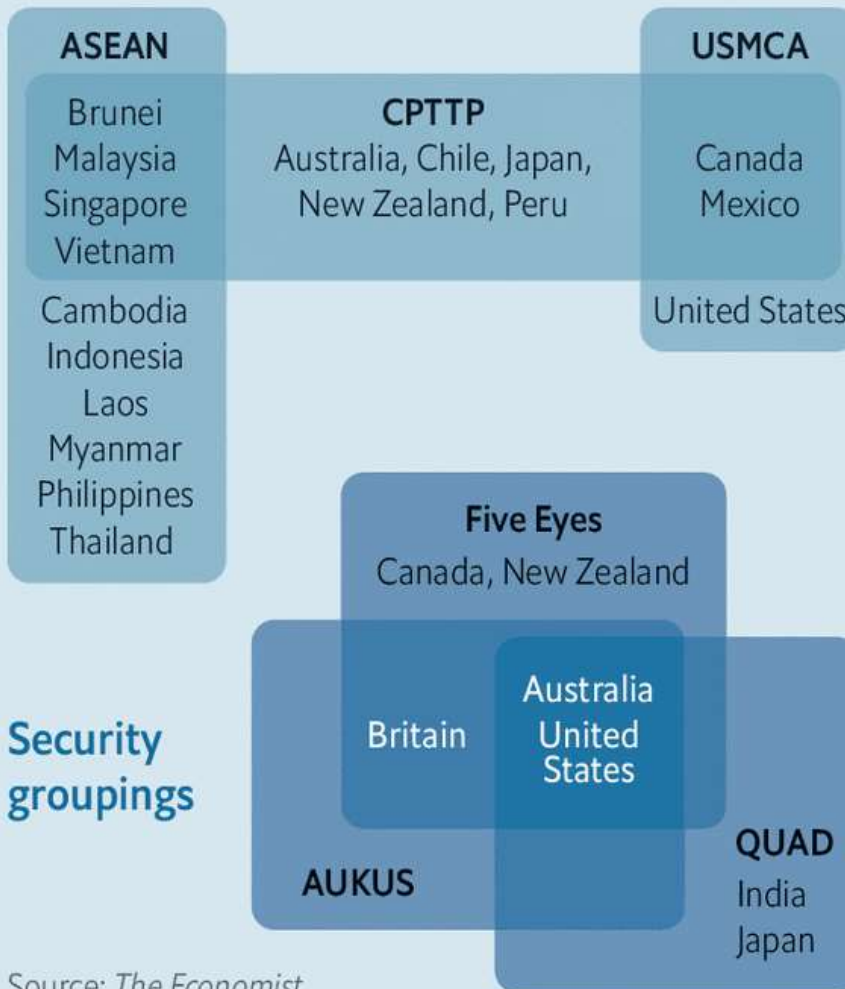
AUKUS is the trilateral security agreement between Australia, the United Kingdom and the United States (AUKUS).

The ASEAN factor

1. There is also the matter of Association of Southeast Asian Nations (ASEAN) disunity over the emergence of AUKUS. The Southeast Asian nations have been unable to agree on other issues before, such as developments in Myanmar or the strategic threats posed by China.
2. While AUKUS is clearly an attempt by the U.S. to bolster regional security, including securing Australia's seaborne trade, any sudden accretion in Australia's naval capabilities is bound to cause unease in the region.
3. Australia had unambiguously reassured the region of its commitment to ASEAN centrality and its continued support for the South Pacific Nuclear-Free Zone Treaty as well as the Treaty of Southeast Asia Nuclear-Weapon-Free Zone.

Friends, neighbours and others

Trade and economic groupings



Source: *The Economist*

The Economist

Engagement with China

1. Much to China's chagrin, its policy of deliberately targeting Australian exports has not yielded the desired results.



2. That China's naval expansion and far-ranging forays in the oceanic space should have compelled Australia to revisit its defence and security policies should also not surprise anyone.

'To further' is the key

1. The transfer of sensitive submarine technology by the U.S. to the U.K. is a sui generis arrangement based on their long-standing Mutual Defence Agreement of 1958.
2. The AUKUS joint statement clearly acknowledges that trilateral defence ties are decades old, and that AUKUS aims to further joint capabilities and interoperability. The word "further" is key, since defence cooperation already exists.
3. The other areas covered are cyber capabilities, artificial intelligence and quantum technologies, apart from undersea capabilities. The latter is the most visible part of the agreement, and potentially, a game-changer.
4. Elements in the broader agenda provide opportunities to the U.S., the U.K. and Australia to engage the regional countries. There are clear indications that New Zealand is open to cooperation with AUKUS in such areas, especially cyber, its nuclear-averse record notwithstanding.
5. All three nations will also play a major role in U.S.-led programmes such as Build Back Better World, Blue Dot Network and Clean Network, to meet the challenge of China's Belt and Road Initiative.

A comparison, the reach

1. The Quad and AUKUS are distinct, yet complementary. Neither diminishes the other. Whereas the Quad initiatives straddle the Indian and the Pacific Oceans, a Pacific-centric orientation for AUKUS has advantages.
2. Such a strategy could potentially strengthen Japan's security as well as that of Taiwan in the face of China's mounting bellicosity. Shifting AUKUS's fulcrum to the Pacific Ocean could reassure ASEAN nations.
3. It could also inure AUKUS to any insidious insinuation that accretion in the number of nuclear submarines plying the Indo-Pacific might upset the balance of power in the Indian Ocean.
4. China's potent military capacities must be taken seriously. China has a large and growing undersea fleet, including attack submarines, both nuclear-powered and diesel-electric.
5. China's naval power is enabling it to challenge U.S. dominance in the Pacific beyond the first island chain.

08.11.2021

Monday



<http://www.sriramsias.com>

6. The U.S. that still boasts the world's most powerful military is perhaps tempted to look at effective means to militarily counter China. The Quad structure currently has neither the mandate nor the capability to achieve this.
7. There are limited options in the economic arena with China already having emerged as a global economic powerhouse. AUKUS, though, provides an opportunity to the U.S. to place proxy submarine forces to limit China's forays, especially in the Pacific Ocean.

Explain Speaking: A brief history of India's poverty levels

Has poverty gone up during the Modi years? The answer depends on whether one looks at the overall incidence of poverty in percentage terms or the absolute number of poor in the country

Y. K. Alagh Committee

- Till 1979 the approach was traditional i.e. Lack of income. The committee decided to measure poverty precisely as starvation i.e. that is in terms of how much people eat.
- The committee recommended that people consuming 2400 Calories in Rural and 2100 calories in Urban areas are poor
- States would take care of education and health

Lakdawala Committee - 1993

- Lakdawala formula was different in the following respects -
- In the earlier estimates both health and education were excluded
- Household per capita consumption expenditure was the basis of poverty line. CPI-IL and CPI-AL were used
- First estimated the per capita HH exp. And then all person were defined as poor as a result the number of poor increased considerably from 16% to 36.3% in 1993-94.

Suresh Tendulkar Committee

- In 2005 Tendulkar committee was set-up and the current estimates are based upon the recommendations of this committee.
- The committee recommended the shift away from the calorie based model and made poverty line broad based by considering the monthly spending on education, health, electricity and transport also.
 - Target nutritional outcomes should be counted
 - Uniform Poverty Basket Line be used for rural and urban region
 - Suggested a change in the way prices are adjusted and demanded.
 - Tendulkar adopted the cost of living as the basis for identifying poverty.

Tendulkar Committee (2009)

- An expert Group headed by Professor Suresh D. Tendulkar was constituted in 2005 to review the methodology for official estimation of poverty and recommend changes in the existing procedures.
- Main departures -
 - i) moving away from calorie norm
 - ii) use uniform 'poverty line basket' (PLB) to both the rural and urban population.
 - iii) incorporating an explicit provision in price indices for private expenditure on health and education



Causes or Factors of poverty:

- Rapid growth of population
- Unemployment
- Indebtedness
- Geographical factors- isolation, low resource base, low rainfall
- Inequality
- Demographic factors- high dependency ratio, poor nutrition
- Low education
- Social factors
- Institutional factors-land reforms
- Low capital
- No skill or assets, poor health, Traditional expenditure on rituals, exploitation in the market, climatic conditions, corruption, inflation and high prices

First of all, what is poverty?

1. In 2009, the report on poverty estimation, chaired by Late Prof Suresh Tendulkar, stated: "Fundamentally, the concept of poverty is associated with socially perceived deprivation with respect to basic human needs".
2. This is a crucial definition to consider since the Tendulkar committee's estimation method is the last officially recognised method for arriving at poverty numbers in India.
3. The key phrase in the definition above is "socially perceived deprivation".
4. If you think about it for a moment, poverty is a "relative" concept. Poverty is essentially about how you are "relative" to those in your surrounding. Of course, there is such a thing as abject poverty and it typically refers to a state where a person is unable to meet its most basic needs such as eating the minimum amount of food to stay alive.

What is a poverty line?

1. But, from the point of view of policymaking, poverty levels typically refer to some level of income or expenditure below which one can reasonably argue that someone is poorer than the rest of the society.

08.11.2021

Monday



<http://www.sriramsias.com>

2. That's because the whole point of the bulk of policymaking is to improve the living standards of the poorest in the country.
3. But to design policies, one must first know what the target group is, how much does it earn (or spend, since robust data on income is not easily available).
4. As such, policymakers are interested in figuring out what percentage of the population is poor relative to the rest. This is done by choosing a "poverty line" — or a level of income or consumption expenditure that divides the population between the poor and non-poor.

The purpose behind choosing a poverty line is two-fold.

1. One, to accurately design policies for the poor.
2. The other point of poverty lines is to assess the success or failure of government policies over time.

What has happened in India's fight against poverty?

1. There are two ways to assess India's performance. One is to look at the headcount ratio of poverty which is the percentage of India's population that was designated to be below the poverty line. The other variable to look at is the absolute number of poor people in the country.
2. If one looks at the headcount ratio then India made rapid strides since 1973. The incidence of poverty fell quite sharply from 55% in 1973 to under 28% in 2004.

Tendulkar poverty line

1. Then came the Tendulkar poverty line, which was defined differently from the past poverty line. In the past, poverty lines were essentially about the amount of money required to meet a certain minimum amount of calories. But during this phase, it was assumed that the government would take care of two other basic requirements — healthcare and education.
2. The Tendulkar Committee recognised that in reality these needs were not being met by the government. As such, the committee included the money required to meet the growing expenses on healthcare and education. This raised the poverty line and essentially told us that India was poorer than what it previously believed.
3. But the fact remains that no matter which way one drew the poverty line, the incidence of poverty (in terms of percentage of population) came down sharply right through India's history.

08.11.2021

Monday



<http://www.sriramsias.com>

4. In fact, in just 7 years between 2004-05 and 2011-12 — the phase that saw India register its fastest GDP growth rates — this incidence fell by 15 percentage points — from over 37% to under 22%.
5. But the story is quite different when one looks at the absolute number of poor in the country. Even though the percentage of people below the poverty line were coming down over the years, the absolute numbers remained stubbornly at the same level.

The government has to do far more —and far more swiftly — if this slide is to be arrested. The focus should be on creating more jobs, especially in labour-intensive sectors, such as textiles and food processing etc. As this piece explained, just in the past four years, India has lost half of all the jobs in its manufacturing sector alone.