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A 'No-Limit' bromance that is not just a bilateral matter



The Beijing Summit between Russian President Vladimir Putin and Chinese President Xi Jinping in May 2024 marked the 75th anniversary of bilateral diplomatic relations. Both have met over 40 times in past 11 years and calling each other "old friend"

How have Russia-China ties evolved historically?

- 19th century: Czarist Russia took advantage of a weak China to expand to the Pacific, and the Soviet Union continued to hold these territories
- 1949-1959: "Comintern brotherhood" due to Communist ideology.
- 1960s: The bonhomie was disrupted by ideological and geopolitical differences, triggered, in part, by the Chinese attack on India, in 1962. Russia and China had armed clashes in 1969 over the Ussuri River border dispute.
- 1972 onwards: China tilted towards the West after Nixon's visit to Beijing, aimed at weaning China from the Russia-led Eastern Bloc.
- 2012 onwards: Growing convergence between Russia & China against the US, leading to the "No Limits" partnership. This is driven by
 - US "pivot to Asia" and economic pressure on China, pushing it closer to Russia
 - Russia's Ukraine war and subsequent Western sanctions pushing Russia closer to China for its energy exports and a source of critical inputs.
 - Deepening economic ties with trade reaching \$240 billion in 2023, having grown 26% over 2022 [China traded \$575 billion with the U.S. in 2023. India's 2023-24 annual trade with the U.S. and China was \$118 billion each; India traded \$66 billion with Russia]

What were the key points in the Joint Statement issued after the Summit?

- The Joint Statement was conspicuously silent on bilateral economic, financial, and military ties. The statement omitted sensitive topics like India-specific issues or details on the Ukraine conflict.
- It strongly criticised US, accusing it of "dual containment" of Russia and China, and its "Indo-Pacific Strategy."
- This signals an anti-US offensive by the strategic partners

What are the potential short-term and long-term implications of the summit?

Short-term:

- Intensified but discreet cooperation, especially Russia's reliance on China for war supplies.
- In return, China may seek better terms for Russian raw materials, mining rights in Siberia and access to Russian know-how on a range of critical technologies .
- China may see a prolonged war as strategically advantageous: Russia dependent on China and the U.S. preoccupied with eastern Europe, giving China the freedom to bully Asia.

Long-term:

- Difficulty for China to maintain economically profitable ties with both Russia and the West.
- Pressure to choose sides in a potential new Cold War driven by China's global ambitions
- Rise of alternative global structures like BRICS, SCO, and Belt and Road Initiative driven by China.

Impact on India

- India's crucial dependence on Russian defense supplies could be impacted by Chinese pressures. This may weaken India in case on clash with China in borders.
- Growing Russia-China axis may create challenges for India's pre-eminence in Indian Ocean region.

What is the way ahead?

- India needs to carefully assess the durability of the Russia-China partnership.
- Avoid solely focusing on ideology that led to neglecting national interests in the previous Cold War.
- India needs to leverage its "strategic autonomy" to pursue its national interest with a nimbler approach and to advocate for a more prominent role in the global order.

Can you answer the following question?

The recent bonhomie between Russia and China has raised concerns about a potential new Cold War and its impact on the global order. In this context, discuss the potential consequences of this partnership for India's strategic interests.

A vegetable triumvirate, inflation and the takeaway

Why are Tomato, Onion, and Potato (TOP) particularly important?

Despite a weight of just 2.2% in the CPI basket, TOP plays an outsized role due to:

- Higher weightage in consumption baskets of lower income groups (3.6% in urban, 5% in rural).
- Historical volatility significantly impacting overall inflation (e.g., 30% contribution in Feb-March 2024).

What are the challenges associated with TOP production?

Being perishable crops, TOP are susceptible to:

- Biotic and abiotic stresses.
- Lack of Minimum Support Price (MSP) leading to dependence on private traders.
- High input costs for fertilizers and pesticides.
- Price volatility hurts both farmers (who are net buyers of TOP) and consumers:
 - Farmers face uncertain income due to fluctuating prices.
 - Consumers experience sudden price spikes, impacting their cost of living

What are some possible solutions to address TOP price volatility?

There is a need to adopt multi-pronged approach:

- Revamping agricultural value chains.
- Improving cold storage infrastructure.
- Ensuring better prices for farmers through MSP or other mechanisms.
- Reducing high input prices for fertilizers and pesticides to increase profitability in cultivation.
- Implementing long-term solutions like providing Minimum Support Prices (MSP) instead of short-term measures like export bans.

Can you attempt the following question?

The volatility of Tomato, Onion, and Potato (TOP) prices has a significant impact on inflation in India. Analyze the factors contributing to this volatility and suggest a comprehensive strategy to address it.

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