

## Multi-Pronged Diplomacy in South Asia

### What is the issue?

\n\n

\n

- An international agreement to curtail terror financing by Pakistan was recently reached at FATF - with strong Indian backing.

\n

- Almost simultaneously, the cross border TAPI pipeline project was celebrated in a joint ceremony - symbolising cooperative diplomacy.

\n

- This “Stick and Carrot Approach”, opens up interesting trends in the subcontinent, which simmers hope.

\n

\n\n

### What were the new developments?

\n\n

\n

- Financial Action Task Force (FATF) recently threatened Pakistan with economic sanctions if it funds terror groups against Afghanistan and India.

\n

- This can be seen as a clear success for India’s coercive diplomacy against Pakistan in international forums.

\n

- At the same time, a ground-breaking ceremony for the construction of the trans-border natural gas pipeline in Afghanistan was also celebrated.

\n

- Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project is hoped to bring economic prosperity and enhance diplomatic cooperation in the region.

\n

- These events signify that countries seem to be pragmatic with their economic and political engagements, in the current era of globalisation.

\n

- Although there is no guarantee of success either in the coercive or the cooperative approach, both need to be pursued suitably.

\n

\n\n

## **How was the decision at FATF reached?**

\n\n

- \n
  - Pakistan has traditionally been a difficult country for the international community to coercively force compliance on terror related matters.
  - \n
    - But the current Trump administration has been displaying extra zeal, although there was much scepticism on the possibilities.
    - \n
      - Recently, Trump announced a major cut in military assistance to Pakistan for its non-compliance on the terror front, but this only saw the spiking of attacks.
      - \n
        - Subsequently, he has now mobilised the international community at FATF to squeeze Pakistan's terror strategy by choking its finances.
        - \n
          - While China (as a close ally of Pakistan) could've blocked the action, it hadn't done so, which may be indicative of China's changing worldview.
          - \n
            - Although, Beijing's position could've merely been a temporary aberration, it indeed calls for cheer.
            - \n

\n\n

## **How does the economic cooperation angle look?**

\n\n

- \n
  - Facilitating regional economic cooperation would enhance mutual interdependence and ensure lasting peace in the region.
  - \n
    - Notably, India and Pakistan currently have very small and restricted trade due to problems over the Kashmir question.
    - \n
      - Despite these problems, all countries have been showing keen interest in the TAPI pipeline project, which is hoped to be highly beneficial.
      - \n
        - Surprisingly, even non-state actors like Taliban who continue to hold significant clout over regions in Afghanistan have welcomed the project.
        - \n
          - While project is expected to cost \$10 billion, no international bank or

government appears willing to risk investments in this troubled region.

\n

- Here too, China could prove crucial, as it is already betting massively in the region through its Belt and Road Initiative.

\n

- These new dynamics imply that the past might not constrain the future and that structural changes in international relations are inevitable over time.

\n

\n\n

## Quick Fact

\n\n

## FATF

\n\n

\n

- The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 and is headquartered at Paris, France.

\n

- The objective of the FATF is to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system.

\n

- It nudges nations to legislate on concerned subjects by setting standards for effective implementation of legal, regulatory and operational measures.

\n

- Currently, FATF consists of 35 member countries and 2 regional organisations, the European Commission (EU) and the Gulf Co-operation Council (GCC).

\n

- Notably, most major economies (including India) are members but Pakistan is not a member.

\n

- The FATF also works in close co-operation with a number of international and regional bodies like the - UN, World Bank and Interpol.

\n

\n\n

\n\n

**Source: The Indian Express**

\n



**SHANKAR**  
**IAS PARLIAMENT**  
*Information is Empowering*