Wassenaar Arrangement

For Prelims: **Wassenaar Arrangement**, **No Money for Terrorism**, **Nuclear Suppliers Group**, **Non-Proliferation Treaty**

For Mains: Wassenaar Arrangement, Multilateral Export Control Regimes and Global Security, Challenges of Regulating Digital Technologies and Cloud Services
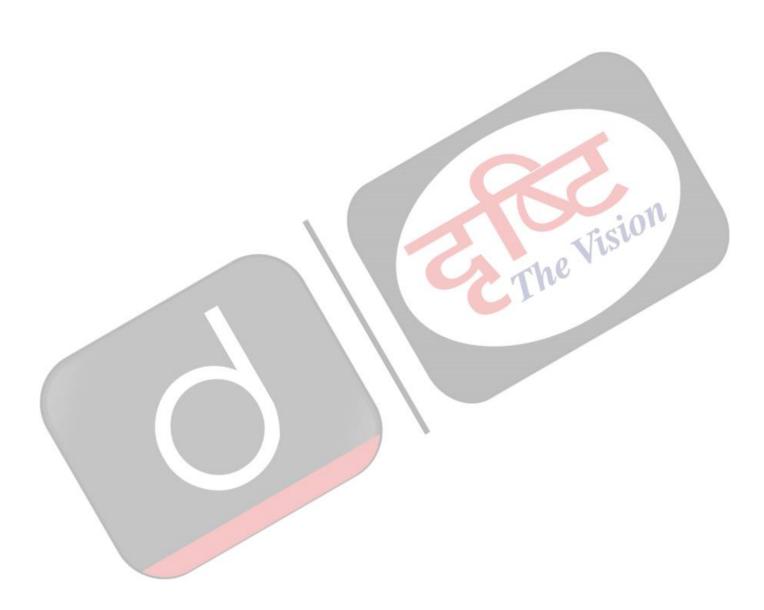
Source:TH

Why in News?

Protests erupted against Microsoft after allegations that its **Azure cloud services** were used to support Israeli military operations in **Palestine**, causing civilian harm and raising concerns over loopholes in the **Wassenaar Arrangement's** export control framework.

What is Wassenaar Arrangement?

- **About:** The Wassenaar Arrangement is the **first multilateral body** focused on **export controls for conventional arms and dual-use** (civilian and potential military applications) technologies.
    - Established in **1996 in Wassenaar, Netherlands**, it succeeded the Cold War–era **Coordinating Committee for Multilateral Export Controls (CoCom)** and functions as a **forum where all decisions are taken by consensus**.
- **Objective:** The Arrangement aims to **enhance regional and international security** by promoting **transparency and responsibility** among participating states and coordinating policies to **prevent sensitive technologies** from reaching countries that could threaten security.
- **Structure and Governance:**
    - **Plenary:** It is the main decision-making body. The Chair rotates yearly, India chaired the plenary of the Wassenaar Arrangement in 2023.
    - **Secretariat:** Based in Vienna, Austria, supports all Arrangement functions.
- **Members:** 42 countries, India joined in 2017.
- **Working Procedure:** Its control framework includes the Munitions List, covering items like tanks, combat aircraft, and small arms.
    - Dual-Use List, which includes technologies with both civilian and potential military applications.
    - Participating states **agree on control lists and share information**, while each government retains **full discretion over licensing, implementation, and enforcement** of the rules.
- **Scope:** Originally, the Arrangement focused on **physical exports** (devices, chips, hardware). In **2013**, the Arrangement expanded to include **"intrusion software"**, i.e., software that bypasses network security or enables cyber-surveillance.

India and Wassenaar Arrangement

- Wassenaar Arrangement strengthens India's role in **non-proliferation and arms control**, it aligns **India's Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) export controls** with global norms.
- It facilitates access to sensitive **dual-use technologies** for space, defence, and digital sectors, and supports its **counter-terrorism diplomacy**, including initiatives like **No Money for Terrorism (NMFT)**.
- Wassenaar Arrangement strengthens India's credentials for **entry into the Nuclear Suppliers Group**, where China has blocked India's membership.
- It reinforces India's commitment to **global non-proliferation norms** despite being a **non-signatory to the Nuclear Non-Proliferation Treaty (NPT)**.

Wassenaar Arrangement

For exchange of information on transfers of conventional weapons and dual-use goods and technologies

About

- **Voluntary** export control regime **formally estd. in 1996**
- Succeeded the Cold War-era **Coordinating Committee for Multilateral Export Controls**

Objective

- Controlling the movement of technology material or components to countries or entities which **undermine international security and stability**

Members

- **42** members (mostly NATO and EU states)
- The **P5** **(except China)** of UNSC are members

India's Membership of WA

- India joined as a **member in 2017** (latest entrant)
- India's membership implies that it is **recognised to have dual use technology**
- Being a non-signatory to the NPT, the WA membership is significant for India to **boost its credentials to enter the Nuclear Suppliers Group (NSG)**

Secretariat

- **Vienna**, Austria

WA Plenary

- Decision-making body with **representatives from all participating states**
- Plenary **chair rotates annually; India's** chairmanship begins from **1st Jan, 2023**

Drishti IAS

What are the Challenges facing the Wassenaar Arrangement?

- **Outdated Focus on Physical Exports: Originally designed to control hardware, chips, and devices, not cloud services or digital technologies.**
  - Modern software, **Software as a Service (SaaS)**, and **Artificial Intelligence (AI) tools** fall into **grey areas** not explicitly regulated under the arrangement.
  - **Current control lists do not cover mass surveillance, profiling, cross-border data systems, or human rights abuses. Technologies that can be misused for repression are often outside the scope of the Arrangement.**
- **Ambiguity Around Cloud and Remote Access:** Traditional rules of Wassenaar Arrangement do not treat remote access, A**pplication Programming Interface (API)** calls, or administrative rights as exports.
  - This allows companies or states to bypass control regimes while enabling potentially risky technology transfers.
- **Voluntary Nature and Lack of Enforcement:** The Arrangement is based on consensus; any member can block changes. Domestic implementation varies by country, leading to patchy coverage and inconsistent enforcement.
  - Cloud services, AI, and cyber tools evolve faster than the consensus-based decision-making process. There is no mechanism to fast-track urgent updates or sunset outdated controls, making the regime less relevant.
- **Divergent National Interpretations:** Under the Wassenaar Arrangement each country interprets and implements the rules differently, creating loopholes for defensive research or internal transfers.
  - No standardized system exists to **coordinate cross-border licensing or track high-risk users**.
- **Limited Human Rights Consideration: Licensing decisions under Wassenaar Arrangement often focus on military use or weapon of mass destruction (WMD) proliferation rather than the risk of civilian harm, surveillance abuse, or discrimination.**

What Measures can Strengthen the Wassenaar Arrangement?

- **Expand the Scope of Controlled Technologies: Include cloud infrastructure, AI systems, digital surveillance tools, biometric systems, and cross-border data transfers. Clearly define benign versus malicious uses to avoid over-regulating legitimate applications.**
  - Learn from the **EU dual-use regulations** that treat cloud transmissions as potentially controlled technologies.
- **Redefine "Export" for the Digital Era:** Treat **remote access, API calls, software-as-a-service invocation, and administrative rights** as equivalent to physical exports.
  - Ensure that **virtual or cloud-based transfers** fall under control regulations to close loopholes.
- **Introduce Binding Rules and Minimum Standards: Move beyond voluntary commitments to mandatory licensing standards. Implement peer review mechanisms to ensure compliance across member states.**
  - Establish shared watchlists of high-risk users or entities. Enable real-time red alerts and technical interoperability standards among licensing authorities. Align national licensing policies to mitigate cross-border risks effectively.
- **Make Governance Agile and Responsive:** Create a specialized technical committee or secretariat to fast-track interim updates. Host domain-specific regimes for AI, cyber weapons, and digital surveillance technologies that can evolve faster than the general Arrangement.
- **Integrate Human Rights and Risk Assessment:** Consider user identity, jurisdiction, oversight, legal mandate, and misuse potential in licensing decisions.
  - Ensure technology control is not only about military use or WMDs but also prevents mass human rights abuses.

Conclusion

The Wassenaar Arrangement, while **foundational for global export controls,** struggles to keep pace with rapidly evolving cloud and digital technologies. Strengthening the regime with binding rules, agile

oversight, and end-use controls is essential to **prevent misuse and safeguard human rights.**

> ***Drishti Mains Question:***
>
> **Q.** Evaluate the role of the Wassenaar Arrangement in promoting global security and non-proliferation. How has its relevance evolved in the digital and cloud era?

Frequently Asked Questions (FAQs)

1. What is the Wassenaar Arrangement?

A 1996 multilateral regime controlling conventional arms and dual-use technologies to enhance global security.

2. Which lists are maintained under the Wassenaar Arrangement?

Munitions List (tanks, aircraft, small arms) and Dual-Use List (civilian/military tech).

3. Why is the Wassenaar Arrangement's relevance challenged today?

It struggles with cloud, AI, and digital surveillance technologies, has a voluntary consensus-based framework, inconsistent national implementation, and limited human rights considerations.

4. What reforms can strengthen the Wassenaar Arrangement?

Expand scope to digital/cloud tech, redefine "export," introduce binding rules, enforce real-time watchlists, integrate human rights and risk-based licensing.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Recently the USA decided to support India's membership in multi-lateral export control regimes called the "Australia Group" and the "Wassenaar Arrangements". What is the difference between them ? (2011)

1. The Australia Group is an informal arrangement which aims to allow exporting countries to minimize the risk of assisting chemical and biological weapons proliferation, whereas the Wassenaar Arrangement is a formal group under the OECD holding identical objectives.

2. The Australia Group comprises predominantly Asian, African and Page 9 North American countries, whereas the member countries of Wassenaar Arrangement are predominantly from the European Union and American continents.

Which of the statements given above is/ correct?

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans: (d)

Q. In India, why are some nuclear reactors kept under "IAEA safeguards" while others are not? **(2020)**

(a) Some use uranium and others use thorium

(b) Some use imported uranium and others use domestic supplies

(c) Some are operated by foreign enterprises and others are operated by domestic enterprises

(d) Some are State-owned and others are privately owned

Ans: (b)

Mains

Q. With growing energy needs should India keep on expanding its nuclear energy programme? Discuss the facts and fears associated with nuclear energy. **(2018)**