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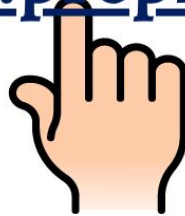


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**Summary of The Hindu & The Indian Express
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Polity and Governance

1. The Assam-Meghalaya boundary dispute resolution

Relevant for GS Prelims & Mains Paper II; Polity & Governance

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Two months after signing a draft resolution on January 29, Assam and Meghalaya partially resolved a 50-year-old dispute along their 884.9 km boundary. An agreement in this regard, termed historic, was signed between Assam Chief Minister Himanta Biswa Sarma and his Meghalaya counterpart Conrad K. Sangma in the presence of Home Minister Amit Shah in New Delhi on March 29. The agreement is expected to pave the way for resolving disputes in the remaining sectors of the Assam-Meghalaya boundary and similar areas of difference between Assam and three other northeastern States.

How did the boundary dispute start?

Meghalaya, carved out of Assam as an autonomous State in 1970, became a full-fledged State in 1972. The creation of the new State was based on the Assam Reorganisation (Meghalaya) Act of 1969, which the Meghalaya government refused to accept. This was because the Act followed the recommendations of a 1951 committee to define the boundary of Meghalaya. On that panel's recommendations, areas of the present-day East Jaintia Hills, Ri-Bhoi and West Khasi Hills districts of Meghalaya were transferred to the Karbi Anglong, Kamrup (metro) and Kamrup districts of Assam. Meghalaya contested these transfers after statehood, claiming that they belonged to its tribal chieftains. Assam said the Meghalaya government could neither provide documents nor archival materials to prove its claim over these areas. After claims and counter-claims, the dispute was narrowed down to 12 sectors on the basis of an official claim by Meghalaya in 2011.

How did the two governments go about handling the issue?

The two States had initially tried resolving the border dispute through negotiations but the first serious attempt was in May 1983 when they formed a joint official committee to address the issue. In its report submitted in November 1983, the committee suggested that the Survey of India should re-delineate the boundary with the cooperation of both the States towards settling the dispute. There was no follow-up action. As more areas began to be disputed, the two States agreed to the constitution of an independent panel in 1985. Headed by Justice Y.V. Chandrachud, the committee submitted its report in 1987. Meghalaya rejected the report as it was allegedly pro-Assam. Following more disputes and resultant violence, the two governments agreed in January 1991 to jointly demarcate the border with the help of the Survey of India. About 100 km of the border was demarcated by the end of 1991, but Meghalaya found the exercise unconstitutional and refused to cooperate. In 2011, the Meghalaya Assembly passed a resolution for central intervention and the constitution of a boundary commission. The Assam Assembly retaliated with a resolution to oppose the move. But the Centre made the two governments appoint nodal officers to discuss the boundary dispute to minimise the points of difference. In 2019, the Meghalaya government petitioned the Supreme Court to direct the Centre to settle the dispute. The petition was dismissed.

How was the ice broken?

In January 2021, Home Minister Amit Shah urged all the north-eastern States to resolve their boundary disputes by August 15, 2022, when the country celebrates 75 years of Independence. It was felt that the effort could be fast-tracked since the region's sister-States either had a Bharatiya Janata-led government or that of its "allergic-to-Congress" allies. In June 2021, the two States decided to resume talks at the CM level and adopt a "give-and-take" policy to settle the disputes once and for all. Of the 12 disputed sectors, six "less complicated" areas — Tarabari, Gizang, Hahim, Boklapara, Khanapara-Pilingkata and Ratacherra — were chosen for resolving in the first phase. Both States formed three regional committees, one each for a district affected by the disputed sectors. These committees, each headed by a cabinet minister, were given "five principles" for approaching the issue. These principles are historical facts of a disputed sector, ethnicity, administrative convenience, willingness of people and contiguity of land preferably with natural boundaries such as rivers, streams and rocks. The committee members conducted surveys of the disputed sectors and held several

meetings with the local stakeholders. On January 29, the two governments signed a draft resolution prepared on the basis of the recommendations of these regional panels. This paved the way for the March 29 closure of the six disputed sectors.

Will the partial settlement impact border disputes elsewhere in the Northeast?

According to the partial boundary deal, Assam will get 18.51 sq. km of the 36.79 sq. km disputed area while Meghalaya will get the remaining 18.28 sq. km. There is no clarity yet on the villages or uninhabited stretches that would be divided, but some political parties and community-based groups in Meghalaya are unhappy about acceding any part of the disputed areas to Assam. Reactions are similar in Assam, where the opposition Congress and local organisations said the agreement boiled down to how much land Assam could save from “aggressor” Meghalaya. But officials in Assam said it was better to let go of areas where they did not have any administrative control rather than “live with an irritant forever”. However, residents in the other six disputed sectors — Langpih, Borduar, Nongwah, Matamur, Deshdemoreah Block I and Block II, and Khanduli — feel the “give-and-take” template could spell disaster for them. The fear is more among non-tribal people who could end up living in a “tribal Meghalaya with no rights for us”. The apprehension is similar for residents of Assam in disputed areas along the border with other States. According to a paper tabled in the Assam Assembly in August 2014, six neighbouring States control 77,531.71 hectares of Assam land. Apart from Meghalaya, the other States are Arunachal Pradesh, Mizoram, Nagaland, Tripura and West Bengal.

Source: The Hindu

2. Quota and data: On Vanniyar quota verdict

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Supreme Court Quashed

The Supreme Court has rightly quashed the Tamil Nadu Special Reservation Act of 2021, or the Vanniyar quota law, on the ground that it was not based on updated quantifiable data.

What was the law?

The Act had envisaged the distribution of the 20% quota for Most Backward Classes (MBC) and De-notified Communities (DNCs) in education and public employment by assigning 10.5% to Vanniyars or the Vanniyakula Kshatriya community, 7% for 25 MBCs and 68 DNCs, and 2.5% for the remaining 22 MBCs.

Rationale by Supreme Court

Even though a superficial look at the law would give an impression that not just the Vanniyars but also 115 other communities have been covered, the aspect of internal reservation for one community — Vanniyars — had created the impression of special treatment.

Such treatment per se is not bad in law, as caste, the Court said, can be the starting point for the identification of backward classes or providing internal reservation, though it cannot be the sole basis. Also, there must be pertinent, contemporaneous data. The Court also pointed out that no analysis had been made of the relative backwardness and representation of other communities in the MBCs and DNCs.

Lessons learned

The Court's decision has provided relief to many by holding that the State is competent to design sub-classification among backward classes; prescribe the quantum of reservation based on such sub-classification, and formulate an ancillary law, even with the assent of the Governor, to one included in the Ninth Schedule. Regardless of further moves by the DMK government that had defended the law in the Supreme Court, this episode has important lessons. No community should be allowed internal or exclusive reservation without making a case for it on the basis of quantifiable data.

A caste-based census can help in determining the representation of various communities in public employment and in education. After all, it is adequate representation that holds the key for the special treatment of

reservation. But whether caste, narrowly defined, and not the socio-economic indicators of the applicants, should be the basis for reservation is another issue. Tamil Nadu's parties must take a relook at their position against the implementation of creamy layer rule in reservation, as otherwise there will always be demand for internal reservation from communities that feel left out. If the parties believe genuinely in the principle of equity in reservation, they should not have any problem in agreeing to the concept of creamy layer. Also, the demand for reservation for the economically weaker sections among the caste groups not covered by reservation will carry on if those seen as economically advanced continue to obtain a larger share of the reservation pie. Other than for the SCs and STs, the creamy layer must be excluded in providing for reservation for castes that qualify as backward classes.

Source: The Hindu

3. The Indian Antarctic Bill introduced in Lok Sabha

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Nearly 40 years after India first signed the Antarctic Treaty, the government has brought in a draft Indian Antarctic Bill, 2020. Earth Sciences Minister Dr Jitender Singh tabled the draft Bill in Lok Sabha on Friday.

What is the Antarctica Bill?

The draft bill is the first domestic legislation with regard to Antarctica in India.

Twenty-seven countries including Argentina, Australia, Belarus, Belgium, Canada, Chile, Columbia, Finland, France, Germany, Italy, Japan, Republic of Korea, the Netherlands, New Zealand, Norway, Peru, Russian Federation, South Africa, Spain, Sweden, Turkey, Ukraine, United Kingdom, United States of America, Uruguay and Venezuela already have domestic legislations on Antarctica. Many others, such as India, are now following suit.

While India has been sending expeditions to Antarctica for the past 40 years, these expeditions have been circumscribed by international law. The Bill now puts into place a comprehensive list of regulations related to Antarctica, for such scientific expeditions, as well as for individuals, companies and tourists.

The Ministry has explained that it expects activity in Antarctica to increase in the coming years, making the enforcement of a domestic set of protocols essential.

A domestic legislation will further provide more validity to the Antarctic Treaty, and subsequent protocols, of which India is a signatory.

The most significant part of the Bill is extending the jurisdiction of Indian courts to Antarctica, for crimes on the continent by Indian citizens, or foreign citizens who are a part of Indian expeditions. So far there was no recourse for crimes committed during an expedition, including crimes against the environment.

What is the Antarctica Treaty?

The Antarctic Treaty was signed in 1959 by 12 countries — Argentina, Australia, Belgium, Chile, French Republic, Japan, New Zealand, Norway, Union of South Africa, USSR, the UK of Great Britain and Northern Ireland and the US of America, and came into force in 1961.

The Treaty covers the area south of 60°S latitude.

The objectives of the treaty are to demilitarize Antarctica and establish it as a zone used for peaceful research activities and to set aside any disputes regarding territorial sovereignty, thereby ensuring international cooperation.

Currently, 54 nations are signatories to the Antarctic Treaty, but only 29 nations have a right to vote at the Antarctic Treaty Consultative Meetings – this includes India.

India signed the Antarctic Treaty in 1983 and received consultative status the same year.

The Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR) was set up in 1980 for the protection and preservation of the Antarctic environment and, in particular, for the preservation and conservation of marine living resources in Antarctica.

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The Protocol on Environmental Protection to the Antarctic Treaty was signed in 1991 and came into force in 1998. It designates Antarctica as a “natural reserve, devoted to peace and science”.

What are the main provisions of the Bill?

While the most significant provision of the Bill remains the extending of jurisdiction of Indian courts to Antarctica, and the investigation and trial for crimes committed on the Arctic continent, the Bill is a comprehensive document of regulations, particularly keeping in mind environmental protection and the fragile nature of the region.

The Bill introduces an elaborate permit system for any expedition or individual who wishes to visit the continent. These permits will be issued by a Committee that will be set up by the government. The Committee will comprise of the Secretary Earth Sciences ministry and will also have officials from Defence, Ministry of External Affairs, Finance, Fisheries, Legal Affairs, Science and Technology, Shipping, Tourism, Environment, Communication and Space ministries along with a member from the National Centre for Polar and Ocean Research and National Security Council Secretariat and experts on Antarctica.

The permits can be cancelled by the Committee if deficiencies are found or activities in contravention of the law are detected.

While India does not carry out commercial fishing in the area, since every country has an allotted quota, the Bill now provides for this activity. However, strict guidelines are in place in accordance with international law. Like fishing, while India does not carry out any tourism activity in the region, and very few Indian tourists visit Antarctica, when they do, they do so through foreign tour operators. Antarctica receives a number of tourists from foreign countries. The Bill now enables Indian tour operators to operate in Antarctica, although, like for commercial fishing, this is circumscribed by strict regulations.

The Bill further enlists elaborate standards for environmental protection as well as waste management.

What are the prohibitions?

The Bill prohibits drilling, dredging, excavation or collection of mineral resources or even doing anything to identify where such mineral deposits occur — the only exception is for scientific research with a granted permit.

Damaging of native plants, flying or landing helicopters or operating vessels that could disturb birds and seals, using firearms that could disturb the birds and animals, remove soil or any biological material native to Antarctica, engage in any activity that could adversely change the habitat of birds and animals, kill, injure or capture any bird or animal have been strictly prohibited.

The introduction of animals, birds, plants or microscopic organisms that are not native to Antarctica are also prohibited. Extraction of species for scientific research needs to be done through a permit. The central government can also appoint an officer to carry out inspections.

What is the penalty system that has been introduced?

The draft Bill proposes the setting up of a separate designated court to try crimes committed in Antarctica.

The Bill further sets high penal provisions — the lowest penalty comprising an imprisonment between one-two years and a penalty of Rs 10-50 lakh. Extraction of any species native to Antarctica, or introduction of an exotic species to the continent can draw imprisonment of seven years and a fine of Rs 50 lakh.

For dumping of nuclear waste or a nuclear explosion, the imprisonment can range between 20 years to life imprisonment with a fine of Rs 50 crore.

Source: The Indian Express

4. How does the new Criminal Procedure (Identification) Bill, 2022 propose to collect sensitive data?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

What is the legislation about? What are the major changes proposed?

On March 28, Minister of State for Home Ajay Kumar Mishra introduced The Criminal Procedure (Identification) Bill, 2022 in Lok Sabha. If passed, it will allow police and prison authorities to collect, store and analyse physical and biological samples including retina and iris scans of convicted, arrested and detained persons. At the introduction stage, Opposition members opposed the Bill terming it “unconstitutional” and an attack on privacy.

What is the legislation about?

The Bill seeks to repeal The Identification of Prisoners Act, 1920. The over 100-year-old Act's scope was limited to capturing of finger impression, foot-print impressions and photographs of convicted prisoners and certain category of arrested and non-convicted persons on the order of a Magistrate. The Statement of Objects and Reasons of the 2022 Bill said that new “measurement” techniques being used in advanced countries are giving credible and reliable results and are recognised the world over. It said that the 1920 Act does not provide for taking these body measurements as many of the techniques and technologies had not been developed then.

What are the major changes proposed?

It proposes four major changes. First, it would define “measurements” to include “signature, handwriting, iris and retina scan, physical, biological samples and their analysis, etc.” It does not specify what analysis means, implying that it may also include storing DNA samples. The “etc.” mentioned in the text of the Bill could give unfettered powers to law enforcement agencies to interpret the law as per their convenience, sometimes to the disadvantage of the accused.

Second, it empowers the National Crime Records Bureau of India (NCRB), under the Union Home Ministry, to collect, store and preserve the record of measurements for at least 75 years. The NCRB will be able to share the data with other law enforcement agencies as well. Police is a State subject and NCRB works under the Union government, and experts contend this provision may impinge on federalism.

Third, it empowers a Magistrate to direct any person to give vital details, which till now was reserved for convicts and those involved in heinous crimes. Fourth, it empowers police or prison officers up to the rank of a Head Constable to take details of any person who resists or refuses to do so.

What are some other changes?

The Bill also seeks to apply to persons detained under any preventive detention law. The Bill also authorises taking vital details of “other persons” for identification and investigation in criminal matters. It doesn't define the “other persons”, implying its ambit extends beyond convicts, arrested persons, or detainees. The Bill's stated objective is it provides legal sanction for taking such details and will make the investigation of crime more efficient and expeditious, and help in increasing the conviction rate. Congress member Manish Tewari pointed out in the Lok Sabha that Article 20(3) of the Constitution states that “no person accused of any offence shall be compelled to be a witness against himself.” BSP member Ritesh Pandey opposed the Bill saying it proposes to collect samples even from those engaged in political protests.

Is there a precedent?

The Karnataka Assembly passed The Identification of Prisoners (Karnataka Amendment) Bill in 2021, to amend the 1920 Act for application in the State. The Bill expands the collection to include blood samples, DNA, voice and iris scans “for effective surveillance and prevention of breach of peace and crime.” It empowers the Superintendent of Police or Deputy Commissioner of Police to order collection in addition to a magistrate to avoid delays and reduce the workload on the judiciary. As the provisions of the Bill were repugnant with the 1920 Act, a Central Government’s Act, Governor Thawar Chand Gehlot reserved the Bill for consideration of the President of the India. Under the process, the Bill is examined by the Ministry of Home Affairs (MHA) and is sent for inter-ministerial consultation. The Bill is yet to be cleared by the MHA. Now, the government has introduced a fresh legislation to replace the 1920 Act that will be applicable across the country. The States have been empowered to notify rules under the Act to specify the manner in which details could be recorded, preserved, disseminated and destructed and “any other matter which is to be prescribed, or in respect of which provision is to be made.”

Tamil Nadu introduced and notified The Identification of Prisoners (Tamil Nadu Amendments) Act in 2010. The Act allows the police to draw “blood samples” other than the specified measurements from the limited categories of suspects and convicts defined in the 1920 Act. Though President’s assent is awaited for the Karnataka Bill, the Tamil Nadu Act has been in practice for more than a decade after it received the assent of the Governor.

- On March 28, Minister of State for Home Ajay Kumar Mishra introduced The Criminal Procedure (Identification) Bill, 2022 in Lok Sabha.
- If passed, it will allow police and prison authorities to collect, store and analyse physical and biological samples including retina and iris scans of convicted, arrested and detained persons.
- The Bill also seeks to apply to persons detained under any preventive detention law.

Source: The Hindu

5. Why has the issue of the shared capital between Punjab and Haryana resurfaced? Is the Central government trying to fan old flames?**Relevant for GS Prelims & Mains Paper II; Polity & Governance**

The newly elected Punjab Legislative Assembly passed a resolution, moved by the Chief Minister himself, on April 1 in a special session seeking the transfer of Chandigarh to Punjab. With this, the ‘Chandigarh question’ has resurfaced, but this time it occupies the national spotlight.

How did Chandigarh come to its current status?

Chandigarh, described as a ‘planned city’ emblematic of ‘Nehruvian modernity’, is a greenfield city, which was commissioned by the government in independent India to replace Lahore, which went to Pakistan after Partition, as the capital of Punjab. Designed by Le Corbusier in association with Pierre Jeanneret, it is located on the foothills of the Shivalik Himalayas on village land acquired from what was then the Kharar tehsil of Ambala district. It was the capital of undivided Punjab from its inauguration in 1953 till 1966. Under the Punjab Reorganisation Act, 1966 following the Punjabi Suba movement, Haryana was carved out of the Hindi-speaking regions as a separate State while the hill regions of Punjab were merged with what was then the Union Territory (UT) of Himachal Pradesh. Chandigarh was made a UT and has remained the joint capital of Haryana and Punjab with State assets divided between Punjab and Haryana in the ratio of 60:40.

What is the Chandigarh issue?

Since 1966, the lack of full rights to its capital has remained a vexed issue in Punjab politics. All the governments and most political parties of Punjab have regularly raised the demand for Chandigarh. It has featured in all major developments, whether it is the 1973 Anandpur Sahib resolution, Dharam Yudh Morcha (of Akali Dal with J.S. Bhindranwale) and the 1985 Rajiv-Longowal Accord. Since 1966, the Punjab Assembly has passed at least six such resolutions with the last being in 2014 under the Shiromani Akali Dal-Bharatiya Janata Party

(SAD-BJP) government. The BJP's opposition to the latest Assembly resolution is the first time a political party has taken a contrarian stand.

Political actors in Punjab also interpret any action of the Central government vis-à-vis Chandigarh in terms of its implications for Punjab's claim over the city. For example, in 2008, CM Parkash Singh Badal withdrew his government's No Objection Certificate to convert Panjab University, which the 1966 Act designated an 'inter-state body corporate', into a Central university after criticism emerged that this had weakened Punjab's claim over the city.

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What is different this time?

The immediate provocation this time has been two recent decisions of the Central government, both taken in the aftermath of SAD breaking ties with the BJP over the now withdrawn farm laws. In February, the Centre amended the rules governing the functioning of the Bhakra Beas Management Board (BBMB), constituted under the 1966 Act, changing the eligibility criteria for the two full-time members of the Board which have, though technically open to all Indian officials, by convention gone to officials from Punjab and Haryana. Officers from the two States may not be able to meet the new eligibility criteria given the technical qualifications specified. All stakeholders in Punjab and Haryana have objected to this move though Haryana CM Manohar Lal Khattar was more muted in his response. Second, following the March-end announcement by Union Home Minister Amit Shah, the Centre issued a notification bringing Chandigarh UT administration employees under the Central Services Rules with effect from April 1, 2022 replacing the Punjab Services Rules. Coming within weeks after the Aam Aadmi Party (AAP) rose to power in Punjab, this move was interpreted not just as a continuation of the Centre's contentious relationship with the AAP government in Delhi, but also as an affront to Punjab's claim over Chandigarh.

What has been the position of the Union government on the city?

At the time of the 1966 Act, the Union government with Indira Gandhi as Prime Minister indicated that the UT status to Chandigarh was temporary and that it would be transferred to Punjab. This decision was formalised in 1970 with Mrs Gandhi promising Haryana funds for building its own capital. According to the 1985 Rajiv-Longowal Accord, Chandigarh was to be handed over to Punjab on January 26, 1986 but this never fructified after the assassination of Longowal and the long period of militancy till the mid-1990s. The recent developments could thus indicate a shift in the Central government's position.

What about Haryana?

As in Punjab, all parties in Haryana present a common position asserting the latter's claim to the city and have objected to any move which associates Chandigarh solely with Punjab. The International Airport which comprises territory from both the UT and Mohali city of Punjab was inaugurated in 2015 but remains nameless as Haryana has objected to the inclusion of Mohali in the name claiming that Haryana has a 50% stake in the airport. Haryana had also objected to the name 'New Chandigarh' for a township developed in the Mullanpur area adjoining Chandigarh in Punjab. Apart from the ruling BJP-Jannayak Janta Party, the Congress and Indian National Lok Dal have also condemned Friday's resolution, and raked up other inter-State disputes, prominently that of the Satluj Yamuna Link.

Is there a distinctive Chandigarh position?

Employees and unions of the Chandigarh administration have mostly welcomed the change in service rules since the Central provisions carry more benefits, especially on retirement age and other allowances, though pay scale-wise Punjab rules are considered better. After decades of existence as a UT, Chandigarh has developed a distinctive cultural character. Given its geographical location at the intersection of three States, as well as the presence of many educational institutions, medical establishments and the Army and Air Force, Chandigarh has developed a unique cosmopolitanism and become a magnet for the youth across the north western region. City residents thus favour the status quo.

The Chandigarh units of political parties, in contrast with their Punjab party units have time and again reiterated retention of the status quo.

What lies ahead?

While this time the issue has attracted more attention than usual, the future depends on the AAP's calculations. Its Punjab mandate indicates massive expectations from the electorate including better service conditions from government employees but it has inherited a debt-ridden government. Upping the ante on Chandigarh could buy it time but not much else. Moreover, it wishes to expand in other States, especially Haryana. It also risks antagonising city residents after performing well in the recent Chandigarh municipal corporation elections. As a new party without the comfort of long-established State units, it will have to balance these contending claims in deciding further action.

- The newly elected Punjab Legislative Assembly passed a resolution, moved by the Chief Minister himself, on April 1 in a special session seeking the transfer of Chandigarh to Punjab.
- Chandigarh, described as a 'planned city' emblematic of 'Nehruvian modernity', is a greenfield city, which was commissioned by the government in independent India to replace Lahore, which went to Pakistan after Partition, as the capital of Punjab.
- Employees and unions of the Chandigarh administration have mostly welcomed the change in service rules since the Central provisions carry more benefits, especially on retirement age and other allowances, though pay scale-wise Punjab rules are considered better.

Source: The Hindu

6. The Indian Antarctic Bill and its various provisions**Relevant for GS Prelims & Mains Paper II; Polity & Governance**

The Union government on Friday introduced the Indian Antarctic Bill, 2022, that aims to lay down a set of rules to regulate a range of activities on territories in Antarctica where India has set up research stations.

What does the Antarctic Bill envisage?

Introduced by Union Science Minister, Jitendra Singh in the Lok Sabha, the Bill envisages regulating visits and activities to Antarctica as well as potential disputes that may arise among those present on the continent. It also prescribes penal provisions for certain serious violations. If the Bill were to become law, private tours and expeditions to Antarctica would be prohibited without a permit or the written authorisation by a member country. A member country is one of the 54 signatories of the Antarctic Treaty signed in 1959 — India joined the Treaty System in 1983.

The Bill also lays out a structure for government officials to inspect a vessel and conduct checks of research facilities. The draft also directs the creation of a fund called the Antarctic fund that will be used for protecting the Antarctic environment. The Bill extends the jurisdiction of Indian courts to Antarctica and lays out penal provision for crimes on the continent by Indian citizens, foreign citizens who are a part of Indian expeditions, or are in the precincts of Indian research stations.

Following its first expedition to Antarctica in 1982, India has now established two standing research stations, Bharati and Maitri, at Antarctica. Both these places are permanently manned by researchers. The Bill also establishes a 'Committee on Antarctic Governance and Environmental Protection.' The Bill prohibits mining, dredging and activities that threaten the pristine conditions of the continent. It bans any person, vessel or aircraft from disposing waste in Antarctica and bars the testing of nuclear devices.

Why was this Bill necessary?

Mr. Singh remarked in Parliament that India had been a signatory to the Antarctic Treaty since 1983, which obliged it to specify a set of laws governing portions of the continent where it had its research bases. "Antarctica is a no man's land...It isn't that India is making a law for a territory that doesn't belong to it....the question is in the territory involving India's research stations, if some unlawful activity happens, how to check it? The Treaty made it mandatory for the 54 signatory countries to specify laws governing territories on which their stations are located. China has five, Russia has five, we have two," said Mr. Singh. India is also signatory to treaties such

as the Convention on the Conservation of Antarctic Marine Living Resources and the the Protocol on the Environmental Protection to the Antarctic Treaty— both of which enjoin India to help preserve the pristine nature of the continent.

“There is growing concern over preserving the pristine Antarctic environment and ocean around Antarctica from exploitation of marine living resources and human presence in Antarctica... India organises regular Antarctic expeditions and many persons from India visit Antarctica every year as tourists. In the future, the private ship and aviation industry will also start operations and promote tourism and fishing in Antarctica, which needs to be regulated. The continuing and growing presence of Indian scientists in Antarctica warrants a domestic legislation on Antarctica consistent with its obligations as a member of the Antarctic Treaty. This is also in sync with the emergence of India as a global leader on important international fronts,” the text of the Bill notes.

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What is the history of the Antarctic Treaty?

The Antarctic Treaty came into force on June 23, 1961 after ratification by the 12 countries then active in Antarctic science.

The Treaty covers the area south of 60°S latitude. Its key objectives are to demilitarise Antarctica, to establish it as a zone free of nuclear tests and the disposal of radioactive waste, and to ensure that it is used for peaceful purposes only; to promote international scientific cooperation in Antarctica and to set aside disputes over territorial sovereignty.

Of the 54 signatory countries, 29 have ‘consultative’ status that give them voting rights. The Treaty parties meet each year at the Antarctic Treaty Consultative Meeting. They have adopted over 300 recommendations and negotiated separate international agreements. These, together with the original Treaty, provide the rules which govern activities in the Antarctic. Collectively they are known as the Antarctic Treaty System (ATS).

What research does India conduct at Antarctica?

India has organised 37 expeditions to Antarctica. The major thrust areas of the Indian Antarctic Programme are climate processes and links to climate change, environmental processes and conservation and polar technology. The operational expenditure of the Antarctic expedition is ₹90-110 crore annually depending on the projects and services.

Source: The Hindu

7. Properties linked to Shiv Sena, AAP leaders attached, what happens to them now?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

The Enforcement Directorate (ED) on Tuesday (April 5) moved against two prominent Opposition leaders, Shiv Sena MP Sanjay Raut, and AAP leader and Delhi Minister Satyendra Jain.

In Mumbai, the agency provisionally attached assets worth Rs 115 crore linked to three persons, including Raut’s wife Varsha Raut.

Separately in Delhi, the ED attached assets worth Rs 4.81 crore belonging to five companies allegedly linked to Jain and his relatives.

In both these cases, the central agency moved under the Prevention of Money Laundering Act (PMLA).

The ED has taken similar action earlier against other politicians as well, including former Jammu and Kashmir Chief Minister Farooq Abdullah in January 2021 and Sivaganga MP Karti Chidambaram, the son of former Union Minister and senior Congress leader P Chidambaram, in October 2018.

In Farooq's case (related to the investigation into alleged money laundering in a case related to the Jammu and Kashmir Cricket Association), the attached properties included his Gupkar Road residence in Srinagar, where he was then resident, and two other residential properties in Tangamarg and Sunjwan, apart from commercial properties on Srinagar's Residency Road.

In Karti's case (related to the INX Media case), immovable properties worth over Rs 50 crore were attached, including a bungalow in Somerset, United Kingdom, a tennis club in Barcelona, Spain, agricultural land in Kodaikanal, a bungalow in Ooty, and 50% of a house owned by Karti and his mother Nalini in Jor Bagh, New Delhi.

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What happens when ED attaches the property of an accused?

Does it mean that individuals such as Raut, Jain, or anyone else, are immediately locked out of these homes or offices?

Not necessarily. Provisional attachment orders issued by the ED do not lead to immediate sealing of a property.

Farooq Abdullah, for example, continued to live in his house while the matter remained pending in courts. The Chidambaram family too, continued to enjoy their property in New Delhi even after 50% of it was attached. In 2020, the ED had issued an eviction notice to Karti, who secured legal protection against it.

For how long is the ED's attachment order valid?

The ED's provisional attachment order is valid for 180 days, during which time it must be confirmed by the Adjudicating Authority under the Prevention of Money Laundering Act (PMLA). If it is not confirmed, the property is automatically released from attachment.

If it is confirmed, the accused can challenge the confirmation in the Appellate Tribunal within 45 days, and subsequently in the concerned High Court and the Supreme Court.

What does the law say on the attachment of property?

The purpose of attachment is to deprive an accused of the benefits of the attached asset. The law also provides for the property to remain out of bounds for the accused until the trial is complete.

However, properties that are in use are generally not sealed until the case reaches its logical conclusion. Usually, the accused secures release of the property in appellate tribunals or High Courts, or is able to get a stay, and continue to enjoy it while the matter remains pending in the courts.

What about running businesses?

Running businesses are not shut down. Therefore, a running hotel can, for example, be attached under the PMLA, and still continue its business.

In 2018, the ED attached the Holiday Inn Hotel at Delhi's IGI airport in connection with the Air India case. But the hotel continues to host guests as usual.

The law provides for the resting of operational profits with the ED. But businesses can get a stay on this from the courts, for the matter to be finally decided in the eventual outcome of the case.

On what basis does the ED attach the properties of accused persons?

Under PMLA, proceeds of crime, that is money that is generated out of a criminal activity, is attached on the directions of the ED Director. However, if that wealth is not available for attachment, the agency can attach property equivalent to that value.

The PMLA defines "proceeds of crime" as "any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property, or where

such property is taken or held outside the country, then the property equivalent in value held within the country or abroad”.

While the idea of attachment of property equivalent to proceeds of crime has been contested, various court orders in the past have ruled in favour of ED's interpretation of the term “the value of any such property” to mean that the agency can attach any property of equivalent value with the accused.

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The law also has a provision for the attachment of local property of equivalent value if investigations reveal that the accused has parked proceeds of crime abroad, and the same cannot be attached there.

What happens to assets that are sealed?

Attached properties may remain locked for years, and may start crumbling. There is a provision for a body to maintain such properties, but it has not been set up yet.

Attached vehicles are sent to warehouses owned by the Central Warehousing Corporation, where the ED pays to park the vehicle. As cases drag on for years, the vehicles rot. At the end of the trial, neither the accused nor the ED recovers anything from the vehicle. The agency could, in fact, end up paying more rent than the value of the vehicle.

Source: The Indian Express

8. The Punjab-Haryana dispute over rivers waters and SYL Canal

Relevant for GS Prelims & Mains Paper II; Polity & Governance

The Haryana Vidhan Sabha has passed a resolution seeking completion of the Sutlej Yamuna Link Canal (SYL) Canal, bringing back into focus the contentious issue of sharing of river waters between Haryana and Punjab. Haryana CM Manohar Lal Khattar's resolution said: “The right of Haryana to share waters Ravi and Beas rivers by the construction of the SYL Canal were is historically, legally, judicially and constitutionally established over time. The august House has unanimously on at least seven occasions passed resolutions urging the early completion of the SYL canal.”

The river waters

The canal, once completed, will enable sharing of the waters of the rivers Ravi and Beas between the two states. The issue dates back to 1966 at the time of reorganisation of Punjab and formation of Haryana was formed. Punjab was opposed to sharing the waters of the two rivers with Haryana, citing riparian principles.

The shares

A decade before the formation of Haryana, the water flowing down Ravi and Beas was assessed at 15.85 million acre feet (MAF) per year. The Union government had organised a meeting in 1955 between the three stakeholders — Rajasthan, undivided Punjab and Jammu and Kashmir — and allotted 8 MAF per year to Rajasthan, 7.20 MAF to undivided Punjab and 0.65 MAF to J&K.

A decade after reorganisation, the Centre issued a notification allocating 3.5 MAF to Haryana out of the 7.2 MAF allotted to Punjab before reorganisation. In a reassessment in 1981, the water flowing down Beas and Ravi was estimated at 17.17 MAF, of which 4.22 MAF was allocated to Punjab, 3.5 MAF to Haryana, and 8.6 MAF to Rajasthan.

The canal

On April 8, 1982, then Prime Minister Indira Gandhi launched the construction of the SYL Canal with a groundbreaking ceremony in Kapoori village in Patiala district. A stretch of 214 km was to be constructed, out of which 122 km was to cross Punjab and 92 km in Haryana. But the Akalis launched an agitation in the form of Kapoori Morcha against the construction of the canal. Then in July 1985, Prime Minister Rajiv Gandhi and

then Akali Dal chief Sant Harchand Singh Longowal signed an accord agreeing for a new tribunal to assess the water.

The tribunal

The Eradi Tribunal headed by Supreme Court Judge V Balakrishna Eradi was set up to reassess availability and sharing of water. In 1987, the tribunal recommended an increase in the shares of Punjab and Haryana to 5 MAF and 3.83 MAF, respectively.

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The canal and militancy

On August 20, 1985, Longowal was killed by militants, less than a month for signing the accord. In 1990, a chief engineer M L Sekhri and a Superintending Engineer Avtar Singh Aulakh were killed by militants.

In other violence, labourers were shot dead in Majat village near Chunni and Bharatgarh near Ropar. The construction came to a halt. In the backdrop of these incidents, Punjab leaders has been cautioning the Centre not to rake up the issue again.

Punjab's argument

As per a state government study, many areas in Punjab may go dry after 2029. The state has already over-exploited its groundwater for irrigation purposes as it fills granaries of the Centre by growing wheat and paddy worth Rs 70,000 crore every year. As per reports, water in about 79% of the state's area is over-exploited. Out of 138 blocks, 109 blocks are "over-exploited", two blocks are "critical" five blocks are "semi-critical" and only 22 blocks are in "safe" category. In such a situation, the government says sharing water with any other state is impossible.

Haryana's claim

Haryana has been staking claim to the Ravi-Beas waters through the SYL Canal on the plea that providing water for irrigation was a tough task for the state. In southern parts, where underground water had depleted up to 1700 feet, there was a problem of drinking water. Haryana has been citing its contribution to the central food pool and arguing that it is being denied its rightful share in the water as assessed by a tribunal.

Source: The Indian Express

9. The 13 new districts of Andhra Pradesh, and why they have been created

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Andhra Pradesh Chief Minister Y S Jagan Mohan Reddy on Monday (April 4) virtually inaugurated 13 new districts in the state. The state now has 26 districts, double the earlier number of 13.

The new districts are: 1) Parvathipuram Manyam, 2) Anakapalli, 3) Alluri Seetharama Raju, 4) Kakinada, 5) Konaseema, 6) Eluru, 7) Palnadu, 8) Bapatla, 9) Nandyala, 10) Sri Sathya Sai, 11) Sri Balaji, 12) Annamaya, and 13) NTR.

When did this idea of having more districts come up?

The Chief Minister has long maintained that the state should have more, smaller districts. Before the 2019 Assembly elections, he had promised that if the Yuva Jana Shramika Rythu Congress Party (YSRCP) came to power, it would create new districts based on parliamentary constituencies in the state. Andhra Pradesh has 25 Lok Sabha constituencies.

In his Republic Day address this year, Andhra Pradesh Governor Biswabhusan Harichandan referred to the proposal, and said that the new districts may be created by the Telugu New Year in the first week of April.

Soon afterward, the government had issued a draft notification under The Andhra Pradesh Districts (Formation) Act, 1974, saying boundaries of existing districts would be redrawn to double the number of districts or revenue divisions to 26.

So which district boundaries have been changed now?

Barring the districts of Srikakulam, Prakasam, and Nellore, the remaining 10 existing districts have been divided into two or more districts each.

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- Vizianagaram district has been bifurcated to create the new, totally tribal district of Parvathipuram Manyam.
- From Visakhapatnam, two new districts of Anakapalli and Alluri Seetharama Raju, have been carved out. The latter district, part of the Araku parliamentary constituency, is also totally tribal, and named after the legendary freedom fighter who led the 1922 Rampa tribal rebellion.
- The existing district of East Godavari has been split into three, and two new districts of Kakinada and Konaseema have come into existence.
- Eluru has been carved out of West Godavari district.
- Guntur district has been split into three, with two new districts of Palnadu and Bapatla.
- Nandyala has been carved out of Kurnool as a separate district.
- Sri Sathya Sai district has been taken out of Anantapur.
- Sri Balaji district has been created out of Chittoor. It will have the famous temple of Lord Venkateswara located atop Tirumala, and the pilgrim town of Tirupati.
- Annamaya district has been carved out of Kadapa.
- The new district of NTR has been created out of the existing Krishna district. Naming a district after the founder of the TDP has been a surprise to the main opposition party. Chief Minister Reddy said on Monday that his government had also accorded revenue division status to Kuppam, from where TDP chief N Chandrababu Naidu is MLA, in view of Naidu's request. His government had done what Naidu had failed to do despite having served as Chief Minister for 14 years, Reddy said.

What is the reason for creating the new districts?

Decentralisation and smaller administrative units will bring better administration, transparency, and smoother and more effective delivery of welfare, Chief Minister Reddy said on Monday. The draft notification issued in January had said the step was being taken in the interest of better administration and development.

As many as 38.15 lakh people live in each of the existing 13 districts of the state on average, a very high number that has now been brought down to 19.07 lakh with the creation of the new districts, the Chief Minister said. Even a small state like Arunachal Pradesh has 25 districts for better administration, Reddy said.

The CM said that the role and scope of collectors have widened from merely collecting revenue to heading the delivery mechanism of welfare schemes and outreach to people, and the focus of all 26 district collectors should now be on meeting the Sustainable Development Goals (SDG). The reforms are aimed at bringing the administration closer to the people, he said.

Why has the government's move been criticised?

Human and civil rights activists, NGOs, and other organisations have been arguing that while the formation of smaller districts for better governance is a good idea in principle, there are issues around the way the government has gone about implementing it.

The Human Rights Forum has argued that "the division of districts must be carried out after wide-ranging and meaningful public discussion", but "there has been neither proper application of mind nor democratic consultation" in this case.

According to the Forum, the new boundaries will put considerable distance between the proposed district headquarters and several places across the state. In some cases, the district headquarters may become more distant and difficult to access.

“What is the point of creating new districts when distances remain considerable? The formation of new districts in this manner will in no way facilitate the stated objective of better administration. Re-organising of districts with parliamentary constituencies as criteria is fundamentally flawed,” the HRF stated.

Former IAS officer EAS Sarma has argued that bifurcation of areas with tribal populations is “a violation of tribal rights”.

Source: The Indian Express

10. Reorganising Andhra Pradesh: districts to match LS constituencies

Relevant for GS Prelims & Mains Paper II; Polity & Governance

What is the objective of having 13 new districts in the State? How is the administration planning to execute this major revamp?

On Monday, Andhra Pradesh Chief Minister Y.S. Jagan Mohan Reddy inaugurated 13 new districts, pointing out that the main objective was to take the administration to the people's doorsteps. During his 2019 election campaign, Mr. Reddy had promised that if elected to power, his government would create new districts based on parliamentary constituencies in the State. The total number of districts has gone up to 26; and Andhra Pradesh has 25 Lok Sabha constituencies. Districts were last reorganised in the 1970s, when Prakasam and Vizianagaram came into existence in the unified State of Andhra Pradesh, which was formed in 1956.

Why has the government set up new districts?

During the election campaign, Mr. Jagan Mohan Reddy promised to create new districts in order to take the administration to the grassroot level. The government had received over 17,500 representations from the people and decided on the new districts by taking their demands into account. The primary objective, according to the Chief Minister, is to take a substantial leap in efforts to achieve Sustainable Development Goals. He said the performance of collectors would be assessed on the basis of steps taken by them to achieve the goals. The new districts are Parvathipuram Manyam, Alluri Sitharama Raju, Anakapalli, Kakinada, Konaseema, Eluru, NTR, Palnadu, Bapatla, Nandyal, Annamayya, Tirupati and Sri Satya Sai.

Collectors and SPs in all the new districts assumed charge on Monday and the distribution of staff is almost completed.

Who will the new districts serve?

As far as the new districts are concerned, Mr. Jagan Mohan Reddy claimed that the distance from the remote and border villages to the district headquarters has been reduced. Each of the 26 districts now has six to eight Assembly constituencies — Andhra has 175 Assembly seats.

His assertion is that the new districts will be manageable, unlike the old ones, with an average population of 19.07 lakh each compared to the average of 38.15 lakh as per the 2011 Census. He drew a comparison with Telangana among other States, saying it has 33 districts for a population of nearly 3.85 crore. The Chief Minister said with a population of 4.90 crore as per the 2011 Census, Andhra required more districts.

As a prelude to the formation of new districts, the government had established ward and village secretariats in October 2019 and on Monday, apart from the 13 new districts, 21 additional revenue divisions have been formed, taking their total number to 72.

Each district is coterminous with a Lok Sabha constituency. The Araku-ST constituency is the lone exception with two districts namely Alluri Sitharama Raju and Parvathipuram Manyam, keeping the needs of the vast tribal population in mind.

How will the new district administration function?

On the infrastructure front, transit accommodation has been provided to collectors and Superintendents of Police (SPs) and efforts are underway to build integrated administrative complexes on 15 acres in each one of the new districts. The idea is to have all offices i.e. offices of the collectors, SPs and heads of the district departments in one place to ensure that the people do not face any inconvenience.

The final designs of the office complexes will be ready by the end of April, by which time tenders for their construction will be invited.

What happened to the 'three capitals' plan?

The Chief Minister had also proposed 'three capitals' as a decentralisation move a few months after his party swept to power. But after facing massive protests, the government scrapped the AP Decentralisation and Inclusive Development of All Regions Act, 2020, and AP Capital Region Development Authority Repeal Act, 2020, for the development of three capitals — Amaravati (legislative), Visakhapatnam (executive) and Kurnool (judicial). Mr. Jagan Mohan Reddy has promised to introduce a more comprehensive Bill.

Source: The Hindu

11. How has Mullaperiyar dam panel been empowered?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

What are the Supreme Court's orders to Tamil Nadu and Kerala on the supervisory committee?

On April 8, the Supreme Court ordered the reconstitution of the Mullaperiyar dam's supervisory committee, which will include one technical expert each from Tamil Nadu and Kerala, the two States involved in the dispute concerning safety of the dam, and empowered the panel with functions and powers on par with that of the National Dam Safety Authority (NDSA), a body envisaged under the Dam Safety Act, 2021.

What is the dispute?

Located in Idukki district of Kerala, the 126-year-old Mullaperiyar dam is owned, operated and maintained by Tamil Nadu for several purposes, including irrigation, drinking water supply and hydro-power generation. In late 1979, after the eruption of the controversy over the structural stability of the dam, it was decided at a tripartite meeting that the water level be lowered to 136 feet against the full reservoir level of 152 feet so that Tamil Nadu could take up strengthening measures. In view of execution of a large portion of the measures, the Supreme Court, in 2006 and 2014, held that the water level be raised to 142 feet, up to which Tamil Nadu stored water even last year. The court's judgment of 2014 also provided for the formation of the supervisory committee and the completion of the remaining work by Tamil Nadu. But, there has been no end to litigation over the dam with Kerala witnessing landslides in recent years. Though there had been no reports of landslides in the vicinity of the dam site, the events in other parts of the State led to a renewed campaign against the dam. The Kerala government proposed that the existing dam be decommissioned and a fresh one be built, the options of which are not completely acceptable to Tamil Nadu which wants to complete the remaining strengthening work and restore the level to 152 feet.

Why was the Dam Safety Act framed? How does it affect Mullaperiyar?

The Central government had mooted a bill on dam safety on account of the absence of a proper dam safety institutional framework. The Dam Safety Act, 2021, which came into force last December, deals with the subjects of surveillance, inspection, operation and maintenance of stipulated dams across the country, all of which hold relevance to the Mullaperiyar dam.

Broadly, the law, which holds dam owners responsible for the construction, operation, maintenance, and supervision of dams, has designed two sets of bodies, one at the level of the Union government and another at the level of States. The National Committee on Dam Safety (NCDS) would devise dam safety policies and recommend necessary regulations while the NDSA would implement policies and address unresolved issues between States, apart from being the regulatory body. At the other level, the State Dam Safety Organisation and State Committees on Dam Safety have been envisaged. There is one more function attached to the NDSA, by

which the NDSA would assume the role of a State Dam Safety Organisation for a dam located in one State and owned and operated by another. This is why Mullaperiyar comes under the law's purview.

What has the Supreme Court ruled?

Apart from vesting the supervisory committee with powers and functions of the NDSA, the court has empowered it to decide on all outstanding matters related to the safety of the dam and conduct a fresh review of its safety. For any act of failure, "appropriate action" will be taken against the persons concerned not only for having violated the directions of the court but also under the Act, which talks of one year imprisonment or fine or both for refusal to comply with directions of bodies formed under the law. As required by the Supreme Court in its latest order, the two States are expected to nominate, within two weeks, one representative each to the supervisory committee, in addition to one nominee each.

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Source: The Hindu

12. Amending the Weapons of Mass Destruction Act

Relevant for GS Prelims & Mains Paper II; Polity & Governance

On April 5, 2022, the Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibition of Unlawful Activities) Amendment Bill, 2022 was introduced in the Lok Sabha. It was passed the next day. The Bill amends the WMD and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 which prohibits the unlawful manufacture, transport, or transfer of WMD (chemical, biological and nuclear weapons) and their means of delivery. It is popularly referred to as the WMD Act. The recent amendment extends the scope of banned activities to include financing of already prohibited activities.

What was the purpose of the original WMD Act?

The WMD and their Delivery Systems (Prohibition of Unlawful Activities) Act came into being in July 2005. Its primary objective was to provide an integrated and overarching legislation on prohibiting unlawful activities in relation to all three types of WMD, their delivery systems and related materials, equipment and technologies. It instituted penalties for contravention of these provisions such as imprisonment for a term not less than five years (extendable for life) as well as fines. The Act was passed to meet an international obligation enforced by the UN Security Council Resolution (UNSCR) 1540 of 2004.

What is the UNSCR 1540?

In April 2004 the UN Security Council adopted resolution 1540 to address the growing threat of non-state actors gaining access to WMD material, equipment or technology to undertake acts of terrorism. In order to address this challenge to international peace and security, UNSCR 1540 established binding obligations on all UN member states under Chapter VII of the UN Charter. Nations were mandated to take and enforce effective measures against proliferation of WMD, their means of delivery and related materials to non-state actors.

UNSCR 1540 enforced three primary obligations upon nation states — to not provide any form of support to non-state actors seeking to acquire WMD, related materials, or their means of delivery; to adopt and enforce laws criminalising the possession and acquisition of such items by non-state actors; to adopt and enforce domestic controls over relevant materials, in order to prevent their proliferation. It was to meet these obligations that enactment and enforcement of legislations to punish the unlawful and unauthorised manufacture, acquisition, possession, development and transport of WMD became necessary.

What has the Amendment added to the existing Act?

The Amendment expands the scope to include prohibition of financing of any activity related to WMD and their delivery systems. To prevent such financing, the Central government shall have the power to freeze, seize or attach funds, financial assets, or economic resources of suspected individuals (whether owned, held, or controlled directly or indirectly). It also prohibits persons from making finances or related services available for other persons indulging in such activity.

Why was this Amendment necessary?

UNSCR 1540 undergoes periodic reviews to determine the success of its implementation and to identify gaps in enforcement. In one such review undertaken in 2016, it was concluded that the risk of proliferation to non-state actors is increasing due to rapid advances in science, technology, and international commerce.

The statement of objects and reasons of the Bill presented in India echoes these developments for having made the Amendment necessary. Two specific gaps are being addressed — first, as the relevant organisations at the international level, such as the Financial Action Task Force have expanded the scope of targeted financial sanctions and demand tighter controls on the financing of WMD activities, India's own legislation has been harmonised to align with international benchmarks.

Secondly, with advancements in technologies, new kinds of threats have emerged that were not sufficiently catered for in the existing legislation. These notably include developments in the field of drones or unauthorised work in biomedical labs that could maliciously be used for terrorist activity. Therefore, the Amendment keeps pace with evolving threats. In fact, domestic legislations and international measures that address issues of WMD security cannot afford to become fossilised. They must be agile and amenable to modifications in keeping with the changing tactics of non-state actors.

What more should India do?

India's responsible behaviour and actions on non-proliferation are well recognised. It has a strong statutory national export control system and is committed to preventing proliferation of WMD. This includes transit and trans-shipment controls, retransfer control, technology transfer controls, brokering controls and end-use based controls. Every time India takes additional steps to fulfil new obligations, it must showcase its legislative, regulatory and enforcement frameworks to the international community.

At the domestic level, this Amendment will have to be enforced through proper outreach measures to industry and other stakeholders to make them realise their obligations under the new provisions. India's outreach efforts with respect to the WMD Act have straddled both region-specific and sector-specific issues. Similar efforts will be necessary to explain the new aspects of the law.

It is also necessary that India keeps WMD security in international focus. There is no room for complacency. Even countries which do not have WMD technology have to be sensitised to their role in the control framework to prevent weak links in the global control system. India can offer help to other countries on developing national legislation, institutions and regulatory framework through the IAEA (International Atomic Energy Agency) or on bilateral basis.

Could the Amendment become troublesome to people on account of mistaken identity?

In the discussion on the Bill in Parliament, some members expressed concern on whether the new legislation could make existing business entities or people in the specific sector susceptible to a case of mistaken identity. The External Affairs Minister, S. Jaishankar, however, assured the House that such chances were minimal since identification of concerned individuals/entities would be based on a long list of specifics.

What is the international significance of these legislation? What is in it for India?

Preventing acts of terrorism that involve WMD or their delivery systems requires building a network of national and international measures in which all nation states are equally invested. Such actions are necessary to strengthen global enforcement of standards relating to the export of sensitive items and to prohibit even the financing of such activities to ensure that non-state actors, including terrorist and black-market networks, do not gain access to such materials. Sharing of best practices on legislations and their implementation can enable harmonisation of global WMD controls.

India initially had reservations on enacting laws mandated by the UNSCR. This is not seen by India as an appropriate body for making such a demand. However, given the danger of WMD terrorism that India faces in view of the difficult neighbourhood that it inhabits, the country supported the Resolution and has fulfilled its requirements.

It is in India's interest to facilitate highest controls at the international level and adopt them at the domestic level. Having now updated its own legislation, India can demand the same of others, especially from those in its neighbourhood that have a history of proliferation and of supporting terrorist organisations.

Source: The Hindu

13. On making Kannada mandatory for UG courses

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Relevant for GS Prelims & Mains Paper II; Polity & Governance

On April 6, the High Court of Karnataka stayed the implementation of two orders issued by the State Government making Kannada a compulsory language for undergraduate courses such as BA, BSc, BCom, etc., from the academic year 2021-22. With the interim order of the High Court, students admitted for the academic year 2021-22 are not required to compulsorily study Kannada for the time being.

What were the Government Orders?

The Higher Education Department of Karnataka, on August 7, 2021, notified a Government Order issuing guidelines to universities and affiliated colleges for implementing the National Education Policy (NEP), 2020. As per the guidelines, students joining the undergraduate courses in Karnataka from the academic year 2021-22 were required to study Kannada as a compulsory language among the two languages mandated for the first four semesters. The government also prescribed preparation of a separate Kannada language syllabus for those who have not studied Kannada in 10+2 level and for those whose mother tongue is not Kannada.

In another Government Order, issued on September 15, 2021, the department modified the guidelines stating that only functional Kannada is to be taught to students from outside Karnataka or from foreign countries or for those who have not studied Kannada in any level up to 10+2.

What were the litigations that followed?

The Samskrita Bharati (Karnataka) Trust, a private institution, on September 23, 2021, moved the High Court questioning the legality of making Kannada a compulsory subject in the guise of implementing NEP 2020. Later, Shivakumar G.K. and several other students as well as Kshithija S. Shetty and fellow lecturers/professors of the Hindi language across the State joined the legal battle by filing separate petitions.

Apart from contending that making Kannada a compulsory language to be studied in UG courses violates various fundamental rights of the students and the teaching community, the litigants mainly argued before the High Court that making the study of a language mandatory is contrary to the very purpose of NEP-2020, which purports to offer a choice-based system to promote inclusivity. Stating that NEP 2020 does not specify any mandatory language criteria for higher education courses, the litigants have also pointed out that even the reports submitted by the task force and sub-committees of the Government on Karnataka on implementation of NEP 2020, did not contain any recommendation making Kannada a mandatory language for UG courses.

What has been the Central government's response?

The High Court had asked the Central government to make its stand clear on whether NEP-2020 prescribes such compulsion to study a particular language. The Central government, in its written statement, clarified to the court that "there is no mention of any compulsory language in NEP-2020." The Additional Solicitor General of India, in addition to reiterating the averments made in the statement, made it clear to the court that the regional language cannot be made a compulsory subject in implementation of the NEP.

What had the court ruled earlier?

Initially, the High Court on December 16, 2021, had directed that the students who have already chosen Kannada language should do so, but all such students who do not wish to take the Kannada language shall not be compelled to pursue it till further orders. The court had also directed the government to not insist on Kannada as a compulsory language.

In view of the stand of the Central government, the court said that prima facie the Government Orders of August 7 and September 15, 2021, cannot be implemented for now.

What lies ahead?

The State Advocate General of Karnataka wanted to argue on the powers of the State government to make Kannada a compulsory subject.

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The court said that it would hear further arguments in July on the question of whether Kannada can be made a compulsory subject in higher studies (undergraduate) on the pretext of implementing the National Education Policy, 2020.

Source: The Hindu

14. The significance of Nagaland govt's green signal for 33% reservation for women in civic bodies

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Earlier this week, the Nagaland government informed the Supreme Court that it was ready to implement a 33 per cent reservation for women in the civic body polls. With that, the apex court said there was no longer any "impediment" in holding elections to the Urban Local Bodies (ULB), and asked the Nagaland Election Commission to schedule dates.

If implemented, ULB elections, a contentious subject in Nagaland, will be held in the state after more than a decade.

Why have ULB polls been a subject of controversy in Nagaland?

The civic body elections were first held in the state in 2004, in accordance with the Nagaland Municipal Act of 2001.

In 2006, the Nagaland Municipal Act of 2001 was amended to include a 33 per cent reservation for women in line with the 1992 Constitutional amendment.

Since then, there has been widespread opposition to the amendment, as many Naga groups contend that the reservations are in contravention with Naga customary laws as enshrined in Article 371(A) of the Constitution — which accords the state special status and protects its traditional way of life.

In February 2017, as the Nagaland government tried holding the elections as per a Supreme Court directive (to hold elections with 33 per cent reservation for women), the state was convulsed by violent protests that led to two deaths, and ouster of the then chief minister T R Zeliang.

Is everyone in Nagaland opposed to it?

Women's groups like the Naga Mothers' Association (NMA) stand on the other side of this debate, and have fought a long legal battle for elections to be held. They argue that reservations do not infringe upon Article 371(A) of the Constitution. Their rationale: Article 371 (A) related to laws made in the Parliament while the reservations had been effected through a Constitutional amendment.

The contention around the polls led the Nagaland government in December 2009 to indefinitely postpone municipal elections, which were due in 2010.

In 2011, the NMA petitioned the Gauhati High Court on the issue. Many leaders from the NMA, as well as other tribal womens' groups in Nagaland, also formed the Joint Action Committee on Women Reservation (JACWR) in the same year to press for the issue.

However, despite the high court directing the government to hold the elections in 2011, the Nagaland assembly, in 2012, adopted a resolution rejecting women's reservation in ULBs.

Thereafter, the NMA filed a special leave petition in the Supreme Court making its case for reservations. It was on the basis of this petition that the apex court ordered the state government to conduct elections in 2017. The state assembly revoked its 2012 resolution and agreed to hold elections.

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However, as the elections were announced and the opposition to it turned violent leaving two dead in February 2017, the NMA withdrew its name for the petition. Thereafter, the People's Union for Civil Liberties made itself a party to the case.

What happened thereafter?

In October 2021, a committee was formed by the state government to review the Municipality Act 2001.

In February 2022, the Supreme Court rapped the Nagaland state government for delaying the elections, saying that an "important aspect of gender equality seems to be getting postponed."

Shortly after in March, the state government convened a meeting with all stakeholders, including civil society organisations, churches, tribal bodies, political parties and NGOs and "unanimously" adopted a resolution to hold ULB polls.

Mmhonlumo Kikon, state government spokesperson and advisor, described it as "historic day" for the people of Nagaland.

On April 12, 2022, the Nagaland government informed the Supreme Court of its resolution, after which the court directed the government to fix a date for the ULB elections with 33 per cent seats reserved for women. The next date of hearing is in July.

Is there a public consensus on the elections now?

Kikon said that there was "resistance" in the last term among various sections of the civil society. "However, the government has mobilised and discussed with all stakeholders and there is a consensus now," he said.

The Naga Hoho, the apex tribal body of the state, said that there was no more "opposition".

"As far as the tribal HOHO is considered, we have no objection," said HK Zhimoni, President, Naga Hoho, adding that women "should be given equal position and privilege."

However, the Joint Coordination Committee (JCC) on urban local bodies continues to demand a review of the Municipal Act. Following the March resolution of the government, the JCC said that "all stakeholders were not consulted".

"We are not against reservation but we still feel many aspects of the Act need to be reviewed. There may still be conflicting views among the public on the reservation issue and proper discussion is needed," said Rainbow Ngullie, Secretary, JCC.

Source: The Indian Express

15. Industry concerns on TRAI 5G recommendations

Relevant for GS Prelims & Mains Paper II; Polity & Governance

The Telecom Regulatory Authority of India's recommendation of cutting spectrum prices for 5G airwaves by 35-40 per cent has not gone down well with the companies and the industry associations, who had called for up to 90 per cent reduction.

What are the recommendations made by TRAI with respect to 5G spectrum?

One of the major recommendations of TRAI is to sell all available spectrum in the forthcoming auctions, instead of allocating some of it as the industry had demanded. TRAI has also suggested a base price of Rs 317 crore per MHz for the most used band of 3300-3670 MHz. It has, however, suggested that the time period for which the band can be kept be limited to 20 years, and if the airwaves are sold for 30 years, the base price be multiplied by 1.5 times.

Apart from the price, TRAI has also suggested that interested players may be allowed to set up private networks for enterprise use.

What concerns has industry raised on TRAI's 5G spectrum price recommendation?

While individual companies have so far not commented on the recommendations made by the telecom sector regulator, industry bodies have expressed their reservations on the suggestions of TRAI.

One of the first concerns raised is with respect to the price of 5G spectrum suggested by TRAI. Telecom industry body Cellular Operators Association of India (COAI), which counts all the three major private telecom players, Bharti Airtel, Reliance Jio Infocomm and Vodafone Idea as its members, has expressed disappointment at the prices.

In its statement, COAI said that the price recommended by TRAI was too high despite extensive consultations with them. It has also said that the regulator's move to recommend these prices only for 20 years, despite the government's decision to allocate any new spectrum auctioned for 30 years "defied logic".

"If one were to look at the pan-India price of 3.5 GHz spectrum, then we are back to square one with effectively no change and will nullify the relief provided by Union cabinet in the year 2021. This defies logic and calls for lower spectrum prices by the industry and intelligentsia to keep spectrum prices lower to enable the industry in aggressive network rollouts that will require massive investments," COAI said.

Owing to the one-and-a-half-time multiplier that TRAI has suggested if spectrum is purchased for 30 years, the effective cut in prices would be in the range of just 3-10 per cent, which is much lower than the industry demand of 90 per cent, Motilal Oswal Financial Services said in research note. Research firm UBS believes that both Bharti Airtel and Reliance Jio would "selectively bid for 5G spectrum".

What are the other concerns raised by industry bodies over TRAI recommendations?

The Indian Space Association, which is a collective of all players operating in the satellite communications and other space, that making all spectrum available for sale in the forthcoming auctions would be a "case of oversupply to terrestrial telecom at the cost of the satellite industry".

"The 24.25-27.5 GHz bands along with 3.3-3.67 GHz band would be more than sufficient for 5G. Therefore, in line with the global best practices, the 28 GHz band should be allocated exclusively for satellite communications," ISpA said.

On the other hand, COAI said that the TRAI's recommendation to allow private captive network would "dramatically alter" the industry's dynamics and hurt the financial health of the telecom sector.

"Private networks once again disincentivises the telecom industry to invest in networks and continue paying high levies and taxes," COAI said.

Source: The Indian Express

16. Dual degree programmes

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Allowed recently by UGC

The dual degree academic programme, a work-in-progress, and the subject of much litigation for years, has finally been given legal sanctity by the University Grants Commission.

Rationale

The higher education regulatory body's notified guidelines will enable students to simultaneously pursue two academic programmes at multiple levels except for PhD courses. It has projected it as a logical extension of the National Education Policy 2020, with its emphasis on facilitating multiple pathways to learning using formal and non-formal modes.

Solution by UGC

The UGC has proposed a three-way choice involving a combination of offline only; offline with distance mode; and distance/online only modes for dual programmes. The UGC has done well to mandate that open/distance learning and online mode courses should be pursued only in higher education institutions recognised by statutory bodies. This would also eliminate dubious players in the online education segment.

Problems

Granting students the liberty to enhance their skills and scope of employability through an additional degree is welcome. But the guidelines call for critical evaluation given the nature of competition, accessibility and academic-cum-physical infrastructure issues in colleges and universities. The UGC has said a student can also pursue two full-time programmes in physical mode.

This is problematic as it might prompt students, who are academically proficient or with the economic wherewithal, to corner seats in two in-demand courses. Such a situation is best avoided in the context of the country's poor college density — colleges per lakh population (in the 18-23 age group).

In the All India Survey on Higher Education Report 2019-20, the national average college density stands at 30. The UGC's Furqan Qamar Committee, which a decade ago recommended dual programmes with a second degree in open/distance mode, had ruled out offering simultaneous degree courses under regular mode "as it may create logistic, administrative and academic problems". Against this backdrop, the UGC may reconsider its guidelines for the physical mode option, while implementing the other two choices, strengthening and streamlining the open/distance learning courses in parallel.

Alternatively, it may look at its 2004 document for initiation of double/multiple degree programme in engineering disciplines, where it had proposed a "gap" before an engineering degree holder could enrol for an additional or add-on degree course. That approach is pragmatic as it also sought to reduce the duration of the add-on degree by eliminating about 33% to 38% (52 to 60 course credits) of the "common curriculum" of the BE/B.Tech course (a total of 160 credits). This logic could be applied to allied courses in arts and science and reduce the duration of the second degree for students who desire pursuing dual programmes in physical mode. The more practical a policy, the better its results.

Source: The Hindu

17. The cost and benefit of AAP's free electricity scheme in Punjab

Relevant for GS Prelims & Mains Paper II; Polity & Governance

On completion of its first month in power, the AAP government in Punjab on Saturday (April 16) announced 300 units of free electricity for consumers across the state from July 1. This was one of the key promises the party had made ahead of the Assembly elections.

What is this scheme? How many consumers will it benefit? What is the burden it will place on the Punjab State Power Corporation Limited (PSPCL)?

What is the AAP's new electricity scheme in Punjab?

The party's national convenor and Delhi Chief Minister Arvind Kejriwal had announced a new electricity scheme for the state on June 29, 2021, ahead of the Assembly elections. He had said that if the AAP was voted to power in Punjab, the government would give every household in the state free electricity up to 300 units.

He had even stated that if AAP forms the government, the power bill waiver promise will be met immediately.

The electricity scheme is likely to be similar to the one implemented in Delhi by the AAP government.

How many consumers will Punjab's new electricity scheme benefit?

There are 73.80 lakh households which are provided electricity via the PSPCL, according to its data.

As per the pattern of power consumption in past billing cycles, nearly 62.25 lakh consume less than 300 units per month. This means, nearly 84 per cent will be directly benefited by this scheme.

Hence, 84 per cent of PSPCL consumers are likely to pay nothing if fixed charges are also waived off.

As demand varies according to season, what is the average power consumption?

According to PSPCL officials, there are seasonal variations in the consumption of power; it increases in summer and decreases in winter.

Therefore, consumers in the under 300 units per month bracket increase in winters and slightly decrease in summer. Taking this into account, the average number of households which consume up to 300 units is 62.25 lakh. The remaining 11.55 lakh consume more than 300 units per month.

The average is calculated based on historical data, which show the maximum households in a billing cycle which consumed power up to 300 units reached 69.31 lakh and minimum 51.23 lakh. Hence, the average was calculated at 62.25 lakh.

Likewise, there was a maximum of 22.57 lakh households using more than 300 units per month in a billing cycle, and a minimum of 4.49 lakh, leading to an average of 11.55 lakh.

The average consumption was 137 units per month in the category of up to 300 units, as per the PSPCL's historical data.

What are the existing annual power subsidies for consumers?

At present, domestic consumers get a subsidy of Rs 3,998 crore per annum.

Of this, Rs 1,657 crore is for SC/BC/BPL consumers, numbering 21.83 lakh. They get the first 200 units per month free.

The other Rs 2,341 crore subsidy is provided to 64.46 lakh domestic consumers having load up to 7 KW. The previous Charanjit Singh Channi government had slashed power bills by Rs 3 per unit in various slabs for these consumers from November 1, 2021, and the AAP government had carried forward this subsidy.

What impact will the new electricity scheme have?

Looking at historical data, if the pattern of power consumption continues like this — with consumers using an average of 137 units per month — the Punjab government will have to shoulder a power subsidy of Rs 5,500 crore, including the previous subsidies. Saturday's announcement will add a subsidy burden of around Rs 1,502 crore.

What do PSPCL officials think of Punjab's new electricity scheme?

According to PSPCL officials, it is likely that consumers who had been using 150 units per month, will now consume up to 300 units because it is free. Also, joint families may get their metres split to benefit from this scheme. In addition, many others consuming a little above 300 units per month may reduce their consumption to fall in this bracket.

So, could the subsidy outlay for the Punjab govt increase then?

Yes. According to PSPCL's calculations, if all consumers use the entire 300 units of free power at a rate of Rs 5.11 per unit, the total subsidy outlay would increase to Rs 11,452 crore per annum, in addition to fixed charges of Rs 459 crore. As such, the total would amount to Rs 11,911 crore each year.

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For the approximate 11.55 lakh consumers who use more than 300 units of power, the yearly subsidy outlay amounts to Rs 2,427 crore, including fixed charges of Rs 302 crore.

So, the estimated annual subsidy outlay for both the categories (about 73.80 lakh consumers) would increase to Rs 14,337 crore.

Chief Minister Bhagwant Mann in a video released Saturday afternoon, stated, "Now, SC/BC/BPL and freedom fighters' families will get the first 300 units per month free, instead of the first 200. Hence, these consumers will be charged only for the additional units, i.e, if they consume 645 units for two months, they will be billed only for 45 units.

"For the other categories, if consumption is more than 600 units bimonthly — most bills are issued bimonthly — they will be charged the full bill. Hence, they are advised to make judicious use of power to avail the benefit," he added.

How will the AAP government pay for the scheme?

The party's spokesperson Malwinder Singh Kang said the government's income from excise and mining is likely to increase considerably in the coming months. With the end of 'inspector raj', even tax collection will increase, he added.

"Once the income increases, this will be passed on to the masses to fulfill each and every guarantee made by the AAP," he said.

Source: The Indian Express

18. The functioning of the Enforcement Directorate

Relevant for GS Prelims & Mains Paper II; Polity & Governance

What are the powers of the ED under the Prevention of Money Laundering Act?

The Enforcement Directorate (ED) is in the news now and often. It goes back to May 1, 1956, when an 'Enforcement Unit' was formed in the Department of Economic Affairs, for handling Exchange Control Laws violations under the Foreign Exchange Regulation Act (FERA). The ED today is a multi-dimensional organisation investigating economic offences under the Prevention of Money Laundering Act (PMLA), Fugitive Economic Offenders Act, Foreign Exchange Management Act and FERA.

From where does the ED get its powers?

When proceeds of crime (property/money) are generated, the best way to save that money is by parking it somewhere, so one is not answerable to anyone in the country. Therefore, there was a need to control and prevent the laundering of money. The PMLA was brought in for this exact reason in 2002, but was enacted only in 2005. The objective was to prevent parking of the money outside India and to trace out the layering and the trail of money. So as per the Act, the ED got its power to investigate under Sections 48 (authorities under act) and 49 (appointment and powers of authorities and other officers).

If money has been laundered abroad, the PMLA court (constituted as per the Act) has the right to send a letter of rogatory under Section 105 (reciprocal arrangements regarding processes) of the Code of Criminal Procedure. The said government can then share the documents and evidence needed by the agency. The preventive part is to create a deterrent and fear in the minds of people.

At what stage does the ED step in when a crime is committed?

Whenever any offence is registered by a local police station, which has generated proceeds of crime over and above ₹1 crore, the investigating police officer forwards the details to the ED. Alternately, if the offence comes under the knowledge of the Central agency, they can then call for the First Information Report (FIR) or the chargesheet if it has been filed directly by police officials. This will be done to find out if any laundering has taken place.

What differentiates the probe between the local police and officers of the ED?

Consider the following scenario: If a theft has been committed in a nationalised bank, the local police station will first investigate the crime. If it is learnt that the founder of the bank took all the money and kept it in his house, without being spent or used, then the crime is only theft and the ED won't interfere because the amount has already been seized. But if the amount which has been stolen is used after four years to purchase some properties, then the ill-gotten money is brought back in the market; or if the money is given to someone else to buy properties in different parts of the country, then there is 'laundering' of money and the ED will need to step in and look into the layering and attachment of properties to recover the money.

If jewellery costing ₹1 crore is stolen, police officers will investigate the theft. The ED, however, will attach assets of the accused to recover the amount of ₹1 crore.

What are the other roles and functions of the ED?

The ED carries out search (property) and seizure (money/documents) after it has decided that the money has been laundered, under Section 16 (power of survey) and Section 17 (search and seizure) of the PMLA. On the basis of that, the authorities will decide if arrest is needed as per Section 19 (power of arrest).

Under Section 50 (powers of authorities regarding summons, production of documents and to give evidence etc), the ED can also directly carry out search and seizure without calling the person for questioning. It is not necessary to summon the person first and then start with the search and seizure.

If the person is arrested, the ED gets 60 days to file the prosecution complaint (chargesheet) as the punishment under PMLA doesn't go beyond seven years. If no one is arrested and only the property is attached, then the prosecution complaint along with attachment order is to be submitted before the adjudicating authority within 60 days.

The PMLA being relatively new, can the ED investigate cases of money laundering retrospectively?

If an ill-gotten property is acquired before the year 2005 (when the law was brought in) and disposed off, then there is no case under PMLA. But if proceeds of the crime were possessed before 2005, kept in cold storage, and used after 2005 by buying properties, the colour of the money is still black and the person is liable to be prosecuted under PMLA.

Under Section 3 (offence of money laundering) a person shall be guilty of the offence of money-laundering, if such person is found to have directly or indirectly attempted to indulge or knowingly assist a party involved in one or more of the following activities — concealment; possession; acquisition; use; or projecting as untainted property; or claiming as untainted property in any manner.

Source: The Hindu

19. Retirement spree in SC may affect efforts to scale down pendency

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Website: www.prepmate.in

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Too many retirements in near future

The retirements in the topmost rung of the judiciary in 2022 will encompass changes in the powerful Supreme Court Collegium and see two new Chief Justices in a span of months.

But the retirements come at a time when the court is in the process of steadying itself after particularly brutal waves of the pandemic. Even as the virus refuses to leave for good, the court continues to grapple with pendency.

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Pendency of cases

The Supreme Court's statistics show that 70,362 cases are pending with it as on April 1, 2022, though over 19% of them are not ready to be placed before a Bench for judicial hearing as they have not completed the required preliminaries. While 52,110 are admission matters, 18,522 are regular hearing cases. The number of Constitution Bench cases (both main and connected matters) totals 422.

Flurry of action

Chief Justice of India N.V. Ramana has been heard, time and again, telling lawyers in open court about the challenges of listing every case early.

The Supreme Court has only recently resumed full physical hearings after two years of virtual system. The court is juggling Benches, judges are sitting in different combinations on Special Benches to quickly hear and dispose of pending matters, including death penalty cases. The court is seeing a flurry of action. Seven impending retirements in seven months may slow the recovery at a crucial time. Adding to this is the fact that there are already two vacancies. The working judicial strength is 32 against the sanctioned strength of 34.

CJI's term ends in Aug.

The row of monthly retirements will start from the very month the court goes into its summer recess.

Justice Vineet Saran will retire on May 10 and Justice L. Nageswara Rao and Justice A.M. Khanwilkar on June 7 and July 29, respectively. Chief Justice Ramana will retire on August 26. Justice Indira Banerjee will exit office on September 23 — reducing the number of women judges from four to three — followed by Justice Hemant Gupta on October 16.

Justice U.U. Lalit, who is expected as per the seniority norm to be appointed Chief Justice after Justice Ramana's retirement, will retire on November 8.

Justice D.Y. Chandrachud, the only constant in the months of change and number four in the collegium, is in line to take over as CJI from Justice Lalit for a full two-year term till November 10, 2024.

If no new appointments are made till the retirement of Justice Lalit on November 8, the year may see nine vacancies in the court.

Normally, no new appointments are made in the final months of an incumbent Chief Justice's tenure. Justice Ramana's successor, Justice Lalit, has a little over two months as top judge.

Source: The Hindu

20. What is parboiled rice, and why Centre wants to stop purchasing it

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Last week, Telangana Chief Minister K Chandrashekar Rao and members of his Cabinet staged a dharna at Telangana House, demanding a uniform paddy procurement policy. The protest came after the Centre said it

was stopping the purchase of excess parboiled rice, of which Telangana is a major producer. The Centre has said demand is low and it cannot waste money on buying the excess quantity of parboiled rice.

What is parboiled rice?

The dictionary meaning of 'parboil' is 'partly cooked by boiling'. Thus, the expression parboiled rice refers to rice that has been partially boiled at the paddy stage, before milling. Parboiling of rice is not a new practice, and has been followed in India since ancient times. However, there is no specific definition of parboiled rice of the Food Corporation of India or the Food Ministry.

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Today, there are several processes for parboiling rice. For example, the Central Food Technological Research Institute (CFTRI), Mysuru, uses a method in which the paddy is soaked in hot water for three hours, in contrast to the more common method in which paddy is soaked for 8 hours. The water is then drained and the paddy steamed for 20 minutes. Also, the paddy is dried in the shade in the method used by the CFTRI, but is sun-dried in the common method.

The Paddy Processing Research Centre (PPRC), Thanjavur follows a method known as the chromate soaking process. It uses chromate, a family of salt in which the anion contains both chromium and oxygen, which removes the odour from the wet rice.

PARBOILED RICE STOCK WITH FCI (LAKH TONNES)

STATE	STOCKS
Andhra Pradesh	0.66
Telangana	16.52
Chhattisgarh	1.49
Odisha	2.07
Jharkhand	2.98
Kerala	3.00
Tamil Nadu	12.09
West Bengal	0.43
Karnataka	0.1
Bihar	1.09
Haryana	0.11
Punjab	0.04
TOTAL	40.58

As on April 1. Source: Ministry of Consumer Affairs, Food and Public Distribution

All processes generally involve three stages—soaking, steaming and drying. After passing through these stages, the paddy goes for milling.

Are all rice varieties suitable for parboiling?

Generally, all varieties can be processed into parboiled rice, but it is ideal to use long slender varieties to prevent breakage during milling. However, aromatic varieties should not be parboiled because the process can make it lose its aroma.

What are the benefits?

There are several benefits. For example, parboiling makes rice tougher. This reduces the chances of the rice kernel breaking during milling. Parboiling also increases the nutrient value of the rice. Third, parboiled rice has a higher resistance to insects and fungi.

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However, parboiling comes with some disadvantages too. The rice becomes darker and may smell unpleasant due to prolonged soaking. Besides, setting up a parboiling rice milling unit requires a higher investment than a raw rice milling unit.

How much is the stock of parboiled rice in the country?

According to the Food Ministry, the total stock of parboiled rice is 40.58 lakh metric tonnes (LMT) as on April 1, 2022. Out of this, the highest stock is in Telangana at 16.52 LMT, followed by Tamil Nadu (12.09 LMT) and Kerala (3 LMT). The stock was in the range 0.04–2.92 LMT in 10 other states —Andhra Pradesh, Chhattisgarh, Odisha, Jharkhand, West Bengal, Karnataka, Bihar, Punjab and Haryana.

The Centre will procure 1.36 LMT of parboiled rice from Telangana for the Kharif Market Season (KMS) of 2020-21. For the ongoing KMS 2021-22, the Centre expects to procure 5.82 LMT parboiled rice from only two states—Jharkhand (3.74LM) and Odisha (2.08 LMT). From the other 10 rice-producing states, including Telangana, the Ministry has no plan to procure parboiled rice. In the coming days, the total parboiled rice stock will increase to 47.76 LMT.

How high is the demand?

The Food Ministry pegs the parboiled rice demand at 20 LMT per annum for distribution under the National Food Security Act, 2013. According to the Ministry, the demand for parboiled rice has come down in recent years.

In the last few years, production in parboiled rice-consuming states such as Jharkhand, Kerala and Tamil Nadu has increased, resulting in less movement to the deficit states.

Earlier, the Food Corporation of India (FCI) used to procure parboiled rice from states such as Telangana to supply to these states. But in recent years, parboiled rice production has increased in these states. So, the Ministry says, the current stock of parboiled rice is sufficient to meet the demand for the next two years.

What has been the pattern of procurement from Telangana?

Telangana has been the major supplier so far. Data available with the Food Ministry shows that the FCI procured 25.62 LMT of par-boiled rice from Telangana during both seasons — kharif and rabi — in 2020-21. The quantity was even higher in 2019-20, at 44.71 LMT.

Source: The Indian Express

21. Cancellation of Bail by Supreme Court in Lakhimpur-Kheri murder case

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Cancellation of bail

In cancelling the bail granted by the Allahabad High Court to Ashish Mishra, son of Union Minister Ajay Mishra, and an accused in the Lakhimpur-Kheri murder case, the Supreme Court has reaffirmed the basic principles that govern bail jurisprudence.

The High Court's failure to hear the objections of the victims of the Lakhimpur-Kheri violence, in which eight people, including four farmers and a journalist, died during a protest organised by farmers against the Union Minister, is a key reason for setting aside the bail order, but it has also been criticised for "taking a myopic view" of the evidence and going into the merits of the case.

Grounds of judging bail application

It is settled law that while granting bail, courts only ought to take a preliminary view as to involvement of the accused in the offence, its nature and gravity, and the severity of the punishment if there is a conviction; besides the possible effect of giving bail to the accused, such as the scope for tampering with evidence, intimidating witnesses, influencing the outcome or the possibility of the accused fleeing justice.

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Findings of Supreme Court

The Supreme Court has rightly pointed out that the High Court had needlessly gone into the nature of the evidence relating to the incident, in which a vehicle was driven into the crowd, and stressed the absence of any firearm injury among the victims. The apex court's conclusion that irrelevant material was considered for grant of bail, while ignoring established parameters, is unexceptionable.

The more significant aspect of the order is the emphasis it places on the right of victims to be heard at every stage of criminal proceedings. The Court has recorded its disappointment with the High Court for not acknowledging this right. The victims' right is not limited to filing an appeal in the event of the acquittal of the accused, but extends to being heard even in the bail stage.

By describing the rights of a victim of a crime as "substantive, enforceable and another facet of human rights," the Court has advanced the cause of victimology as a part of criminal law. As a result of both changes in the law and emerging jurisprudence, victims are now in a position to get compensation as well as the status of a participant in the prosecution of offenders. The verdict should lead to greater participation by victims in the criminal process and thus help the cause of justice. The cancellation of Mr. Mishra's bail is also an indirect indictment of the Uttar Pradesh government, which did not file an appeal against the grant of bail, despite a recommendation to that effect by a judge monitoring the probe. The Supreme Court had declined to hand over the case to the CBI, reposing its trust in a Special Investigation Team of the State police. While the accused will get another chance to apply for bail as the matter has been remanded to the High Court, the SIT must do nothing to undermine the Court's faith.

Source: The Hindu

22. The UGC regulations for collaboration between Indian and foreign universities

Relevant for GS Prelims & Mains Paper II; Polity & Governance

What are the necessary qualifications that an Indian institute needs so that it can be eligible for dual degree programmes?

The University Grants Commission (UGC) has simplified the procedure for enabling academic collaborations between Indian and foreign higher educational institutions to offer joint degrees, dual degrees and twinning programmes.

What has the UGC proposed?

The apex regulatory body for higher education in India has decided to allow certain Indian higher education institutions to enter into a Memorandum of Understanding (MoU) with foreign institutions to offer dual degree, joint degree or twinning programmes. To qualify for such academic collaboration, the Indian college, institute or university must figure among the top global 1,000 QS World University or Times Higher Education rankings or have emerged as one of the top 100 universities under the National Institutional Ranking Framework (NIRF). The college or university must have secured a minimum grading of 3.01 on a 4-point scale from the National Assessment and Accreditation Council (NAAC). Likewise, the foreign collaborator institution must also have figured among the 1,000 global top QS or Times Higher Education Rankings.

The collaborations would be facilitated and governed under the proposed University Grants Commission (Academic Collaboration between Indian and Foreign Higher Education Institutions to offer Joint Degree, Dual Degree and Twinning Programmes) Regulations 2022. The draft of these regulations was placed in the public domain last year to invite suggestions from stakeholders. It had recommended [among other criteria] that to qualify for international academic collaboration under the “automatic mode”, the collaborating institutions must have figured among the “top 500” of Times Higher Education or QS World University ranking at the time of application.

However, the final policy, about which UGC Chairman M. Jagadesh Kumar had briefed the media, has broadened the scope for collaborations by mandating that the institutions must have figured among the “top 1,000” of QS World University or Times Higher Education rankings. The draft had also proposed an “approval mode” — as opposed to the “automatic mode” — collaboration under which specialised institutions, if not accredited, may be considered [and approved by the UGC] for foreign tie-ups “if they have sufficient demonstrable accomplishments”. There is no clarity yet if the final policy provides for such “approval mode” collaborations. Once notified, the new regulation would supersede the University Grants Commission (Promotion & Maintenance of Standards of Academic Collaboration between Indian and Foreign Educational Institutions) Regulations, 2016.

How do the new regulations differ from that of 2016?

The earlier regulations did not provide for “automatic mode” of foreign collaboration for academic courses offered in India. While a threshold for accreditation rating was mandated, there was no requirement for the university or college to figure among the top ranked institutions globally. The qualifying institution was required to apply to the UGC for approval and a sub-committee was vested with the powers to make a recommendation on the basis of which the regulatory body would take a final decision “after considering various factors including quality of education, overall merit of the proposal, fees to be charged, credibility of the Foreign Educational Institution as well as Indian Educational Institution.” Besides, the approval granted was valid only for two cycles of the minimum duration of the degree programmes covered under the collaboration or as specified otherwise. The Indian educational institution was required to apply for renewal of approval before six months of its expiration. Under the soon-to-be-notified regulations, the qualifying universities and colleges will not be required to seek permission for academic collaborations abroad.

How will the courses with foreign collaboration be offered?

The qualifying Indian university or college can offer “dual degree”, “joint degree” or a “twinning programme” in collaboration with foreign institutions. The “dual degree” programme is new, while the other two programmes were offered under the 2016 regulations, though only fewer institutions had introduced such programmes due to the bureaucratic approval process. The degrees, under the “dual degree programme” shall be conferred by the Indian and foreign institutions “separately and simultaneously” upon completion of degree requirements of both universities. For the twinning degree programme, a student can get up to 30% course credit utilisation of the total course from the collaborating foreign university. For the joint and dual degree programmes, the students shall be permitted to get more than 30% of the total course credits from the university or institution abroad. As per the 2021 draft rules, for enrolling in dual degree programmes, prospective students must meet the admission requirements of both the Indian and foreign institutions and shall apply to and be admitted separately to both the institutions. Besides, the students must earn at least 50% of total credits from the Indian institution. The dual degree programme to be offered shall also conform to the nomenclature and duration of the degrees as specified under the UGC Act, 1956 and shall also conform to minimum eligibility and other norms and standards to offer such degree programmes. The collaborating higher education institutions shall ensure that the credits earned by the students shall not be from overlapping course contents/curriculum.

Also, the student shall submit to only one examination and evaluation process for each of the courses by the institutions in which he/she has registered.

What happens now?

While qualifying Indian institutions will now be free to collaborate with foreign universities, for students the cost of education with international exposure would come down. Institutions that are committed to academic excellence will provide the students an opportunity for advanced learning with global expertise. However, it remains to be seen whether the top global institutions would immediately sign MoUs with Indian institutions. Private autonomous colleges and deemed universities are most likely to utilise this opportunity to enter into agreements for twinning or dual / joining degree programmes with foreign institutions, flaunting them in their brochures to attract students. The UGC may have to monitor the quality of academic delivery in such programmes.

Source: The Hindu

23. What are the key proposals in Niti Aayog's draft battery swapping policy?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Government think-tank Niti Aayog has prepared a draft battery swapping policy, under which it has proposed offering incentives to electric vehicles (EVs) with swappable batteries, subsidies to companies manufacturing swappable batteries, a new battery-as-a-service business model, and standards for interoperable batteries, among other measures.

Finance Minister Nirmala Sitharaman had announced during this year's Union Budget that the government was set to roll out a battery swapping policy, in a bid to reduce upfront costs of purchasing EVs and drive adoption among buyers. It also comes amid several instances of EVs erupting into flames, raising concerns about their safety.

The policy is targeted at supporting the adoption of battery-swapping, primarily for battery swapping systems used in electric scooters and three-wheeler electric rickshaws. The draft is up for consultation, and the Niti Aayog has invited comments on it until June 5.

What is battery swapping?

Battery swapping is a mechanism that involves exchanging discharged batteries for charged ones. This provides the flexibility to charge these batteries separately by de-linking charging and battery usage, and keeps the vehicle in operational mode with negligible downtime. Battery swapping is generally used for smaller vehicles such as two-wheelers and three-wheelers with smaller batteries that are easier to swap, compared to four-wheelers and e-buses, although solutions are emerging for these larger segments as well.

What are some of the key proposals?

The draft policy has suggested that the GST Council consider reducing the differential across the tax rates on Lithium-ion batteries and electric vehicle supply equipment. Currently, the tax rate on the former is 18 per cent, and 5 per cent on the latter.

The policy also proposes to offer the same incentives available to electric vehicles that come pre-equipped with a fixed battery to electric vehicles with swappable batteries. "The size of the incentive could be determined based on the kWh (kilowatt hour) rating of the battery and compatible EV," the draft policy states.

"An appropriate multiplier may be applied to the subsidy allocated to battery providers to account for the float battery requirements for battery swapping stations in different battery swapping ecosystems," the draft policy said. The government will also specify a minimum contract duration for a contract to be signed between EV users and battery providers to ensure they continue to provide battery swapping services after receiving the subsidy.

The policy also requires state governments to ensure public battery charging stations are eligible for EV power connections with concessional tariffs. It also proposes to bring such stations under existing or future time-of-day (ToD) tariff regimes, so that the swappable batteries can be charged during off-peak periods when

electricity tariffs are low. Transport Departments and State Transport Authorities will be responsible for easing registration processes for vehicles sold without batteries or for vehicles with battery swapping functionality, the draft says. Municipal corporations will be responsible for planning, zoning permissions and land allocation for battery swapping stations.

The policy also proposes to assign a unique identification number (UIN) to swappable batteries at the manufacturing stage to help track and monitor them. Similarly, a UIN number will be assigned to each battery swapping station. It also proposes to install battery swapping stations at several locations like retail fuel outlets, public parking areas, malls, kirana shops and general stores etc.

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What is the battery-as-a-service model?

Niti Aayog said battery swapping will fall under the battery-as-a-service (BaaS) business model, and such models would have to ensure interoperability between EVs and batteries for a successful mainstreaming of battery swapping as an alternative. "Given the nascency of battery swapping, interoperability between EV batteries and other components within a battery swapping ecosystem is adequate for eligibility under the policy, as long as all components within the ecosystem adhere to the technical and performance standards defined for BaaS and battery swapping services," the draft policy says.

Apart from the batteries themselves, major battery providers will be encouraged to sign data-sharing agreements to provide information on battery health and performance, and to enable more flexibility to consumers through peer-to-peer roaming networks. "For the classification of collected data under the broad categories of proprietary, restricted-access, private and open-data, a non-restrictive detailed guideline will be developed for adherence by all industry players," the draft adds.

"This policy requires ecosystems to be 'open' to allow participation from other market players in order to be considered for support under the policy". The policy will only support batteries using Advanced Chemistry Cells (ACC), with performance that is equivalent or superior to EV batteries supported under the government's FAME-II scheme.

As of now, two-wheel EV maker Bounce has launched an electric scooter with a swappable battery. Under the company's business model, customers can pay to swap their battery at one of their stations, whenever it runs out of juice.

Does the draft policy talk about EV safety?

To ensure a high level of protection at the electrical interface, a rigorous testing protocol will be adopted, the draft said, to avoid any unwanted temperature rise at the electrical interface. The battery management system, which is a software that controls battery functions, will have to be self-certified and open for testing to check its compatibility with various systems, and capability to meet safety requirements, it added.

This particularly assumes significance given the recent incidents of electric two-wheelers bursting into flames.

"Batteries shall be tested and certified as per AIS 156 (2020) and AIS 038 Rev 2 (2020) standards for safety of traction battery packs, as well as additional tests that may be prescribed for swappable batteries which are subject to multiple coupling/decoupling processes at the connectors," the draft said.

Additionally, for better protection of assets, swappable batteries will have to be equipped with advanced features like IoT-based battery monitoring systems, remote monitoring and immobilisation capabilities.

The Aayog has proposed that all metropolitan cities with a population of more than 40 lakh will be prioritised for the development of battery swapping networks under the first phase, which is within 1-2 years of the draft policy getting finalised. Other major cities such as state capitals with a population greater than 5 lakh will be covered under the second phase.

Source: The Indian Express

Website: www.prepmate.in

Prepmate Cengage Books Preview: <https://prepmate.in/books/>

Telegram Channel: [@upscprepmate](https://t.me/@upscprepmate)

Youtube channel: [PrepMateEduTech](https://www.youtube.com/channel/UCPrepMateEduTech)

24. How the new AAP government plans to clear Punjab's mounting debt

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Punjab Chief Minister Bhagwant Mann has decided to carry out an audit of Punjab's total debt. In a tweet by Aam Aadmi Party (AAP) Punjab on Monday, Mann was quoted as saying that previous governments have left a debt of Rs 3 lakh crore.

What is the issue?

Funds crunched Punjab has a burgeoning debt that is set to cross Rs 3 lakh crore this fiscal. The government spends huge amounts from the budget on debt servicing every year. Twenty per cent of annual budget is being spent on repaying the loans. For servicing the debt, the government has to borrow money every year. This puts a pressure on the already fund-crunched state.

The debt is estimated to cross the Rs 4 lakh crore mark in three years.

How has the debt mounted?

In 2017, when Congress government took over the reins of the state, the SAD-BJP government had left a legacy of Rs 2.08 lakh crore of debt. In five years the state has added a debt of Rs 1 lakh crore. Last 20 years, including that of 10 years of the Akali regime and five years of Congress regime have seen the borrowing multiplying by 10 times. In 2002, when former Chief Minister Amarinder Singh's government took over, the outstanding debt was Rs 36,854 crore. It went up by Rs 21,000 crore in five years in 2007 to Rs 51,155 crore. In 2017, it was Rs 2.08 lakh crore.

What is the debt about?

Records show that an amount of Rs 5,800 crore was given to the state between 1984 and 1994 for combating insurgency and militancy in the state. The SAD-BJP government in the state have blamed the Centre for the debt. They have been saying that it is a legacy of trouble-torn days of terrorism, when the Centre had sent security agencies to the state and charged the state for that. However, the Centre had waived the debt twice after the state had said militancy was a national problem.

How much waiver was given?

According to finance department records, the Centre has waived off Rs 5,029 crore till 2007, against a loan of Rs 5,800 crore. By then, the state had repaid an amount of Rs 771 crore towards the principal payment and an interest payment to the extent of Rs 1,923 crore. Later, the state government got a waiver on the principal during former PM IK Gujral's regime. Gujral had reasoned that militancy was not a problem of Punjab alone but a national problem. The break-up of the amount waived was Rs 176 crore in 1995-96; Rs 123 crore in 1997-98; Rs 221 crore in 1998-99; Rs 241 crore in 1999-2000; and Rs 3,772 crore in 2006-07. An amount of Rs 496 crore of the principal was waived by the Centre as per the 10th Finance Commission recommendation. Thus, by 2007, the entire balance amount of Rs 5,029 crore had been waived off.

How will the audit help?

As most of the loan was waived, the Congress had alleged it to be an outcome of Akalis profligacy. The AAP is alleging that it was the legacy of profligacy of both the governments. The audit will explain the exact expenditure by the state for which the amount was borrowed.

How much does the govt pay towards debt servicing?

In 2019-20 fiscal, the state had paid Rs 17,567 crore towards debt servicing. In 2020-21, it was Rs 18,588 crore. By March 31 this year, in the 2021-22 fiscal, it was estimated that the government would pay Rs 20,315 for paying off loans.

Source: The Indian Express

25. What laws govern tapping a phone; what are the checks in place?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

On Wednesday, Shiv Sena leader Sanjay Raut claimed that the Centre is protecting IPS officer Rashmi Shukla, now posted with the CRPF. Shukla is facing an FIR in Mumbai and is being probed for allegedly tapping the phones of Rajya Sabha MP Raut and NCP leader Eknath Khadse in 2019, when she was heading the State Intelligence Department in Maharashtra.

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How are phones tapped in India?

In the era of fixed-line phones, mechanical exchanges would link circuits together to route the audio signal from the call. When exchanges went digital, tapping was done through a computer. Today, when most conversations happen through mobile phones, authorities make a request to the service provider, which is bound by law to record the conversations on the given number and provide these in real time through a connected computer.

Who can tap phones?

In the states, police have the powers to tap phones. At the Centre, 10 agencies are authorised to do so: Intelligence Bureau, CBI, Enforcement Directorate, Narcotics Control Bureau, Central Board of Direct Taxes, Directorate of Revenue Intelligence, National Investigation Agency, R&AW, Directorate of Signal Intelligence, and the Delhi Police Commissioner. Tapping by any other agency would be considered illegal.

What laws govern this?

Phone tapping in India is governed by the The Indian Telegraph Act, 1885.

Section 5(2) says that “on the occurrence of any public emergency, or in the interest of the public safety”, phone tapping can be done by the Centre or states if they are satisfied it is necessary in the interest of “public safety”, “sovereignty and integrity of India, the security of the State, friendly relations with foreign States or public order or for preventing incitement to the commission of an offence”.

There is an exception for the press: “press messages intended to be published in India of correspondents accredited to the Central Government or a State Government shall not be intercepted or detained, unless their transmission has been prohibited under this sub-section”.

The competent authority must record reasons for tapping in writing.

Who authorises phone tapping?

Rule 419A of the Indian Telegraph (Amendment) Rules, 2007, says phone tapping orders “shall not be issued except by an order made by the Secretary to the Government of India in the Ministry of Home Affairs in the case of Government of India and by the Secretary to the State Government in-charge of the Home Department in the case of a State Government”. The order has to be conveyed to the service provider in writing; only then can the tapping begin.

What happens in an emergency?

In unavoidable circumstances, such an order may be issued by an officer, not below the rank of a Joint Secretary to the Government of India, who has been authorised by the Union Home Secretary, or the State Home Secretary.

In remote areas or for operational reasons, if it is not feasible to get prior directions, a call can be intercepted with the prior approval of the head or the second senior-most officer of the authorised law enforcement agency at the central level, and by authorised officers, not below the rank of Inspector General of Police, at the state level.

The order has to be communicated within three days to the competent authority, who has to approve or disapprove it within seven working days. "If the confirmation from the competent authority is not received within the stipulated seven days, such interception shall cease," the rule says.

For example, during the 26/11 attacks in Mumbai, the authorities had no time to follow the complete procedure, and so a mail was sent to the service provider by the Intelligence Bureau, and phones of terrorists were put under surveillance. "The proper procedure was followed later. Many times, in grave situations such as terror attacks, service providers are approached with even verbal requests, which they honour in the interest of the nation's security," an intelligence official said.

What are the checks against misuse?

The law is clear that interception must be ordered only if there is no other way of getting the information.

"While issuing directions under sub-rule (1) the officer shall consider possibility of acquiring the necessary information by other means and the directions under sub-rule (1) shall be issued only when it is not possible to acquire the information by any other reasonable means," Rule 419A says.

The directions for interception remain in force, unless revoked earlier, for a period not exceeding 60 days. They may be renewed, but not beyond a total of 180 days.

Any order issued by the competent authority has to contain reasons, and a copy is to be forwarded to a review committee within seven working days. At the Centre, the committee is headed by the Cabinet Secretary with the Law and Telecom Secretaries as members. In states, it is headed by the Chief Secretary with the Law and Home Secretaries as members.

The committee is expected to meet at least once in two months to review all interception requests. "When the Review Committee is of the opinion that the directions are not in accordance with the provisions referred to above it may set aside the directions and orders for destruction of the copies of the intercepted message or class of messages," the law says.

Under the rules, records pertaining to such directions shall be destroyed every six months unless these are, or are likely to be, required for functional requirements. Service providers too are required to destroy records pertaining to directions for interception within two months of discontinuance of the interception.

Is the process transparent?

There are multiple provisions aimed at keeping the process transparent.

Directions for interception are to specify the name and designation of the officer or the authority to whom the intercepted call is to be disclosed, and also specify that the use of intercepted call shall be subject to provisions of Section 5(2) of the Telegraph Act.

The directions have to be conveyed to designated officers of the service providers in writing by an officer not below the rank of SP or Additional SP or equivalent. The officer is expected to maintain records with details of the intercepted call, the person whose message has been intercepted, the authority to whom the intercepted calls have been disclosed, date of destruction of copies etc.

The designated nodal officers of the service providers are supposed to issue acknowledgment letters to the security/law enforcement agency within two hours on receipt of an intimation. They are to forward every 15 days a list of interception authorisations received to the nodal officers of the security and law enforcement agencies for confirmation of authenticity.

"The service providers shall put in place adequate and effective internal checks to ensure that unauthorised interception of messages does not take place and extreme secrecy is maintained...", the rule says.

It makes the service providers responsible for actions of their employees. In case of unauthorised interception, the service provider may be fined or even lose its licence.

Source: The Indian Express

26. UGC rules for tie-ups between Indian and foreign universities

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Relevant for GS Prelims & Mains Paper II; Polity & Governance

The rules governing tie-ups between Indian and foreign higher educational institutions have been simplified by the University Grants Commission (UGC) to expand the net of academic collaborations.

On Tuesday, UGC chairperson Prof M Jagadesh Kumar announced that the commission has approved an amended set of regulations, which will soon be notified. The Indian Express explains the changes in the wake of the amendments.

Which regulations have been amended?

The UGC sets minimum standards for many areas of higher education ranging from academic standards to quality of training imparted to teachers. In this case, the UGC had in 2012 issued regulations on tie-ups that Indian and foreign universities can forge. The regulations were further amended in 2016 after it emerged that academic collaborations were not picking up despite provisions being in place. But the 2016 amendment did not help much either, necessitating the latest set of changes. The University Grants Commission (Academic Collaboration between Indian and Foreign Higher Education Institutions to offer Joint Degree, Dual Degree, and Twinning Programmes) Regulations, 2022 will govern twinning programmes, joint degree, and dual degree programmes to be offered jointly by Indian and foreign universities.

What do the regulations say on twinning programmes?

In the twinning programme, students will be enrolled in a degree programme at an Indian institute and they will get an opportunity to undergo an exchange programme with the partner foreign university. Students will have to complete up to 30 per cent of the course's credits at the foreign institution by means of an exchange programme. The same will be applicable to foreign students enrolling in a similar programme. The degree at the end of the course will be provided by the Indian institution.

How will the dual-degrees be structured?

The dual-degrees, introduced for the first time, will enable a student to earn two degrees for a course of the same discipline, and at the same level. Students will have to complete at least 30 per cent of their course credit at the foreign institution. For example, a student enrolled in a BA English programme in an Indian university can pursue a part of her course at a foreign institution. At the end of the course, the student will be awarded two degrees, separately and simultaneously, by the Indian and foreign institutions. This shall not, in any way, be construed as two degree programmes in separate disciplines or subject areas at two different levels, the UGC has clarified. This means a dual degree in BA English and BSc Physics, or BSc Maths and MSc Biology will not be allowed under this arrangement.

How will joint degree programmes be different from dual degrees?

Unlike dual degree, in the case of joint degree programmes, there will be one degree certificate, bearing the names of both the institutions. The curriculum will be jointly designed by the collaborating institutions like in the case of dual degrees. Students from India will be required to complete at least 30 per cent of their course credit at the foreign institution. In the case of joint doctoral programmes, the students will have a supervisor at both the participating institutes and will have to spend at least a semester at the collaborating institutes.

The student will submit a single thesis adhering to a framework jointly devised by the participating institutions.

Can Indian and foreign institutes collaborate to offer such joint programmes over online mode?

No, the regulations allow only full time courses through conventional, offline mode.

How can institutes partner with each other and what will be the eligibility criteria?

Any Indian higher educational institution accredited by the National Assessment and Accreditation Council (NAAC) with a minimum score of 3.01 on a 4-point scale or featuring in the top 1,000 of Times Higher Education (THE) or QS World University Rankings will be eligible to participate. For Indian institutes, being in the top 100 list of the National Institutional Ranking Framework (NIRF) is also an acceptable criterion. Foreign institutes willing to enter a partnership must rank in the top 1,000 in either of the two world university rankings. The Indian institutions willing to enter into such collaborative arrangements will also have to open office for international affairs.

How have the rules been simplified?

The previous set of regulations gave the UGC extensive powers to monitor the entire process of collaboration, ranging from examining MoUs between institutes to issuing letters of approvals or rejections. The proposed amendments obviates the need for institutes to seek the UGC's nod. However, in the case of professional programmes in disciplines such as engineering, medicine and law, the approval of statutory councils or bodies like the AICTE will still be needed. The Indian institutes looking to offer such programmes will need the clearances of their in-house academic bodies such as board of governors, executive councils etc. The second step for them would be to sign MoUs with the partner foreign institutes. Earlier, such MoUs required the approval of the UGC.

What will be the admission criteria and fees for the programmes offered collaboratively?

For twinning, dual degree and joint degree programmes, the fee for the entire course duration will be made public during the time of the admission. For twinning and joint degree programmes, the students will have to meet the admission requirements of both Indian and foreign higher educational institutions but may not have to apply separately to both the partner institutes. For dual degrees, the students will have to apply and be admitted separately to both institutions. The UGC has not yet released the fee structure of any of the courses. However, the Commission has said that the fee structure would be reasonable to make quality higher education accessible and affordable to all sections of society.

Source: The Indian Express

27. Jignesh Mevani's arrest

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Arrest of Jignesh Mevani

The arrest of Gujarat independent legislator, Jignesh Mevani, by the Assam police is an egregious instance of the misuse of law to target a vocal critic of the Union government. There are several aspects about his arrest that ought to cause shock and revulsion to those who believe in law and democracy.

Mr. Mevani's tweets, subsequently withheld by Twitter, described Prime Minister Narendra Modi as a "Godse worshipper", but also contained an appeal to him to call for peace in some areas of Gujarat that witnessed communal violence. It is clear that apart from being harsh criticism of the Prime Minister, there is nothing in it that can be seen as affecting public tranquillity or causing divisions in society.

Charges made

Not only have the police invoked the entire gamut of offences related to inflammatory speech, breach of peace and outraging of religious feelings, but provisions related to conspiracy and hacking of computers have also been added for good measure. While some of the criminal provisions in the FIR are questionable, it is astounding that the police in distant Kokrajhar, Assam, chose to act on a complaint by a political functionary against a legislator in Gujarat and travel all the way to take him into custody and jail him in Assam. Except for the fact that the allegedly offending remark was made online and is accessible on the Internet, there is nothing to confer jurisdiction on the Assam police.

The use of Section 295A of the IPC, which only applies to acts that outrage the religious feelings of a section, is particularly questionable because there is nothing in Mr. Mevani's remarks that can be seen even remotely insulting towards any religious belief or practice. Further, it is quite notable that the police or ruling party functionaries in BJP-ruled Gujarat did not pursue the case there. It is almost as if his opinion contained a higher potential for breach of peace or disturbance to public tranquillity in Assam than in his home State. It is not clear on what basis the police in Kokrajhar accepted the complainant's claim that the tweet could destroy the social fabric "in this part of the country". There cannot be a better example of the misuse of the principle that anyone can set the criminal law in motion. There is something perverse about the manner in which the inter-State operation of criminal law allows any citizen to be held by the police from another State with such ease, even when the alleged offences attract short prison terms that do not warrant arrest. It is disconcerting that a judicial magistrate denied bail to Mr. Mevani and granted police custody in a matter that only involves interpretation of some words. Judicial officers ought to show greater independence by raising questions about territorial jurisdiction instead of accepting the prosecution claims in such cases without demur.

Source: The Hindu

28. Understanding the Olga Tellis judgment

Relevant for GS Prelims & Mains Paper II; Polity & Governance

How is the judgment relevant to the 'anti-encroachment' drive in Jahangirpuri?

A 37-year-old Constitution Bench judgment of the Supreme Court which held that pavement dwellers are different from trespassers may become a game-changer in the Jahangirpuri case. The apex court ruled that pavement dwellers live on "filthy footpaths out of sheer helplessness" and not with the object of offending, insulting, intimidating or annoying anyone. They live and earn on footpaths because they have "small jobs to nurse in the city and there is nowhere else to live."

What is the Olga Tellis judgment?

The judgment, *Olga Tellis vs Bombay Municipal Corporation*, in 1985 by a five-judge Bench led by then Chief Justice of India Y.V. Chandrachud agrees that pavement dwellers do occupy public spaces unauthorised. However, the court maintained they should be given a chance to be heard and a reasonable opportunity to depart "before force is used to expel them."

The Supreme Court reasoned that eviction using unreasonable force, without giving them a chance to explain is unconstitutional. Pavement dwellers, too, have a right to life and dignity. The right to life included the right to livelihood. They earn a meagre livelihood by living and working on the footpaths. A welfare state and its authorities should not use its powers of eviction as a means to deprive pavement dwellers of their livelihood.

What led to the judgment?

Sometime in 1981, the State of Maharashtra and the Bombay Municipal Corporation decided that pavement and slum dwellers in Bombay city should be evicted and "deported to their respective places of origin or places outside the city of Bombay." Some demolitions were carried out before the case was brought to the Bombay High Court by pavement dwellers, residents of slums across the city, NGOs and journalists. While they conceded that they did not have "any fundamental right to put up huts on pavements or public roads", the case came up before the Supreme Court on larger questions of law.

What were the questions discussed before the Supreme Court?

One of the main questions was whether eviction of a pavement dweller would amount to depriving him/her of their livelihood guaranteed under Article 21 of the Constitution. The Article mandates that "no person shall be deprived of his life or personal liberty except according to procedure established by law." The Constitution Bench was also asked to determine if provisions in the Bombay Municipal Corporation Act, 1888, allowing the removal of encroachments without prior notice, were arbitrary and unreasonable. The Supreme Court also

decided to examine the question whether it was constitutionally impermissible to characterise pavement dwellers as trespassers.

What was the State government's defence?

The State government and the corporation countered that pavement dwellers should be estopped (estoppel is a judicial device whereby a court may prevent or "estop" a person from making assertions. Estoppel may prevent someone from bringing a particular claim) from contending that the shacks constructed by them on the pavements cannot be demolished because of their right to livelihood. They cannot claim any fundamental right to encroach and put up huts on pavements or public roads over which the public has a 'right of way.'

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How did the Supreme Court rule?

The Bench threw out the government's argument of estoppel, saying "there can be no estoppel against the Constitution." The court held that the right to life of pavement dwellers were at stake here. The right to livelihood was an "integral component" of the right to life. They can come to court to assert their right. "If the right to livelihood is not treated as a part of the constitutional right to live, the easiest way of depriving a person of his right to life would be to deprive him of his means of livelihood to the point of abrogation... Any person who is deprived of his right to livelihood except according to just and fair procedure established by law, can challenge the deprivation as offending the right to life," the Constitution Bench observed.

Again, on the second question whether provisions in law allowing statutory authorities to remove encroachments without prior notice was arbitrary, the court held that such powers are designed to operate as an "exception" and not the "general rule." The procedure of eviction should lean in favour of procedural safeguards which follow the natural principles of justice like giving the other side an opportunity to be heard. The right to be heard gives affected persons an opportunity to participate in the decision-making process and also provides them with a chance to express themselves with dignity, the court had observed.

Finally, the court emphatically objected to authorities treating pavement dwellers as mere trespassers. "They (pavement dwellers) manage to find a habitat in places which are mostly filthy or marshy, out of sheer helplessness. It is not as if they have a free choice to exercise as to whether to commit an encroachment and if so, where. The encroachment committed by these persons are involuntary acts in the sense that those acts are compelled by inevitable circumstances and are not guided by choice," the Supreme Court had reasoned. Besides, the court noted, even trespassers should not be evicted by using force greater than what is reasonable and appropriate. What is more, the court had said, a trespasser "should be asked and given a reasonable opportunity to depart before force is used to expel him."

Source: The Hindu

29. Towards a resolution of the Arunachal-Assam border dispute

Relevant for GS Prelims & Mains Paper II; Polity & Governance

What is the history behind the boundary issue between the two States? How do they plan to settle it?

Less than a month after the Union government gave the seal of approval to an agreement to partially resolve the disputed sectors on the Assam-Meghalaya border, Arunachal Pradesh Chief Minister Pema Khandu and his Assam counterpart Himanta Biswa Sarma decided to form district-level committees for settling their inter-state boundary disputes. This has set the ball rolling for the two States to address the issue on the basis of the "fifty-fifty" or "give-and-take" model Assam and Meghalaya followed for closure of the disputes in six of its 12 troublesome sectors.

Why does Arunachal Pradesh have a boundary dispute with Assam?

Assam has had boundary disputes with all the north-eastern States that were carved out of it. While Nagaland became a State in 1963, Meghalaya first became an Autonomous State in 1970 and a full-fledged State in 1972. Arunachal Pradesh and Mizoram were separated from Assam as Union Territories in 1972 and as States in 1987. None of the new States accepted the "constitutional boundary" that they said was dictated by the partisan

administration of undivided Assam without consulting the tribal stakeholders. They also claimed that the disputed areas were traditionally under the control of tribal chieftains before Assam, post-India's independence, inherited the "imaginary boundaries" drawn during British rule. The issue with Arunachal Pradesh has more to do with a 1951 report prepared by a sub-committee headed by Assam's first Chief Minister, Gopinath Bordoloi.

What is the genesis of the dispute?

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Arunachal Pradesh and Assam have disputes at about 1,200 points along their 804 km boundary. The disputes cropped up in the 1970s and intensified in the 1990s with frequent flare-ups along the border. However, the issue dates back to 1873 when the British government introduced the inner-line regulation vaguely separating the plains from the frontier hills that were later designated as the North-East Frontier Tracts in 1915. This area became the North-East Frontier Agency (NEFA) in 1954, three years after a notification based on the 1951 report saw 3,648 sq. km of the "plain" area of Balipara and Sadiya foothills being transferred to the Darrang and Lakhimpur districts of Assam. Arunachal Pradesh has been celebrating its statehood on a grand scale with an eye on China since 1987, but what has been causing resentment is the inability of the people living in the transferred patches to join in the celebration. Leaders in Arunachal Pradesh claim the transfer was done arbitrarily without consulting its tribes who had customary rights over these lands. Their counterparts in Assam say the 1951 demarcation is constitutional and legal.

Did the two States try settling the boundary dispute earlier?

There were several efforts to demarcate the boundary between Assam and NEFA/Arunachal Pradesh between 1971 and 1974. To end the stalemate, a high-powered tripartite committee involving the Centre and the two States was formed in April 1979 to delineate the boundary based on Survey of India maps. About 489 km of the inter-state boundary north of the Brahmaputra River was demarcated by 1984, but Arunachal Pradesh did not accept the recommendations and staked claim to much of the areas transferred in 1951. Assam objected and approached the Supreme Court in 1989, accusing Arunachal Pradesh of "encroachment". The apex court appointed a local boundary commission in 2006 headed by one of its retired judges.

In its September 2014 report, this commission recommended that Arunachal Pradesh should get back some of the areas transferred in 1951 besides advising both the States to find a middle path through discussions. This did not work out.

What are the chances of a solution emerging this time?

The Assam-Meghalaya boundary agreement has raised hopes of the Assam-Arunachal boundary dispute being resolved, especially with the Centre egging the north-eastern States to end their territorial issues once and for all by August 15, 2022, when the country celebrates 75 years of independence. Moreover, there is a general belief that the region's sister-States are in a better position to fast-track the resolution since they are ruled by the Bharatiya Janata Party with the same dispensation at the Centre. Following the model adopted in the exercise to resolve the dispute with Meghalaya, Assam and Arunachal Pradesh have agreed to form district-level committees that will be tasked with undertaking joint surveys in the disputed sectors to find tangible solutions to the long-pending issue based on historical perspective, ethnicity, contiguity, people's will and administrative convenience of both the States.

The two States have decided to form 12 such committees involving the districts sharing the boundary. Assam has eight districts touching the boundary with Arunachal Pradesh, which has 12 such districts.

Source: The Hindu

30. Why Haryana has imposed a ban on transportation of fodder

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Authorities in Haryana have banned inter-district and inter-state transportation of wheat fodder. Why? What do the farmers say? What is the political reaction to the fodder issue?

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The authorities in Haryana have banned inter-district and inter-state transportation of wheat fodder, insisting they want to meet the local requirements first. But the decision has drawn sharp criticism from the farmer groups and the Opposition.

What types of bans have been imposed on transportation of fodder?

Two types of bans have been imposed on the transportation of fodder in Haryana. A few districts like Fatehabad and Sirsa have banned transportation even to other districts. The inter-district sale of dry fodder made of straw of wheat, paddy, mustard and gaur has been prohibited for brick-kiln and cardboard factories too. The farmer leaders in Fatehabad claimed the authorities there have even stopped nearly 100 tractor-trolleys at the border of the district. The administration of other districts, including Ambala and Yamunanagar, have banned the transportation of fodder out of the state.

What do the authorities say?

In an order, Sirsa district magistrate Ajay Singh Tomar said that there may be a shortage of fodder for the animals in the district if the same is sent out from the district. In the order, Tomar said: "The situation is likely to worsen in future in the absence of rains. In these circumstances, there would be a need for a lot of fodder in drought-hit areas. To avoid such a scenario, a ban needs to be imposed."

Haryana Agriculture and Farmers Welfare Minister JP Dalal claimed the ban has been imposed only on the interstate transportation of fodder in order to meet local needs. Dalal even said that they would not stop the transportation of fodder within the state, adding the inter-state ban would also be lifted after the fulfilment of the state's requirements.

Why are authorities anticipating a shortage of fodder this year?

There are mainly two reasons: one, more farmers opting for mustard crop in place of wheat in southern Haryana and two, less than usual production of wheat because of early onset of summer coupled with an exceptional rise in mercury this year. The officials believe the adverse weather conditions may affect the output of wheat fodder too. The farmers say shortage of DAP (di-ammonium phosphate) fertiliser has also affected the wheat crop.

Amid shortage of DAP in October 2021, Haryana had witnessed stone pelting on policemen, road blockages and even "loot" of the fertiliser from a private dealer's outlet in Mahendragarh district of south Haryana. The problem was so acute in South Haryana that the fertiliser was distributed from the police stations. Further, because of geopolitical tensions amid the ongoing Russia-Ukraine war, a perception is building that the wheat prices would increase in near future. In this environment, the authorities want to meet local needs of fodder before allowing the same for other states.

What do the farmers say?

The farmers are more upset with the restrictions on inter-district transportation of fodder than the inter-state transportation. Kisan Sangharsh Samiti leader Mandeep Nathwan alleged: "In Fatehabad district nearly 100 tractor-trolleys loaded with wheat fodder have been stopped from moving out of the district. The transporters of fodder, which includes traders and farmers, are being forced to unload the fodder in the local gaushalas at cheaper prices. The fodder costs Rs 810 per quintal but the transporters are being forced to give it to the gaushalas at the rate of Rs 500 quintal. Why are the authorities not allowing the farmers to earn profit by selling their fodder at higher prices when they are already hit by low production of wheat this year." On this issue, the farmers also staged a protest in front of Fatehabad DC office Monday.

What is the political reaction to the fodder issue?

Minister JP Dalal said they would intervene if somebody brings the issue of ban on inter-district transportation of fodder in Haryana to his notice. However, Bhiwani-Mahendragarh MP Dharambir Singh has approached the Chief Minister Manohar Lal Khattar, urging him to intervene in the matter, while pointing out how the people of his constituency are facing a shortage of fodder. He also pointed at an inter-district ban on transportation of wheat fodder. Former chief minister Bhupinder Singh Hooda has slammed the government for imposing a ban on the transportation of the fodder, insisting that the farmers should be free to sell their fodder to any place.

Source: The Indian Express

31. The PIL against the lifetime status of 'Cabinet minister' to Goa's Pratapsingh Rane

Relevant for GS Prelims & Mains Paper II; Polity & Governance

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The High Court of Bombay at Goa on Monday (April 25) said “arguable issues have been raised” in a PIL challenging the “lifetime status of the rank of Cabinet minister” accorded to Pratapsingh Rane, a six-time Chief Minister of Goa and a legislator for a full 50 years.

The unprecedented status was conferred on the octogenarian Congress leader this January by the state's earlier BJP government. Days after the announcement, Rane backed out of the Legislative Assembly election, even though he had already been declared the Congress candidate from his bastion of Poriem.

His daughter-in-law Deviya Rane debuted from the seat on a BJP ticket and won by the highest margin in the state.

Lawyer Aires Rodrigues, who has filed the PIL challenging the decision to grant such a status to Rane, said that this is the first time in the country that any state government had taken such a step. The PIL was admitted on Monday, and a division bench of Justices M S Sonak and R N Laddha will hear the case on May 2.

What is the “lifetime status of the rank of Cabinet minister” granted to Pratapsingh Rane?

On January 6, Chief Minister Pramod Sawant had announced that the state Cabinet had taken a decision to accord this special status to Rane. “Mr Pratapsingh Raoji Rane, former Chief Minister and former Speaker (of the Goa Legislative Assembly) has completed 50 years as a legislator. The Cabinet has decided that in future also, those who complete 50 years and hold posts like CM and Speaker, like Pratapsingh Rane, will be given the Cabinet status even after their retirement,” Sawant had said.

The previous government led by Sawant, in which Rane's son Vishwajit Rane too was a Minister, took this decision a little more than a month before the February 14 Assembly elections. Last year, a congratulatory motion had been passed in the Assembly, and MLAs from all parties had felicitated Rane, who first won the Sattari seat in 1972 and never lost an election thereafter.

On March 24, 2021, Prime Minister Narendra Modi had tweeted: “Congratulations to Shri Pratapsingh Rane Ji on this momentous feat of completing 50 years as MLA. His passion for public service and Goa's progress is reflected in his work. I remember our interactions when we both served as Chief Ministers of our respective states.”

So what is it that the PIL filed in the High Court of Bombay at Goa has challenged?

Lawyer Rodrigues has urged the High Court to quash the January 7 notification of the government under which Rane was conferred with the “lifetime status of the rank of cabinet minister”. Rodrigues has contended that Goa has a 12-member Cabinet, and the conferment of Cabinet status on Rane results in the number of Cabinet ranks rising to 13, which exceeds the ceiling mandated by the Constitution.

Stating that the very purpose of the 91st Amendment was to prevent jumbo Cabinets and the resultant drain on the public exchequer, Rodrigues contended that the lifetime status granted to Rane was a “back door entry in wilful disobedience of the mandate of law”.

The Constitution (91st Amendment) Act, 2003 inserted clause 1A in Article 164, which says “the total number of Ministers, including the Chief Minister, in the Council of Ministers in a State shall not exceed fifteen per cent of the total number of members of the Legislative Assembly of that State... provided that the number of Ministers, including the Chief Minister in a State shall not be less than twelve”.

There are 40 seats in the unicameral Goa Assembly.

Rodrigues told the court on Monday that as a Cabinet minister for life, Rane would be entitled to 12 staff members – OSDs, support staff, peons, driver – which would cost the exchequer Rs 90 lakh a year. Although Rane has not availed of it, the ‘Cabinet’ rank would also entitle him to government accommodation, vehicle and unlimited free travel for him and his spouse, Rodrigues told The Indian Express.

Why did the BJP take this decision for a politician who had spent 45 of his 50 years as MLA in the Congress?

There is a backstory to the decision, announced ahead of the Assembly elections.

In December 2021, the Congress had declared Rane as its candidate from the Poriem seat. Soon afterward, Rane’s son and then state Health Minister Vishwajit Rane (who retains the portfolio in the current Pramod Sawant government), said that he would contest against his father on the BJP ticket and would defeat him by a record margin. Vishwajit, an undefeated five-time lawmaker from the neighbouring Valpoi seat, had left the Congress in 2017 to join the BJP.

At a public rally that same month, former Maharashtra Chief Minister and the BJP’s Goa election incharge Devendra Fadnavis had said that his party would soon receive “blessings” from the senior Rane. Fadnavis had earlier met Rane at his residence, and had sought the “blessing” that he should leave the Poriem seat for Vishwajit and the BJP.

The Ranes, who are among the politically most influential families in Goa, hold sway in the Sattari taluka, of which both the seats of Valpoi and Poriem are part.

Over several days, there was speculation about a possible father-son poll duel in Poriem. Eventually, Pratapsingh Rane’s decision to back out was seen as Vishwajit having prevailed over his father. While Vishwajit himself remained in Valpoi, his wife Deviya made a sensational debut in Poriem, bringing the seat to the BJP for the first time.

Rodrigues’s PIL states that since Rane, a Congress candidate at the time he was granted lifetime Cabinet status, “was capable of toppling the ruling party’s apple cart in Poriem, a malafide strategy was adopted by the BJP to offer him a carrot not to contest elections”.

Deviya’s victory in Poriem also strengthened Vishwajit’s position in the BJP. While he lost out in the race to become CM after the BJP returned to power in March, he effectively functions as the Number 2 in a Cabinet that includes legislators who are senior to him.

What were the political reactions to the decision to grant Rane status of a Cabinet minister for life?

Rane himself had said he had not asked for anything. “They have recognised my 50 years’ service. Perhaps, the government thought it best to do it. I have not asked for it,” he had said. On Monday, his lawyer Joao Dias declined to comment on the PIL before the court.

Vishwajit, however, had profusely thanked his Cabinet colleagues. He had tweeted on January 6, “I am grateful to the Hon’ble Chief Minister @DrPramodSawant & entire cabinet for according a lifetime cabinet status to my father Shri Pratapsingh Raoji Rane. There is no greater way to honour his 50 years of public service as Chief Minister, Speaker and MLA.”

Girish Chodankar, then president of the Goa Pradesh Congress Committee, had said that the BJP was “desperate” before the election, but that Rane would not “fall prey” to the party’s move.

“This is a new move. This is unheard of. We don’t know what they have announced is legal or illegal, constitutional or unconstitutional. But BJP is desperate and it can do anything. He (Pratapsingh Rane) commands the respect of people like no one else and he has a place in the hearts of the people of Goa. In 50

years he has an unblemished record. His loyalty to the party is undoubted. He is a royal and upright man. These things are too small for a man of his stature. He will not fall prey to these things,” Chodankar had said.

Source: The Indian Express

32. Unresolved constitutional cases involving crucial questions about state power, accountability and impunity, and cannot be left hanging by the courts

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Relevant for GS Prelims & Mains Paper II; Polity & Governance

During the framing of the Indian Constitution, it was proposed that any petition alleging a breach of fundamental rights by the state ought to be judicially decided within one month. While the proposal did not, ultimately, find its way into the text of the Constitution, it nonetheless articulated something of great importance: between the individual and the state, there exists a substantial asymmetry of power. While the violation of rights — whether through executive or legislative action — is relatively costless for the state, it is the individual, or individuals, who pay the price, and who must then run from pillar to post to vindicate their constitutionally guaranteed rights. Consequently, a Constitution is entirely ineffective if a rights-violating status quo is allowed to exist and perpetuate for months, or even years, before it is finally resolved (and often, by the time resolution comes, it is too late in the day for it to have any practical significance).

Blow to accountability

This point, of course, is not limited to the violation of rights, but extends to all significant constitutional questions that arise in the course of controversial state action. Issues around the federal structure, elections, and many others, all involve questions of power and accountability, and the longer that courts take to resolve such cases, the more we move from a realm of accountability to a realm of impunity.

In this context, as 2021 draws to a close, a look at the Supreme Court of India’s docket reveals a host of highly significant constitutional cases that were long-pending when the year began, and are now simply a year older without any sign of resolution around the corner. All these cases involve crucial questions about state power, accountability, and impunity. Consequently, the longer they are left hanging without a decision, the greater the damage that is inflicted upon our constitutional democracy’s commitment to the rule of law.

Kashmir, electoral bonds

What are some of these cases? First, there is the constitutional challenge to the Presidential Orders of August 5, 2019, that effectively diluted Article 370 of the Indian Constitution, and bifurcated the State of Jammu and Kashmir into two Union Territories, controlled by the Centre. There is a widespread tendency to view the Kashmir question as having been “settled” after the events of August 5, 2019, with it now being a political impossibility to return to the pre-2019 status quo.

Regrettably, this tendency seems to have gripped the Court as well in how assiduously it has avoided hearing and deciding the case. But politics aside, the case raises certain fundamental questions about constitutional power and accountability.

First, it raises the question of whether the Centre can take advantage of an Article 356 situation in a State — a time when no elected government and Assembly is in existence — to make permanent and irreversible alterations in the very structure of the State itself. The answer will have important ramifications not just for Jammu and Kashmir but for the entire federal structure: India has a long history of the abuse of Article 356 to “get rid of” inconvenient State governments, and a further expansion of the power already enjoyed by the Centre will skew an already tilted federal scheme even further.

Second, the case also raises the question of whether, under the Constitution, the Union Legislature has the authority not simply to alter State boundaries (a power granted to it by Article 3 of the Constitution), but degrade a State into a Union Territory (something that has never been done before August 5, 2019). If it turned out that the Union Legislature does have this power, it would essentially mean that India’s federal structure is

entirely at the mercy of Parliament: Parliament could then, constitutionally, convert India from a union of States to a union of Union Territories, if it so wanted. Needless to say, this — as well — would signal a hugely significant shift in power to the Centre.

As long as both these questions remain undecided, however, the acts of August 5, 2019 remain presumptively legal, with the prospect that they may well be repeated in other parts of India. For this reason, the Supreme Court's now two-and-a-half-year delay in hearing and answering these questions is unconscionable.

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Another long-pending case is the constitutional challenge to the electoral bonds scheme, that has now crossed four years. The electoral bonds scheme authorises limitless, anonymous corporate donations to political parties, making election funding both entirely opaque to the people, as well as being structurally biased towards the party that is in power at the Centre. In numerous central and State election cycles in the last four years, thousands of crores of rupees have been spent in anonymous political donations, thus impacting not only the integrity of the election process but also the constitutional right of citizens to an informed vote. However, other than two interim orders, the Supreme Court has refused to accord a full hearing to the constitutional challenge. In a few months' time, it will be one full five-year cycle of central and State elections, with the case still awaiting a hearing: another black mark on the Court's record.

It is important to note that in both these cases, the Supreme Court's inaction is not neutral, but rather, favours the beneficiaries of the status quo. In other words, by not deciding, the Court is in effect deciding — in favour of one party — but without a reasoned judgment that justifies its stance.

Other key cases

This is also true for a number of other cases pending before the Court. For example, as far back as 2013, the Gauhati High Court held that the Central Bureau of Investigation (CBI) was not established under any statutory authority. This verdict was immediately stayed when it was appealed to the Supreme Court, but in the intervening years, it has never been heard. Thus, the CBI continues to function — often controversially — despite a judgment by a constitutional court that has found its very existence to be illegal. More recently, constitutional challenges to the Citizenship (Amendment) Act (CAA), filed in the immediate aftermath of the legislation's enactment, remain unheard, as do the challenges to the much-criticised Section 43(D)(5) of the Unlawful Activities (Prevention) Act, which makes the grant of bail effectively impossible, and is responsible for the years-long incarceration of several people. The challenge to Section 43(D)(5) is perhaps the case that most directly affects civil rights, as the section continues to be applied on a regular basis (most notoriously, in recent times, in the Bhima Koregaon case). And cases of this kind are legion.

It wounds the judiciary

Apart from benefiting the party that profits from the status quo — which, as we have seen, is invariably the state — judicial evasion of this kind is also damaging for the accountability of the judiciary itself. Once a court decides a case, its reasoning — which must, by definition be public — can be publicly scrutinised and, if need be, critiqued. In the absence of a decision, however, while the Court's inaction plays as significant a role on the ground as does its action, there is no judgment — and no reasoning — that the public can engage with. For obvious reasons, this too has a serious impact on the rule of law.

It must be acknowledged that the responsibility for constituting benches and scheduling cases especially cases that are due to be heard by larger Benches rests solely with the Chief Justice of India (CJI). While the three previous CJIs have been criticised for excessive deference to the executive, the current CJI has been on record stressing the importance of the rule of law and the independence of the judiciary. One way of demonstrating that in action might be to hear — and decide — the important constitutional cases pending before the Court.

Source: The Hindu

33. What is the iRAD and what is the status of accidents in Chandigarh?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

Dharam Pal, UT Adviser to the Administrator, launched Integrated Road Accident Database (iRAD) project in Chandigarh on Friday, April 22, 2022. iRAD is an initiative of the Ministry of Road Transport and Highways (MoRTH), with an objective to improve road safety in the country.

The main idea behind it is to create a Centralised Accident Database to host and access all accident related data by various departments/stakeholders. Page | 47

Saurabh Parashar explains what iRAD is, who its stakeholders are and the status of road accidents in Chandigarh.

What is iRAD?

The iRAD application is an initiative of the MoRTH to capture relevant details about the accident prone areas throughout India.

The details include causes of road accidents, road engineering defaults, negligences on the part of individuals, pattern in accidents and to form a strategy to reduce the number of accidents.

The iRAD was proposed in 2019 but due to Covid-19, the implementation work was postponed.

In February this year, a beta version of iRAD was launched in at least 59 districts of six states including Madhya Pradesh, Maharashtra, Karnataka, Rajasthan, Tamil Nadu and Uttar Pradesh. With iRAD, any investigation officer visiting the spot of an accident will enter all details in the app, such as day and time of the accident, type of collision, fatal/non fatal, weather conditions, etc.

The data will further be used by all concerned departments to analyse cause of accidents and formulation of strategies such as identification and rectification of blackspot, engineering interventions, etc.

What is the status of road accidents in Chandigarh?

As per the Road Accident Analysis (RAA) -2020 report of the UT Police, the vehicular population (12,34,757) of Chandigarh is seven per cent more than the city's total human population (11,58,491). Crash severity has recorded a three per cent increase in 2020 than 2019.

The number of fatal casualties are being reported between 98 and 111 in the last six years in Chandigarh. Though, due to Covid restrictions, 53 fatal casualties were recorded in 159 road accidents in 2020. According to the RAA wing, Chandigarh has at least a dozen black spots which are the most accident prone areas.

What were the earlier attempts of mapping road accident prone areas?

The Chandigarh traffic police has its dedicated RAA wing, which exclusively works to map road accident spots in Chandigarh.

The wing concludes if the accident took place due to a road engineering fault, human negligence or any other reason.

"Attempts were made earlier also to map the accident spots through technology in this region. We had introduced a web based Integrated Data Evaluation System on Accidents (IDEAS) in Punjab many years back. Initially, it worked smoothly but later authorities abandoned it," Harman Sidhu, Chandigarh based road safety expert, said.

How will iRAD work and who will operate it?

iRAD is a feedback based system. Police, transport, road engineering/highway and health are stakeholders in this project.

Every stakeholder and department has its defined work within the system. For instance, the police is responsible for visiting the spot, counting the number of accidents, etc., analysing the vehicle volume/pressure on a particular stretch is the task of the transport department. Road engineering wing will look after the engineering faults responsible for accidents. Health department will maintain a record of casualties including fatal, non-fatal in road accidents.

Source: The Indian Express

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34. As Delhi Govt, Centre return to court, what are the issues in their long-running dispute?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

The Supreme Court has started hearing the dispute between the Delhi government and the Centre over the control of administrative services in the national capital.

What are the legal issues before the SC?

There are two legal issues before the court.

* The first arises from a reference made by a two-judge Bench in February 2019, which, while deciding on the distribution of powers between the Delhi government and Centre, left the question of who will have control over the administrative services for consideration by a larger Bench.

* The Bench also has before it the Delhi government's petition challenging the constitutional validity of the Government of National Capital Territory of Delhi (Amendment) Act 2021, which provided that the term "government" referred to in any law made by the Legislative Assembly of Delhi will imply the Lieutenant Governor (L-G).

The current proceedings have their genesis in the Delhi High Court judgment of August 4, 2017, in which it held that for the purposes of administration of the NCT of Delhi, the L-G was not bound by the aid and advice of the Council of Ministers in every matter.

On appeal, the SC on February 15, 2017 referred the matter to decide on the interpretation of Article 239AA of the Constitution.

What is Article 239AA of the Constitution?

Article 239 AA was inserted in the Constitution by The Constitution (69th Amendment) Act, 1991 to give Special Status to Delhi following the recommendations of the S Balakrishnan Committee that was set up to look into demands for statehood for Delhi.

It says that the NCT of Delhi will have an Administrator and a Legislative Assembly. Subject to the provisions of the Constitution, the Legislative Assembly "shall have power to make laws for the whole or any part of the NCT with respect to any of the matters in the State List or Concurrent List in so far as any such matter is applicable to Union territories" except on the subject of police, public order, and land.

What happened to the 2017 reference in the SC?

A five-judge Constitution Bench confined itself to the interpretation of Article 239AA, and left individual issues to be decided by regular Benches. By a majority decision on July 4, 2018, the Bench upheld the respective powers of the state Assembly and Parliament. It said that while the Council of Ministers must communicate all decisions to the L-G, this does not mean that the L-G's concurrence is required.

In case of a difference of opinion, the L-G can refer it to the President of India for a decision. The L-G has no independent decision-making power, but has to either act on the 'aid and advice' of the Council of Ministers or is bound to implement the decision of the President on a reference that is made.

What happened subsequently?

This was followed by a ruling in 2019, where a two-judge Bench of Justices A K Sikri and Ashok Bhushan dealt with some individual issues arising from the power tussle, regarding the power of the Anti-Corruption Branch of the Delhi government to investigate corruption cases against central government officials and appoint commissions of inquiry.

The two-judge Bench agreed that the Anti-Corruption Branch of the Delhi government cannot investigate corruption cases against central government officials, and that the power to appoint commissions under The Commission of Inquiry Act, 1952, would be vested with the Centre and not the Delhi government.

The Bench upheld two notifications issued by the Centre on July 23, 2014, and May 21, 2015, which had the effect of excluding the jurisdiction of Delhi government's Anti-Corruption Branch from probing offences committed by central government officials and limiting it to employees of the Delhi government.

And what did the two-judge Bench say on the control of administrative services?

The two judges differed on who should have control over the administrative services.

Justice Sikri was of the view that "transfers and postings of Secretaries, HODs and other officers in the scale of Joint Secretary to the Government of India and above can be done by the Lieutenant Governor and the file submitted to him directly" while "for other levels, including DANICS (Delhi, Andaman and Nicobar Islands Civil Service) officers, the files can be routed through the Chief Minister to L-G".

Justice Bhushan was of the opinion that power over services lay only with the Centre. On the issue of services, he said: "I do not entirely agree with the opinion of my esteemed brother, however, I am in agreement with his opinion that Entry 41 of List II of the Seventh Schedule of the Constitution is not available to the Delhi Legislative Assembly", and hence, "there is no occasion to exercise any Executive power with regard to 'Services' by the GNCTD."

What are the contentions of the Centre and Delhi government in the matter now?

The Centre has contended that the two judges could not take a decision on the question of who controls services as the Constitution Bench in its July 2018 judgment had not interpreted the expression "insofar as any such matter as applicable to Union Territories" appearing in Article 239AA.

Therefore, it must be referred to a five-judge Constitution Bench which will first settle the question of law, only after which the dispute over who has control over services can be looked into.

Source: The Indian Express

35. Why is Tamil Nadu seeking revenue share in privatised airports**Relevant for GS Prelims & Mains Paper II; Polity & Governance**

Earlier this month, the Tamil Nadu government issued a policy note which stated that the State government should claim compensation from the Centre in case of privatisation of an airport or transfer of its assets to a third party.

Coming out in support of the DMK-led government, Chhattisgarh and Jharkhand followed suit and claimed a stake in revenue share from the privatisation of airports.

Here is a look at what the Tamil Nadu government has proposed and why Chhattisgarh and Jharkhand are backing the proposal which could emerge as the latest flashpoint between the Centre and States.

Privatisation of airports in India

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Privatisation of airports in India first began in 2003 after the government approved a proposal to upgrade Mumbai and Delhi in a public-private partnership (PPP) model. The United Progressive Alliance (UPA) government also proposed the privatisation of a few airports, but couldn't implement it.

The proposal was then taken up by PM Narendra Modi. In 2019, Lucknow, Ahmedabad, Jaipur, Mangaluru, Thiruvananthapuram, and Guwahati airports were leased through the PPP model.

In 2021, the Centre unveiled its plan to further monetise 25 airports managed by the Airports Authority of India (AAI) over five years under the National Monetisation Pipeline (NMP).

These included four airports in Tamil Nadu – Chennai, Coimbatore, Madurai, Tiruchirappalli (Trichy).

What is Tamil Nadu proposing?

Under NMP, the Centre has earmarked four airports for privatisation in Tamil Nadu. As he cited a request to the State to acquire 64.57 acres of patta land for Chennai airport, Tamil Nadu Industries Minister Thangam Thennarasu presented a policy note in the Assembly on April 19.

The note states: "The AAI is actively pursuing the policy of privatisation of airports. Therefore, a decision has been taken that in the event the state government acquires and transfers the lands to the Airports Authority of India free of cost and the Airports Authority of India or the Government of India transfer the assets to a third party, the value realised/revenue accrued thereby, must be proportionately shared with the State government reflecting the huge investment in land being made by the State government."

The value of land, at an appropriate stage, should be converted into equity of the State government in the airport's special purpose vehicle or an appropriate revenue sharing arrangement should be arrived at before the airport is transferred to a private party, it adds.

The Tamil Nadu government said the policy decision was taken considering the State's investment in land assets before the transfer to AAI.

Why are Chhattisgarh and Jharkhand backing Tamil Nadu?

The non-BJP ruled states of Chhattisgarh and Jharkhand have also demanded a share of the revenue from privatised airports. Chhattisgarh minister T S Singh Deo said when the Centre and state come together for an earning project, the government's capital is present as a shareholder in terms of the land.

"So long as it is in the government sector, things are moving in a particular way, the Government of India would be making some revenue and there would be something spilling over to the state government and there would be a benefit to the public, so that is fine," the minister said, and added, "Now when you are selling it to a third entity which is a private party, then you are selling the assets of the company, which include apart from the infrastructure, the land also. So, the state government should be given the value of the land."

He noted that the sale will be by means of a valuation of the entire property which and that will include the sale price of the land.

"When you are in a joint venture then the investment which has been made, the Government of India would put in capital in terms of infrastructure, the State government puts up its capital in terms of its land. So, definitely in every such venture, the value of the land should be given to the State government if and when it is sold to a third party which is a private player," the Minister added.

Jharkhand Finance Minister Rameshwar Oraon also backed the proposal. "Land belongs to the state. When it is under the central government, we have no issues, we give land, water and other resources. But if the Centre is handing it over to private parties, revenue should be shared with the state government. A policy should be framed in this regard for all the states, not just Jharkhand," Mr. Oraon said.

Has the Centre agreed to the demand?

The Ministry of Civil Aviation is yet to officially comment on the matter. Officials were quoted as saying in a news agency report that a decision regarding the matter will be taken at the higher levels of the government.

Source: The Hindu

36. Shah Faesal will return to IAS; what are the rules for resignation and reinstatement of an officer?

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Relevant for GS Prelims & Mains Paper II; Polity & Governance

Indian Administrative Service (IAS) officer Shah Faesal, who resigned from the service in protest against the “unabated” killings in Kashmir in 2019, has been reinstated.

The return to service of Faesal, the first Kashmiri to top the Civil Services Examination (2010 batch), had been indicated back in August 2020, when he stepped down as president of the Jammu and Kashmir People’s Movement (JKPM), the party that he had founded after leaving the IAS, and announced that he was quitting politics altogether.

Faesal’s resignation, in January 2019, had not been accepted by the government pending investigation into some of his posts on social media. In 2020, a senior government official had told The Indian Express that the fact his resignation was never accepted meant that “the door is still open” for him to come back to the IAS.

Following the constitutional changes of August 2019 in Jammu and Kashmir, Faesal was stopped from flying to Istanbul, and was detained under Section 107 CrPC. He was ultimately released in June 2020. No cases are pending against him at the moment.

What rules apply when an IAS officer chooses to resign?

A resignation is a formal intimation in writing by an officer of his/her intention or a proposal to leave the IAS, either immediately or at a specified date in the future. Guidelines of the Department of Personnel, the cadre controlling department for the IAS, say that a resignation has to be clear and unconditional.

The resignation of an officer of any of the three All-India Services — IAS, the Indian Police Service (IPS) and Indian Forest Service — is governed by Rules 5(1) and 5(1)(A) of the All India Services (Death-cum-Retirement Benefits) Rules, 1958. There are similar rules for resignation of officers belonging to the other central services as well.

Resignation from service is entirely different from accepting the government’s Voluntary Retirement Scheme (VRS). Those who take VRS are entitled to pension, whereas those who resign are not. Rule 5 of the DCRB Rules say, “No retirement benefits may be granted to a person who has been dismissed or removed from the Service or who has resigned from the Service.”

To whom must the resignation of an IAS officer be submitted?

An officer serving in a cadre (state) must submit his/her resignation to the chief secretary of the state. An officer who is on central deputation is required to submit his/her resignation to the secretary of the concerned Ministry or Department. The Ministry/Department then forwards the officer’s resignation to the concerned state cadre, along with its comments or recommendations.

What happens after the resignation is submitted?

The state checks to see if any dues are outstanding against the officer, as well as the vigilance status of the officer or whether any cases of corruption etc. are pending against him/her. In case there is such a case, the resignation is normally rejected.

Before forwarding the resignation to the central government, the concerned state is supposed to send information on the issues of dues and vigilance status, along with its recommendation.

The resignation of the officer is considered by the competent authority, i.e., the central government, only after the recommendation of the concerned cadre has been received. The competent authorities are: Minister of State at the Department of Personnel & Training (DoPT) in respect of the IAS, the Minister for Home Affairs in respect of the IPS, and the Minister for Environment, Forest and Climate Change in respect of the Forest Service.

Being the minister in charge of the DoPT, the Prime Minister himself takes decisions currently in respect of the IAS.

Under what circumstances is a resignation accepted or rejected?

A circular issued by the DoPT on February 15, 1988 regarding resignation says that it is not in the interest of the government to retain an officer who is unwilling to serve. The general rule, therefore, is that the resignation of an officer should be accepted — except in certain circumstances.

The circular says: “Where a Government servant who is under suspension submits a resignation the competent authority should examine, with reference to the merit of the disciplinary case pending against the Government servant, whether it would be in the public interest to accept the resignation.”

In some cases, resignations have been rejected because disciplinary cases were pending against officers. In such cases, concurrence of the Central Vigilance Commission (CVC) is obtained.

The government also checks whether the concerned officer had executed any bond to serve the government for a specified number of years on account of having received specialised training, a fellowship, or scholarship for studies.

The circular also says: “Where the Government servant concerned is engaged on work of importance and it would take time to make alternative arrangements for filling the post, the resignation should not be accepted straightway but only when alternative arrangements for filling the post have been made.”

Is an officer allowed to withdraw a resignation that has already been submitted?

Rule 5(1A)(i) of the amended DCRB Rules says the central government may permit an officer to withdraw his/her resignation “in the public interest”. An amendment in the Rules in 2011 states “that the period of absence from duty between the date on which the resignation became effective and the date on which the member is allowed to resume duty as a result of permission to withdraw the resignation is not more than ninety days”.

The same amendment in the Rules said, “Request for withdrawal of resignation shall not be accepted by the Central Government where a member of the Service resigns from his/her service or post with a view to be associated with any political parties or any organisation which takes part in politics, or to take part in, or subscribe in aid of, or assist in any other manner, any political movement or political activity or to canvass or otherwise interfere with, or use his/her influence in connection with, or take part in, an election to any legislature or local authority.”

And under what circumstances is the withdrawal of an officer's resignation accepted?

The guidelines say that if an officer who has submitted his/her resignation sends an intimation in writing withdrawing it before its acceptance by the competent authority, the resignation will be deemed to have been automatically withdrawn.

Shah Faesal resigned on January 9, 2019, but his resignation was not processed. His Executive Record Sheet on the DoPT website has no details of his posting. The latest Civil List of IAS officers available on the DoPT website is that of 2021 — and Faesal is listed as a serving officer, but whose posting details say “N.A.” (not available).

The Immovable Property Return (IPR), which every officer is required to declare every year and which is posted on the DoPT website, was last declared by Faesal on January 30, 2017. However, since his resignation itself was not accepted, his request for the withdrawal of resignation was accepted. This, despite the fact that he tried his luck in politics for a year and a half.

Source: The Indian Express

International Organizations & Relations

1. Imran Khan loses majority after key partner sides with Opposition

Relevant for GS Prelims & Mains Paper II; International Issues

MQM-P sided with Opposition

Pakistan's embattled Prime Minister Imran Khan on Wednesday effectively lost majority in Parliament after a key partner of the ruling coalition joined the ranks of the Opposition, which has tabled a no-confidence motion against his government in the National Assembly.

The Muttahida Qaumi Movement-Pakistan (MQM-P), a key ally of the Pakistan Tehreek-e-Insaf-led coalition government, with its seven members announced that it has parted ways with the government during a joint press conference of the opposition parties here.

Lost Majority

Mr. Khan needs 172 votes in the lower house of 342 to foil the Opposition's bid to topple him. However, Maulana Fazlur Rehman, chief of Jamiat Ulema-i-Islama Fazl (JUI-F), said that the Opposition has the support of 175 lawmakers and the Prime Minister should resign.

Next PM

It was also announced that Pakistan Muslim League-Nawaz (PML-N) president and Leader of the Opposition Shehbaz Sharif would be next Prime Minister of the country after removal of 69-year-old Mr. Khan.

Another ally of the ruling coalition, the Balochistan Awami Party (BAP) with five members in the lower house had announced on Monday that it had "accepted the Opposition's invitation" to vote against Mr. Khan.

What did Mr. Khan say?

Addressing a mammoth rally in the national capital on Sunday, Mr. Khan had claimed that foreign powers were involved in a conspiracy to topple his coalition government. He pulled a document from his pocket to exhibit it for the charged crowd, saying it was the letter sent to threaten him.

Pakistan plunged into uncertainty on March 8 after the combined Opposition submitted the motion with the National Assembly, which will convene on Thursday to debate the motion.

The PTI has 155 members in the 342-member National Assembly and needs at least 172 lawmakers to retain power. Mr. Khan is also facing a rebellion by his about two dozen lawmakers and allied parties.

No Prime Minister in Pakistan's history has ever been ousted through a no-confidence motion, and Mr. Khan is the third premier to face the challenge.

No Pakistani Prime Minister has ever completed a full five-year term in office.

Source: The Hindu

2. How did the Russian currency bounce back so quickly after sanctions? Will it continue with its upward trend?

Relevant for GS Prelims & Mains Paper II; International Issues

The Russian rouble has staged an impressive recovery after it lost about half of its value in the wake of Russia's invasion of Ukraine. The currency has recovered almost all of the losses it incurred following the invasion and has thus, surprised many who had predicted a further fall in its value.

What kind of sanctions were imposed on Russia?

Sanctions were imposed on the Russian economy by Western governments right after Russia invaded Ukraine in late February. These sanctions included cutting off many Russian banks from the SWIFT payments signalling system and also freezing the Russian central bank's foreign reserves held abroad.

Many western companies including oil majors such as British Petroleum and Shell also pulled out of Russia amid pressure from Western governments.

Sanctions basically made it harder for Russian businesses to sell their goods abroad and also made it harder for ordinary Russians to purchase goods from abroad.

The freezing of the Bank of Russia's forex reserves held abroad also made it harder for the Russian central bank to use its foreign reserves to prop up the value of the Russian currency.

Naturally, the rouble experienced a sharp hit right after these sanctions, thus leading many to believe that the Russian economy had been brought to its knees.

Surprisingly, however, the Russian currency has staged a remarkable recovery in the last three weeks. It took about 81 roubles to purchase a US dollar one day before Russian forces invaded Ukraine on February 24. A couple of weeks later, it took 151 roubles to purchase a US dollar, marking the rouble's low since the beginning of the war.

This week, thanks to a significant rally from the lows of early March, it takes about 83 Russian roubles to buy a US dollar.

The rouble has, thus, recovered pretty much all of the losses that it incurred in the aftermath of the war.

What's driving the rouble's sharp recovery?

It should first be noted that the price or exchange value of any currency is determined by the supply and demand for the currency. When Western governments imposed sanctions, it made it harder for dollars to flow into Russia, either in the form of investments or by the purchase of Russian goods. Sanctions on the Russian central bank also made sure that the Bank of Russia could not flood the currency market with US dollars to prop up the value of the rouble.

The demand for foreign goods and assets, however, remained stable and when combined with a drop in the inflow of dollars, it caused the value of the rouble to fall precipitously in the initial weeks of the war and the ensuing economic sanctions. The Russian central bank, it seems, was able to counter this negative trend in the forex market that had caused the rouble's value to plunge against the US dollar. It managed to do this primarily through capital controls that aim to increase demand for roubles and reduce the demand for dollars. For example, the Bank of Russia ordered Russian energy exporters, who still had access to US dollars, thanks to exceptions in Western sanctions to Russian energy exports, to use 80% of their forex holdings to purchase roubles. It has also ordered Russian brokers to not allow foreigners to sell their assets in Russia; this is to prevent the outflow of capital which would further depreciate the rouble as investors sell their roubles to purchase dollars.

The Russian central bank's decision to raise its benchmark interest rate to 20% could have also helped draw some foreign investment that propped up the exchange value of the rouble.

Lastly, peace talks between Russia and Ukraine have also perhaps helped in the rouble's recovery to some extent by raising hopes of a return to economic normalcy. Some analysts, however, see the bounce-back of the rouble as a temporary rally in what could be a far deeper correction over the long-run.

What lies ahead?

The remarkable recovery of the rouble should not be taken as a sign that the Russian economy is hale and hearty. Capital controls imposed by the Russian central bank, including the use of dollars earned by selling Russia's huge energy reserves to prop up the rouble, may help in shoring up the rouble but this respite for the rouble may be temporary. It should be noted that capital controls affect the free flow of capital and could have serious implications for Russia's future economic growth since investors are generally wary of investing in economies that do not allow the free exit of capital. It should also be remembered that the Russian economy is poorer due to the exit of foreign businesses and the boycott of the Russian economy by the West.

Further, there are limits to how long the Russian state can prop up the value of the rouble against the US dollar, even with the help of various capital controls. A significant drop in crude oil prices or a European boycott of Russian energy, for instance, could significantly reduce the flow of dollars into Russia and thus, the ability of the Russian central bank to prop up the rouble.

Source: The Hindu

3. Sri Lanka economic crisis explained: How did the country get here, who's helping?

Relevant for GS Prelims & Mains Paper II; International Issues

Anger against Sri Lankan President Gotabaya Rajapaksa's handling of a deepening economic crisis in the island nation of 22 million people spiralled into violence late on Thursday, as hundreds of protesters clashed with police for several hours. A severe shortage of foreign currency has left Rajapaksa's government unable to pay for essential imports, including fuel, leading to debilitating power cuts lasting up to 13 hours. Ordinary Sri Lankans are also dealing with shortages and soaring inflation, after the country steeply devalued its currency last month ahead of talks with the International Monetary Fund (IMF) for a loan programme.

How did Sri Lanka get here?

Critics say the roots of the crisis, the worst in several decades, lie in economic mismanagement by successive governments that created and sustained a twin deficit – a budget shortfall alongside a current account deficit. "Sri Lanka is a classic twin deficits economy," said a 2019 Asian Development Bank working paper. "Twin deficits signal that a country's national expenditure exceeds its national income, and that its production of tradable goods and services is inadequate."

But the current crisis was accelerated by deep tax cuts promised by Rajapaksa during a 2019 election campaign that were enacted months before the COVID-19 pandemic, which wiped out parts of Sri Lanka's economy.

With the country's lucrative tourism industry and foreign workers' remittances sapped by the pandemic, credit ratings agencies moved to downgrade Sri Lanka and effectively locked it out of international capital markets.

In turn, Sri Lanka's debt management programme, which depended on accessing those markets, derailed and foreign exchange reserves plummeted by almost 70 per cent in two years.

The Rajapaksa government's decision to ban all chemical fertilisers in 2021, a move that was later reversed, also hit the country's farm sector and triggered a drop in the critical rice crop.

What happens with Sri Lanka's foreign debt?

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As of February, the country was left with only \$2.31 billion in its reserves but faces debt repayments of around \$4 billion in 2022, including a \$1 billion international sovereign bond (ISB) maturing in July. ISBs make up the largest share of Sri Lanka's foreign debt at \$12.55 billion, with the Asian Development Bank, Japan and China among the other major lenders.

In a review of the country's economy released last month, the IMF said that public debt had risen to "unsustainable levels" and foreign exchange reserves were insufficient for near-term debt payments.

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In a note late last month, Citi Research said that the IMF report's conclusion and the government's recent measures were insufficient to restore debt sustainability, strongly indicating the need for debt restructuring".

Who is helping Sri Lanka?

For months, Rajapaksa's administration and the Central Bank of Sri Lanka (CBSL) resisted calls by experts and opposition leaders to seek help from the IMF despite rising risks. But after oil prices soared in the wake of Russia's invasion of Ukraine in late February, the government eventually drew up a plan to approach the IMF in April.

The IMF will initiate discussions with Sri Lankan authorities on a possible loan program in "coming days", an IMF spokesman said on Thursday.

Before heading to the IMF, Sri Lanka steeply devalued its currency, further stoking inflation and adding to the pain of the public, many of whom are enduring hardship and long queues.

In the interim, Rajapaksa has also sought help from China and India, particularly assistance on fuel from the latter. A diesel shipment under a \$500 million credit line signed with India in February is expected to arrive on Saturday. Sri Lanka and India have signed a \$1 billion credit line for importing essentials, including food and medicine, and the Rajapaksa government has sought at least another \$1 billion from New Delhi.

After providing the CBSL with a \$1.5 billion swap and a \$1.3 billion syndicated loan to the government, China is considering offering the island nation a \$1.5 billion credit facility and a separate loan of up to \$1 billion.

Source: The Indian Express

4. How has BIMSTEC finetuned its regional agenda?

Relevant for GS Prelims & Mains Paper II; International Organisations

What are the aims and functions of the multilateral grouping in handling challenges in the Bay of Bengal region?

Amid the financial crisis of 1997, leading Southeast Asian and South Asian nations came together to form the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). The underlying factor behind the grouping was that if connected together, the economic powerhouses of South Asia and Southeast Asia could deal with the challenges of pursuing free market economies in the limits imposed by local political and economic factors. In its 25th year, and at its fifth summit held in hybrid format in Colombo, the organisation adopted a charter which aims at providing greater coordination among the seven members — Bangladesh, Bhutan, India, Nepal, Sri Lanka, and Myanmar and Thailand.

Why is there a need to revitalise the multilateral grouping?

The new charter comes at a time when the need for an alternative regional-global organisation is increasingly being felt because of the moribund nature of SAARC which has not met since November 2014. For long, BIMSTEC existed as a platform for policy dialogue but the global churning over sanctions on Russia after the war in Ukraine appears to have contributed towards finetuning the focus of the grouping. It wants to be an organisation which can find autonomous space away from bigger trade and defence groupings and work for the development of the region around the Bay of Bengal.

What does BIMSTEC's connectivity vision aim to achieve?

The BIMSTEC Master Plan for Transport Connectivity seeks to connect several major transport projects in India, Bangladesh, Myanmar and Thailand and establish a shipping network across the Bay of Bengal that will benefit the littoral states as well as the Bay of Bengal dependent states like Nepal and Bhutan. The BBIN connectivity project of Bangladesh, Bhutan, India and Nepal is expected to be merged with the port and infrastructure projects like the Sittwe port of Myanmar and Payra port of Bangladesh and Colombo of Sri Lanka.

Is the Free Trade Agreement plan feasible?

A framework agreement for a Free Trade Agreement among the members of BIMSTEC was signed in 2004, and has been revived again. The idea is to create stronger trade relations among players in the Bay of Bengal region but negotiations on finalising legal instruments for coastal shipping, tying up road transport and other issues will take time to be sorted out.

What is the security pillar aiming to achieve?

The Bay of Bengal has enormous significance from the security point of view. It borders the Strait of Malacca which is the main energy lane for the eastern and Southeast Asian nations. That apart, Indonesia, Thailand, Sri Lanka and Bangladesh have often suffered from terrorism. The security relevance of BIMSTEC, therefore, has been growing especially after the Easter Sunday bombings in Sri Lanka in 2019. India will steer the security pillar of BIMSTEC and is expected to coordinate regionwide security cooperation on jointly agreed issues.

Will it mediate in bilateral issues?

BIMSTEC members like Myanmar and Bangladesh have challenges like the Rohingya crisis that both sides have been dealing with since 2017. The tense relations between the two countries had hampered smooth working of the BIMSTEC for some time. But as of now the grouping, by including Myanmar in the summit in Colombo, has indicated that it will not interfere in domestic political problems and nor will it allow any member to be sidelined within the organisation. SAARC has been weighed down by bilateral problems between India and Pakistan and a lesson probably has been learnt to keep bilateral troubles away from a regional grouping for better coordination among the members.

Source: The Hindu

5. What is the status of India's oil, defence purchases from Russia?

Relevant for GS Prelims & Mains Paper II; International Issues

How is India circumventing the sanctions route to ensure supplies are not stopped? What is in the pipeline?

The last two weeks saw a flurry of visits by senior officials from the West to convince India not to undermine sanctions on Russia by opting for payments in national currencies as also not to increase purchase of discounted oil from Russia. On Friday, Russian Foreign Minister Sergey Lavrov was in New Delhi, the first high-level visit since the start of the Russian offensive in Ukraine.

What is the status of oil purchases from Russia?

"We have started buying Russian oil and have bought at least three to four days of supply," Finance Minister Nirmala Sitharaman said on Friday. Mr. Lavrov reiterated that Russia is moving ahead with the use of national currencies in lieu of dollar payments with both India and China and these efforts would be "intensified".

"I have no doubt that a way would be found to bypass the artificial impediments which illegal unilateral sanctions by the West create. This relates also to the area of military and technical cooperation. We have no doubt that the solution would be found and respective ministries are working," Mr. Lavrov said, addressing a press conference after bilateral talks with his Indian counterpart S. Jaishankar.

The developments came a day after the U.S. Deputy National Security Adviser for International Economics Daleep Singh warned of “consequences” to countries that actively attempt to circumvent or backfill the sanctions.

In sharp comments on Thursday during a conversation with visiting U.K. Foreign Secretary Liz Truss, Mr. Jaishankar termed it a “campaign” against India for buying Russian oil at discounted prices while European countries remain the biggest buyers of oil and gas from Russia despite their announcements to scale it down. India and Russia have been working on streamlining payments through the rupee-rouble mechanism circumventing the SWIFT system and the dollar route. Towards this, earlier in the week, a team from Russia’s central bank met officials from the Reserve Bank of India to iron out issues and identify banks that have no exposure to the Western sanctions through which payments can be made. Mr. Jaishankar informed Parliament recently that a special inter-ministerial group led by the Finance Ministry has been tasked with resolving payment issues for trade with Russia.

According to Reuters, India bought at least 13 million barrels of Russian oil since the Ukraine war began on February 24, a steep rise from last year, when India bought 16 million barrels of Russian oil in all of 2021.

What about defence deals?

The Defence Ministry and the Services have carried out assessments and are closely monitoring the impact the sanctions can have on timely deliveries and supplies from Russia as several major deals are also underway. Officials have stated that while some shipping delays were possible, there would not be any dent in the Army’s operational preparedness along the borders especially the Line of Actual Control.

In addition, the armed forces have also made significant emergency procurements in the last two years since the standoff in eastern Ladakh and have stocked up on spares and ammunition. So, there shouldn’t be any immediate urgency for spares and other requirements, officials noted.

For the two countries, payment by a rupee-rouble arrangement is not new. For instance, for the \$5.43 billion deal for S-400 air defence systems signed in October 2018, with the looming threat of U.S. sanctions under CAATSA (Countering America’s Adversaries Through Sanctions Act), the two sides had worked out payments through the rupee-rouble exchange. In fact, the delivery schedule got slightly delayed as the payment details were being worked out. Last December, India began taking deliveries and the first unit has been deployed on the western border. The second unit is scheduled to arrive shortly, officials stated.

In addition, several new deals are in the pipeline including 12 Su-30MKI aircraft and 21 MiG-29 fighter jets for the Indian Air Force. However, the Defence Ministry is carrying out a review of all direct import deals and some of them including those from Russia are expected to be dropped as part of the push towards domestic manufacturing.

According to a recent report from Stockholm International Peace Research Institute (SIPRI), India’s defence imports reduced by 21% between 2012-16 and 2017-21 and while Russia continues to remain the largest arms supplier, the percentage has dropped. “Russia was the largest supplier of major arms to India in both 2012-16 and 2017-21, but India’s imports of Russian arms dropped by 47% between the two periods as several large programmes for Russian arms wound down,” the report said.

Source: The Hindu

6. India-Australia deal seeks to double bilateral trade in 5 years

Relevant for GS Prelims & Mains Paper II; Bilateral Relations

Economic Co-operation and Trade Agreement

India and Australia signed an Economic Co-operation and Trade Agreement (ECTA) on Saturday in the presence of Prime Minister Narendra Modi and his counterpart in Canberra Scott Morrison, with an eye on doubling bilateral trade to \$50 billion in five years and ease movement of people, goods and services across borders.

More Jobs

The agreement with Australia, which Commerce and Industry Minister Piyush Goyal expects would create 10 lakh additional jobs in the country over the next five years, was described as a 'watershed moment in bilateral ties' by Mr. Modi.

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"On the basis of this agreement, together, we will be able to increase the resilience of supply chains, and also contribute to the stability of the Indo-Pacific region," he said about the deal that will facilitate work visas for two to four years for Indian students in Australia on a 'reciprocal basis' and allow Indian chefs and yoga professionals to work Down Under.

China factor

The trade and economic partnership deal with Australia, which is in the midst of a protracted trade battle with China, is a significant milestone at a time when the developed world is looking to hedge its supply chain dependence. A government statement noted that this is also the first such pact signed by India with a developed country in a decade.

Free trade in goods

Indian exports to Australia have been growing at a rapid clip and the agreement, which may be expanded further after its implementation in the current form, will facilitate zero duty access "on over 96% of Indian exports, including several labour-intensive industries," Mr. Goyal said.

India will, in turn, offer preferential access to Australia on over 70% of its tariff lines on goods imports, including 'lines of export interest to Australia which are primarily raw materials and intermediaries such as coal, mineral ores and wines, etc.', the Commerce Ministry said.

In a joint statement with Mr. Morrison, Australia's trade, tourism and industry minister Dan Trehan said: "Tariffs will be eliminated on more than 85% of Australian goods exports to India (valued at more than \$12.6 billion a year), rising to almost 91% (valued at \$13.4 billion) over 10 years."

Poll worries and safeguards

Talks with Australia for a possible trade and economic partnership pact had begun about a decade ago, but were aborted after a previous regime in Canberra asked India to join the Regional Comprehensive Economic Partnership instead. After India refused to join the RCEP, negotiations were stalled. Fresh parleys between the two sides began last September after Mr. Trehan visited India.

Australia, which goes to polls this year, has agreed to amend its tax laws to resolve India's long-standing complaint that its firms providing technical services in the country are taxed on their offshore income. Both trade ministers said the electoral cycle will not impact the trade pact.

With a rich repertoire of vineyards in Yarra Valley and beyond, Australia will now be able to export wine bottles of 750 ml, costing over \$5 dollars, to India at a concessional import duty and the countries have agreed to set up a Joint Dialogue to work together on Wine-related trade issues. A working group will also be set up to resolve issues related to bilateral trade in whisky and other alcoholic beverages.

The Commerce Ministry said the agreement provides adequate safeguards to prevent circumvention and protect against a sudden surge in import of goods. It also said this is the first trade deal which includes a compulsory review mechanism after 15 years.

'Fast-tracking deals'

This is the second economic partnership pact signed within a week, following a similar deal with the United Arab Emirates last week. Mr. Goyal said more such deals are in the offing as India looks to accelerate its exports growth after crossing a record \$400 billion in 2021-22.

"We are in very active dialogue with the United Kingdom, Canada, and have agreed to work on an interim agreement with both that can be done faster, followed by a comprehensive arrangement," he said.

Talks with the European Union that began in July 2021 are also moving ahead with Commerce Secretary BVR Subrahmanyam expected to be in Brussels next week to firm up the timelines and scope of agreement.

"We are also in dialogue with Israel and we have received interest from the Gulf Co-operation Council to bring together all the six nations into a Comprehensive Economic Partnership with us," the Minister noted.

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Source: The Hindu

7. Why is Sri Lanka under a state of Emergency?

Relevant for GS Prelims & Mains Paper II; International Issues

On Friday night, a day after angry citizens converged in front of President Gotabaya Rajapaksa's Colombo residence, demanding he step down immediately, he declared a state of Emergency in Sri Lanka. An extraordinary gazette notification said the Emergency, coming into immediate effect, was "in the interests of public security, the protection of public order and the maintenance of supplies and services essential to the life of the community." On Saturday, the government imposed an all-island curfew, restricting movement until Monday morning. Sri Lanka is in the midst of a sharp economic downturn that has led to severe food shortages and growing public resentment.

What triggered the crisis?

Sri Lanka's economic crisis can be traced to two key developments in the immediate past — the Easter Sunday bombings of 2019 that deterred tourists, and the pandemic since early 2020 that stalled recovery and further drained the economy. As it grappled with an unprecedented challenge, the Rajapaksa regime made policy choices that are now proving to be costly. It cut the government's tax revenue substantially and rushed into an 'organic only' agricultural policy that will likely slash this year's harvest by half. The weak and debt-ridden economy with the lingering strain of the pandemic, and ill-advised policies accelerated the downward spiral.

What were the economic indicators?

COVID-19 hit Sri Lanka's key foreign revenue earning sectors hard. Earnings from tourism, exports, and worker remittances fell sharply in the last two years. But the country could not stop importing essentials, and its dollar account began dwindling. Fast draining foreign reserves, a glaring trade deficit, and a related Balance of Payments problem came as crucial signals. Colombo's huge foreign loan obligations and the drop in domestic production compounded the economic strain.

When did things begin to worsen?

The long-simmering crisis made its first big announcement during last August's food emergency, when supplies were badly affected. It was soon followed by fears of a sovereign default in late 2021, which Sri Lanka averted. But without enough dollars to pay for the country's high import bill, the island continued facing severe shortage of essentials — from fuel, cooking gas, and staple foodgrains to medicines.

How did the crisis manifest itself on the ground?

Consumers could not find the most basic things such as petrol, LPG cylinders, kerosene, or milk in the market. They spent hours waiting in long queues outside fuel stations or shops. Supermarket shelves were either empty or had products with high price tags that most could not afford. For instance, the price of one kg of milk powder, a staple item in dairy-deficient Sri Lanka, suddenly shot up to nearly LKR 2000 in March. Be it cooking gas, oils,

rice, pulses, vegetables, fish, meat, consumers found themselves paying substantially more, or simply had to forego the item. The fuel shortage has led to long blackouts — up to 13 hours — across the island.

What is the situation now?

The value of the Sri Lankan rupee has dropped to 300 against a U.S. dollar (and even more than 400 in the black market), putting importers in a difficult spot. The government is unable to pay for its import shipments, forcing consignments to leave the Colombo port. For the average citizen contending with COVID-induced salary cuts and job losses, the soaring living costs have brought more agony.

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Has the government sought help?

Yes, including from India which has extended \$2.4 billion this year, and China, that is considering a fresh request from Colombo for \$2.5 billion assistance, in addition to the \$2.8 billion it has extended since the pandemic broke out. The government has decided to negotiate an International Monetary Fund programme, while seeking support from other multilateral and bilateral sources. But even with all this help, Sri Lanka can barely manage. Recovery will neither be fast nor easy, say experts.

How has it affected the people?

Sri Lankans are seething with anger, going by public demonstrations and protests. They want the President to step down immediately and the ruling clan to leave the country's helm. They have been agitating in different parts of the country, including near the President's home. Former military man Gotabaya Rajapaksa, who came to power on a huge mandate in 2019, is Sri Lanka's most unpopular leader today. In a televised address on March 16, he promised "tough decisions to find solutions to the inconveniences that people are experiencing." Following the protests near his home, Mr. Rajapaksa said "extremists" were plotting an 'Arab Spring' and on Friday night, he declared a state of Emergency.

Source: The Hindu

8. The India-Australia trade agreement

Relevant for GS Prelims & Mains Paper II; International Issues

What are the key sectors being opened up for business? How will disputes be resolved?

On April 2, India and Australia signed an Economic Cooperation and Trade Agreement (ECTA). The landmark bilateral trade pact is the second trade agreement India has signed this year after inking a similar deal with the United Arab Emirates in February. The ECTA is expected to increase trade between the two sides to \$45-50 billion over five years, from the current estimate of \$27 billion, and create over 10 lakh additional job opportunities. Under this agreement, India will give 85% of Australia's exports zero-duty access to its domestic market. India is expected to get zero-duty access to Australia for its goods over five years. The negotiations had begun over a decade ago in 2011, but were restarted in September 2021.

What are the main features?

The ECTA is guided by a Preamble and is divided into multiple sections that will govern what is hoped to be the most expansive bilateral trade since the two countries established diplomatic ties before India attained independence.

It has a section on goods exports, and lays out clearly "Rules of Origin" that are aimed at creating anti-dumping measures. There are also sections that are aimed at providing remedies and mechanisms for resolving trade disputes. The Commerce Ministry underlined that this is the first trade deal signed by India that has a compulsory review mechanism after 15 years of implementation.

Will Australia get access to India's agriculture market?

Under this agreement, Australia will get the opportunity to export certain varieties of agricultural produce like potatoes, lentils, and meat products with some caveats. However, bovine meat is not part of the agreement. Australia may also send machineries that are required for food processing under this agreement. In a historic

first, India may open up to a wide-range of alcoholic and non-alcoholic drinks including Australian beer. Australian wines costing over \$5 may face lower import duties in the Indian market. A Joint Dialogue for Wine may be created with participation from industry players and government representatives to ensure cooperation and benefits for both countries.

The Indian side said Australia will provide 'preferential access' to "all the labour-intensive sectors" of export items from India such as gems and jewellery, textiles, leather, footwear, furniture, food, engineering products, medical devices and automobiles. India will also allow Australia to export raw materials under preferential terms like coal and mineral ores.

What does it say about the services sector?

The Government of India has said that Australia has "offered wide ranging commitments" in around 135 sub-sectors and Most Favoured Nation in 120 sub-sectors which cover key areas of the Indian services sector like IT, ITES, business services, health, education and audio-visual services. Indian chefs and yoga teachers will get specific entry quotas into Australia, while Indian students in Australia will be able to secure work visas for periods ranging from 18 months to four years on a 'reciprocal' basis. As per the rules framed under the pact, students completing a diploma Down Under will be considered for an 18-month work visa; and those completing their undergraduation may get two years and those with a Ph.D. may be considered for a four-year visa.

What about the pharmaceuticals sector?

India and Australia have agreed to enable fast track approval for patented, generic and biosimilar medicines. Therapeutic Goods Regulators of both sides will have a role to play in monitoring and ensuring smooth trade in pharma products between the two sides. Both sides have agreed to audits of imports that require sanitary and phytosanitary inspection as per the law of the land. The importing side will ensure that plants and plant products, animal products and other goods, and their packaging are inspected through recognised methodologies. If either party finds examples of non-compliance, remedial measures will be taken by both sides.

What is the dispute settlement mechanism in place?

Under Article 13.5, both parties have agreed to hold consultations — and make "every effort" to find a solution — in case of disputes that may emerge in the course of trade in goods or services. They have also recognised that in case they have to resort to international arbitration, they may opt for an organisation (i.e, World Trade Organization) where both are members. They may also use "good offices" and form panels with qualified members drawn from government and business to resolve the disputes.

The dispute resolution may range from 45 days to 15 months.

What are the rules of origin included in the agreement?

The rules of origin are based on the principle that they should be "wholly obtained or produced in the territory of one or both of the parties". This section ensures that waste material will not be exported by either side unless they contribute to the production of any of the items listed in the ECTA.

Source: The Hindu

9. What happened in Ukraine's Bucha, and was it 'genocide'?

Relevant for GS Prelims & Mains Paper II; International Issues

President Volodymyr Zelenskyy accused Russian troops of committing "the most terrible war crimes" since World War II in an address to the United Nations Security Council on Tuesday as outrage and revulsion swept through Western capitals at what appeared to be incontrovertible evidence of grisly civilian massacres in Ukrainian areas vacated recently by Russian forces.

Until Tuesday afternoon, officials had counted bodies of at least 410 civilians in towns around Kyiv, where Russian and Ukrainian forces battled from around February 27 until the beginning of April when, as the invaders withdrew, evidence of likely war crimes began to emerge.

The massacres in Bucha

The grimest discoveries have been made in a Kyiv suburb called Bucha, a town located about 25 km to the northwest of the capital, which had an estimated population of around 36,000 before the invasion began. More than 300 bodies have been found in the town that Zelenskyy visited on Monday, some with their hands bound, flesh burned, and shot in the back of the head.

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Satellite images from mid-March that are now available show streets strewn with corpses, and many of the bodies seen by journalists in the past couple of days appear to have lain in the open for weeks. Corpses have been found in a shallow mass grave in a church compound, and officials have said five bodies with their hands tied lay in the basement of a children's sanatorium that was used by the occupiers as a "torture chamber" for civilians.

The discoveries have drawn comparisons with the killings of civilians in this area during World War II. Between the First Battle of Kyiv (part of Hitler's Operation Barbarossa against the Soviet Union that began in June 1941) and the Second Battle of Kyiv (November-December 1943) when the Red Army started to push back the Germans from Ukraine, the area around the Ukrainian capital, including Bucha, saw the "Holocaust by bullets" during which an estimated 1.5 million people, mostly Jews, were shot dead at close range.

Low-ranking Nazi einsatzgruppen paramilitaries roaming the occupied territory randomly murdered civilians in homes and streets — atrocities that were recalled in news reports 80 years later as bodies were found lying next to bicycles, on pavements, and in yards and gardens in Bucha. The first videos out of the town supported claims of mass casualties, and were subsequently backed by accounts of reporters from around the world. The reports and pictures of corpses wearing civilian clothes, some clutching shopping bags, suggest that ordinary citizens were murdered without provocation, as they went about their daily business.

Residents told Human Rights Watch that Russian soldiers went from door to door, questioning people and looting their possessions. Russian armed vehicles allegedly fired arbitrarily into buildings. An HRW report recounted a specific incident of summary execution: "On March 4, Russian forces in Bucha...rounded up five men and summarily executed one of them. A witness told Human Rights Watch that soldiers forced the five men to kneel on the side of the road, pulled their T-shirts over their heads, and shot one of the men in the back of the head. "He fell [over]," the witness said, "and the women [present at the scene] screamed."



Bucha is a town located about 25 km to the northwest of Kyiv

A genocide or war crimes?

Both expressions have been used freely in outraged Ukrainian and Western descriptions of the atrocities in Bucha. Whether these incidents fit those definitions is important because of the international community's obligation to respond to them.

Ukraine and the West have accused Russia of war crimes even earlier, alleging that it targeted civilians in the bombing of a maternity hospital in Mariupol and a theatre that announced it was sheltering children. President Joe Biden has more than once called President Vladimir Putin a "war criminal".

War crimes are defined as "grave breaches" of the Geneva Conventions, agreements signed after World War II that laid down international humanitarian laws during war time. Deliberately targeting civilians amounts to a war crime.

The International Criminal Court (ICC) at The Hague has already opened an investigation into possible war crimes by Russia. The investigation could in theory target even Putin. But it will be difficult to bring Russian defendants to trial or to prove intent. Russia does not recognise the ICC and will likely not cooperate with the investigation.

The crime of genocide, as defined by the United Nations Genocide Convention of December 1948, includes acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group". Genocide is seen as the gravest and most serious of all crimes against humanity.

Alexander Hinton, director of the Center for the Study of Genocide and Human Rights at Rutgers University, told POLITICO that the perpetrators of genocide "want to destroy a people as opposed to defeat an army" and operate with "an intent of systematicity". Hinton said he did not believe Russia's actions as yet amounted to genocide, even though it did appear to be guilty of war crimes.

Gregory Stanton, chair of Genocide Watch, has however, said that Russia has committed "crimes of genocide, as well as war crimes and crimes against humanity". Stanton told POLITICO that genocide is a group crime that can be committed by a state against its own people or the people of another state and, in this case, the Russians "have the intent to destroy, in part, a national group, and that's the Ukrainian group".

Differences of opinion on what constitutes genocide explains in part the reluctance of the international community to use the term frequently. Apart from the Holocaust in which more than 6 million Jews were exterminated, three other genocides are generally recognised as fitting the 1948 UN definition: the 1915-20 mass killings of Armenians by the Ottoman Turks, the killings of 800,000 Tutsis and moderate Hutus in Rwanda in 1994, and the Srebrenica massacre of 1995.

International, Russian reactions

Kyiv Mayor Vitali Klitschko has said that "what happened in Bucha and other suburbs...can only be described as genocide". On Sunday, before the full scale of the horrors in Bucha were known, President Zelenskyy had said the Russian military action was "genocide — the elimination of the whole nation and the people", "the destruction and extermination" of more than 100 nationalities in Ukraine.

All of Ukraine's Western allies, the EU Council, NATO and UN Secretary General, have strongly condemned the massacre in Bucha. Amid calls for more, stronger sanctions against Russia, Germany, France, Italy, Spain, Denmark, and Sweden have expelled dozens of Russian diplomats, and Swedish prosecutors have opened a preliminary investigation into possible war crimes in Ukraine.

Russia has denied all accusations, the Kremlin saying that the claims coming out of Bucha were a "well directed but tragic show", and a "monstrous forgery" to denigrate the Russian army. It has called the diplomatic expulsions "short-sighted", and said "reciprocal steps" would follow.

Source: The Indian Express

10. Despite Russia's red flag, why India put foot down in its tightrope walk

Relevant for GS Prelims & Mains Paper II; International Issues

This was India's 12th vote at the United Nations where it abstained — 11th since Russia invaded Ukraine on February 24 — but it was New Delhi's sharpest message to Moscow so far.

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For, an abstention — it doesn't count to calculate the tally — at the United Nations General Assembly on the resolution to suspend Russia from the UN Human Rights Council is, effectively, seen as siding with those who voted "Yes", essentially the West-led by the US.

More so, when according to a note accessed by Reuters, Russia had warned countries that a Yes vote or abstention will be viewed as an "unfriendly gesture" with consequences for bilateral ties. Russian envoy Denis Alipov had reached out to top Indian diplomats to vote in its favour.

Yet, New Delhi chose to abstain.

"This call was taken at the highest levels in the government for due deliberation and consideration...it was not taken lightly," a top government source told The Indian Express Thursday night, shortly after the vote.

Even in the abstention, New Delhi walked the tightrope. It questioned the process by which the move to suspend Russia took place given that it happened before the international probe into the massacre. Delhi's point is that it should have been brought before the Human Rights Council first, and not the UNGA, sources said. This is a signal to the West that due process has not been followed, something that Indian interlocutors can draw Moscow's attention to.

What moved the needle for New Delhi was the now widely documented killing of innocent civilians in Bucha, a town north of Kyiv. Images of civilian bodies littering the streets and Moscow's denial sparked a global outcry and shrunk the diplomatic space that India has carefully carved out since the invasion began in late February.

There were some early signs. US Secretary of State Antony Blinken called up External Affairs minister S Jaishankar on April 5, barely an hour before the UN Security Council met that day. India, for the first time, Tuesday had "unequivocally condemned" the killings as "deeply disturbing" and supported the call for an "independent probe."

The very next day, Jaishankar reiterated the position, and made it clear that it was not moving from its position, despite Moscow's outreach.

After Alipov's outreach to diplomats and hours before the vote Thursday, the Russian embassy issued a statement blaming Kyiv for the "heinous attack in Bucha." Saying it "brings back the nightmares of the Nazi crimes during the Second World War," the statement said: "The main challenge is to ensure a genuinely independent and unbiased investigation. Regrettably there have been so far widespread hollow allegations against Moscow while there's evidence that it was in fact a cynical false flag operation, perpetrated by Kiev itself."

The UN General Assembly votes by a two-thirds majority of the members present and voting. Abstentions do not count and the resolution requires two-thirds of yes/no votes to be adopted.

But Delhi's evolution has been gradual and incremental.

On February 25, after Russia invaded Ukraine, Delhi told the UNSC that India is "deeply disturbed" and urged that all efforts be made for the immediate cessation of violence and hostilities.

But, even as it abstained on a US-sponsored UN Security Council resolution that “deplores in the strongest terms” Russia’s “aggression” against Ukraine, New Delhi sharpened its criticism of Russia by flagging three concerns: “respect for the sovereignty and territorial integrity of states”, “UN Charter” and “international law”. This was the first time India was invoking these three red lines, which has now become its refrain.

On March 2, with an Indian student was killed in Kharkiv, India told the UNGA that it “has been deeply concerned over the rapidly deteriorating situation in Ukraine and the ensuing humanitarian crisis”. Again, it reiterated the need to respect the three red lines, as it pushed for the humanitarian corridor.

On March 24, signalling that New Delhi is not aligned with the Russian position, India abstained on a resolution pushed by Russia in the United Nations Security Council (UNSC) on the humanitarian crisis in Ukraine — the resolution was perceived to be critical of Ukraine. The resolution failed to get adopted as it did not get the required nine votes to pass.

That was the first time India had abstained on a Russia-sponsored resolution. In previous votes on the Ukraine war, India had abstained from resolutions sponsored by the US-led West that were critical of Moscow’s actions. So Thursday’s abstention also marks a new red line.

Source: The Indian Express

11. What Hafiz Saeed’s latest sentencing by a Pakistan court means

Relevant for GS Prelims & Mains Paper II; Bilateral Relations

On Friday, an anti-terrorism court in Pakistan sentenced Lashkar-e-Taiba (LeT) founder and the chief of the Jamat-ud-Dawa (JuD), Hafiz Saeed to 33 years in prison in two new terror financing cases that were registered by the Counter Terrorism Department (CTD).

The department had registered the FIRs in 2019 under various sections of the Anti-Terrorism Act (ATA). The judge also imposed a fine of PKR 3,40,000 on Saeed.

Previously, Saeed, the mastermind of the Mumbai terror attacks, was sentenced to 32 years in prison in connection with five other terror financing cases. Now, all his sentences will run concurrently.

In February 2020, he was convicted by a Pakistan court in two terror financing cases and was sentenced to five years in prison. Saeed and other leaders of his outfits were booked in July 2019 under the charges.

With pressure built up by the international community, Pakistan is investigating matters related to the operations and functioning of LeT and its charitable wing JuD and other branches in order to convince the Paris-based anti-terror watchdog, the Financial Action Task Force (FATF), that it is taking substantial steps to keep a check on terror financing.

Who is Hafiz Saeed?

Saeed is the founder and leader of the terror organisation Lashkar-e-Taiba (LeT), a Sunni group that follows the Ahle-Hadith interpretation of Islam. According to Stanford University’s Centre for International Security and Co-operation (CISC), the organisation was founded in 1990 and its goals include conducting Jihad in the way of Allah, preaching the true religion and training the new generation along true Islamic lines.

In an interview that Saeed gave to the BBC in 2014, he denied his involvement in the Mumbai attacks and called the evidence against him “just propaganda” by India. “The people of Pakistan know me and they love me. No one has tried to approach the American authorities to get this bounty. My role is very clear, and God is protecting me,” he had told BBC.

Other attacks that the LeT has been involved in include the 2001 shootout at Parliament House in New Delhi and, most recently, the 2016 attack on the military headquarters in Uri.

In 2012, in order to support India in its attempt to extradite Saeed, the US State Department offered a bounty of up to \$10 million for any information that could lead to his arrest or conviction. Moreover, the US Department of the Treasury has designated Saeed as a Specially Designated Global Terrorist since 2012.

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In the past few years, Saeed has been arrested on multiple occasions. In January 2017, he was arrested by the Pakistani government in connection with raising funds for JuD, thereby violating UN sanctions. He was, however, released in November 2017 when the courts refused to extend the duration of his house arrest due to lack of evidence. Saeed was also arrested in July 2019 by Pakistani authorities on charges of terror financing. Since 2019, Saeed has been lodged in Lahore's Kot Lakhpat jail.

What is the case against him?

Under Pakistan's Anti-Terrorism Act, 1997, Saeed along with other leaders of the JuD were booked in July 2019 in over two dozen cases for terror financing and money laundering registered by the state's Counter-Terrorism Department (CTD) in Lahore, Gujranwala and Multan. In the 23 FIRs registered against Saeed and his accomplices, the charges included allegations that JuD was financing terrorism by collecting funds from various non-profit organisations and international Islamist charities including Al-Anfaal Trust, Dawatul Irshad Trust and Muaz Bin Jabal Trust among others.

According to CISC, LeT's fundraising efforts are "diverse and systematic" and it is not uncommon to find donation boxes for the group in Pakistani markets. It adds that a type of fundraising method that is unique to LeT is collecting animal skins from religious sacrifices and subsequently selling them in tanneries. According to a report by Dawn, JuD earned over \$1.2 million from the sale of hides in 2009. ISI and the Pakistani government help the LeT bring in funds, with the LeT believed to have fund-raising offices in Bangladesh, Nepal, Maldives and the Gulf region, as per CISC.

Why does his conviction matter?

Saeed was arrested by Pakistan's Counter Terrorism Department (CTD) in July 2019 while he was travelling from Lahore to Gujranwala. His arrest came just days before Pakistan prime minister Imran Khan was scheduled to visit the US to talk with then President Donald Trump, who admonished Pakistan for not doing enough to curb terrorism.

According to a report published in Dawn, prior to his arrest over 23 FIRs were registered against him and JuD leaders. Before his arrest, in February 2019 the FATF had warned Pakistan to deliver on its commitments to curb terror financing. Pakistan feared being a part of FATF's "grey list", which would raise the cost of financial transactions for the country. Nonetheless, the FATF placed Pakistan in the grey list in July 2018. Till today, Pakistan is on this list.

Source: The Indian Express

12. Contours of Yemen's first ceasefire in over 6 years

Relevant for GS Prelims & Mains Paper II; International Issues

The civil war in Yemen — between the Saudi-led coalition and the Iran-backed Houthi rebels — saw a historic two-month truce deal last week, the first of its kind since 2016. "The parties agreed to halt all offensive military, air, ground and maritime operations inside Yemen and across its borders," UN special envoy Hans Grundberg said announcing the deal.

The anxiously awaited ceasefire agreement, brokered by the United Nations came into effect on April 2. The truce is the first nationwide cessation of hostilities agreed by all sides in over six years. The deal also coincided with the first day of Ramzan, the Muslim holi month of fasting.

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Youtube channel: [PrepMateEduTech](https://www.youtube.com/channel/UCPrepMate)

Since the war escalated in 2015, Yemen has suffered from one of the world's worst humanitarian crises, witnessing mass hunger, poverty and civilian deaths. The UN estimates over 377,000 deaths due to the conflict as of late 2021.

The war began in 2014 when Iran-backed Houthi rebels seized Sanaa and the country's northwest, sending the ruling government into exile. Few months in, a military coalition led by Saudi Arabia intervened with a massive air campaign, hoping to drive back the Houthis and restore the government.

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The UN, United States and Gulf nation diplomats have been trying to broker a peace deal in the war torn nation for years now. Several ceasefire agreements over the years have seen no impact on reducing the military action on the ground.

What is the new truce deal?

The two-month peace deal, announced at the peace talks hosted in Riyadh, calls for immediate halt of all ground, air and sea fighting from both sides. Saudi Arabia had hosted hundreds of Yemenis representing various political groups at the end of March in hope of brokering peace in the nation.

Under the deal, commercial flights will now be able to operate from the Houthi-held capital of Sanaa, fuel ships will be allowed to pass into the port of al-Hudaydah.

Roads into the besieged south-western city of Taiz would also be opened. More talks on reopening roads elsewhere to allow Yemenis the freedom to travel in the country are in the agreement.

The discussion on swapping prisoners on both sides is also on the table. The last major prisoner swap, involving nearly 1,000 detainees, took place in 2020 as part of confidence-building steps agreed at the last peace talks held in December 2018, news agency Reuters reported.

The time period of the peace deal can be extended with both parties' consent.

According to US Special Envoy for Yemen Tim Lenderking, the deal is a culmination of stepped up and relatively aggressive US diplomacy along with the Houthis' realisation that the war was resulting in no major dominant winner.

Lenderking also said this deal represented the first step for a permanent ceasefire. "If the international community and parties can work together, this could be built into a lasting ceasefire and inclusive political process that ultimately gives shape to a new Yemen," Lenderking said in an interview to Reuters.

Why has the Yemen President stepped down?

Soon after the deal was announced, Yemen's exiled President Abed Rabbo Mansour Hadi stepped down from his position and passed on power to a presidential council. The council will run the government and lead all conflict resolution efforts including talks with Houthi rebels in what he called the "transitional period" of the country.

"I irreversibly delegate to the Presidential Leadership Council my full powers in accordance with the constitution and the Gulf Initiative and its executive mechanism," President Hadi announced in a statement this Thursday.

The council would "negotiate with the Houthis to reach a ceasefire all over Yemen and sit at the negotiating table to reach a final political solution", he added. It would be chaired by Abdullah al-Alimi Bawazeer, an advisor to the former president. The formation of the council was the most significant effort to reorganise the anti-Houthi forces in Yemen since the war began, the New York Times reported.

What do the Houthi-led rebels say about the deal?

The Houthi-led rebels refused to participate in peace talks hosted by Saudi Arabia, arguing that the venue should be a neutral country and not one of the adversaries of war. Despite this, Mohammed Abdel-Salam, the spokesman and chief negotiator of the Houthis welcomed the truce in a Twitter post. Mohammed Ali al-Houthi, a senior Houthi official, said the deal's credibility will be its implementation.

How have foreign parties reacted?

UN Secretary-General Antonio Guterres has welcomed the deal and urged all sides to implement the agreements as soon as possible. "You must take that momentum in order to make sure that this truce is fully respected and that it is renewed and ... that a true political process is launched," Guterres told reporters.

"The ceasefire must be adhered to, and as I have said before, it is imperative that we end this war," President Joe Biden said in a statement. Iran Foreign ministry spokesman Saeed Khatibzadeh reacted by saying that the country hopes this results in an improvement of the humanitarian situation and a full exchange of prisoners from both sides.

What economic aid has flown in since the deal?

Since the formation of a council, Saudi Arabia and the United Arab Emirates have shown full support for it, welcoming the transition in the country. Along with this, the two countries have promised a new financial aid of \$3 billion. Out of this, \$2 billion will be injected into the Central Bank of Yemen, while the rest will be used for developmental projects. Saudi Arabia's crown prince Mohammed bin Salman even met with the new presidential council's members.

What is India's stance on the deal?

India has welcomed the truce deal and expressed hope that it will help in building a positive momentum towards an inclusive political process to end the civil war in Yemen. "We welcome the announcement of the two-month ceasefire in the Yemen conflict from April 2 at the initiative of UNSG's Special Envoy Hans Grundberg," External Affairs Ministry spokesperson Arindam Bagchi said at a media briefing. Bagchi said India has historical and friendly ties with Yemen and hopes for peace, security and prosperity for the people of the country as well as the region.

Source: The Indian Express

13. Pakistan's constitutional crisis ends

Relevant for GS Prelims & Mains Paper II; International Issues

How has the Supreme Court played a deciding role in practically every Prime Minister's tenure in the last few decades?

With his actions over the past week, Pakistan's Prime Minister Imran Khan, and former pace bowler and cricket captain, has given the term "slog overs" a new meaning, pulling surprise after surprise in order to stave off the inevitable: the end of his government. What was meant to be the final hour, the no-confidence motion brought by Opposition parties on April 3, ended up becoming just the first chapter in a week of dramas, that began when Pakistan Tehreek-e-Insaf (PTI) leaders stood up in the National Assembly, and asked the Deputy Speaker Muhammad Qasim Khan Suri, presiding that day, to reject the no-trust motion on the grounds that it was authored through a "foreign conspiracy".

What did the court rule?

The Deputy speaker complied, and Mr. Khan then tried to ensure that rather than the Opposition bringing another no-trust motion, he would resign and push through the dissolution of the Pakistani assembly, with an order from President Arif Alvi to that effect. Four days later, ruling on an appeal from the combined opposition, the Supreme Court struck down all the actions of April 3, calling them "unconstitutional and illegal", reinstating Mr. Khan, and the National Assembly, and ordering them to go through with the trust vote as originally planned. Mr. Khan and his party, the PTI, lost. Each side insisted their actions had been decided by Pakistan's Constitution, adopted in 1973.

What did it say on the ploy used by the government?

In an eight-page judgment on April 7, the Supreme Court said the Deputy Speaker's decision to dismiss the no-trust motion; Mr. Khan's move to seek dissolution of the National Assembly without seeking a vote; President Alvi's decision to dissolve the Assembly, appoint a "Caretaker Prime Minister" of Mr. Khan's choice and order fresh elections, were all "contrary to the Constitution and of no legal effect", and set them aside. It added that "any order by the Prime Minister and the President shall be subject to the order of this Court", establishing its supremacy over all other institutions, and in an unusual move, reinstated the Prime Minister who had willingly resigned from office, and reconvened the disbanded Assembly to vote on the no-trust motion. The Supreme Court also consulted with the Election Commission, which made it clear it could not hold elections for another four to six months, while under the Constitution, a caretaker Prime Minister, who oversees elections, cannot be in office for more than three months. Legal experts said the Supreme Court dispensed with the constitutional term "doctrine of necessity" which the PTI government had used to explain its actions.

What is the 'doctrine of necessity'?

The 'doctrine of necessity', proposed by constitutional scholars in France and the U.K., validates an action "which is otherwise not lawful [but] is made lawful by necessity", and has often been used through Pakistan's democratic history. It was first used in 1954, after the-then Governor General of Pakistan, Ghulam Mohammad, dismissed the Constituent Assembly, an act that was upheld by the Supreme Court a year later. However, after its regular abuse and misuse in Pakistan to validate unconstitutional acts, about 100 scholars and legal experts wrote to Pakistan's Chief Justice, Justice Umar Ata Bandial, on April 6, a day before the verdict, appealing that the doctrine must be "buried".

Is this the first time the Supreme Court has been asked to adjudicate such a case?

The Supreme Court of Pakistan has often been asked to intervene in cases of constitutional friction, particularly given that the all-powerful military establishment has also sought its backing for summary dismissals of governments and coups in the past. Both in 1977, and in 1999/2000, the Pakistani Supreme Court upheld the military coups by General Zia-ul-Haq against Prime Minister Zulfikar Ali Bhutto and General Pervez Musharraf against Prime Minister Nawaz Sharif respectively even though it had held in favour of Mr. Sharif when he was dismissed by civilian President Ghulam Ishaq Khan in 1993. At times, it was the Supreme Court that helped install a regime -- like General Musharraf's -- and was also instrumental in its removal, as Chief Justice Iftikhar Ahmed Chaudhury did in 2008.

In another case involving Mr. Sharif, whose brother Shehbaz Sharif is the Opposition's candidate for PM now, the Supreme Court disqualified Nawaz Sharif in 2017 from holding public office over the "Panama Papers" case, forcing Mr. Sharif to step down. In 2012, the Supreme Court disqualified Pakistan Peoples Party Prime Minister Yousuf Raza Gilani, over a contempt case. Given that no Pakistani Prime Minister has completed the full five-year term of an elected Assembly, the Supreme Court has had a say in practically every Prime Minister's tenure. On many occasions, including the present, the Supreme Court has been accused of attempting a "judicial coup".

What happens next?

It is clear that Imran Khan, who often boasted he would play till the "last ball of the last over", stretched his innings even into a few 'super overs' before being forced out in a vote that took place post midnight on Saturday. Thirty years ago, in what was described as his finest hour, Mr. Khan stepped down as Pakistan's cricket captain, after delivering the country its first World Cup win. Accused now of being an "Ain Shikaneer" or "Constitution breaker" by the Opposition, it would be hard to argue that his actions this week covers the now 69-year-old Khan in similar glory.

Source: The Hindu

14. Who is Shehbaz Sharif, the man to take over as Prime Minister of Pakistan?

Relevant for GS Prelims & Mains Paper II; International Issues

Imran Khan, Pakistan's Prime Minister and the former captain of the national cricket team, tried every trick in the book to cling to power but eventually was ousted from his office after he lost a no-confidence vote in parliament shortly after midnight on April 10, ending his nearly four years in office.

Barring any upset, the next prime minister is almost certain to be a political dynast of the sort that Imran once said he would drive out of Pakistani politics. Shehbaz Sharif, the younger brother of Imran's predecessor, Nawaz Sharif, runs the main opposition party, the Pakistan Muslim League-Nawaz. Bilawal Bhutto Zardari, the son of another former prime minister and head of the second-largest opposition group, the Pakistan Peoples Party (PPP), has confirmed he wants Shehbaz to have the job, for now at least. But who is he?

The low-key administrator

Shehbaz Sharif doesn't necessarily have the charisma that his brother Nawaz has or isn't the crowd-puller that his niece Maryam is. Instead, his strength lies in his reputation as a competent administrator.

Born into wealth, Shehbaz embraced politics rather than his family business — much like his brother. The son of a wealthy industrialist, he studied at Government College Lahore and joined the family-owned Ittefaq Group that dealt in steel and iron. In 1990, when Nawaz won his first election as prime minister, Shehbaz was elected to the country's general assembly. During his brother's second term as prime minister in 1997, he became the chief minister of Punjab, Pakistan's most populous and powerful province.

However, two years later, when Nawaz tried to replace the head of the Army, both the brothers were deposed in a military coup. The family was imprisoned and then exiled to Saudi Arabia until 2007. After returning home, both eventually returned to their former posts. As Punjab's chief minister, Shehbaz's administration spent heavily on infrastructure. And when Nawaz was removed from office yet again in 2017, this time following corruption allegations, he was the obvious candidate to replace him — until he lost the 2018 elections to Imran. Since then, he has served as leader of the Opposition, and president of the Pakistan Muslim League (Nawaz) party.

Often referred to as the "can-do administrator", Shehbaz worked closely with China on Beijing-funded projects. He also said in an interview last week that good relations with the United States were critical for Pakistan for better or for worse, in stark contrast to Khan's recently antagonistic relationship with Washington. During his three terms as the chief minister of Punjab, Shehbaz planned and executed a number of ambitious infrastructure mega-projects, including Pakistan's first modern mass transport system in his hometown Lahore.

According to local media, the outgoing Chinese consul general wrote to him last year praising his "Punjab Speed" execution of projects under the huge China-Pakistan Economic Corridor initiative. The diplomat also said that he and his party would be friends of China in government or in opposition.

Corruption allegations

Like his brother Nawaz, he has also been accused of corruption, which the Sharifs say are politically motivated. In 2020, Sharif and his son Hamza, who is the leader of Opposition in Punjab, were indicted on charges of money-laundering, and UK froze the family's bank accounts. After an investigation by Britain's National Crime Agency failed to find evidence against Shehbaz, the case was dropped. However, it is still open in Pakistan, where the indictment of the two has been repeatedly deferred, most recently because of the imminent no-confidence vote.

The challenges Shehbaz will face if he becomes the PM

Shehbaz's reputation as an able administrator will be truly tested if he becomes the Prime Minister. Pakistan's economy is in a mess — inflation is at 13 per cent, and with the rupee sliding, a balance of payments crisis looms large.

Foreign relations also have to be mended as Imran, without evidence, had said that America was behind the effort to push him out. However, his party has always had good relations with Washington in the past and the damage that Imran might have done to the bilateral ties look to be short-lived.

The more pressing problem in foreign affairs remains Pakistan's immediate neighbours. The Sharifs have had good relations with India and even the country's current Chief of Army Staff General Qamar Javed Bajwa has sounded conciliatory while talking about ties with New Delhi. He had said on April 2 that he wants talks with India and is ready to "move forward" over Kashmir. "Pakistan continues to believe in using dialogue and diplomacy to resolve all outstanding issues including the Kashmir dispute and is ready to move forward on this front if India agrees to do so," Bajwa had said.

Shehbaz will also have to deal with the "iron brother" China. The Sharifs were instrumental in setting up the China-Pakistan Economic Corridor as part of Beijing's Belt and Road initiative to build infrastructure around the world and the brothers appeared to get on well with China's government. The initiative, however, slowed under Imran as several key bits, such as a new railway, were stalled.

Afghanistan, where the reigns of power shifted to the Taliban last year, would be the most challenging part of Shehbaz's foreign relations. The Taliban's victory last year — when they seized power the moment US President Joe Biden pulled American troops out of Afghanistan — has emboldened Pakistan's own jihadists, who have carried out several terrorist attacks, the most recent one being a week ago in the Khyber Pakhtunkhwa province when six security personnel were killed.

With no Prime Minister ever having completed a full term in office, Shehbaz will have his work cut out if he takes over as elections are pencilled in for late 2023.

Source: The Indian Express

15. The no-confidence vote in Pakistan

Relevant for GS Prelims & Mains Paper II; International Issues

Why was the strictly stipulated Assembly session delayed? What lies ahead for the neighbouring country?

For the fourth time in a week, Pakistan will awake to the possibility of a new Prime Minister being chosen by the National Assembly, after surprise moves by now-ousted Prime Minister Imran Khan and his party the Pakistan Tehreek-e-Insaf (PTI), ensured delay after delay in the process of the no-confidence motion against him. The election of the new PM originally scheduled for April 3, then stipulated under a Supreme Court order to have been held on April 9, is now due to be taken up on Monday. According to state-run media, the National Assembly Secretariat has accepted nomination papers of Shehbaz Sharif, the joint Opposition candidate of Pakistan Muslim League (PML-N) and that of Shah Mahmood Qureshi, PTI Vice Chairman and Mr. Khan's Foreign Minister, to be voted on Monday at 2 p.m.

Why didn't the vote for the new PM take place over the weekend?

Despite very specific stipulations by the Supreme Court on convening the Assembly no-confidence motion vote against Khan no later than 10:30 a.m. on Saturday, the Assembly speaker Asad Qaiser first allowed a lengthy debate on the "foreign conspiracy" allegations levelled by Mr. Khan. In a national address on April 3, Mr. Khan alleged that there was a "regime change operation" underway against him at the behest of the United States. He even named U.S. Assistant Secretary of State Donald Lu for threatening Pakistan's Ambassador to the U.S. with consequences for Pakistan if Mr. Khan was allowed to win the confidence vote. In the Assembly, Mr. Qureshi claimed that U.S. National Security Adviser Jake Sullivan also called Pakistan National Security Adviser Moeed Yusuf, to tell him to stop Mr. Khan from visiting Russia on February 24.

The U.S. has categorically denied the claims. As the day wore on, with no end to the lengthy speeches, it seemed the PTI government would not allow the vote, and rumours went rife through Pakistan's capital, including one

that Mr. Khan was dismissing the Army Chief, and another that the Army was gathering forces to take Mr. Khan out forcibly.

Neither proved true however, and minutes before the Supreme Court-laid midnight deadline, the Speaker announced the no-confidence vote. In all, 174 votes were cast against Mr. Khan, two more than the majority mark in the 342-seat Assembly. Speaker Asad Qaider then stepped down, and it wasn't until Sunday that nominations could be called for and scrutinised by the Assembly secretariat.

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Does the Opposition have the numbers?

Not since former Prime Minister Benazir Bhutto's assassination have the two main Opposition parties, which have ruled Pakistan at different times — the PML-N and the Pakistan People's Party (PPP) — formed a government together. After 2008, when the party leaders Nawaz Sharif and Asif Ali Zardari fell apart, they attempted to form the Pakistan Democracy Movement (PDM) with a number of other parties, but Mr. Zardari soon walked out of that. This time around, the PPP and the PML-N are joined in the effort to oust Mr. Khan with religious parties as well as more secular and regional parties from Khyber Pakhtunkhwa and Balochistan. Greeting the Assembly after the no-confidence vote, Mr. Zardari's son Bilawal Bhutto took a dig at Mr. Khan's promise of a "Naya Pakistan", which often translated into rejecting and criticising Pakistan's older and more established leaders. "Welcome back to Purana (Old) Pakistan," he said. In a new government under Shehbaz Sharif, all eyes will be on whether Mr. Bhutto will be in the cabinet, with some even speculating a stint in the Foreign Office, even as the new Prime Minister deals with the mammoth challenges, of managing such a massive coalition of parties.

How has Imran Khan reacted to the defeat?

Mr. Khan, who had walked out of the Assembly with his party members before the confidence vote on Saturday, surfaced for party meetings on Sunday. In a tweet, he indicated that he planned to return to the streets to protest what he still maintains is a "foreign conspiracy of regime change". "Pakistan became an independent state in 1947; but the freedom struggle begins again today," Mr. Khan wrote.

Meanwhile PTI senior leader and former Information Minister Fawad Chaudhary indicated that the entire party would resign from the Assembly on Monday, and it remains to be seen if that threat is carried out. The new government elected would, in the absence of any other legal and political hurdles, remain in office for more than a year, with the current Assembly set to be dissolved on or before August 13, 2023, and general elections held by October 2023.

What other challenges would Shehbaz Sharif, if elected, face?

In a strange coincidence, Mr. Shehbaz Sharif and his son Hamza Sharif, who is in the running as the next Chief Minister of Punjab, are also due to appear before a special court for indictment on Monday, the same day he expects to be elected in the National Assembly.

Mr. Sharif and his son have rejected the allegations in the case that was brought against them by federal authorities in 2019 for "money laundering" — an amount totalling PKR 14 billion (\$75 million). Mr. Shehbaz Sharif called the "money laundering case" registered in the U.K. a political conspiracy by Mr. Khan. Both he and his son had been arrested in the case, and are now out on bail. Significantly, within hours of Mr. Khan losing the vote, the chief investigating officer in the case went on leave, anticipating a "certain transfer" if the government were to change. While the case itself may not pose much of a problem for Mr. Sharif, there are a number of other challenges any new government must face in terms of stemming the losses in the Pakistani economy, dealing with the situation in Afghanistan, terrorism domestically, and rebuilding ties with countries like India and the U.S., which have been in a state of disrepair during Mr. Khan's tenure.

Source: The Hindu

16. Why was Ed Sheeran accused of plagiarism for his chart-topping hit 'Shape of You'? What was the ruling of U.K High Court?

Relevant for GS Prelims & Mains Paper II; International Issues

On April 6, Ed Sheeran won a copyright infringement battle in a U.K High Court over his 2017 chart-topping song 'Shape of You.' Grime artist Sami Chokri, also known as Sami Switch, had accused him of lifting parts of his 2015 release 'Oh Why.' Chokri and his co-writer Ross O' Donaghue alleged that the "Oh I" hook in 'Shape of You' was copied from the "Oh why" refrain in his own song. The case received a fair amount of attention given Ed Sheeran's stature and the popularity of the song.

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What was the case?

'Shape of You' was released in January 2017, with the demo being recorded in October 2016. In 2018, Chokri and co-writer O'Donoghue approached the Performing Rights Society (PRS) contending that they should be added as co-writers to the credits of Shape of You. Following this, PRS suspended payments for performances or broadcast of the song to Sheeran and co. Sheeran, John McDaid and Steven McCutcheon (co-writers of 'Shape of You') then filed a claim in the High Court asking for a declaration that they hadn't infringed Chokri's copyright. Chokri and O'Donoghue filed a counterclaim alleging infringement.

Both sides presented evidence from forensic musicologists to indicate the similarities and the differences in the song. Additionally, the burden to prove that Sheeran had access to the song and had actually heard it rested on the defendants. In his verdict, judge Zacaroli cited *Francis Day & Hunter v. Bron* to outline the elements which had to be proved to adjudge that there was a copyright infringement; to paraphrase — a degree of familiarity with the work, the character of the work and its capacity to impress the mind, the objective similarity of the work, the probability that it could be a coincidence, the existence of other possible influences, and the defendant's own evidence on the presence or otherwise in his mind of the plaintiffs' work.

In his ruling, Zacaroli wrote that each of these pieces of music "comprises the first four tones of a rising minor pentatonic scale: A, C, D and E." He pointed out that there was nothing original in this and that "the claimants do not claim that there was. There are countless songs in the pop, rock, folk and blues genres where the melody is drawn exclusively from the minor pentatonic scale, and moves predominantly between the tonic and dominant (A and E)."

Sheeran himself has used this pattern before, in songs like 'Don't', 'Give Me Love', 'Grade 8', 'Afire Love' and 'I See Fire,' the judge noted.

In court, Sheeran also sung Nina Simone's 'Feeling Good', Blackstreet's 'No Diggity' and his own song 'I See Fire' to make the point that what he was accused of lifting was commonplace in pop music, and hence not amenable to protection under copyright.

The judge also addressed the contention that Sheeran, McCutcheon and McDaid had access to the song and hence copied the hook for their own song. He categorically addressed all possible links between Sheeran and Chokri, before arriving at the conclusion that there was no substantial proof of familiarity of Chokri's work. He also pointed out that 'Oh Why' had only been played on radio twice and been viewed on YouTube 12,914 times.

Post the ruling, Sheeran stated on social media, "Coincidence is bound to happen if 60,000 songs are being released every day on Spotify. That's 22 million songs a year and there's only 12 notes that are available."

What is a copyright?

Copyright is one of the most important rights a musician can hold, allowing them to safeguard their creations. It is a bundle of rights that accrues to a creator from the point of creation. It vests in the original expression of an idea and gives the creator exclusive economic rights for the reproduction, distribution, broadcasting or adaptation of the work. Copyright deals with literary, dramatic and musical works, as opposed to, say, inventions, which are covered under patent law.

When it comes to music, there are two different elements possessing copyright — the composition, which includes the lyrics and musical score, and the sound recording itself. In the present case, Chokri's claim limited itself to the music.

Are copyright claims common in the music industry?

This case is not a first for Ed Sheeran in terms of copyright struggles. He currently faces three lawsuits which claim he copied parts of his 2014 song 'Thinking Out Loud' from Marvin Gaye's 'Let's Get it On', recorded in 1973. Previously, in 2018, Sheeran settled a \$20 million lawsuit over his song 'Photograph,' after songwriters Thomas Leonard and Martin Harrington said he had copied the song 'Amazing' recorded by Matt Cardle.

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One of the most famous copyright cases in the music world recently has been Led Zeppelin's six-year-long legal battle over whether or not it stole the opening guitar riff for its 1971 song 'Stairway to Heaven' from 'Taurus,' written by the late Randy Wolfe, a.k.a Randy California, of the band Spirit. Led Zeppelin effectively won the battle after the U.S. Supreme Court declined an appeal against a lower court finding in favour of Led Zeppelin in March 2020. The court found that the riff was not "intrinsically similar."

In 2015, Robin Thicke and Pharrell Williams, had to shell out almost \$5 million after their song 'Blurred Lines' was found to have substantial similarity with Marvin Gaye's song 'Got to Give it Up.' Marvin Gaye was also awarded posthumous songwriting credits.

In some cases, such copying is deliberate or careless. In other cases, it could be "cryptomnesia — inadvertent plagiarism — when you mistake a memory for a new idea, which can accidentally slip through in the songwriting process," as musicologist Dr. Joe Bennett noted in a Guardian article about Sheeran's 'Photograph'.

Is there an 'ethical' way of borrowing from other music artists?

Musicians have a long tradition of sampling pieces from other artists, where parts of a song are used in a new work created for commercial purposes. Entire songs have been re-recorded by other artists as well, such as Jimi Hendrix's version of 'All Along the Watchtower' (original by Bob Dylan) or Jeff Buckley's rendition of 'Hallelujah', originally by Leonard Cohen. But this needs to be credited and due licensing/ permission needs to be obtained from the original artist. Or the rights need to be bought from the appropriate copyright holder(s). In this case, Sheeran defended himself on the stand by pointing out that he shares royalties with writers who have inspired his work. This includes royalties from 'Shape of You', shared with the writers of the 1999 song 'No Scrubs' by TLC.

Source: The Hindu

17. What is the '2+2' format of dialogue between India and the US?

Relevant for GS Prelims & Mains Paper II; International Issues

The fourth '2+2' dialogue between India and the United States is underway in Washington DC. India's External Affairs and Defence Ministers, S Jaishankar and Rajnath Singh, are meeting with their American counterparts, Secretary of State Anthony Blinken and Secretary of Defense Lloyd Austin.

All four high officials were present as Prime Minister Narendra Modi and President Joe Biden met virtually on April 11, ahead of the 2+2 dialogue.

2+2 talks between India and allies

The 2+2 dialogue is a format of meeting of the foreign and defence ministers of India and its allies on strategic and security issues. A 2+2 ministerial dialogue enables the partners to better understand and appreciate each other's strategic concerns and sensitivities taking into account political factors on both sides, in order to build a stronger, more integrated strategic relationship in a rapidly changing global environment.

India has 2+2 dialogues with four key strategic partners: the US, Australia, Japan, and Russia. Besides Russia, the other three countries are also India's partners in the Quad.

The inaugural 2+2 dialogue with Australia was held in September 2021 when Jaishankar and Singh met with their counterparts Marise Payne and Peter Dutton in New Delhi.

India held its first 2+2 dialogue with Russia in December last year, when Russian Foreign Minister Sergey Lavrov and Defence Minister Sergei Shoigu visited India. Page | 76

The first India-Japan talks in the 2+2 format were held between Jaishankar and Singh and their Japanese counterparts Foreign Affairs Minister Motegi Toshimitsu and Minister of Defense Kono Taro on November 30, 2019 in New Delhi.

Dialogue with the US

The US is India's oldest and most important 2+2 talks partner.

The first 2+2 dialogue between the two countries was held during the Trump Administration, when then Secretary of State Michael Pompeo and then Secretary of Defence James Mattis met the late Sushma Swaraj and then Defence Minister Nirmala Sitharaman in New Delhi in September 2018.

The launch of the dialogue was seen as a "reflection of the shared commitment" by India and the US to provide "a positive, forward-looking vision for the India-US strategic partnership and to promote synergy in their diplomatic and security efforts".

The second and third editions of the 2+2 dialogues were held in Washington DC and New Delhi in 2019 and 2020 respectively.

Defence and strategic agreements

Over the years, the strategic bilateral relationship with its partners, including the dialogues held in the 2+2 format, have produced tangible and far-reaching results for India.

India and the US have signed a troika of "foundational pacts" for deep military cooperation, beginning with the Logistics Exchange Memorandum of Agreement (LEMOA) in 2016, followed by the Communications Compatibility and Security Agreement (COMCASA) after the first 2+2 dialogue in 2018, and then the Basic Exchange and Cooperation Agreement (BECA) in 2020.

The strengthening of the mechanisms of cooperation between the two militaries are of significance in the context of an increasingly aggressive China, which threatens a large number of countries in its neighbourhood and beyond, and which has been challenging several established norms and aspects of international relations.

Source: The Indian Express

18. Sri Lanka: fall in rice output and the economy

Relevant for GS Prelims & Mains Paper II; International Issues

Sri Lanka's rice production has fallen 13.9% in 2021-22 (April-March) and average yield per hectare by 14.4%, even as imports have soared to a five-year-high.

To what extent is this crisis an outcome of the Gotabaya Rajapaksa government's banning import of inorganic fertilisers and agro-chemicals on May 6, 2021, before its revocation over six months later on November 24?

Table 1 shows that Sri Lanka's rice output dropped significantly to 2.92 million tonnes (mt) in 2021-22, from the previous year's 3.39 mt. The US Department of Agriculture further estimated the island nation's imports at 0.65 mt as a result of lower domestic production.

What's interesting, though, is that the estimated production for 2021-22 is still higher than the 2-2.5 levels of 2016-17 and 2017-18, which were drought years. Sri Lanka's rice imports in 2016-17, at 0.75 mt, were even higher than that estimated for the just ended year.

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RICE AREA, YIELD, OUTPUT AND IMPORTS IN SRI LANKA				
	Area (mn hectares)	Yield (tonnes/hectare)	Production (mn tonnes)	Imports (thousand tonnes)
2014-15	0.93	4.32	2.74	286
2015-16	1.23	3.95	3.29	30
2016-17	0.69	4.36	2.03	748
2017-18	0.77	4.30	2.25	249
2018-19	0.97	4.73	3.13	24
2019-20	0.97	4.85	3.21	16
2020-21	1.09	4.57	3.39	147
2021-22	1.10	3.91	2.92	650

Source: US Department of Agriculture.

Source: US Department of Agriculture

Manmade vs natural

So, have the effects of the recent "manmade disaster" — a forced overnight complete switching to organic farming and blanket ban on imports of chemical agricultural inputs — been not all that serious? Or, at least not as much as the natural disasters of 2016-17 and 2017-18, which also led to a massive shrinkage of the area planted under rice?

But it isn't just rice, Sri Lanka's largest cultivated crop. A similar conclusion may be drawn in respect of its No. 1 agricultural export item: Tea production in 2021 (at 299.34 million kg) was actually higher than in 2020 (278.49 million kg). Exports, too, grew 7.7% (see table 2). Even in value terms, the country's tea exports in 2021, at \$1,324.37 million, were more than the previous year's \$1,240.9 million.

TEA PRODUCTION AND EXPORTS

	Production (tonnes)	Exports (tonnes)
2017	307,080	288,984
2018	303,843	282,363
2019	300,134	292,657
2020	278,489	265,569
2021	299,338	286,016
Jan-Feb 21	45,700	43,990
Jan-Feb 22	40,981	40,527

Source: Tea Exporters Association Sri Lanka.

Source: Tea Exporters Association Sri Lanka

In short, it might seem that the Rajapaksa government's organic- only policy through executive fiat hasn't produced an agriculture disaster of the sort projected by commentators. Sri Lanka's crisis today has more to do with the macro-economy than the farm sector per se.

How the ban worked

R Ramakumar, professor of economics at the Tata Institute of Social Sciences in Mumbai, does not agree with this analysis. Sri Lanka, he points out, has two rice crops in a year. The first one – the 'Yala', equivalent to India's kharif crop – is planted in May-June and harvested in November-December. The second – 'Maha' or rabi season paddy – is planted in November-December and harvested in March-April.

According to Ramakumar, the ban on import of synthetic fertilisers and crop protection chemicals, including insecticides and herbicides, took effect when plantings of the 'Yala' paddy had just started. Much of the imports of these chemical inputs for the season would already have taken place by then.

"The May 6, 2021 directive wouldn't really have impacted the Yala paddy. The lack of chemical inputs has mainly hit the Maha season crop, whose yields have registered a 40-45% decline. The rescinding of the ban happened towards end-November, which was too late for Maha plantings," he says. Roughly 60% of Sri Lanka's annual rice production comes from the 'Maha' crop.

The same goes for tea, where the almost 21 million kg increase in production compared to 2020 took place largely during the first five months of 2021. "The last three months (October-December 2021 over October-

December 2020), in fact, recorded 12 million kg lower production, due to which the country couldn't achieve its target for 320 million kg for the year," adds Ramakumar. The trend of lower production as well as exports has continued even in the first two months of the new calendar year.

The pre-ban setting

That being said, it is also a fact that Sri Lanka's current economic crisis predates the "manmade" agriculture disaster unleashed by the May 6, 2021 edict.

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The country's foreign currency reserves (including gold and money held with the International Monetary Fund) touched a high of \$8,864.98 million on June 30, 2019. Even as of February 28, 2020 – before Covid-19 struck – the reserves were at \$7,941.52 million.

But as earnings from tourism (from \$3,606.9 million in 2019 to \$506.9 million in 2021) and workers' remittances (\$6,717.2 million to \$5,491.5 million) plummeted, the reserves, too, started depleting. They fell to \$4,055.16 million in end-March 2021, \$2,704.19 million in end-September and \$1,588.37 million by end-November 2021. The latest end-February 2022 data from the Central Bank of Sri Lanka's website shows the total official forex reserves at \$2,311.25 million, which suffices for just over 1.3 months of imports.

It's quite possible that the decision to ban imports of chemical agricultural inputs may have been as much a response to depleting reserves as the ruling regime's commitment to organic agriculture. Fertiliser imports alone were valued at \$258.94 million in 2020. Given the rising international prices, the import bill in the normal course would have gone up to \$300-400 million in 2021. Banning/restricting imports may have been viewed as a means for conserving scarce foreign exchange.

It is another thing that the same knee-jerk policy has ended up hurting Sri Lanka's tea exports and its having to import rice at a greater cost than fertilisers and crop protection chemicals.

Source: The Indian Express

19. Sri Lanka announces \$51-billion debt default to combat crisis

Relevant for GS Prelims & Mains Paper II; International Issues

Debt default announced

Sri Lanka announced a pre-emptive default on all its foreign debt totalling \$51 billion as a "last resort" while the island nation struggles to cope with a grave economic crisis.

The Government is taking the "emergency measures", pending full discussions with the International Monetary Fund (IMF) from whom it has sought help, only to prevent a further deterioration of the country's financial position.

Recent measures taken

The decision comes on the heels of two other key policy changes.

Sri Lanka floated the rupee early March, allowing for a stark depreciation of its value — it was nearly 320 against a US dollar on Tuesday.

More recently, the Central Bank increased interest rates by 7 percentage points in a bid to tighten monetary policy, apparently in preparation of an IMF package that the government wants to "expedite".

Concerns about IMF Programme

From the time the government reluctantly agreed to go in for an IMF programme, some in Sri Lanka have been flagging the potential impact of IMF conditionalities on ordinary people, including possible tax hikes across the

board, austerity-driven cuts in state spending, and a push towards privatising loss-making State-owned enterprises.

Assistance

Meanwhile, the Governor of the Central Bank of Sri Lanka has sought donations of “much-needed foreign exchange” from Sri Lankans living abroad, to augment the country’s reserves as it grapples with severe shortages of food, fuel, and medicines. In a statement on Tuesday, recently appointed Governor P. Nandalal Weerasinghe assured “well-wishers” that their foreign currency transfers would be utilised only for “essential imports”.

India recently extended a billion-dollar credit line to help Sri Lanka import essential items. On Tuesday, a consignment of 11,000 MT of rice from India arrived in the island nation, following 5000 MT already received through the Line of Credit.

Source: The Hindu

20. UK’s controversial new plan to send asylum seekers to Rwanda

Relevant for GS Prelims & Mains Paper II; International Issues

The United Kingdom has signed a deal with Rwanda to send some asylum seekers to the East African nation — a move that Prime Minister Boris Johnson said will “save countless lives” from human trafficking. The main target of the pilot scheme will be single men arriving on boats or lorries.

“Anyone entering the UK illegally ... may now be relocated to Rwanda,” Johnson said on Thursday, calling the scheme “an “innovative approach, driven by our shared humanitarian impulse and made possible by Brexit freedoms”.

But the UK-Rwanda deal has not been popular among human rights and refugee organisations, who see it as an inhumane and expensive exercise. The United Nations has said that it raises “a number of human rights concerns.”

What is the controversial new plan?

Under this new plan, people who arrive in Britain as stowaways in trucks or boats will be flown 6,400 kilometers to Rwanda, potentially for good. Once there, they will be assessed for eventual resettlement in the African nation.

On Friday, the UK government said that it may start sending asylum seekers on one-way flights to Rwanda within weeks.

“We must first ensure ... that those who tried to jump the queue or abuse our system will find no automatic path to settlement in our country but rather be swiftly and humanely removed to a safe third country or their country of origin,” Johnson said.

The UK has paid the Rwandan government £120 million for housing and integrating the migrants as part of the pilot scheme, which will initially last for five years, AP reported.

The agreement seeks to ensure “that people are protected, respected, and empowered to further their own ambitions and settle permanently in Rwanda if they choose,” Rwandan Foreign Affairs Minister Vincent Biruta said.

At a news conference in Rwanda’s capital city of Kigali on Thursday, UK Home Secretary Priti Patel said that people who are relocated to the African country “will be given the support including up to five years of training,

integration, accommodation, health care, so that they can resettle and thrive.” She said that Rwanda will invest in infrastructure to support the future influx of migrants.

What is the aim of the new scheme?

According to Patel, the plan aims to improve the UK’s asylum system, which according to her has been struggling to deal with “a combination of real humanitarian crises and evil people smugglers profiteering by exploiting the system for their own gains.”

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PM Johnson said that the scheme would break the business model of traffickers and disrupt the flow of illegal migration, while leaving “lots of capacity for the very generous safe and legal routes” into the UK.

It is essentially part of a wider strategy to bring down the number of people entering the UK by crossing the channel in small boats.

According to Biruta, the scheme is only for people seeking asylum in the UK. She added that they would “prefer not to receive people from immediate neighbors like the DRC, Burundi, Uganda, Tanzania.”

How much will this scheme cost?

The Times reported that it could potentially cost between £20,000-30,000 for each migrant who is sent to Rwanda. However, the UK government has declined to disclose an exact figure. Critics of the scheme have called it a waste of public money.

In an interview with the BBC, Justice and Migration Minister Tom Pursglove said that the UK was already spending almost £5 million every day on hotels. In comparison to that, the UK’s £120 million payment to the Rwandan government for the first five years seems far more feasible.

How many refugees enter the UK via the channel?

Just last year, over 28,000 people entered the UK in boats, up from 8,500 in 2020. For years, migrants have travelled to the UK, using northern France as a launching point, by hiding in trucks and ferries. With the pandemic shutting down most routes in 2020, many opted to travel in small boats organised by traffickers. Dozens have not survived the trip, drowning in the bitter cold waters of the English Channel.

Last November, 27 people died after an inflatable boat carrying migrants bound for Britain capsized.

Now, as part of the new plan the British Royal Navy has been instructed to ensure “no boat makes it to the UK undetected,” PM Johnson said. Anyone who arrives illegally could potentially be prosecuted, “with life sentences for anyone piloting the boats,” he said.

Why has the scheme been criticised?

Several activists, refugee and human rights organisations have strongly opposed the new scheme. Highlighting the dangers of transferring refugees and asylum seekers to third countries without sufficient safeguards, the United Nations Refugee Agency (UNHCR) said they must “not be traded like commodities and transferred abroad for processing.”

“UNHCR remains firmly opposed to arrangements that seek to transfer refugees and asylum-seekers to third countries in the absence of sufficient safeguards and standards. Such arrangements simply shift asylum responsibilities, evade international obligations, and are contrary to the letter and spirit of the Refugee Convention,” UNHCR’s Assistant High Commissioner for Protection, Gillian Triggs, said in a statement.

Human Rights Watch flagged “Rwanda’s appalling human rights record”. “Rwanda has a known track record of extrajudicial killings, suspicious deaths in custody, unlawful or arbitrary detention, torture, and abusive prosecutions, particularly targeting critics and dissidents. In fact, the UK directly raised its concerns about respect for human rights with Rwanda, and grants asylum to Rwandans who have fled the country, including four just last year,” it said in a statement. “At a time when the people of the UK have opened their hearts and

homes to Ukrainians, the government is choosing to act with cruelty and rip up their obligations to others fleeing war and persecution.”

Meanwhile, Amnesty International UK called the plan “shockingly ill-conceived”.

Opposition leaders in the UK have also slammed the scheme, with some calling it “unworkable” and “extortionate” and an attempt to distract from PM Johnson’s latest ‘partygate’ controversy.

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Do any other countries send asylum seekers overseas?

Yes, several other countries — including Australia, Israel and Denmark — have been sending asylum seekers overseas.

Australia has been making full use of offshore detention centres since 2001. According to the Border Force, over 4,000 were relocated to places like Nauru and Papua New Guinea between 2012 and 2019, the BBC reported.

Israel, too, chose to deal with a growing influx of asylum seekers and illegal immigrants from places like Sudan and Eritrea by striking deals with third countries. Those rejected for asylum were given the choice of returning to their home country or accepting \$3,500 and a plane ticket to one of the third countries. They faced the threat of arrest if they chose to remain in Israel.

Source: The Indian Express

21. Understanding the sovereign debt crisis in Sri Lanka

Relevant for GS Prelims & Mains Paper II; International Issues

The Sri Lankan government on Tuesday decided to default on all its foreign debt worth \$51 billion as it awaits financial assistance from the International Monetary Fund (IMF). The government stated that it took the decision to preserve its dwindling foreign reserves to pay for the import of essential items. Ratings agencies such as Fitch, and Standard & Poor’s have downgraded Sri Lanka’s sovereign debt.

What is sovereign debt?

Sovereign debt refers to the debt issued or accumulated by any government. Governments borrow money to finance the various expenses that they cannot meet through their regular tax revenues. They usually need to pay interest on such debt along with the principal amount over time although many governments simply choose to borrow fresh debt to repay existing debt. Historically, governments have tended to borrow more money than they could actually repay in order to fund populist spending.

It should also be noted that governments can borrow either in their local currency or in foreign currency like the U.S. dollar. Governments usually find it easier to borrow and repay in their local currency. This is because governments with the help of their central banks can easily create fresh local currency to repay debt denominated in the local currency. This is known as debt monetisation and it can lead to increased money supply which in turn causes prices to rise. Making good on their foreign debt which is denominated in a foreign currency, however, can be a tricky affair for governments. This is because governments depend on the inflow of foreign currency to gather the necessary foreign exchange to pay their foreign debt. The Sri Lankan government or the central bank, for example, cannot create U.S. dollars out of thin air to pay their foreign debt denominated in U.S. dollars. Instead, they depend on U.S. dollars flowing into Sri Lanka in the form of foreign investment and payments received in exchange for the export of various goods and services to build up their foreign reserves.

Why is Sri Lanka unable to make good on its foreign debt commitments?

Sri Lanka depends heavily on its tourism sector to bring in the foreign exchange necessary to import essential items such as food and fuel. The tourism sector contributes to about 10% of Sri Lanka’s gross domestic product.

Since the coronavirus pandemic and the ensuing lockdowns, Sri Lanka's tourism sector has been hit hard. This, in turn, has affected the inflow of U.S. dollars into the Sri Lankan economy. Sri Lanka's forex reserves have dropped to \$2.3 billion in February this year from over \$7.5 billion in 2019. Thus, the Sri Lankan government has been finding it hard to obtain the U.S. dollars necessary to make good on its foreign debt obligations. It has thus sought help from the IMF as well as countries such as India and China. India this week agreed to offer additional financial assistance of \$2 billion to Sri Lanka by rolling over debt that the island nation owes India.

Sri Lanka's efforts to fix the exchange rate of the Sri Lankan rupee against the U.S. dollar in order to prop up the price of the rupee may have also played a role in the foreign debt crisis. As foreign exchange inflows dried up during the pandemic and the Sri Lankan rupee came under increasing pressure, the country's central bank at a certain point banned the payment of more than 200 Sri Lankan rupees for one U.S. dollar. This rate was way below the actual market price of the dollar, which caused trades to be pushed into the black market and also caused a drop in the supply of U.S. dollars in the forex market.

What is the cost of defaulting on foreign debt?

International lenders may be reluctant to lend any more money to the Sri Lankan government unless such lending is part of a restructuring agreement. This fact will also be reflected in the ratings that international ratings agencies give to debt issued by the Sri Lankan government. Going forward, the cost of fresh borrowing is likely to be high for the Sri Lankan government as lenders will be incurring greater risk while lending to a government that has been unable to make good on its previous commitments.

A bailout by the IMF could be on the cards, but the Sri Lankan government will have to agree to implement structural reforms as a pre-condition for such aid. The IMF may require the Sri Lankan government to end its aggressive push towards 100% organic farming that has caused food supplies to be affected and food prices to rise. It may also recommend getting rid of price controls on food and other essential goods. It should be noted that price controls on any commodity affect the incentive that producers have to bring fresh supplies into the market. Controls imposed on the exchange rate of the rupee may also need to go in order to re-attract U.S. dollars. An end to price controls and the ban on non-organic farming can help the domestic economy return to normalcy. This, in turn, can help in the return of tourists. At the moment, mass protests due to rapidly rising prices may be causing many tourists to avoid visiting Sri Lanka, thus worsening the country's foreign debt crisis.

Source: The Hindu

22. What is the controversy over the China-Solomon Islands security cooperation deal? What does it mean for geopolitics in the South Pacific?

Relevant for GS Prelims & Mains Paper II; International Issues

A recent leaked document has revealed that the Solomon Islands in the South Pacific has reached a deal with China which outlines an unprecedented level of security cooperation. This is the first deal of its kind for Beijing in the region. Honiara's confirmation of the move has raised alarms in Washington and Canberra, which have extensive stakes in the South Pacific.

What are the contents of the proposed deal and why are they controversial?

The document titled 'Framework Agreement between the Government of the People's Republic of China and the Government of Solomon Islands on Security Cooperation' was leaked through social media on March 24. It created a huge controversy domestically as well as internationally because it has the potential to disturb the established security mechanisms in the South Pacific region. The document explicitly enables Beijing to send its "police, armed police, military personnel and other law enforcement and armed forces" to the islands on the latter government's request, or if the former sees that the safety of its projects and personnel in the islands are at risk.

The document also provides for China's naval vessels to utilise the islands for logistics support. There have been speculations in the wake of this revelation that China might be building its next overseas naval base in Solomon Islands after Djibouti, which was also incidentally referred to as a logistics support base.

Dismissing the prospects for any foreign military base, the government of Solomon Islands affirmed the finalisation of the draft of such a deal. The deal is not yet signed and it is not fully known whether the provisions mentioned in the leaked document are present in the final draft.

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What is the rationale for the Solomon Islands' increasing proximity to China?

The Solomon Islands is part of the ethnically Melanesian group of islands in the Pacific and lies between Papua New Guinea and Vanuatu. The islands, which were initially controlled by the British Empire during the colonial era, went through the hands of Germany and Japan and then back to the U.K., after the Americans took over the islands from the Japanese during World War II.

The islands became independent in 1978 to become a constitutional monarchy under the British Crown, with a parliamentary system of government. Nevertheless, its inability to manage domestic ethnic conflicts led to close security relations with Australia, which is the traditional first responder to any crisis in the South Pacific. The Solomon Islands had cultivated strong ties with Taiwan, which ended with the emergence of the current government in Honiara.

In 2019, the new government headed by Prime Minister Manasseh Sogavare switched Taiwan for China. This was supposedly after Beijing offered half a billion U.S. dollars in financial aid, roughly five times what Taiwan spent on the islands in the past two decades. It has been alleged by the pro-Taiwan Opposition that the Sogavare government has been bribed by China. As the money from China flowed in, so did the adverse impact to the local population from Chinese businesses, Chinese labourers for Chinese infrastructure projects, as well as a perceived preferential treatment for Chinese interests by Honiara.

The switching of diplomatic relations along with the general dissatisfaction with the government, led to widespread Opposition protests and riots in Honiara in November 2021. Strikingly, these riots targeted Chinese assets in addition to government property. The government has also notably mentioned that the move is aimed at diversification of its security partnerships, taking aim at its longstanding security dependence on Australia.

Why is China interested in the Solomon Islands?

The Pacific islands are among the few regions in the world where China has competition from Taiwan for diplomatic recognition. China considers Taiwan to be a renegade territory awaiting reunification, and opposes its recognition as an independent state on the international stage. Hence, any country which has to officially establish relations with China will have to break diplomatic ties with Taiwan. The Solomon Islands was one among the six Pacific island states which had official bilateral relations with Taiwan. However, in 2019, the Solomon Islands, along with Kiribati, switched allegiance to China. This has left only four regional countries backing Taiwan, mostly belonging to the Micronesian group of islands which are under the control of the U.S.. The small Pacific island states act as potential vote banks for mobilising support for the great powers in international fora like the United Nations.

Moreover, these states have disproportionately large maritime Exclusive Economic Zones when compared to their small sizes, the reason why these 'small island states' are seen also seen as 'big ocean states'. Solomon Islands, in particular, have significant reserves of timber and mineral resources, along with fisheries. But more importantly, they are strategically located for China to insert itself between America's military bases in the Pacific islands and Australia. This is especially significant in the current scenario, given the emergence of the AUKUS (Australia, the U.K. and the U.S.) which seeks to elevate Australia's strategic capabilities vis-à-vis China through Anglo-American cooperation. Nonetheless, the anti-China nature of the 2021 riots in Honiara turned out to be the immediate trigger for Beijing to ramp up its security cooperation with the Solomon Islands.

What does this mean for the established geopolitical configuration in the region?

The Pacific islands, in the post-World War II scenario, were exclusively under the spheres of influence of the Western powers, in particular the U.S., U.K., France and the regional heavyweights, Australia and New Zealand. All of them have territorial possessions in the region, with the three nuclear powers among them having used the region as a nuclear weapons testing ground. The smaller island nations of the region are heavily dependent on them, especially Australia as it is a resident power. This established power structure in the region is being increasingly challenged by China through the steady displacement of Taiwan and the cultivation of economic and political clout. Its proposed deal with the Solomon Islands has added a security dimension to its fast-growing profile in the region. Australia has reacted with boosted finances, and by extending its current security mission till 2023 when the islands will host the Pacific Games. The U.S. has responded by considering reopening its embassy in Honiara after a long 29-year gap. New Zealand has shed its typical restraint about China and has criticised it for attempting to militarise the Pacific islands.

However, it is to be noted that China's rise in the South Pacific is not without opposition. AUKUS is a recent example of how the established powers are reacting; although, to what extent they can mobilise individual governments against China is questionable. Significant discontent has been brewing within and among the Pacific island states against China's economic inroads and its adverse impact on their vulnerable economic and political systems. The riots in Honiara is only the recent one in the region which has an anti-China tint. The Nuku'alofa riots in Tonga (2006) had a similar character. The geopolitics of the region is undergoing an unprecedented flux in tandem with the larger shifts in the Indo-Pacific, suggesting an intensification of regional great power rivalry and domestic volatility for the Pacific island states in the coming years.

Source: The Hindu

23. Alarm bells over Nepal's dwindling forex reserves

Relevant for GS Prelims & Mains Paper II; International Issues

In an unusual development, the government of Prime Minister Sher Bahadur Deuba sacked the head of its central bank, Maha Prasad Adhikari, last Friday accusing him of leaking sensitive information and failing to perform his duties. The decision, which violates the autonomy of Nepal Rastra Bank, was taken in the backdrop of tense relations between Finance Minister Janardhan Sharma and Mr. Adhikari over how to address Nepal's crisis of falling forex reserves. According to an April 12 report on the 'Current Macro Economic and Financial Situation' by Nepal Rastra Bank, the country's forex reserves have plummeted by 18.5% to \$9.58 billion in March from \$11.75 billion in July 2021. The current forex reserves are enough to pay the government's import bills only for the next seven months or so, say experts.

Why have Nepal's forex reserves fallen?

Nepal's economy is highly dependent on imports as the country buys a range of merchandise goods apart from fuel. The prevailing weak economic indicators mean that Nepal is spending from its forex reserves faster than it can save. Renowned Nepalese economist Bishwambhar Pyakurel, former head of the Department of Economics of Tribhuvan University in Kathmandu, contends that Nepal will soon have double-digit inflation. "If current trends continue then double-digit inflation will hit us by June/July," said Dr. Pyakurel. According to the Nepal Rastra Bank, the current rate of inflation is 7.14%.

How bad is the situation?

Nepal's forex reserves situation appears healthy as of now as the country, unlike Sri Lanka, is not burdened by external debt. There are, however, concerns that the lower middle income economy is being battered repeatedly by external factors and that may precipitate a crisis sometime soon. Nepal which is blessed with one of the finest tourism sectors in South Asia, because of the Himalayan mountain range, suffered during the COVID-19 pandemic as global tourist flow fell. This was followed by the global energy crisis caused by Russia's invasion of Ukraine. This has put extraordinary inflationary pressure on the economy. Dr. Pyakurel says all economic indicators are declining and the real shortfall in forex reserves is because of the decline in foreign remittances which suffered during the pandemic when the Nepalese work force abroad suffered job losses. The situation has not stabilised and Nepal's forex reserves continue to slide. Dr. Pyakurel points out that it's not

time to panic but warns, “We have enough forex for buying merchandise just over seven months. This does not look good as we also have a balance of trade crisis with major partners.”

Can the energy scene in Nepal escalate economic woes?

Nepal's primary supplier of energy is Indian Oil Corporation (IOC). Nepal Oil Corporation (NOC) pays IOC in two instalments every month, on the 8th and the 23rd. The NOC has been in crisis for months as high global prices depleted the company's savings, prompting it to approach the government for a lifeline. The Government of Nepal has agreed to provide NOC the necessary amount to continue supplies from IOC. There were concerns in Kathmandu about the payment due on April 23, but for the time being sufficient funds have been allocated to NOC to pay IOC for the next instalment. However, NOC's financial status makes it unattractive for banks and as a result the public sector company does not enjoy confidence in the market. Dr. Pyakurel, however, says there is a need to protect NOC from the effects of the current energy crisis in the world which has erupted after the Ukraine crisis. Nepal's history shows that any uncertainty regarding fuel can trigger serious internal problems as was visible during the 2015-16 blockade when disruption of fuel supply from India caused distress in Nepal.

Will the economic situation have an impact on upcoming elections?

Nepal will hold local level polls on May 13 which will be followed by general elections towards the end of the year. The election process requires considerable financial allocation and Nepal has received support in the past for elections from international donors like the USAID. These donors help in carrying out pre-election staff training and logistics that are part of any democratic process. But there are uncertainties about such international support because of the difficulties that most of the traditional partners are facing. Dr. Pyakurel said the Election Commission of Nepal will require at least 10 billion Nepali rupees for the election process and that will mean diversion of a large amount of resources for the democratic process.

Where do the political parties stand?

Nepal's political process will begin from May when the Nepali Congress will be challenged by the Communist Party of Nepal (UML). The political dynamics are partly responsible for the friction between finance minister Janardhan Sharma and the suspended Rastra Bank chief appointed by the previous government of Prime Minister K.P. Sharma Oli, who was in power till July 2021. Mr. Sharma, a former Maoist commander, belongs to the Pushpa Kamal Dahal 'Prachanda'-led Maoist Centre of the ruling alliance. Dr. Pyakurel points out that the political bickering may have been a contributory factor to the worsening economic situation.

Source: The Hindu

24. The Neptune cruise missile that severely damaged a Russian warship

Relevant for GS Prelims & Mains Paper II; International Issues

Ukraine, via a Telegram post late Wednesday, claimed to have severely damaged the Russian Black Sea Fleet Flagship 'Moskva' off the coast of Odessa via a missile strike on the ship.

The Russians claimed that an onboard ammunition fire caused the blasts on the ship, while the Ukrainians stated that it was a planned strike using the Neptune anti-ship cruise missiles. We take a look at what the Neptune anti-ship cruise missiles are and how they strike a target.

What is the type of cruise missile that hit the Moskva?

The Ukrainians claim that the Moskva was hit by two anti-ship cruise missiles called the Neptune. Ironically, the design of this missile is based on a Russian Kh-35 cruise missile which goes by the NATO name of AS-20 Kayak.

The Neptune Missile system was inducted into the Ukrainian Defence Forces in March 2021 after being in development for around six years. The cruise missile was developed in haste by the military as the Russian threat to the coastal areas of Ukraine was growing rapidly since the occupation of Crimea in 2014. According

to the Ukrainian Ministry of Defence, the Neptune is a coastal anti-ship cruise missile which is capable of destruction of naval vessels in a range of 300 km.

In a statement during the induction ceremony, the Ukrainian Defence Minister was quoted as saying that they intended to integrate Neptune with missile boats, patrol vessels and corvettes as an integrated defence system which could take on any attack from the seas.

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What is Moskva, the ship that was hit by the missile?

Moskva is a guided missile cruiser of the Russian Navy named after the city of Moscow. It has a displacement of 12,490 tons. It is the flagship of the Black Sea Fleet of the Russian Navy and carries a crew of around 500 personnel. The Moskva was originally commissioned as the Slava in 1983. It was recommissioned in 2000 as the Moskva with refurbished weapon systems and electronics. It had hit the headlines in the Ukrainian conflict when there were reports that it had asked the Ukrainian troops on Snake Island to surrender and received a reply of: "Russian warship go f*** yourself".

How was Wednesday's attack carried out?

Initial reports suggest that the Neptune cruise missile attack was carried out using TB-2 drones as decoys along with other measures towards saturation of the cruiser's Air Defence systems. This caused distraction and enabled the cruise missiles to slip through the ship's defences.

The Ukrainians had previously claimed to have hit Russian Naval vessels in the Black Sea but none appear to have been as big as the Moskva or suffered as much damage as it.

How severe is the damage?

There are unconfirmed reports that Moskva has rolled on to its side after being struck by the cruise missiles and that it is close to sinking. However, these are Ukrainian reports and have not been confirmed by the Russian Navy. There are also unconfirmed visuals of a ship on fire which are being claimed to be of Moskva. New reports are appearing by the hour and many claim that the ship has already sunk. The Russians have, for now, only acknowledged that the ship has suffered damage.

Source: The Indian Express

25. What does designation as a 'state sponsor of terrorism' by the US mean?**Relevant for GS Prelims & Mains Paper II; International Issues**

Ukraine's President Volodymyr Zelenskyy has asked President Joe Biden to designate Russia as a "state sponsor of terrorism", which would activate perhaps the harshest suite of sanctions available with the United States against the government of President Vladimir Putin.

This was first reported by The Washington Post, which said Zelenskyy made the request "during a recent phone call with Biden that centred on the West's multifaceted response to Russia's invasion of Ukraine".

Biden did not commit to any specific actions, but told Zelenskyy that he was "willing to explore a range of proposals to exert greater pressure on Moscow", 'The Post' reported.

Terrorist designation

The US Secretary of State (the minister primarily in charge of foreign relations) has the power to designate countries that "have repeatedly provided support for acts of international terrorism" as "State Sponsors of Terrorism".

According to the State Department website, the US can place four categories of sanctions on countries that are on this list: restrictions on US foreign assistance; a ban on defence exports and sales; certain controls over exports of dual use items; and miscellaneous financial and other restrictions.

Website: www.prepmate.in

Prepmate Cengage Books Preview: <https://prepmate.in/books/>

Telegram Channel: [@upscprepmate](https://t.me/upscprepmate)

Youtube channel: [PrepMateEdutech](https://www.youtube.com/channel/UCPrepMate)

Sanctions can also be placed on countries and persons that engage in certain trade with designated countries.

Countries on the list

As of now, there are four countries on the list of state sponsors of terrorism.

The first to be designated among them was Syria (December 29, 1979), followed by Iran (January 19, 1984), and North Korea (November 20, 2017). Cuba was re-designated as a state sponsor of terrorism on January 12, 2021. Page | 88

A Congressional Research Service (CRS) brief prepared for members and committees of the United States Congress in May 2021 clarifies that “a terrorism designation is but one part in the bilateral relationship between the United States and each of these governments.”

Countries can be put and taken off the list from time to time. A country can be de-listed if it is deemed by the US to have reformed its behaviour and returned to complying with the requirements of international law and conduct, or if it has undergone a change of leadership.

So, in October 2020, President Donald Trump announced that the US was taking Sudan, which was first designated under President Bill Clinton in 1993, off the list of state sponsors of terrorism.

Iraq was removed from the list first in 1982, before being re-listed in 1990, and again removed in 2004.

South Yemen was removed in 1990, when it merged with North Yemen, and Libya was removed in 2006.

Cuba was first designated in 1982. In 2014, President Barack Obama announced he would reestablish diplomatic relations with Cuba and ease diplomatic and economic restrictions, and on May 29, 2015, Secretary of State John Kerry delisted the government of Cuba. Trump turned the clock back, and in the dying days of his administration, Secretary of State Michael Pompeo last year designated Cuba once again as a supporter of acts of international terrorism.

Statutes authorising designation

There are currently three statutes that authorise the Secretary of State to designate a foreign government for repeatedly providing support for acts of international terrorism: (i) Section 620A of the Foreign Assistance Act of 1961, which prohibits the transfer of most aid; (ii) Section 40 of the Arms Export Control Act (AECA),

which prohibits exports, credits, guarantees, other financial assistance, and export licensing overseen by the State Department; and (iii) Section 1754(c) of the Export Controls Act of 2018.

According to the CRS brief, of these three statutes, only the AECA identifies objectionable activities as part of the definition. While none of the three Acts defines the overarching term “international terrorism,” the AECA says that the term includes:

“...All activities that the Secretary determines willfully aid or abet the international proliferation of nuclear explosive devices to individuals or groups, willfully aid or abet an individual or groups in acquiring unsafeguarded special nuclear material, or willingly aid or abet the efforts of an individual or group to use, develop, produce, stockpile, or otherwise acquire chemical, biological, or radiological weapons.”

Impact of designation

In an Op-Ed written for The Los Angeles Times on March 1, 2022, Jason M Blazakis, who was director of the State Department’s Counterterrorism Finance and Designations Office in the Bureau of Counterterrorism from 2008 to 2018, said “adding Russia to the state sponsors of terrorism list would be the nuclear economic option and a precision strike against Putin’s ego”.

There was “no anvil within the sanctions world as economically blunt as the US government’s “state sponsors of terrorism” designation”, Blazakis wrote. He listed the major ways in which the designation can potentially hurt the target country’s financial system:

- * freezing of the country’s assets in the United States, including real estate;
- * requiring the US to veto efforts of that country to secure World Bank or International Monetary Fund loans;
- * prohibiting a wide variety of dual-use exports;
- * requiring the US to take economic action against countries that continue to do business with the targeted country.”

Designation as a state sponsor of terrorism would deal blows to Putin’s “reputation” and “grand hope”, from which he “would be unlikely to recover”, Blazakis wrote.

Source: The Indian Express

26. How will Sri Lanka overcome its debt crisis?

Relevant for GS Prelims & Mains Paper II; International Issues

Will assistance from the International Monetary Fund be enough to restructure loans and rescue the Sri Lankan economy?

On April 12, Sri Lanka announced its decision to default on its foreign debt of \$51 billion, tarnishing its track record of promptly servicing past loans. Citing the International Monetary Fund’s assessment that the country’s debt stock was “unsustainable”, the Finance Ministry said its policy of repaying foreign debt on time was “no longer tenable”. It described the default move as its “last resort” to prevent “a further deterioration” of the country’s financial position, and to ensure fair and equitable treatment of all creditors. In the coming week, Sri Lanka will hold talks with the International Monetary Fund (IMF) in Washington DC, on a comprehensive debt restructuring programme.

What is the background to the default?

Sri Lanka is experiencing one of its worst economic crises. For months now, households and businesses have had to cope with severe food and fuel shortages, while the government scrambles for dollars to pay for essential imports. Emergency financial support coming in, including from India, is barely enough to sustain the country for a month. With authorities sharing no roadmap or plan, fears of hunger and starvation are growing, and thousands of people have been voicing their anger against the government. Amid mounting protests, the government took two major decisions recently — to default on the country’s debt, and to seek IMF support to restructure outstanding loans and rescue its teetering economy.

Does a debt default help?

No middle-income country other than Sri Lanka has resorted to a debt default in recent years. Usually, creditors and investors see a defaulting country as less favourable for business. This makes it harder for the country to borrow from external sources. If domestic production is low, as is in Sri Lanka’s case, it is even harder to cope.

All the same, Sri Lanka’s pre-emptive default takes away the pressure of having to repay some \$7 billion in debt this year, giving the country some time to stabilise. Further, the default move came just ahead of Colombo’s scheduled talks with the IMF, on the sidelines of the Spring meetings of the Fund and World Bank, beginning in Washington DC on April 18. The IMF is expected to come up with a package that will allow Sri Lanka to restructure its external debt over time. Such a programme, including immediate relief of a couple of billion dollars, will also make Sri Lanka more credit worthy in the international money market.

How is Sri Lanka coping meanwhile?

Citizens are finding it very difficult to source essentials, including cooking gas and kerosene. Fuel is in short supply and is now being rationed to customers after long periods of waiting in queues. Costs of all basic

commodities have risen sharply making them unaffordable for most. Colombo is sourcing fuel and food supplies for the month using external help, including credit lines from India.

What is the political fallout of this crisis for the Rajapaksas?

From the time Sri Lanka's economic meltdown intensified this year, President Gotabaya Rajapaksa's government has been facing considerable pressure from citizens, who have been unrelenting in their call for the resignation of President Gotabaya Rajapaksa and Prime Minister Mahinda Rajapaksa. Although the Cabinet resigned en masse, neither of the ruling brothers — who the public hold chiefly responsible for their suffering — appear inclined to step down. Meanwhile, shortages persist, and prices soar, putting people through enormous hardships. Even after the government announced its decision to suspend debt servicing and seek IMF aid with an accompanying structural reform package, it is yet to restore any confidence among the general public, going by the large demonstrations that continue.

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How could an IMF programme bail out the country?

The way forward is neither easy nor straightforward for Sri Lanka, even with IMF assistance. Senior Sri Lankan economists have observed that the situation would likely get worse before getting better, and that there could be no gain without pain. Much would depend on the conditions imposed by the IMF and how Sri Lanka responds to them, given the government's political compulsion to regain lost ground. It is widely predicted that the Fund's recommended reforms would include greater taxation, and a reduction in state spending. What this could mean to the average citizen reeling under the shock of this economic calamity remains to be seen. It would be especially challenging for the Rajapaksa regime, which has lost significant political capital in the wake of this crisis, to make and implement tough policy decisions that would be inevitable at this time.

Source: The Hindu

27. The U.K.-Rwanda asylum plan

Relevant for GS Prelims & Mains Paper II; International Issues

What is the U.K. and Rwanda Migration and Economic Development Partnership and what does it mean for refugees and asylum seekers?

Since 2018, there has been a marked rise in the number of refugees and asylum seekers that undertake dangerous crossings between Calais in France and Dover in England. The number of such persons rose from 297 in 2018, to 28,431 in 2021. Most such migrants and asylum seekers hail from war-torn countries like Sudan, Afghanistan, and Yemen, or developing countries like Iran and Iraq. For the Conservative Party government in Britain that has adopted a hardline stance on illegal immigration, these crossings constitute an immigration crisis. The Nationality and Borders Bill, 2021, which is still under consideration in the U.K., allows the British government to strip anyone's citizenship without notice under "exceptional circumstances". The Rwanda deal is the operationalisation of one objective in the Bill which is to "deter illegal entry into the United Kingdom, thereby breaking the business model of people smuggling networks and protecting the lives of those they endanger."

What is the Rwanda Deal?

The U.K. and Rwanda Migration and Economic Development Partnership or the Rwanda Deal is a Memorandum of Understanding (MoU) signed between the governments of the U.K. and Rwanda in April 2022. Under this deal, Rwanda will commit to taking in asylum seekers who arrive in the U.K. on or after January 1, 2022, using "illegally facilitated and unlawful cross border migration." Rwanda will function as the holding centre where asylum applicants will wait while the Rwandan government makes decisions about their asylum and resettlement petitions in Rwanda.

The rationale for the deal, according to the U.K. government, is to combat "people smugglers", who often charge exorbitant prices from vulnerable migrants to put them on unseaworthy boats from France to England that often lead to mass drownings. The U.K. contends that this solution to the migrant issue is humane and meant to target the gangs that run these illegal crossings. Rwanda will, on its part, accommodate anyone who is not a

minor and does not have a criminal record. A migrant in the U.K. will be given five days' notice to pursue an appeals process, failing which they will be given a one-way ticket to Rwanda and will become the responsibility of the Rwandan government. The deal is "uncapped", i.e., there is no upper limit to how many migrants will be sent to Rwanda for the five years that the deal will remain in place. The MoU also does not have any specific language that outlines the economic right to work, access to healthcare or any financial support provided by the Rwandan government to relocated persons.

What will the scheme cost the U.K.?

The U.K. will pay Rwanda £120 million as part of an "economic transformation and integration fund" and will also bear the operational costs along with an, as yet undetermined, amount for each migrant. Currently, the U.K. pays £4.7 million per day to accommodate approximately 25,000 asylum seekers. At the end of 2021, this amounted to £430 million annually with a projected increase of £100 million in 2022. The Rwanda Deal is predicted to reduce these costs by outsourcing the hosting of such migrants to a third country.

Opposition critics disagree with these initial figures. Shadow Home Secretary Yvette Cooper from the Labour Party has stated that Australia paid 10 billion Australian dollars over time to offshore 3,127 migrants and the burden of such costs will eventually fall on the British taxpayer.

Will the Rwanda Deal solve the problem of illegal immigration?

This deal will be implemented in a matter of weeks unless it is challenged and stayed by British courts. While Boris Johnson's government is undoubtedly bracing for such legal challenges, it remains unclear if the Rwanda Deal will solve the problem of unlawful crossings. Evidence from similar experiences indicates that such policies do not fully combat "people smuggling". Instead, they create a parallel problem. Australia had inked a similar off-shore processing deal with Papua New Guinea that was challenged through a class-action lawsuit. In 2017, the Papua New Guinea Supreme Court ruled that the processing centre on Manus Island was "illegal and unconstitutional" and ordered that Australia pay 70 million Australian dollars as compensation to the 2,000 people detained at this centre. Australia has a similar deal with Nauru, which today remains its only processing station. However, the Nauru Regional Processing Centre witnessed a riot in 2013, where allegations of sexual abuse against women and children and self-harm was reported amongst the inmates. In short, people who were already vulnerable when they attempted dangerous sea-crossings, became more exposed and vulnerable under detention.

Rwanda also has a less than remarkable human rights record. Government critics have been silenced or sentenced to prison. Further, Rwanda's offshoring deal with Israel was scrapped in 2019. Israel deported a reported 4,000 people from Eritrea and Sudan who arrived in Rwanda and left the country shortly after, sometimes being encouraged to do so. Many attempted to make dangerous crossings back into Europe. Those who stayed behind had difficulty finding employment. The Rwanda Deal is an instrument that will certainly generate revenue for the Rwandan government. However, it also unloads a British issue onto a less developed nation in an attempt to pander to the anti-immigrant sentiments in the U.K..

Source: The Hindu

28. Why Jerusalem's al-Aqsa Mosque has been a site of frequent clashes**Relevant for GS Prelims & Mains Paper II; International Issues**

Tensions flared at Jerusalem's al-Aqsa Mosque compound on Sunday, leading to clashes that left 17 Palestinians wounded. The unrest happened just two days after at least 152 Palestinians were injured during clashes with Israeli riot police on Friday.

The violence occurred during the Jewish festival of Passover, which coincided with the Muslims observing Ramzan. Israeli police had said that officers entered the site after coming under attack with stones, fireworks and other objects that resulted in several injuries. The clashes follow heightened tensions over weeks between

the Palestinians and Israelis, after fatal attacks in Israel and deaths of Palestinian civilians during subsequent raids in the West Bank.

What happened?

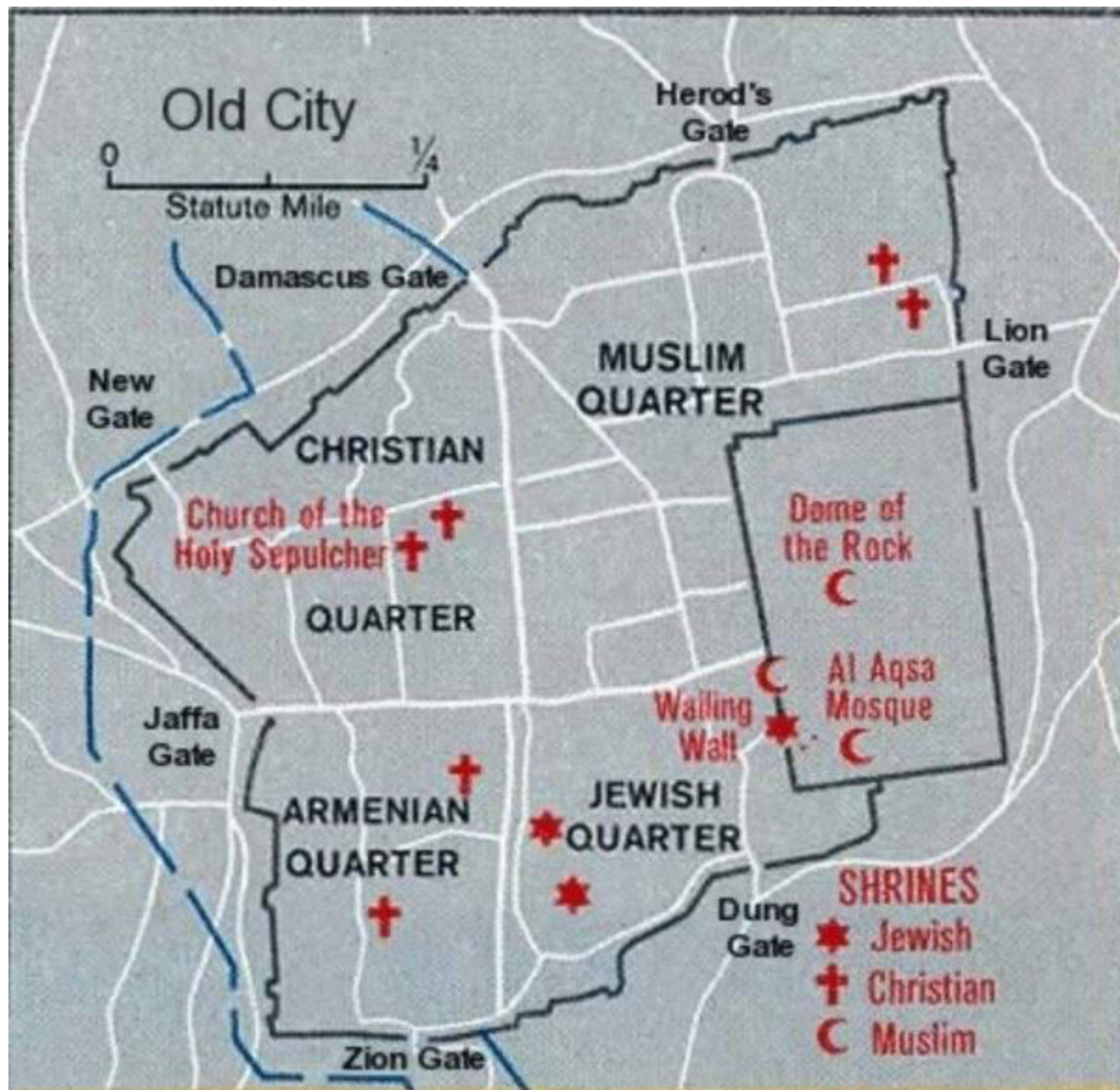
Al Jazeera quoting the Islamic endowment that runs al-Aqsa said Israeli police entered the mosque before dawn on Friday, while thousands of worshippers were gathered for early morning prayers.

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The BBC reported the Israeli police saying that “dozens of Palestinians, some carrying flags of the Palestinian militant group Hamas, marched on the compound at about 04:00 then started throwing stones and fireworks” and that Israeli police waited until prayers had ended before entering the site to disperse the rioters. Israeli police added that the worshippers had started throwing stones towards the Western Wall located below the mosque’s compound, where Jewish worshippers were standing.

After videos of the clashes rapidly spread online, Israel’s police and the country’s foreign ministry tweeted videos showing fireworks exploding inside the mosque compound, with masked youths throwing stones towards officers and other videos showing masked Palestinians inside the al-Aqsa Mosque throwing objects with loud bangs clearly audible. These clashes were some of the most violent at the site in almost a year.

These clashes have come at a particularly volatile period. Before the clashes erupted, militant groups in Gaza had called for “hundreds of thousands” of Palestinians to converge on the compound on Friday “to protect our nation and our mosque”. The festival of Passover traditionally sees an increase in visits to the Temple Mount site by religious Jews, which the Palestinians view as provocative.



A map of the Old City in Jerusalem. (Credit: Wikimedia Commons)

In May last year, following clashes at the mosque compound and weeks of civil unrest, militant group Hamas, which governs Gaza, fired rockets towards Jerusalem, which triggered an 11-day war with Israel.

The historical context

It is not possible to disassociate the 14-hectare site and the clashes with the larger, ongoing Israeli–Palestinian conflict.

The al-Aqsa Mosque is one of Jerusalem's most recognised monuments. The mosque's complex is one of Islam's most revered locations, and the Temple Mount is the holiest site in Judaism.

Over the decades, the site in Jerusalem's Old City has frequently been a flashpoint for violence between Palestinians and Israeli forces and hardline groups and is at the heart of competing historical claims. Some Palestinians believe that the mosque has also served as a symbol of their resistance, culture and nationhood.

The Temple Mount is a walled compound inside the Old City in Jerusalem, and is the site of two structures: the Dome of the Rock to the north and the Al-Aqsa Mosque to the south.

The Dome of the Rock is a seventh-century structure, an important Islamic shrine, believed to be where the Prophet Muhammad ascended to heaven. To the southwest of the Temple Mount, is the Western Wall, a remnant of the Second Temple and the holiest site in Judaism.

In Judaism, it is believed to be the site where God gathered dust to create Adam. According to the Bible, in 1000 BC King Solomon built the First Temple of the Jews on this mountain, which Babylonian troops tore down some 400 years on the orders of the Babylonian king Nebuchadnezzar. In the first century BC, Jews returned from their banishment and built the Second Temple. The temple was burned in AD 70 by Roman general Titus.

Following the Six-Day War in 1967, an armed conflict between Israel and a coalition of Arab states primarily comprising Jordan, Syria and Egypt, the Waqf Ministry of Jordan that had till then held control of the al-Aqsa Mosque, ceased to oversee the mosque. After Israel's victory in that war, the country transferred the control of the mosque and the northern part of the site, also known as Haram al-Sharif, to the Islamic waqf trust, a body that is independent of the Israeli government. Israeli Security Forces patrol and conduct searches within the perimeter of the mosque.

Before modern borders were drawn up in the region, pilgrims to the Muslim holy cities of Mecca and Medina would stop over in Jerusalem to pray at this mosque. Friday prayers still draw thousands of worshippers to the site and Muslim religious festivals draw particularly large crowds.

Socio-political context

For Abrahamic religions, this site bears a great amount of significance and has remained an important place for pilgrimage. For a long period in the site's history, non-Muslims did not have permission to access it. In the book 'City of stone : the hidden history of Jerusalem', Meron Benvenisti writes that Article 13 of the Mandatory Charter conferred on Britain by the League of Nations prevented it from interfering with the site or the administration of purely Muslim holy places, one of which was the mosque.

After Israel captured the site in 1967 following the Six-Day War, the Chief Rabbinate of Israel had announced that entering the Temple Mount was forbidden to Jews, in accordance with a halakhic prohibition, Jewish religious laws.

Given the tense socio-political situation with regard to the site, the Israeli government has imposed several restrictions on access to it. In its history, particularly its modern history, the site has been witness to several provocations that led to wider clashes and conflict in the city and region.

In 2000, former Israeli prime minister Ariel Sharon visited the site when he was leader of the opposition, with a large security presence, which sparked what later came to be known as the Second Intifada. Protests against Sharon's visit spiralled into an armed conflict that resulted in the deaths of thousands of Israelis and Palestinians.

Source: The Indian Express

29. The constitutional amendment proposed by Sri Lanka PM Rajapaksa amid protests

Relevant for GS Prelims & Mains Paper II; International Issues

One person was killed and 13 others wounded after police opened fire at a group of people protesting against the government in Sri Lanka on Tuesday (April 19). Seeing the likely chances of protests spreading across the country, Prime Minister Mahinda Rajapaksa has proposed a constitutional amendment – repealing the 20th Amendment to the Constitution, and bringing back clauses of the 19th Amendment as the 21st Amendment to the Constitution.

What was the 19th Amendment?

The enactment of the historic 19th Amendment in April 2015 was rushed by the then Prime Minister Ranil Wickremesinghe. It had removed the powers of the President to sack the Prime Minister at his discretion.

By amending the Articles 46 (2) and 48 of the Sri Lankan constitution, the cabinet ministers could have been dismissed only if the Prime Minister ceased to hold office by death, resignation or otherwise, or only if the Parliament reject a statement of government policy or the budget or if the parliament passes a vote of no confidence against the Government. The amendment also restricted the President's powers to dismiss Cabinet ministers as he was required to act on the advice of the Prime Minister.

A major criticism against the amendment, however, was that it was rushed by the then PM Wickremesinghe for his selfish needs, and without following the due process. Usually, when a Bill is tabled in parliament, it is considered the 1st reading, and the 2nd reading is the stage to discuss the amendments in detail, while 3rd reading is the comprehensive debate on the amended bill including proposals moved in. But Wickremesinghe kept pushing amendments during the 3rd reading also, many in English, forcing several people including Tamils to demand translations.

President Maithripala Sirisena was promised certain executive powers in the first term and the second term, which was expectedly a ceremonial position at the Presidency, like in India.

What was the 20th Amendment?

The 20th Amendment to the Constitution passed in October 2020 was also controversial. The 20th amendment (20A), which replaced the 19th Amendment (19A), had again enhanced the executive powers of the President in an unprecedented way besides abolishing the independent constitutional council for a Parliamentary Council.

It had passed a controversial clause that gave electoral rights to dual citizens.

Passed with a two-thirds majority, the criticisms on 20A were more severe as it was observed as one that could derail the balance between the legislature, executive and judiciary by centralising maximum powers into the hands of one individual. Many conservative and radical Buddhist groups representing the majority Sinhala Buddhists also had reasons to oppose 20A on various grounds, including the clause allowing dual citizens to become members of parliament.

Among the many criticisms, the Colombo-based Centre for Policy Alternatives (CPA) said the 20th amendment had removed the checks and balances on the executive presidency.

"In particular, it abolishes the binding limitations on presidential powers in relation to key appointments to independent institutions through the pluralistic and deliberative process of the Constitutional Council. It is a regression to what was in place under the Eighteenth Amendment, effectively providing sweeping powers to the President to appoint individuals to key institutions, and with it, politicising institutions that are meant to function independently of the political executive and for the benefit of citizens." The CPA also said, "The opportunity for citizens to challenge the executive actions of the President through fundamental rights applications has been removed, suggesting that the President is above the law."

21st Amendment to douse the fire

The proposed amendment to douse the fire may be one to remove several key powers of the President, essentially reducing the Presidency to a ceremonial position, like in India. It is expected that the amendment might be retaining the powers of the President on all three armed forces while handing over almost all other key powers including governance, and cabinet ministers to the Prime Minister.

At a time when Galle Face in Colombo is witnessing a huge gathering of protestors seeking the President's resignation, the Rajapaksa regime hopes to manage the situation with the proposed amendment that reduces the executive powers of the President.

“There are two emerging challenges from Galle Face protests. The government cannot crackdown it as they are well disciplined and peacefully protesting. At the same time, it is inspiring and giving a morale boost to many sections outside Colombo to replicate a similar model. However, the protestors, mostly youth, do not have a programme either to gracefully back down or to force the government for a change,” said Kusal Perera, a political analyst based in Colombo.

However, the political stand was taken by the opposition leader Sajith Premadasa also helps the ruling regime as his position, so far, has been ambiguous; while promising a no-confidence motion against the government,

he has taken a stand that his group will not be part of the interim government even as he continues to demand the resignation of the President and the Prime Minister.

Source: The Indian Express

30. Who is buying Russian crude oil and who has stopped

Relevant for GS Prelims & Mains Paper II; International Issues

Australia, Britain, Canada and the United States have imposed outright bans on Russian oil purchases following Moscow's invasion of Ukraine, but 27 members of the European Union have been unable to agree on the embargo.

Germany, the EU's largest economy and its biggest oil market, aims to halve its dependence on Russian oil by the summer and entirely end it by the close of this year.

Many buyers in Europe, however, have stopped buying Russian crude on the spot market voluntarily to avoid reputational damage, promising to halt purchases completely when earlier signed long-term contracts expire. Major global trading houses are planning to reduce crude and fuel purchases from Russia's state-controlled oil companies as early as May 15, sources told Reuters. In response, Russia has threatened to redirect its energy exports from the West to friendly countries, while also boosting domestic consumption.

China and India, which have refused to condemn Russia's actions, continue to buy Russian crude.

India, the world's third largest oil importer, has booked at least 16 million barrels of Russian oil since the Feb. 24 invasion, almost as much as it bought in all of 2021, Reuters calculations show.

Below are current and former buyers of Russian crude:

BHARAT PETROLEUM

Indian state-run refiner Bharat Petroleum Corp Ltd has bought 2 million barrels of Russian Urals for May loading from trader Trafigura, two people familiar with the purchase said. The company regularly buys Russian Urals for its 310,000 barrels per day (bpd) Kochi refinery in southern India.

HELLENIC PETROLEUM

Greece's biggest oil refiner relies on Russian crude for about 15% of its intake. The company earlier this month secured additional supplies from Saudi Arabia.

HINDUSTAN PETROLEUM

India's state refiner bought 2 million barrels of Russian Urals for May loading, according to trading sources last week.

INDIAN OIL CORP

India's top refiner has bought 6 million barrels of Urals since Feb. 24, and has a supply contract with Rosneft for up to 15 million barrels of Russian crude in 2022. The refiner, which also buys crude on behalf of its Chennai

Petroleum subsidiary, however, has excluded several high-sulphur crude grades, including Urals, from its latest tender, according to trading sources.

ISAB

Italy's largest refinery, owned by Lukoil-controlled Swiss-based Litasco SA, processes Russian and non-Russian crudes.

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LEUNA

The land-locked Leuna refinery in eastern Germany, majority-owned by TotalEnergies, is also fed Russian crude by the Druzhba pipeline.

MANGALORE REFINERY AND PETROCHEMICALS

State-run Indian refiner has bought 1 million barrels of Russian Urals crude for May loading via a tender from a European trader, a rare purchase driven by the discount offered.

MIRO

Russian crude continues to account for about 14% of the intake at Germany's largest refinery, Miro, which is 24% owned by Rosneft..

MOL

The Hungarian oil group, which operates three refineries in Croatia, Hungary and Slovakia, continues to buy Russian crude via Druzhba pipeline, as well as refined products, a company source told Reuters. Hungary is opposed to sanctions on Russian oil and gas.

NAYARA ENERGY

Indian private refiner, part-owned by Rosneft, has purchased Russian oil after a gap of a year, buying about 1.8 million barrels of Urals from trader Trafigura.

NEFTOCHIM BURGAS

A Bulgarian refinery, owned by Russia's Lukoil, and with Russian crude accounting for about 60% of its intake, continues to refine Russian crude.

PCK SCHWEDT

Germany's PCK Schwedt refinery, 54% owned by Rosneft, receives crude oil via the Druzhba pipeline.

PERTAMINA

Indonesian state energy firm PT Pertamina is considering buying crude oil from Russia as it seeks oil for a newly revamped refinery.

PKN Orlen

Poland's largest refiner has stopped buying Russian crude on the spot market, switching to North Sea oil, but is still buying Urals under previously signed contracts which expire by the end of this year or later. The company, which operates refineries in Lithuania, Poland and the Czech Republic, saw its profit from refining surge in March thanks to the discount it pays for Russian oil.

ROTTERDAM REFINERY

Exxon Mobil declined to comment on whether its Dutch refinery in Rotterdam was using Russian crude oil.

SINOPEC

China's state-run Sinopec, Asia's largest refiner, is continuing to purchase Russian crude under previously signed long-term contracts but is steering clear of new spot deals.

ZEELAND REFINERY

The Dutch refinery, 45% owned by Lukoil, declined to comment on whether it was using Russian crude oil.

Former buyers:

BP

The British oil major, which is abandoning its stake in Rosneft, will not enter new deals with Russian entities for loading at Russian ports, unless “essential for ensuring security of supplies”.

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ENEOS

Japan’s biggest refiner has stopped buying crude oil from Russia, while some cargoes signed under previous agreements will arrive in Japan until around April. The company plans to source alternative supplies from the Middle East.

ENI

The energy group, 30.3% owned by the Italian government, is suspending purchases of Russian oil. No Russian crude will be used at Germany’s Bayernoil refinery, in which Eni and Rosneft have stakes.

EQUINOR

Norway’s majority state-owned energy firm has stopped trading Russian oil as it winds down its operations in the country.

GALP

The Portuguese oil and gas company has suspended all new purchases of petroleum products from Russia or Russian companies.

GLENCORE

The global mining and trading firm, which holds 0.57% stake in Rosneft, said it would continue to honour its obligations under previously signed contracts, but would “not enter into any new trading business in respect of Russian origin commodities unless directed by the relevant government authorities”.

NESTE

The Finnish refiner has not bought Russian crude oil on the spot market since the start of the war and is not planning to sign new deals, when the existing long-term supply contract ends in July. From the start of April, the has replaced about 85% of the Russian crude oil with other crudes.

PREEM

Sweden’s largest refiner, owned by Saudi billionaire Mohammed Hussein al-Amoudi, has “paused” new orders of Russian crude, which accounted for around 7% of its purchases, replacing them with North Sea barrels.

REPSOL

The Spanish company has stopped buying Russian crude oil in the spot market.

SHELL

The world’s largest petroleum trader will stop buying Russian crude and phase out its involvement in all Russian hydrocarbons.

TOTALENERGIES

The French oil major will not sign new contracts, promising to stop buying Russian crude oil and petroleum products by the end of this year.

VARO ENERGY

The Swiss refiner, which owns 51.4% in Germany’s Bayernoil refinery, said it did not plan to enter into new deals to buy Russian crude.

Source: The Indian Express

31. Changed equation of Pakistan with the Taliban

Relevant for GS Prelims & Mains Paper II; International Issues

Security challenges to Pakistan

When the Taliban captured Kabul in August 2021, then Pakistani Prime Minister Imran Khan said Afghans had “broken the shackles of slavery”. Even while the Taliban’s victory gave some geopolitical advantage to Pakistan, it also enhanced Islamabad’s security challenges. And Pakistan’s growing frustration with the response of the new Afghan rulers to these challenges burst into the open during the weekend when Pakistani missiles struck inside Afghanistan, targeting the Tehreek-e-Taliban Pakistan (TTP).

Difference between Afghan and Pakistan Taliban

During the American presence in Afghanistan, Pakistan had adopted a dual approach — fight the TTP, better known as the Pakistan Taliban, and support the Afghan Taliban. Its backing was crucial in the Afghan Taliban’s return to Kabul. But the fact that an insurgency founded by a group of Deobandi madrasa students forced the U.S., the world’s most powerful military, to withdraw from Afghanistan was a morale booster for the TTP.

The Afghan Taliban and the TTP may be two organisations, but they are ideological brothers — both have their roots in Deobandi Islam, both share the same worldview, and have similar objectives for different geographies. If the Afghan Taliban wanted to re-establish their Islamic Emirate in Afghanistan, the TTP wants to bring down the Pakistani state and establish its Islamic rule.

Assistance required of Taliban to control TTP

Pakistan supported the Afghan Taliban for geopolitical reasons. The Generals saw the Taliban as insurance against growing Indian influence in a U.S.-backed Islamic Republic of Afghanistan. But the problem with the wheel of jihad, which the Pakistanis helped unleash inside Afghanistan, is that it could also roll back across the border. Both countries share a porous 2,500-km land border that divides the tribal areas of the region (also a fertile ground for the Taliban’s ideology). Earlier, Pakistan used to share intelligence with the U.S. forces in Afghanistan which carried out attacks against the TTP. Now, Pakistan has to depend on the Taliban to crack down on the TTP.

Their relationship has also changed. If the Taliban were dependent on Pakistan for their survival during the insurgency, they are now the rulers of Afghanistan; what they need is support and recognition for their regime. This change in approach was visible in the Taliban’s warning that they would “retaliate” if Pakistan carries out more cross-border strikes. None of these developments suggests that there would be a complete breakdown in the relationship between Pakistan and the Taliban, which dates back to the Taliban’s founding in the early 1990s. But the TTP factor would remain a key fault-line. The Taliban are not ready to disown the TTP and they have also made it clear that they would not remain a Pakistani proxy forever. This poses fresh security and geopolitical challenges to the Pakistani establishment which welcomed the Taliban’s triumph in Afghanistan just eight months ago.

Source: The Hindu

32. The extradition saga of Julian Assange

Relevant for GS Prelims & Mains Paper II; International Issues

Who will take the final decision? What are the charges against the Wikileaks founder?

On April 20, the Westminster Magistrates’ court in London formally issued an order to extradite Wikileaks founder Julian Assange to the U.S. The court sent the order to Home Secretary Priti Patel, who will decide whether to permit the extradition. According to reports, his lawyers have four weeks to make submissions to Ms. Patel. If she approves the extradition, Mr. Assange can also try to challenge it by judicial review. The 50-

year-old Mr. Assange is wanted in the U.S. on criminal charges, including breaking the Espionage Act, after WikiLeaks published thousands of secret U.S. files in 2010.

What did Mr. Assange do?

On April 5, 2010, a 39-minute video was released by a website, called wikileaks.org, that showed gun-sight footage of two U.S. AH-64 Apache helicopters in action during the Iraqi insurgency against the U.S. occupation in 2007. The video showed the helicopter crew firing indiscriminately and killing civilians and two Reuters war correspondents. For nearly three years, Reuters had sought access to this video that would have shed light on the killing of its correspondents, via the U.S. Freedom of Information Act but had failed.

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The release of the video by WikiLeaks was made possible by the leak of nearly 4,00,000 documents called the Iraq War Logs from the U.S. Department of Defense databases by the intelligence analyst Bradley Manning (who later referred to herself as Chelsea), who acted as a whistle-blower. Ms. Manning had copied these files into a CD-ROM and uploaded them onto a WikiLeaks dropbox.

WikiLeaks promptly released the war logs which were published by a host of media organisations and exposed human rights abuses by occupation forces besides the increased fatality counts in Iraq. The War Logs' release was followed by the publication of several news stories based on thousands of leaked diplomatic cables that were also released by Ms. Manning, leading to significant public exposure of the ways, lifestyles and attitudes of the elite in various countries. The WikiLeaks model — using cryptographic tools to protect sources and allowing for anonymous “leaks” of sensitive information (that could also be in public interest) to be published — suddenly brought forth a new model of extensive investigative journalism into areas that were relatively shielded from the public eye.

Later, WikiLeaks also published then presidential candidate (and former Secretary of State) Hillary Clinton's aide John Podesta's emails before the 2016 presidential elections. While the WikiLeaks portal was maintained and sustained by hundreds of volunteers, the site was represented publicly by its founder and director, Julian Assange.

What are the charges brought against Mr. Assange by the U.S. government?

The Barack Obama administration began investigation of the Manning leaks, and Ms. Manning was convicted by court martial in July 2013 for violating the Espionage Act and underwent rigorous imprisonment before her sentence was commuted in January 2017 by the President. However, the administration concluded that it would not pursue criminal charges against Mr. Assange and WikiLeaks. This is because it would have been inconsistent with the First Amendment of the U.S. Constitution that guarantees freedom of the press, implying that the Obama administration looked at WikiLeaks' exposures as journalistic work.

The U.S. Justice Department under former President Donald Trump charged Mr. Assange with collaborating in a conspiracy with Ms. Manning to crack a password on a Defense Department network to publish classified documents and communications on WikiLeaks in a sealed indictment in April 2017. These charges were unsealed in 2019.

Later, the Trump administration further charged Mr. Assange with violating the Espionage Act of 1917 — he was indicted on 17 new charges related to the Act at the United States District Court for the Eastern District of Virginia. These charges carry a maximum sentence of 170 years in prison. In June 2020, the charges were further expanded for conspiracy with hacker groups.

What was the trial in the U.K. about?

Mr. Assange underwent trial in the U.K. on whether he should be extradited to the U.S. to face the charges. Before the trial began, he spent seven years in asylum in the small Ecuador Embassy in London, after refusing extradition to Sweden to face charges of rape, which were later dismissed by Swedish prosecutors. The then Ecuador President Rafael Correa had extended asylum to Mr. Assange, but he could not guarantee safe passage for travel as British authorities threatened arrest as soon as he left the Embassy premises. Mr. Assange had always indicated that extradition to Sweden was a ploy for him to be handed over to the U.S.

After then Ecuador President Lenin Moreno revoked his asylum and his citizenship (granted in 2018) on April 11, 2019, following Mr. Assange's disputes with Ecuador authorities, he underwent imprisonment for 50 weeks for bail violations during his refuge at the Ecuador Embassy in London. A district judge, Vanessa Baraitser, ruled in January 2021 that he could not be extradited to the U.S. because of concerns about his mental health and the possibility of suicide in a U.S. prison with stringent incarceration conditions. However, bail was denied to Mr. Assange as he was assessed as a flight risk and U.S. prosecutors were allowed an appeal which they filed on January 15, 2021.

On December 10, 2021, the High Court ruled in favour of the U.S. following the Joe Biden administration's assurances on the terms of Mr. Assange's possible incarceration — that it would not hold him at the highest security prison facility (ADX Florence in Colorado which houses terrorists, drug traffickers, and high-profile criminals) and that if he were convicted, he could serve his sentence in his native Australia if he requested it. Mr. Assange appealed against the verdict in the British Supreme Court, but on March 14, the Court refused permission to appeal. Meanwhile, the American Civil Liberties Union petitioned the U.S. Government to drop the charges. In a statement, Ben Wizner, director of the ACLU Speech, Privacy and Technology Project, had said, "Bringing criminal charges against a publisher for the publication of truthful information establishes a dangerous precedent that can be used to target all news organisations that hold the government accountable by publishing its secrets. Any prosecution by the United States of Mr. Assange would be unprecedented and unconstitutional, and would open the door to criminal investigations of other news organisations. The Government needs to immediately drop its charges against him."

Source: The Hindu

33. Maldives President Solih bans 'India Out' campaign

Relevant for GS Prelims & Mains Paper II; International Issues

Response of Maldivian government

Maldivian President Ibrahim Mohamed Solih issued a decree banning the 'India Out' campaign, now led by former President Abdulla Yameen, terming it a "threat to national security."

Stating that the government's policy was to provide freedom of expression and freedom of assembly guaranteed under the Constitution "to its fullest extent", and to "uphold democratic values", the Presidential order said the campaign against India "exploited" the freedoms and "intends to disrupt" the long-standing bilateral relations between the Maldives and India as well as efforts to maintain peace and security in the region.

The move follows a recent decision by the Maldives's National Security Council that the campaign "to incite hatred against India" is a "threat" to national security.

About 'India Out' Campaign

The 'India Out' campaign, started and sustained by critics of the Solih administration, gained prominence in recent months with former President Yameen spearheading it. The campaign accuses the Maldivian government of "allowing" Indian military presence in the island nation – the government has repeatedly denied it – and, of "being a puppet" of New Delhi. President Solih has opted for an 'India first' foreign policy and has said he is unapologetic about Male's close ties with New Delhi.

Response of Opposition to banning campaign

The Progressive Congress Coalition, representing Mr. Yameen's political camp, said it "strongly condemns the unconstitutional executive order" by President Solih, "suspending" people's right to freedom of expression opposing "the illegal stationing of Indian Military forces" in the Maldives. "This marks a dark day in the history of the Maldives as for the first time a sitting President has actively elected to abandon his own people and protect the interests of a foreign military," the coalition said in a statement.

Criticising the 'India Out' campaign in Parliament earlier, Speaker and former President Mohamed Nasheed said the 'India Out' banners put up at Mr. Yameen's residence needed to be removed. Maldives police subsequently removed the banner, according to local media reports.

"Our Constitution is very clear on the question of freedom of expression, and that it has boundaries, and ends when it infringes on someone else's [freedom]. This campaign is clearly aimed at creating differences and hatred, that is not in the interest of anyone," Mr. Nasheed told The Hindu from Male over telephone. "Very appropriately, President Solih has issued this order," he said on Thursday.

Source: The Hindu

34. Why has the China-Solomon Islands deal become the latest flashpoint between China and the U.S.?

Relevant for GS Prelims & Mains Paper II; International Issues

Analysts point out that the pact with Solomon Islands is significant in reflecting China's willingness to deploy its forces abroad. Experts say more agreements may be in the works.

China's government said on April 19 it had signed a security deal with the Solomon Islands. The pact, signed by the two foreign ministers, Wang Yi and Jeremiah Manele, paves the way for China to deploy security forces in the Pacific island nation, as well as for the Chinese navy, which has been rapidly growing its fleet as well as spreading its reach far from China's shores, to use its ports. Giving China a strategic foothold in the Pacific, the agreement evoked concern from Australia and the United States, which despatched top officials earlier this week to the Solomon Islands, emerging as the latest flashpoint between the world's two biggest powers.

What does the security agreement entail?

The final agreement has not been made public, although it is thought to be along the lines of a draft that was leaked last month. The document listed seven articles, the first of which said the "Solomon Islands may, according to its own needs, request China to send police, armed police, military personnel and other law enforcement and armed forces to Solomon Islands to assist in maintaining social order, protecting people's lives and property, providing humanitarian assistance, carrying out disaster response, or providing assistance on other tasks agreed upon by the parties." It added that "China may, according to its own needs and with the consent of Solomon Islands, make ship visits, carry out logistical replenishment in, and have stopover and transition in Solomon Islands and the relevant forces of China can be used to protect the safety of Chinese personnel and major projects in Solomon Islands." The other articles were related to how requests for Chinese security deployment may be sent, confidentiality to prevent either side from making the arrangements public to a third party, and the duration of the agreement, which will run for five years and may be extended.

What has been the response from other countries?

Given its close proximity to the Solomon Islands, Australia has expressed concern, with Foreign Minister Marise Payne saying Australia was "deeply disappointed" and "concerned about the lack of transparency with which this agreement has been developed, noting its potential to undermine stability in our region". On April 22, the U.S., which has a naval base in nearby Guam, sent a high-level delegation led by Indo-Pacific Coordinator Kurt Campbell to Honiara, the capital, and met with Prime Minister Manasseh Sogavare. The White House said both sides "engaged in substantial discussion around the recently signed security agreement between Solomon Islands and the People's Republic of China", noting that while Solomon Islands representatives indicated that "the agreement had solely domestic applications" the U.S. side "noted there are potential regional security implications of the accord." "If steps are taken to establish a de facto permanent military presence, power-projection capabilities, or a military installation," the U.S. said, it "would then have significant concerns and respond accordingly." Prime Minister Sogavare assured Washington there would be "no military base, no long-term presence, and no power projection capability".

What are the implications for China's military and security ambitions abroad?

In 2017, China's PLA put into operation its first foreign base in Djibouti, near the Horn of Africa, to service Chinese ships in the Indian Ocean. Since then, PLA experts have said Beijing is keen to tie up more such arrangements as it speeds up building a blue water navy, with a third aircraft carrier expected to be launched this year. Chinese analysts have said possible future ports include Karachi in Pakistan off the Arabian Sea, Cambodia to access the Gulf of Thailand and South China Sea, and even Equatorial Guinea for China's first foothold in the Atlantic. Even if the Solomon Islands might not become a future base, the pact is significant in reflecting China's willingness to deploy its forces abroad. Experts say more agreements may be in the works. Chinese counter-terrorism forces, reports have said, have already established a small presence in a base in Tajikistan near the China-Afghanistan border to monitor threats emanating from Afghanistan. China last year sent its own security team to Pakistan to investigate a blast at the Dasu hydropower project that killed nine Chinese workers, and has begun to carry out joint patrols with Pakistan in Pakistan-occupied Kashmir.

Source: The Hindu

35. British PM Boris Johnson visit- India-U.K. ties

Relevant for GS Prelims & Mains Paper II; Bilateral Relations

Outcomes

After two last-minute cancellations due to waves of the COVID-19 pandemic in early 2021, British Prime Minister Boris Johnson was in Delhi last week, committing to more cooperation with India on trade, defence, combating climate change and cyber security. But it was a visit surprisingly short on actual agreements.

1. While an early harvest agreement on trade had to be shelved — the plan was to announce it by Easter (April) this year — Mr. Johnson and Prime Minister Narendra Modi said they have pushed a deadline to complete the full FTA by October-end or Deepavali, with a view to doubling bilateral trade by 2030. It is not clear whether the respective trade delegations are on track for the final agreement, but Mr. Johnson sounded optimistic, with India fast-tracking its FTAs with the UAE and Australia.

Of concern to the U.K. is the lifting of Indian tariffs on Scotch whisky, which might make some headway, as India has accepted lower tariffs on Australian wine and the U.K. seems more flexible in increasing visas to Indian professionals.

2. Both Prime Ministers discussed strengthening defence ties and cooperating strategically in the Indo-Pacific.

3. The two leaders also discussed green technology transfers and international climate finance, although India has yet to commit in writing to the Nationally Determined Contributions that Mr. Modi had described at COP26 in Glasgow.

4. Mr. Johnson did tread lightly on issues that the Modi government is sensitive about, such as Ukraine and human rights violations. He referred to India's long-standing relationship with Russia, expressing understanding of India's position, in stark contrast to the visit of his Foreign Minister two weeks ago.

5. He brushed aside a question on human rights concerns in India, despite facing criticism over posing with a bulldozer while inaugurating a factory on the same day the Supreme Court of India was deliberating over the Government's controversial new policy of using bulldozers to demolish shops and homes.

6. A sub-group is to be set up to study "extremism" inside India and the U.K., which Mr. Johnson suggested would be used to monitor Khalistani groups (as New Delhi desires), but has a broader mandate to counter all groups and individuals "seeking to incite violent extremism and terrorism".

7. In return, New Delhi chose not to press the point too hard on why economic fugitives (Vijay Mallya, Nirav Modi) have still not been extradited.

However, while side-stepping irritants in the relationship can increase the prospects for agreements, it cannot replace the actual work and elbow-grease needed to give ties some momentum after years of stasis. Both New Delhi and London must ensure more concerted efforts to bring those agreements to a finale in the near future, to reach their ambitious goals under “Roadmap 2030” agreed to at the last summit in 2021.

Source: The Hindu

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36. What's next now that Twitter agreed to Elon Musk bid?

Relevant for GS Prelims & Mains Paper II; International Issues

Twitter's acceptance of Elon Musk's roughly \$44 billion takeover bid brings the billionaire Tesla CEO one step closer to owning the social media platform.

The deal is expected to close sometime this year. But before that, shareholders still have to weigh in, as well as regulators in the US and in countries where Twitter does business, before the deal is completed.

Offer accepted, now what?

The process is off to a good start for Musk, given that Twitter's board has unanimously approved his offer and is recommending shareholders do the same.

Upon announcing the deal Monday, Twitter noted that the bid, which represents a 38% premium to the company's closing stock price on April 1, is a “substantial cash premium” and would be “the best path forward for Twitter's stockholders.”

When Twitter's board adopted an anti-takeover provision known as a “poison pill” just 10 days ago, the move was widely seen as a telltale sign that the directors were gearing up to rebuff Musk's opening offer or perhaps seek another suitor willing to pay more.

But the battleground shifted dramatically late last week when Musk disclosed he had lined up \$46.5 billion — including \$21 billion of his personal fortune — to pay for the purchase. Musk said other investors could contribute to the financing.

The locked-in financing not only underscored the seriousness of Musk's pursuit, but also appeared to open the door to other large Twitter shareholders interested in hearing more about his plans for the San Francisco company.

The details of those conversations aren't known, but Musk could point to a more than 20-year history building and running several businesses — most notably as the longtime CEO of Tesla. The electric car maker is currently valued at \$1 trillion — roughly 25 times more than Twitter.

“I think there is nothing better for Twitter than Elon Musk buying it and ideally replacing the board, and also doubling down on investments into products and new revenue-generating sources,” said John Meyer, a technology entrepreneur and investor. “Musk has the track record that he can do the impossible.”

It would be easy to see why other Twitter shareholders might welcome a shake-up, as well as an opportunity to cash out of their investment. Before Musk disclosed his 9% stake in Twitter earlier this month, the shares were trading below \$40 — not that much more than its \$26 price when Twitter went public in November 2013. Since then, the tech-driven Nasdaq has more than tripled, even after a recent downturn. Twitter has been a laggard because the company has struggled to consistently post profits while generating lackluster revenue growth compared to the two dominant forces in digital advertising, Google and Facebook.

Meanwhile, Tesla's stock is now worth nearly 300 times more than when it went public in 2010. And after struggling to make money for more than a decade, the automaker is now extremely profitable with net income of \$3.3 billion during the first three months of this year alone.

What happens next?

As is customary once a company agrees to be acquired, the buyer gets to take a closer look at its books to make sure there aren't any red flags that haven't come up via the company's public filings.

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This step in the process isn't likely to cause any obstacles for the deal, said Angelo Zino, tech analyst at CFRA. "He's acquiring this company, not from a financial perspective," Zino said. "He's going to do what he wants with it and he's probably going to look to make significant changes to the business model of the company."

What say could regulators have?

Last year, Twitter generated \$5 billion in revenue, with \$2.8 billion from the US and the rest earned overseas, Zino said. The Federal Trade Commission in the US, or the European Commission in the EU, are among regulatory agencies that may review the proposed Twitter buyout.

The main issues the agencies generally focus on are how the sale of a company could affect competition in an industry, or whether it violates antitrust laws.

These reviews can take months, or longer, but generally represent more of a potential hurdle when two companies in the same industry are combining, or in the case of a single buyer, whether ownership already has a large stake in companies within the same industry.

Neither Tesla, nor Musk's other company, Space Exploration Technologies, or SpaceX, are social media platforms, so antitrust concerns are not expected to arise when regulators review the deal, analysts said.

"We do not expect any major regulatory hurdles to the deal getting done as this soap opera now ends with Musk owning Twitter," Wedbush analyst Daniel Ives wrote in a research note Monday.

When do shareholders get to vote?

The deal is expected to close in 2022, subject to the approval of Twitter shareholders. Twitter hasn't announced the timing of a shareholder vote, though the company's annual meeting is set for May 25, which could offer a convenient time to poll shareholders.

A company can elect to hold a shareholder vote at any time, even before regulators have finished reviewing a proposed takeover.

What about Twitter leadership?

At this early stage, it's unclear what will happen to Twitter's current board or management team if the deal is completed, but Musk has made it abundantly clear that he believes the company has been poorly run. That assessment is a strong indication that Musk's makeover will also include a purge of Twitter's top ranks.

Source: The Indian Express

37. Emmanuel Macron is back as French President — what happens now?

Relevant for GS Prelims & Mains Paper II; International Issues

After winning another five years in the French presidential palace on Sunday, Emmanuel Macron intends to go back to work straight away on domestic and foreign policy. However, he will soon face crucial parliamentary elections, where he may struggle to keep his majority.

Here's what comes next for President Macron and his leadership of France.

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The inauguration will happen by May 13.

France's Constitutional Council will publish the official results of the presidential election (in which Macron convincingly defeated his far-right challenger Marine Le Pen) on Wednesday (April 27). On the same day, Macron will hold a meeting of his Cabinet.

The President will then have to set a date for the inauguration ceremony, which must be held by May 13, at the Élysée Palace, the official residence of the head of the French government. He will receive the National Guards' honours and make a speech.

Usually, 21 cannon shots are fired to mark the inauguration, but Presidents François Mitterrand and Jacques Chirac both skipped that tradition after they were re-elected in 1988 and 2002 respectively. Macron is the only other leader of modern France to win a second presidential term.

The President will reach out first to Germany

Like five years ago, Macron plans to quickly head to Berlin, in line with the tradition of newly elected French Presidents making his first trip abroad to neighbouring Germany to celebrate the countries' friendship after multiple wars. He will meet with Chancellor Olaf Scholz, and on top of the two leaders' agenda will be to discuss efforts to end the war in Ukraine.

Macron may also travel to Kyiv at some point to meet with Ukrainian President Volodymyr Zelenskyy. Macron spoke to both Zelenskyy and Scholz within hours of his victory. But he has said that he would travel to Kyiv only on condition that it would have "a useful impact".

On May 9, Macron is expected to make a speech on Europe in Strasbourg in northeastern France, the seat of the EU parliament.

With regard to domestic policy, Macron has said that one of his priorities would be to pass by summer a special law to support purchasing power amid the surge in food and energy prices fed by the war in Ukraine.

The parliamentary elections will occupy him

Prime Minister Jean Castex is expected to submit his government's resignation in the coming days. Macron will then appoint a new caretaker government, but ministers will only be in place for a few weeks.

Nationwide parliamentary elections, scheduled in two rounds on June 12 and 19, will decide who controls a majority of the 577 seats in the National Assembly. If Macron's party, La République En Marche! (LREM) gets a majority, he will name a new government accordingly and will be able to pass laws smoothly.

But if another party gets a majority of seats, he will be forced to appoint a Prime Minister belonging to that new majority. In such a situation, which is called "cohabitation" in France, the government would implement policies that diverge from Macron's project. As President though, Macron will have sway over France's foreign policy.

Source: The Indian Express

38. What are the different claims Russia and Japan assert over the Kuril islands? Why has the issue resurfaced again?

Relevant for GS Prelims & Mains Paper II; International Issues

The Russian invasion of Ukraine seems to have brought to the forefront some other disputes that Russia has with the West's allies. On April 22, Japan's Diplomatic Bluebook for 2022 described the Kuril Islands (which Japan calls the Northern Territories and Russia as the South Kurils) as being under Russia's "illegal occupation". This is the first time in about two decades that Japan has used this phrase to describe the dispute over the Kuril

Islands. Japan had been using softer language since 2003, saying that the dispute over the islands was the greatest concern in Russia-Japan bilateral ties.

What are the Kuril Islands/ Northern Territories?

These are a set of four islands situated between the Sea of Okhotsk and the Pacific Ocean near the north of Japan's northernmost prefecture, Hokkaido. Both Moscow and Tokyo claim sovereignty over them though the islands have been under Russian control since the end of World War II. The Soviet Union had seized the islands at the end of World War II and by 1949 had expelled its Japanese residents. Tokyo claims that the disputed islands have been part of Japan since the early 19th century.

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What lies behind the dispute?

According to Tokyo, Japan's sovereignty over the islands is confirmed by several treaties like the Shimoda Treaty of 1855, the 1875 Treaty for the exchange of Sakhalin for the Kuril Islands (Treaty of St. Petersburg), and the Portsmouth Treaty of 1905 signed after the Russo-Japanese war of 1904-05 which Japan had won. Russia, on the other hand, claims the Yalta Agreement (1945) and the Potsdam Declaration (1945) as proof of its sovereignty and argues that the San Francisco Treaty of 1951 is legal evidence that Japan had acknowledged Russian sovereignty over the islands. Under Article 2 of the treaty, Japan had "renounced all right, title and claim to the Kuril Islands."

However, Japan argues that the San Francisco Treaty cannot be used here as the Soviet Union never signed the peace treaty. Japan also refuses to concede that the four disputed islands were in fact part of the Kuril chain. In fact, Japan and Russia are technically still at war because they have not signed a peace treaty after World War II. In 1956, during Japanese Prime Minister Ichiro Hatoyama's visit to the Soviet Union, it was suggested that two of the four islands would be returned to Japan once a peace treaty was signed. However, persisting differences prevented the signing of a peace treaty though the two countries signed the Japan-Soviet Joint Declaration, which restored diplomatic relations between the two nations. The Soviet Union later hardened its position, even refusing to recognise that a territorial dispute existed with Japan. It was only in 1991 during Mikhail Gorbachev's visit to Japan that the USSR recognised that the islands were the subject of a territorial dispute.

Have there been attempts at resolution?

Since 1991, there have been many attempts to resolve the dispute and sign a peace treaty. The most recent attempt was under Prime Minister Shinzo Abe when joint economic development of the disputed islands was explored. In fact, both countries had agreed to have bilateral negotiations based on the 1956 Japan-Soviet Joint Declaration. Russia was even willing to give back two islands, the Shikotan Island and the Habomai islets, to Japan after the conclusion of a peace treaty as per the 1956 declaration. Japan's attempt to improve ties with Russia was driven by its need to diversify energy sources and Russia by its need to diversify its basket of buyers and bring in foreign investments. But nationalist sentiments on both sides prevented resolution of the dispute.

What next?

Soon after the Russian invasion of Ukraine, Japan made its unhappiness with Russia clear with its Foreign Minister Hideki Uyama, saying that Russia had "occupied" the southern part of the Kuril Islands, thereby violating international law.

Japan has been among the most steadfast of Western allies in denouncing Russian aggression and punishing it with sanctions. The April 22 statement in its Diplomatic Bluebook will further damage relations between the two countries. Japan has probably been spurred by its fears of a Russia-China alliance as Japan itself has territorial disputes and an uneasy history with China.

Secondly, Japan might have felt that this is a good opportunity to further isolate Russia and paint it as a "habitual offender" of international law.

Finally, Tokyo might have been prompted to take this position as it feels that the invasion of Ukraine proves that getting back the Kuril Islands is a lost cause.

Japan's policy shift on the Kuril Islands will only embitter bilateral relations with Russia while advancing the possibility of its two neighbours, China and Russia, coming together against it.

Source: The Hindu

39. India's designation by the USCIRF

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Relevant for GS Prelims & Mains Paper II; International Issues

In its 2022 Annual report, the United States Commission on International Religious Freedom (USCIRF) has recommended that India be designated a 'Country of Particular Concern' (CPC), i.e., the category of governments performing most poorly on religious freedom criteria. It has also called for "targeted sanctions" on individuals and entities responsible for severe violations of religious freedom by freezing those individuals' or entities' assets and/or barring their entry" into the U.S.

What is the USCIRF and how is it constituted?

The USCIRF is an independent, bipartisan body created by the International Religious Freedom Act, 1998 (IRFA) with a mandate to monitor religious freedom violations globally and make policy recommendations to the President, the Secretary of State, and the Congress. It is a congressionally created entity and not an NGO or advocacy organisation. It is led by nine part-time commissioners appointed by the President and the leadership of both political parties in the House and the Senate.

According to the IRFA, commissioners are "selected among distinguished individuals noted for their knowledge and experience in fields relevant to the issue of international religious freedom, including foreign affairs, direct experience abroad, human rights, and international law."

What does a 'Country of Particular Concern' (CPC) designation mean?

IRFA requires the USCIRF to annually identify countries that merit a CPC designation. As per IRFA, CPCs are countries whose governments either engage in or tolerate "particularly severe violations" of religious freedom, which are defined as "systematic, ongoing, egregious violations of the internationally recognized right to freedom of religion".

The other designation, for less serious violations, is Special Watch List (SWL).

Which other countries have been designated as CPCs?

For 2022, based on religious freedom conditions in 2021, a total of 15 countries have been recommended for the CPC designation. They include India, Pakistan, Burma, China, Eritrea, Iran, North Korea, Pakistan, Russia, Saudi Arabia, Tajikistan, Afghanistan, Nigeria, Syria and Vietnam. Countries recommended for a SWL designation include Algeria, Cuba, Nicaragua, Azerbaijan, Central African Republic, Egypt, Indonesia, Iraq, Kazakhstan, Malaysia, Turkey, and Uzbekistan.

Why does USCIRF want India to be designated as a CPC?

The USCIRF, in its annual report, states that in 2021, "religious freedom conditions in India significantly worsened."

Noting that the "Indian government escalated its promotion and enforcement of policies —including those promoting a Hindu-nationalist agenda — that negatively affect Muslims, Christians, Sikhs, Dalits, and other religious minorities," the report observed that "the government continued to systemise its ideological vision of a Hindu state at both the national and State levels through the use of both existing and new laws and structural changes hostile to the country's religious minorities."

It highlighted the use of the Unlawful Activities Prevention Act (UAPA) against those documenting religious persecution and violence, detailed the creation of "hurdles against the licensure and receipt of international funding" by religious and charitable NGOs, and observed that "numerous attacks were made on religious

minorities, particularly Muslims and Christians, and their neighborhoods, businesses, homes, and houses of worship". It also criticised the spate of fresh anti-conversion legislations, noting that "national, State and local governments demonised and attacked the conversion of Hindus to Christianity or Islam."

Taking into account all these aspects, it concluded that India met the criteria of "systematic, ongoing, egregious" violations of religious freedom and therefore deserved a CPC designation.

Are USCIRF recommendations binding on the U.S. government?

No, they are not. The USCIRF typically recommends more countries for a CPC label than the State Department will designate. This happens because the USCIRF is concerned solely with the state of religious freedom when it makes a recommendation, but the State Department and its Office of International Freedom (IRF), although mandated by IRFA to factor in religious freedom in the framing of foreign policy, also takes into account other diplomatic, bilateral and strategic concerns before making a decision on a CPC designation.

Is this the first time India is being designated as a CPC by the USCIRF? What has been India's reaction?

This is the third year in a row that India has received a CPC recommendation. India has in the past pushed back against the grading, questioning the locus standi of USCIRF. In 2020, External Affairs Minister S. Jaishankar called the Commission an "Organisation of Particular Concern."

What is the likely impact of the USCIRF's recommendation?

The U.S. State Department hasn't acted on such recommendations so far. But India may come under greater pressure this time, given its divergence from the American position on the Ukraine war and refusal to endorse U.S.-backed resolutions against Russia at the UN.

While the USCIRF's suggestion of targeted sanctions may be a non-starter, its other recommendation — that the "U.S. Congress should raise religious freedom issues in the U.S.-India bilateral relationship and highlight concerns through hearings, briefings, letters and congressional delegations" seems more likely to fructify.

Source: The Hindu

40. Elon Musk's Twitter takeover: For free speech through paid subscriptions

Relevant for GS Prelims & Mains Paper II; International Issues

Elon Musk is one of Twitter's most effective and prolific users, with over 80 million followers. Now, if all goes according to plan, he will also own the platform by the end of the year. On Monday, Twitter's Board of Directors approved a \$44-billion buyout offer from the Tesla and SpaceX CEO, in which the world's richest man has included \$21 billion of his personal fortune. Once the deal is approved by the U.S., EU and other regulators, Mr. Musk will be able to take the company private, essentially giving him free play over how it makes money, and how it handles issues of free speech as a social media platform. While at his previous ventures Mr. Musk has been very successful at adding hundreds of billions of dollars in market capital, there have been indications that at Twitter, his aims may be rather different.

How is Twitter doing as a business?

Twitter has always been a conundrum for investors. In everything from geopolitics to Tamil film fan fights, it holds an outsized influence on how the narrative unfolds. However, its stock is currently trading at just above \$50, not too far from its 2013 IPO price of \$26. This is sub-par for a period in which the NASDAQ index grew nearly four-fold, and where Meta aka Facebook, which had its IPO in 2012 at \$38, went on to trade at over \$186.

It has been a struggle for Twitter to find a business model that can effectively monetise its weight in the global discourse. While we often mention it in the same breath as Facebook and Google, Twitter is much smaller than these behemoths in terms of market capital. This is mainly because while Facebook and Google are able to distil user data to point advertisements at us with almost disturbing accuracy, Twitter never developed a viable advertisement model.

What changes has Musk suggested to the platform?

So far, Mr. Musk's statements on possible upgrades to Twitter have included clearing out bot networks, making the algorithm open source, and having a subscription service. By making the algorithm open source, he says, users will be able to track how and why a tweet has shown up on their timeline. He has also suggested that Twitter could have an 'edit' button. These have not been seen as particularly pathbreaking ideas to improving Twitter's business.

Why is Musk interested in Twitter?

Just a day after his offer to buy Twitter, Mr. Musk said on a TED stage that his offer was not about making money but about free speech. As a self-proclaimed Twitter 'edgelord' — whose tweets at times exist on the edge of what is acceptable — Mr. Musk has often described the platform as a "de-facto public square"; this is an analogy that he repeated in his statement after Twitter accepted his offer.

The "de-facto public square" alludes to the free speech rights guaranteed in public forums under the First Amendment of the U.S. Constitution. While the question of whether a privately-owned platform can be a public forum remains, Mr. Musk seems intent on bringing his "free-speech absolutist" ideas to the platform.

What is Twitter's track record on moderation?

Social media companies such as Facebook, Twitter and YouTube that rose to occupy our lives in the early half of the last decade, often portrayed themselves as the new digital public forums that fostered free speech and hosted content of all political colours. However, they lost much of their charm as misinformation, propaganda, and trolling took over. Twitter has faced criticisms over the existence of vast bot networks on the platform that amplify hate speech, including in India. It has also been criticised for poor content moderation that allowed the spread of misinformation, affecting real world events. Twitter's biggest test was the presence of former U.S. President Donald Trump on the platform, whose tweets often carried proven misinformation. Twitter finally removed Mr. Trump after the January 6, 2021 Capitol Hill riots, citing glorification of violence in his tweets. A question that has now risen is whether, with his focus on free speech, Mr. Musk will make way for Mr. Trump's return to Twitter.

Mr. Musk's own use of Twitter has also come under much criticism; he once called a critic of his a paedophile, and has also often been sexist in his messages. The work culture at his other venture, Tesla, has also been questioned over allegations of racism. If in his bid to 'free-up' speech further on the platform, Mr. Musk allows misogynist and racist trolls to persist, analysts fear that this may further isolate users and advertisers.

Source: The Hindu

41. The Baloch group behind Karachi bombing**Relevant for GS Prelims & Mains Paper II; International Issues**

On Tuesday, three Chinese nationals and their Pakistani driver were killed in a suicide bombing at Karachi University, outside its Confucius Institute, a Chinese culture and education outreach centre supported by the Chinese Ministry of Education. The Baloch Liberation Army (BLA) claimed responsibility for the attack, also claiming that it was carried out by a female suicide bomber.

The BLA, which announced itself in 2005 with a rocket attack on a paramilitary camp in Balochistan Kohlu during a visit by then President Pervez Musharraf, is a nationalist militant group that has been waging an insurgency for Baloch self-determination and a separate homeland for the Baloch people.

Balochistan borders Afghanistan and Iran. With gas, oil, copper and gold deposits, it is the most resource-rich of Pakistan's four provinces. It makes up half of Pakistan's area, but has only 3.6% of its population. Much before Pakistan bought into Chinese President Xi Jinping's BRI initiative and the China Pakistan Economic Corridor (CPEC), Musharraf had handed over Gwadar, a fishing village on the Baloch coastline, to the Chinese for

development of a deep-water port that would provide China access from the Karokoram Pass to the Arabian Sea.

Baloch nationalism

While the BLA's armed insurgency is about two decades old, demands of Baloch nationalists for political autonomy and threats of secession date back to 1947 when the Khan of Kalat (who claimed sovereignty over the four princely states of Kalat, Lasbela, Kharan and Makran) held out for independence, and the Pakistan Army forced his accession in March 1948. Between 1973 and 1977, the Zulfikar Ali Bhutto-led government sent in the Pakistan Army to crush a leftist guerilla war inspired by the liberation of Bangladesh.

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The tribal sardars of Balochistan, who had been at the forefront of Baloch nationalism, and were co-opted by the state in the late 1970s, grew rebellious again in the early years of this century as Musharraf bypassed them in his vision of Balochistan as strategic territory that would bring China and Pakistan closer. The insurgency gathered momentum from 2006, after the Pakistan Army killed the Bugti sardar, Nawab Akbar Khan Bugti, who had been also been a chief minister and governor of the province. His grandson Brahmdagh Bugti is said to be based in Afghanistan.

Another tribal sardar, Khair Baksh Marri, who was among the early rebels against the Pakistan state, is considered the founder of the BLA, and after he died of old age in 2014, the leadership is alleged by Pakistan to have passed to his son Hyrbairr. He lives in self-exile in London where he campaigns for an independent Balochistan, but denies links to the BLA.

The Pakistan Army's operations against Baloch militancy over the last two decades have seen hundreds of disappearances, and other alleged human rights violations. Baloch nationalists also see the sudden influx of jihadist groups such as Lashkar-e-Jhangvi and Lashkar-e-Toiba in the province as a move by the Pakistan security establishment to counter their nationalist demands.

According to journalist Malik Siraj Akbar in Huffpost, this phase of the Baloch armed struggle posed challenges to the Pakistani state because it "reached the breadth and width of Balochistan... (the) movement involved Baloch women and children who supported the armed groups through regular protest rallies... In 2012, the US Congress convened a hearing on Balochistan and supported the demand for a free Baloch land".

Pakistan has long alleged that the insurgency is backed by India. It alleges that India had training camps for Baloch rebels in Afghanistan. As Pakistan put pressure on Afghanistan to crack down on Baloch militants on its territory, there were reports in 2017 that Brahmdagh Bugti had applied for Indian citizenship. New Delhi did not confirm or deny the reports. Other reports said he had applied for asylum in Switzerland. The 2019 US designation of the BLA, at a time when the Trump administration wanted Pakistan's help for talks with the Taliban, put further pressure on the Baloch insurgency.

China target in 2nd wind

After a lull in the middle of the last decade, the BLA made a sudden return in 2017, with a drive-by shooting of 10 workers building a Chinese road project that was part of the CPEC. From then on, BLA has claimed several attacks on Chinese targets in Balochistan and outside.

A November 2018 attack on the Chinese consulate in Karachi, in which four Pakistanis were killed, was claimed by the BLA. In May 2019, another attack claimed by the BLA targeted a five-star hotel in Gwadar, where Chinese delegations stayed. In July 2020, BLA gunmen attacked the Pakistan Stock Exchange in Karachi – the bourse had sold 40% stake to a Chinese consortium in 2016.

Suicide bombers & BLA

It is rare that the BLA has deployed suicide bombers. Two previous instances have been an attack in Dalbandin on a bus carrying Chinese engineers, and an attack on the home of the Baloch politician Naseer Mengal, which he survived but in which 13 others were killed. Tuesday marked the first time the group had deployed a woman on a suicide attack.

Shari Baloch, who carried out the attack, was a mother of two. Her husband is a dentist and her father a government employee. She had degrees in Zoology and Philosophy. Although her motivations are not clear, the BLA claimed in a statement that she had voluntarily signed up to the “self-sacrificing” mission after enlisting in the Majeed Brigade, a sub-group of the BLA, two years ago.

The Majeed Brigade is named after Abdul Majeed Baloch, who is said to have tried to make an attempt on the life of Zulfikar Ali Bhutto at a public meeting in Quetta in 1974 and was shot down on the spot.

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This is also the first time that a non-jihadist ethno-nationalist group has deployed a woman suicide bomber in the manner of Sri Lanka's LTTE. According to security experts familiar with the Baloch insurgency, it marks a worsening security situation, and points to a growing anger in the Baloch population against the Chinese presence. As the training camps are alleged by Pakistan to be in Afghanistan, the incident may also be a pointer to Pakistan's loss of control in Taliban-ruled Afghanistan.

Source: The Indian Express

42. Why China's security pact with Solomon Islands has the US and others worried

Relevant for GS Prelims & Mains Paper II; International Issues

A chain of tiny islands located in the South Pacific is at the centre of a major diplomatic kerfuffle between China and the West, with the US and its allies flagging Beijing's growing control over the strategically vital Indo-Pacific region.

This month, China and the Solomon Islands finalised a controversial security agreement, an early draft of which was leaked online in March. Solomon Islands Prime Minister Manasseh Sogavare insists that the agreement was necessary to deal with the islands' “internal security situation”. But Pacific countries including Australia, New Zealand and the US have raised concerns about the agreement — negotiated in secret late last year — potentially leading to Chinese military presence in the islands.

The agreement is likely to have far-reaching consequences for much of the world, particularly since several shipping lanes connecting the US and its allies run through the region.

Why the Solomon Islands matter

With a population of less than seven lakh, the chain of hundreds of islands is located near Papua New Guinea in the Pacific Ocean — a politically volatile region that has been at the centre of a long-running diplomatic power struggle between the West and China. It was here, in the capital city of Honiara on the island of Guadalcanal, that some of the fiercest battles of World War II were fought between the US and Japanese troops.

Between the late 1990s and early 2000s, the country was rife with ethnic unrest and military conflict between several armed groups, ultimately resulting in a coup that brought Sogavare to power for the first time.

With its economy in a state of near-collapse and ethnic clashes still rampant, the Pacific Nation was forced to call in reinforcements to stabilise state affairs. In 2003, a multinational Regional Assistance Mission to the Solomon Islands (RAMSI), led by Australia, was established. As part of the mission, troops were deployed from Australia and New Zealand and a state of stability was eventually restored. But political instability continues to persist, making it difficult for new governments to stick around. Despite attempts by Sogavare to expel the mission, RAMSI managed to remain in the country for well over a decade.

Just last year, Australia came to the rescue once again when the nation was rocked by a wave of anti-government protests. The country sent peacekeeping forces to quell riots in Honiara, where protestors stormed parliament in a bid to topple PM Sogavare. The two nations formalised a bilateral security treaty in 2017, which allows Australian troops to be deployed in the island nation in the event of an emergency.

There have been growing concerns about Sogavare's closeness with China in recent years. Soon after he was elected prime minister once again in 2019, he cut the country's long-standing diplomatic relations with Taiwan in favour of China. The decision, widely known as 'The Switch', is said to have been one of the first major indications of China's expanding influence in the region, which was traditionally an ally of the US and Australia.

Sogavare's decision was not popular — several province leaders rejected the switch, and it was also one factor contributing to the riots late last year. Some experts have said that the prime minister timed the signing of the security pact in such a way that he will now have China to lean on if protests break out ahead of the upcoming elections, which he has been trying to delay by rewriting the constitution, New York Times reported.

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What is in the Solomon Islands-China pact?

According to a leaked draft of the agreement, Chinese warships will be permitted to dock on the islands. Beijing will now also be able to send security forces "to assist in maintaining social order".

"We intend to beef up and strengthen our police capability to deal with any future instability by properly equipping the police to take full responsibility of the country's security responsibilities, in the hope we will never be required to invoke any of our bilateral security arrangements," Sogavare explained in Parliament last week, stressing that the deal was "guided by our national interests". He has denied allegations that China plans to set up a military base in the country in the long term.

What's in it for China?

The fierce competition between the West and China has only escalated in the region in recent years, prompting the Western alliance to form a military pact called AUKUS (Australia, UK and the US) to counter Beijing in the Pacific.

With the new security agreement, China and its army have a foothold in the island nation, which could be significant for blocking vital shipping lanes.

The agreement could also potentially help China intervene when its foreign investments and diaspora face threats in the region. As per the draft, a threat to nearly anything linked to China — from its citizens, to small businesses — could be enough to bring in Chinese troops.

Over the years, China has entered security and economic pacts with several countries, including Djibouti, Pakistan and Cambodia. China pumps in funds for infrastructural development, while also gaining access to several vital ports.

So why is the West unhappy?

The agreement has renewed fear among Pacific countries like Australia, New Zealand and the US. Australia in particular has been very critical of the new security pact. Australian PM Scott Morrison claimed that the pact pointed towards "intense pressure" from China in the Pacific island nation.

"We are concerned about the lack of transparency with which this agreement has been developed, noting its potential to undermine stability in our region," Australian Foreign Minister Marise Payne said in a joint statement with Zed Seselja, Minister for International, Development and the Pacific.

In a joint statement, officials from Australia, the US, New Zealand and Japan said they "shared concerns about the security framework and its serious risks to a free and open Indo-Pacific".

Just last week, a team of top US officials visited Solomon Islands and met with Sogavare to discuss their concerns. "Prime minister Sogavare indicated that in the Solomon Islands' view, the agreement they've concluded has solely domestic implications. But we've made clear that there are potential regional security implications of the agreement not just for ourselves, but for allies and partners across the region," said Ambassador Daniel Kritenbrin.



Source: The Indian Express

43. Russian roulette with gas supplies

Relevant for GS Prelims & Mains Paper II; International Issues

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Why is Gazprom cutting off its supplies to the two NATO countries? How has the EU responded?

The story so far: Russian energy company Gazprom has stopped gas supplies to Bulgaria and Poland citing their failure to pay in roubles. In a statement on April 27, it announced that it has “completely suspended gas supplies” to Poland’s PGNiG and Bulgaria’s Bulgargaz. Poland and Bulgaria have accused Russia of breach of contract, according to which payments were to be made in euros and dollars only. Towards the end of March, Russian President Vladimir Putin had signed a decree that from April 1, “unfriendly foreign buyers” would have to pay for gas supplies in roubles. He had also added that defaults would result in suspension of contracts.

How will the stoppage of gas supplies affect Poland and Bulgaria?

The gas cuts do not immediately put the two countries in any dire trouble. Russian gas deliveries to both Poland and Bulgaria were anyway expected to end later this year. Poland, which gets 40% of its natural gas from Russia, has been working on alternatives for many years. In the immediate scenario, however, it will lose out on the five billion cubic metres of gas it was set to get from Gazprom. It will likely make up for it with supplies from Germany. Bulgaria, which gets 77% of its natural gas from Russia, has a bigger problem. While its energy minister has said that the country has enough reserves for another month, it needs to urgently look for alternatives, with additional supplies via pipelines from Greece being a distinct possibility.

Why has Russia targeted Poland and Bulgaria with this move?

Poland has been a major gateway for supply of military hardware to Ukraine. It also confirmed earlier this week that it will be sending tanks to Ukraine. Just hours before Gazprom’s action, it had announced a fresh set of sanctions against the company and other Russian businesses and oligarchs. As for Bulgaria, after a new liberal government took office last fall, it has cut many of its old ties to Moscow. Not only has it supported the West’s sanctions against Russia, it has also hosted Western fighter jets at a new NATO outpost on its Black Sea coast. It is also a major producer of non-NATO weapons that it’s considering sending to Kyiv.

Will other countries be hit with similar stoppages?

Russia supplies gas via pipelines to 23 countries in Europe. Among EU members, so far, only Hungary has officially agreed to make rouble payments, with the rest rejecting the demand. However, even if no other country agrees to Russia’s rouble payment mechanism, there won’t be any further cuts in supplies at least until the second half of May, which is when the next tranche of payments are due. Meanwhile, according to reports, four European buyers have already started making gas payments in roubles, while 10 European companies have opened accounts with Gazprombank to make rouble payments.

How have the EU, Poland, and Bulgaria reacted to the gas supply suspension?

The 27-member European Union has described Russia’s decision as “blackmail” and accused Moscow of trying to divide the West over its support for Ukraine. “It comes as no surprise that the Kremlin uses fossil fuels to try to blackmail us,” said EU Commission President Ursula von der Leyen, adding, “Today, the Kremlin failed once again in his attempt to sow division amongst member states. The era of Russian fossil fuel in Europe is coming to an end.”

Describing Russia’s move as blackmail, Bulgarian Prime Minister Kiril Petkov said, “We will not succumb to such a racket.” The Polish Prime Minister has informed his country’s Parliament that he believes Poland’s support for Ukraine — and the new sanctions imposed by Warsaw on Tuesday — were the real reasons behind the gas cutoff.

What could happen if Russia shuts gas supplies to more countries?

Europe’s natural gas comes from only three sources: Russia, Norway and Algeria. Until the Ukraine invasion, Russia accounted for almost 40% of Europe’s gas imports.

While the dependence on Russian gas varies from country to country — ranging from 94% for Finland to 11% for the Netherlands — there is little doubt that disruption in supplies would fuel inflation and damage economic activity, with strong possibilities of energy rationing and even a major recession in the continent's industrial powerhouse, Germany.

What has been the EU's strategy to reduce dependence on Russian gas?

Europe's energy mix comprises of oil (43%), natural gas (24%), nuclear energy (14%), and hydroelectric (4%), with renewables such as wind and solar making up the rest. With climate change a major political issue in Europe, coal — of which there are abundant reserves on the continent — is off the table, and given public hostility to nuclear energy, EU is left with natural gas as the cleanest source of energy. So, for the short-term, the EU is preparing for the heating requirements of the coming winter by tanking up on its gas storage facilities at 80-90% capacity and substituting Russian supplies, as much as possible, with piped gas from Norway and North Africa. But these won't be adequate to reduce Russian dependence to zero. So, the longer-term strategy is centred on importing liquefied natural gas (LNG) from the U.S. and the Middle East.

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Will it be feasible for Europe to transition from Russian natural gas to LNG?

It will be tough challenge, primarily because it is easier and cheaper to transport natural gas via pipeline. LNG requires massive facilities and container ships that require huge capital investments. And yet, over the past decade, the EU has beefed up its LNG infrastructure, building several large terminals. Nonetheless, LNG transported from the U.S. by container ships would be much more expensive than Russian gas received via pipeline. Achieving strategic autonomy, as it were, by replacing Russian gas with American LNG would mean higher prices for the average European consumer, who is currently the primary beneficiary of cheap Russian gas that he uses for household heating purposes.

How will the gas suspension impact Russia?

Western analysts believe that Russia has taken a gamble by cutting off supplies to Poland and Bulgaria. The Russian economy is heavily dependent on gas exports, deriving 40% of its revenue coming from it. If the move forces more EU countries to pay for gas in roubles, it will help shore up its currency and offer some relief for its sanction-hit economy. But at the same time, it could also backfire, if it ends up accelerating the decoupling of the energy 'partnership' between Europe and Russia. Since it is difficult to reroute piped natural gas to different markets, Russia, which doesn't have elaborate storage infrastructure, may well find itself desperate for buyers as well as hard currency, let alone buyers ready to pay in roubles.

Source: The Hindu

44. Why are foes Turkey and Saudi Arabia fixing ties?

Relevant for GS Prelims & Mains Paper II; International Issues

The killing of columnist Jamal Khashoggi by Saudi agents in Istanbul sent an already tense and shaky relationship between Turkey and Saudi Arabia into complete free fall.

Fast-forward 3 1/2 years later and it appears Turkey and Saudi Arabia are attempting to build a bridge and move on.

In his first trip to Saudi Arabia in five years, Turkish President Recep Tayyip Erdogan embraced Crown Prince Mohammed bin Salman and sipped traditional Arabic coffee with King Salman before a state dinner and direct talks that ran into the early hours of Friday.

Here's a look at what's underpinning rapprochement between the two Sunni Muslim powerhouses:

What's behind Turkey's diplomatic pivot?

Turkey's diplomatic drive coincides with the country's worst economic crisis in two decades. Having wealthy Gulf Arab states as allies can help draw investments. Turkey has also taken steps to improve relations with Egypt and Israel.

After mending ties with the United Arab Emirates, Abu Dhabi announced a \$10 billion fund to support investments in Turkey and made other moves to support the economy.

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Official inflation stands at a staggering 61% while the lira tumbled 44% in value against the dollar last year. These figures do not bode well for Erdogan, whose grip on power could be threatened by the country's economic woes. Turkey is scheduled to hold elections next year.

Meanwhile, Saudi Arabia is enjoying a bumper economic year with its foreign reserves expected to climb. Higher energy prices are forecast to rake in more than \$400 billion of revenue this year for the kingdom. In other words, Saudi Arabia has capital to invest in Turkey.

What's in it for Saudi Arabia?

Saudi Arabia's change of heart comes as the kingdom seeks to broaden its alliances at a time when relations between Riyadh and Washington are strained.

The crown prince has yet to hold a direct call with President Joe Biden since he took office over a year ago. A number of lawmakers from Biden's Democratic party have openly called on him to get even tougher with Saudi Arabia, calling the kingdom a bad strategic partner as it sticks to an OPEC-led pact with Russia that critics say has worsened an oil supply crunch amid the war in Ukraine.

The timing for reconciliation also makes more sense now. Saudi Arabia ended a years-long embargo on Qatar over its support for the Muslim Brotherhood and Islamist opposition groups. Although relations have been restored between Saudi Arabia and Qatar, they had yet to be fixed with Qatar's steadfast ally — Turkey— until now.

Possibly, the strongest impetus for reconciliation is that the crown prince wants to put a definitive end to the scandal of Khashoggi's killing that has loomed over him and cast a pall on his reputation.

Big name Western investors and politicians stayed away from Riyadh in the aftermath of the killing, though some have since returned to do business again in the kingdom.

Khashoggi had been writing columns in The Washington Post hailing the crown prince's social reforms while expressing concern over far-reaching arrests of perceived critics. The billionaire owner of the Post, Jeff Bezos, subsequently commissioned an investigation that concluded his phone was hacked after receiving a message from the crown prince, though many questions remain unanswered.

How was Turkey pressuring the Crown Prince?

Turkish authorities fanned the global outrage and suspicion directed at Prince Mohammed. Turkey shared audio of the gruesome slaying with Western intelligence agencies, a signal the Saudi consulate where he was killed had been bugged. U.S. intelligence subsequently concluded the operation could not have happened without the prince's go-ahead. Prince Mohammed has denied any involvement.

While never naming Prince Mohammed, Erdogan said the operation that killed Khashoggi was ordered by the "highest levels" of the Saudi government. Khashoggi had entered the consulate in October 2018 by appointment to obtain papers to allow him to wed his Turkish fiancée, who waited for him outside. He never emerged and his body was never found.

Turkey had a case open against 26 Saudi suspects in absentia, but three weeks to the day before Erdogan was set to land in Saudi Arabia, the Turkish prosecutor pulled the plug on the case by transferring it to the kingdom,

which had already held its own widely-criticized trial. No officials overseeing the operation were ever convicted.

What happened when ties were strained?

Saudi Arabia launched an unofficial embargo on Turkish exports, dramatically curbing around \$5 billion in bilateral trade. The kingdom also temporarily barred wildly popular Turkish soap operas that were dubbed into Arabic from airing on affiliated satellite television stations. Those soap operas had helped boost Turkey's cultural clout across the Mideast and drew tourism and investment to Turkey from viewers.

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Before Khashoggi's slaying, Saudi investments had reached around \$2 billion and Turkey's investments in Saudi Arabia were valued at around \$660 million. More than 200 Turkish companies were operating in the country, according to Turkey's foreign ministry. A year before the killing, Saudi citizens had bought up more than 3,500 properties in Turkey.

What are the broader implications now?

Following years of upheaval across the region, the Muslim Brotherhood group has largely been crushed by authoritarian states. Saudi Arabia and the UAE are once again most concerned with Iran, which has been inching toward a nuclear deal with the U.S. that could lift key sanctions.

Turkey and Iran, while not rivals, have competed for power in Syria and Iraq, though they maintain economic relations and share a border. Having Turkey closely aligned with Gulf Arab states could add pressure on Iran. A detente could also diffuse tensions in Libya, where proxy battles have played out between the UAE and Turkey. It could further usher in a more pragmatic foreign policy approach by Gulf Arab states and help ease the diplomatic isolation Turkey has faced from some Western nations.

Still, mistrust is almost certain to feature below the surface between Prince Mohammed and Erdogan.

Source: The Indian Express

Geography

1. Why sowing maize in spring is not a good choice for Punjab farmers

Relevant for GS Prelims & Mains Paper I; Geography

As per the initial field report of the Punjab Agriculture department, around 35,000 hectares (86,450 acres) are being used for the cultivation of spring/summer maize.

Utilizing more area for maize cultivation is always a welcome move in a state like Punjab where maize is seen as an alternative to the water-guzzling paddy crop. But growing maize during spring is not always a good choice in Punjab. We explain why.

When and where in Punjab does the sowing of spring/summer maize take place?

The ideal time for sowing maize is from January-end to February 15. But farmers continue to sow it till the end of February or even in early March.

Spring maize is sown mostly in the potato belt comprising Jalandhar, Hoshiarpur, Nawanshahr and Kapurthala districts and in a few other districts like Gurdaspur, Ropar and Ludhiana.

Harvesting of table potato harvesting, which started in January in the state, ends by February-end or early March. By that time, sowing of spring maize also starts in the state.

Why do farmers opt for sowing of spring maize in the state?

Before paddy sowing, which starts by mid-June and ends by early July, the fields of potato growers remain empty. During this time, from February to mid-June, farmers prefer to grow one more crop before paddy.

Therefore, spring maize is a good option as it is a 120-122 days' crop and it is also harvested by June. During spring, maize of hybrid quality is grown the yield of which is very high.

Farmers get 90 to 100 quintals per hectare during spring, which is quite a high yield. If they get a good rate, which happens rarely, and if it is at par with the MSP decided by the centre government, which is around Rs 1900 per quintal, then they can earn a huge amount due to the high yield.

So, why do experts discourage sowing spring maize in the state?

From March to June, the temperature in the state is very high and the sunshine hours are also long. The temperature starts rising from March from 35 degree centigrade to 45 degree in June. Also, the average sunshine hours remain between 9 to 9.5 hours.

“Due to high temperature, the water gets evaporated soon and frequent watering of the maize crop is needed in peak summer season. This affects the water table drastically,” said Dr Baldev Singh Dhillon, former Vice-Chancellor of Punjab Agriculture University (PAU), Ludhiana, who is also an internationally renowned agriculture scientist. He added that this crop is ‘big no’ without ‘drip irrigation’ for Punjab where the groundwater table is depleting drastically and there is a need for sustainable farming.

Ajmer Singh Brar, Principal Agronomist at PAU Ludhiana, said, “As per a PAU study, 1500 litres of water are needed to grow one kg maize. The water needed in growing one kg of paddy is more than three times this amount. But paddy is sown at the onset of the monsoon and therefore gets water from rainfall. But in summer, when maize is grown, rainfall is almost negligible and temperatures are high. You have to take the humidity into consideration also. Farmers water their crops 18-20 times. So, these 1,500 litres become a burden on the groundwater. This is not good for a state like Punjab.”

He also said that there is no possibility of seepage of the water, which is used for irrigation, in the field due to evaporation.

Both Dr Dhillon and Dr Brar said that if farmers want to grow summer maize, then drip irrigation is a must as it will save nearly 40% of the water. Potato farmers who grow maize must exercise their social responsibility keeping in mind the need to preserve water for our future generations, they said.

Which crops can be an alternative to spring maize in the state?

Experts said that summer moong and sunflower crops are the best alternatives.

Summer moong is a 70-day crop and sunflower is a 100-day crop. While summer moong needs only 3-4 irrigations, sunflower also takes 25-30% less water than summer maize.

Both the crops are extremely vital in the country as India imports 2.5 million tonnes sunflower oil every year and also 2-3 million tonnes of pulses.

Even Punjab meets 85% of its requirement of pulses from other states. Growing pulses also improves soil health. Dr Brar said that sunflower can be grown in big clusters in the state and proper marketing of these crops can help farmers earn well.

Apart from these, mash pulse, vegetables, sugarcane and green manure, which enhances the fertility of the soil, can be grown in spring.

Then why is maize seen as a big alternative to paddy in Punjab?

Punjab needs to diversify its crop pattern, from paddy to maize, cotton and basmati. But the ideal alternative when it comes to maize is not the spring maize but kharif maize, which is grown during the paddy season from June to October.

The state needs to bring around 5 lakh hectares under kharif maize cultivation. Though it is also the main maize grown in the state, 1.10 to 1.30 lakh hectares are used for growing this crop.

Experts said that water consumption of kharif maize, which is sown just before the rainy season, is very less because most of its water need is met by the rains.

However, the yield of kharif maize is quite less, which is around 50 to 60 quintals per hectare, depending upon varieties, as compared to the spring season. The need of the hour is to focus on developing good kharif maize varieties. It also needs to be marketed better so that farmers can use more area for its cultivation instead of growing paddy.

Source: The Indian Express

Economics

1. How UPI transaction values crossed \$1-trillion in 2021-22

Relevant for GS Prelims & Mains Paper III; Economics

The Unified Payments Interface (UPI) crossed the \$1-trillion mark in transaction values for the financial year 2021-22 after the payments system crossed 5 billion transactions in a month for the first time in March. This marks a major landmark for the flagship payments architecture which has gained significant momentum in adaptation in the last few years.

The coronavirus pandemic and growing digital adoption in the country has seen UPI being used by increasingly larger numbers of Indians. It is now close to Rs 9 lakh crore in monthly transaction values.

Road to a trillion

According to data released by the National Payments Corporation of India (NPCI), which operates UPI, 5.04 billion transactions were processed on the platform until March 29, amounting to Rs 8.88 lakh crore, which was a growth of over 7 per cent compared to February.

So far in FY22, UPI has processed more than 45 billion transactions, amounting to over Rs 83 lakh crore. In comparison, in FY21, it had processed a little over 22 billion transactions, amounting to Rs 41.03 lakh crore. This means that in a year's time, both the number and value of transactions on UPI almost doubled, and is evidence of the increase in popularity of the payments system.

UPI is expected to have played a key role in increasing the adoption of digital payments in the country. The Reserve Bank of India's (RBI's) digital payments index (DPI) for September 2021 stood at 304.06 compared to 270.59 in March 2021.

According to a Macquarie Securities report, UPI also commands a lion's share in the volume of total retail payments made in the country. In FY22, around 60 per cent of the volume of India's retail payments were done through UPI, according to the report.

However, UPI remains the preferred choice largely for low value transactions — according to NPCI's assessment, about 50% of the transactions recorded on UPI are worth less than Rs 200 each.

What next for UPI

It is projected that in the next 3-5 years, UPI would be processing a billion transactions a day, and to enable that, a number of initiatives have been introduced. Chief among these is UPI's AutoPay feature, which has already seen increased adoption owing to RBI's disruptive guidelines on recurring mandates. According to industry experts, the AutoPay feature will be crucial to increasing daily transactions on the platform.

Since smaller value transactions form the bulk of the payments made on UPI, the NPCI has also launched an "on-device" wallet feature for UPI users — known as UPI Lite — for facilitating small ticket transactions.

The RBI has also announced UPI on feature phones without an Internet connection, which is expected to open up the payments system to more than 40 crore individuals who use such devices. This will expand digital financial inclusion and add to the number of transactions made on the platform.

Roadblocks ahead

Despite monthly transactions increasing significantly on UPI, the platform has not been immune to glitches and instances of failed transactions. According to NPCI data, in February alone, State Bank of India — the biggest in terms of UPI volumes — saw 31.68 million transactions fail because of technical reasons like unavailability of systems and network issues over a base of 1.24 billion transactions, which means a failure rate of over 2.5 per cent.

Of the total 4.83 billion transactions processed on UPI in February, 69.96 million were declined due to issues at the banks' or NPCI's end. In January this year, UPI saw an unscheduled downtime of 187 minutes, its highest ever.

Source: The Indian Express

2. The demand for restoring the old pension scheme

Relevant for GS Prelims & Mains Paper III; Economics

How will the National Pension Scheme benefit the employees? What are the changes introduced in the scheme?

On February 23, Rajasthan Chief Minister Ashok Gehlot announced restoration of the old pension scheme for the government employees, who joined the service on or after January 1, 2004. The announcement meant that the National Pension System (NPS) would be discontinued in the State. Following this, another Congress-ruled State, Chhattisgarh announced restoration of the Defined Pension Benefit Scheme (DPBS/OPS).

In the recently concluded Uttar Pradesh assembly election, Samajwadi Party president Akhilesh Yadav had announced the restoration of OPS, drawing the support of several government teachers and employees in the process. The BJP had maintained that restoration of the old system would cause an unnecessary financial burden on the government. The demand has resonated in other parts of the country. In the last week, protests were organised in J&K, Punjab, Andhra Pradesh, Himachal Pradesh and Madhya Pradesh. Trade unions across the country organised a two-day strike on March 28 and 29 and demanded scrapping of the old pension scheme. The Finance Ministry had earlier ruled out proposals by a federation of Central and State governments employees saying that the "changes will be financially untenable."

What is the old pension scheme or the Defined Pension Benefit Schemes?

The scheme assures life-long income, post-retirement. Usually the assured amount is equivalent to 50% of the last drawn salary. The Government bears the expenditure incurred on the pension. The scheme was discontinued in 2004.

What is the National Pension System (NPS)?

The BJP-led Union government under Prime Minister Atal Bihari Vajpayee took a decision in 2003 to discontinue the old pension scheme and introduced the NPS. The scheme is applicable to all new recruits

joining the Central Government service (except armed forces) from April 1, 2004. On introduction of NPS, the Central Civil Services (Pension) Rules, 1972 was amended.

It is a participatory scheme, where employees contribute to their pension corpus from their salaries, with matching contribution from the government. The funds are then invested in earmarked investment schemes through Pension Fund Managers. At retirement, they can withdraw 60% of the corpus, which is tax-free and the remaining 40% is invested in annuities, which is taxed. It can have two components — Tier I and II. Tier-II is a voluntary savings account that offers greater flexibility in terms of withdrawal, and one can withdraw at any point of time, unlike Tier I account. Even private individuals can opt for the scheme.

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What were the changes introduced in 2019?

In 2019, the Finance Ministry said that Central government employees have the option of selecting the Pension Funds (PFs) and Investment Pattern in their Tier-I account. The default pension fund managers are the LIC Pension Fund Limited, SBI Pension Funds Pvt. Limited and UTI Retirement Solutions Limited in a predefined proportion.

Who is the regulatory authority to manage the funds of government employees that are linked to the market? The Pension Fund Regulatory and Development Authority (PFRDA) is the regulator for NPS. PFRDA was set up through the PFRDA Act in 2013 to promote old age income security by developing pension funds to protect the interest of subscribers to schemes of pension funds.

What is the subscriber base?

As on February 28, there were 22.74 lakh Central government employees and 55.44 lakh State government employees enrolled under the NPS.

What is the latest directive from the government on the pension system?

The Department of Personnel and Training (DoPT) informed Parliament on March 24 that there is no proposal to reintroduce the old pension scheme for Central government civil employees under consideration of the Government of India. Union Minister Jitendra Singh said that the returns being market-linked is a basic design feature of the NPS. However, pension being a long-term product also enables the investments to grow with decent returns, despite short term volatility. "Further, the prudential guidelines stipulated by the PFRDA, the skills of the professional Fund Managers chosen through a rigorous process, and choice of asset allocation across various asset classes (Equity, Corporate Bond, Government Securities) enable the subscriber's accumulations to grow over the long term, riding over the short term volatility," he said.

What will be the number of government employees impacted when Rajasthan and Chattisgarh revert to the old system?

According to Rajasthan Karmachari Samyukta Mahasangh president Gajendra Singh, the move would benefit over 4 lakh employees. In Chattisgarh, the move will benefit over three lakh employees, who joined service after January 1, 2004.

Source: The Hindu

3. Why are HDFC Limited and HDFC Bank merging, its impact?

Relevant for GS Prelims & Mains Paper III; Economics

HDFC Bank and HDFC Ltd on Monday announced the merger of the two entities, setting the stage for one of the biggest deals in the Indian financial sector. The announcement of the merger led to a sharp rise in the share prices of the two entities which were up by over 7 per cent in the early trading hours.

HDFC Bank said that the transaction is expected to close over the next 18 months, subject to completion of regulatory approvals and other customary closing conditions.

What is the plan of merger?

As per the transaction structure, HDFC Limited, India's largest housing finance company with Assets Under Management (AUM) worth Rs 5.26 trillion and a market cap of Rs 4.44 trillion will merge with HDFC Bank, India's largest private sector bank by assets with a market cap of Rs 8.35 trillion.

The subsidiary or associates of HDFC Limited will also be transferred to HDFC Bank.

What is the share swap ratio of the transaction?

Shareholders of HDFC Limited, as on record date, will receive 42 shares of HDFC Bank for 25 shares of HDFC Limited.

How will the ownership change?

Post the merger, HDFC Limited's shareholding in HDFC Bank will be extinguished and HDFC Bank will be 100 per cent owned by public shareholders. Existing shareholders of HDFC Limited will own 41% of HDFC Bank.

How will the merger benefit the two entities?

While this will improve the ability to cross-sell products to a larger customer base, the move will help them leverage their distribution across urban, semi-urban and rural geographies. The combined balance sheet of Rs 17.87 trillion and Rs 3.3 trillion net worth will enable larger underwriting at scale.

Source: The Indian Express

4. What is the financial rationale of HDFC Ltd.-HDFC Bank amalgamation? Is the stage set for more mega deals?

Relevant for GS Prelims & Mains Paper III; Economics

Mortgage lender HDFC Ltd. and India's largest private sector bank HDFC Bank on Monday announced a mega merger.

The amalgamation will create a financial behemoth that is expected to better tap the rising demand for credit. Under the terms of the deal, which is one of the biggest in the Indian financial sector, HDFC Bank will be 100% owned by public shareholders, while existing shareholders of HDFC Ltd. will own 41% stake in HDFC Bank.

What are the terms of the merger?

The two companies have announced that their respective boards have approved the amalgamation. Subsequently, the merger has to go through a series of regulatory approvals.

It also has to get approval from shareholders of both companies. At this moment what has been announced by the two entities is that it's an all-share deal, so there's no cash transaction involved.

The terms of the share swap are such that shareholders of HDFC Ltd. will receive 42 shares of HDFC Bank for every 25 shares they hold in HDFC Ltd.

Post-merger HDFC Ltd. will no longer be a separate mortgage lender, it will get folded into the bank. The bank, which is the offspring of HDFC Ltd. and the older legacy entity, is the one which is acquiring the mortgage lender. With its acquisition of the mortgage lender, it also acquires all its subsidiaries, which includes a general insurance company, a life insurance company, and an asset management company.

What happens to existing customers and employees?

As far as customers are concerned, HDFC Ltd.'s customers will become the bank's customers as well. As for employees, HDFC Bank is planning to absorb and retain all the employees.

Neither of the entities are very heavy on employee numbers and have been fairly conservative in their employee sizes.

At the press conference to announce the merger, HDFC chairman Deepak Parekh specifically said that the employees of HDFC Ltd. will become part of the bank.

Is it worth going through this exercise, which is going to take about 18 months or so to fructify? What is the rationale for it? Page | 123

Every merger, when it involves two entities, takes a certain amount of time. But because both these entities are of the same house or group, this will not be too much of a challenge for them. As both HDFC Ltd. and HDFC Bank have largely had a fairly conservative lending culture, both reasonably customer-friendly, customer-centric, culturally, there wouldn't be a big challenge. The integration part of it would only be a matter of ensuring that everything is seamless and smooth, getting the books mapped on to each other, the IT systems merging with each other and so on.

From a perspective of the rationale for the merger, Mr. Parekh said a few things, one of which was that in recent years, the evolution of the regulatory framework for the NBFC (non-banking financial company) industry has been gradually moving closer, to harmonise with the banking sector's regulatory framework. Earlier, NBFCs had a fairly different and a far more loose sort of framework for lending and deposits. This led to issues in the industry with some NBFCs struggling and going under or being taken over by others. The Reserve Bank of India has over the years been tightening the regulatory structures for the NBFC industry. Mr. Parekh specified that the regulatory environment has been harmonised to the point where it makes sense, and the RBI too is likely to be happy. If you are a large NBFC with the sort of size that say HDFC Ltd. has, it makes more sense for it to be merged with a bank because the banks are much more tightly regulated and have far more oversight of the RBI.

As Basel III norms for capital adequacy are in place, the NPA (non-performing asset) book is very closely monitored. Even from a regulatory perspective, the RBI is unlikely to be unhappy to see this merger going through because it wants NBFCs to be tightly regulated. And if you are a part of a bank, you will be better regulated.

What is in it for HDFC Ltd. and HDFC Bank?

Post-merger, the mortgage lender, HDFC Ltd., gets access to HDFC Bank's CASA (current and savings accounts) deposits, which are lower cost funds. For the mortgage lending business, the capital cost will come down. As the capital cost comes down, automatically it will have the ability to lend at a finer rate. For HDFC Bank, every home loan customer can be tapped to become a bank customer.

Was there any pressure or immediate requirement for the merger?

The competition in the housing finance space has increased, say from 30 years ago, when HDFC Ltd. was one among a handful of housing finance entities. Now entities providing loans for housing have gone up substantially. The larger ones are LIC Housing Finance, PNB Housing, Bank of Baroda Housing etc. SBI too has a housing business. Banks have also been lending through subsidiaries — Canfin Homes is Canara Bank's housing finance subsidiary. So, in a sense for HDFC, it makes sense that HDFC Ltd. and HDFC Bank are under the same roof because if you are lending from a banking perspective, it makes it easier for your cost of funds to come down as your balance sheet size grows. When you are raising capital, your cost of capital also comes down.

For HDFC Bank, it's about getting access to a large base of customers for cross-selling purposes. For HDFC Ltd., or the mortgage lending business, it's primarily about the lower cost of capital.

Does a larger balance sheet help in terms of the NPA situation?

As far as HDFC Bank is concerned, bad loans are not a major pressure point because it has been a conservative lender compared to competitors. They have always shied away from big ticket lending to corporates. Most of their lending is to retail borrowers. As for HDFC Ltd., there might have been some pressure on home loans

during the pandemic but based on what they have disclosed so far, it is not a major pressure point either. Also, the merger with the bank sort of helps alleviate any upcoming pressure.

Will the lending pattern change?

Infrastructure lending has been a serious problem in India. With the government making it clear that there is need for funding the infrastructure segment, we will have to wait and see whether the merged entity has the expertise to lend to infrastructure projects, which is a risky proposition. They do have a large volume of funds, and if they see specific opportunities with good entrepreneurs and good government projects, they may go for it.

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What will be the impact of this deal?

It's possible that we might see more NBFCs seeking to merge with banks. There is already talk of the number of banks coming down. So in some ways, HDFC Bank's merger with HDFC Ltd. may be a precursor to what is going to happen in the state-run banking space, where the government has said it is going to reduce the number of public sector banks.

Source: The Hindu

5. Indonesia's palm oil crisis, and its implications for India

Relevant for GS Prelims & Mains Paper III; Economics

It's rare for any country that is the largest producer and exporter of a product to experience domestic shortages of the same product — so much so as to force its government to introduce price controls and curbs on shipments.


But that is precisely the story of Indonesia vis-à-vis palm oil. The US Department of Agriculture (USDA) has estimated the archipelago's palm oil production for 2021-22 (October-September) at 45.5 million tonnes (mt). That's almost 60% of the total global output and way ahead of the next bigger producer: Malaysia (18.7 mt). It is also the world's No. 1 exporter of the commodity, at 29 mt, followed by Malaysia (16.22 mt).

Yet, the country has seen domestic prices of branded cooking oil spiral, from around 14,000 Indonesian rupiah (IDR) to 22,000 IDR per litre between March 2021 and March 2022. On February 1, the Indonesian government imposed a ceiling on retail prices. These were fixed at 14,000 IDR for "premium" 1-, 2- or 5-litre packs and at 13,500 IDR for "simple" minimally-labelled below-1-litre containers. The price caps, however, led to the product disappearing from supermarket shelves, amid reports of hoarding and consumers standing in long queues for hours to get a pack or two (14,000 IDR is less than \$1 or Rs 74).

Besides domestic price controls, the government also made it compulsory for exporters to sell 20% of their planned shipments in the domestic market. These were again at predetermined prices of 9,300 IDR per kg for crude palm oil (CPO) and 10,300 IDR per kg for RBD (refined, bleached, deodourised) palmolein. The domestic market obligation was further raised to 30% with effect from March 10.

INDIA'S IMPORTS OF PALM OIL (IN LAKH TONNES)						
Fiscal (Apr-Mar)	Crude palm oil		Refined palm oil		Total palm oil	
	Indonesia	Malaysia	Indonesia	Malaysia	Crude	Refined
2015-16	37.09	33.76	21.48	4.24	71.12	25.72
2016-17	33.37	19.61	23.15	6.27	53.56	29.43
2017-18	45.85	17.21	23.57	4.16	67.50	27.73
2018-19	41.57	17.13	16.78	7.17	64.15	25.21
2019-20	42.72	14.89	3.71	17.9	61.76	25.02
2020-21	40.95	27.99	1.13	0.05	73.92	1.32
2021-22*	21.27	28.43	6.93	2.15	59.78	11.19

*Apr-Jan. Source: Department of Commerce



India's imports of palm oil (in lakh tonnes)

Plausible factors

How does one explain this conundrum — consumers unable to access or paying through the nose for a commodity in which their country is the preeminent producer and exporter?

There are two possible reasons.

The first has to do supply disruptions — manmade and natural — in other cooking oils, especially sunflower and soyabean.

Ukraine and Russia together account for nearly 80% of the global trade in sunflower oil, quite comparable to the 90% share of Indonesia and Malaysia in palm. Russia's invasion of Ukraine on February 24, which is ongoing, has resulted in port closures and exporters avoiding Black Sea shipping routes. Sanctions against Russia have further curtailed trade in sunflower oil, the world's third most exported vegetable oil (12.17 mt, according to USDA estimates for 2021-22) after palm (49.63 mt) and soyabean (12.39 mt).

Soyabean oil, too, is facing supply issues due to dry weather in South America. The USDA has projected the combined soyabean output of Brazil, Argentina and Paraguay for 2021-22 to fall by 9.4%, translating into the continent's lowest harvest in six years. Supply tightness in sunflower and soyabean — from war and drought, respectively — has, in turn, transmitted to palm oil.

The second factor is linked to petroleum, more specifically the use of palm oil as a bio-fuel. The Indonesian government has, since 2020, made 30% blending of diesel with palm oil mandatory as part of a plan to slash fossil fuel imports. The country's domestic consumption of palm oil is forecast at 17.1 mt, of which 7.5 mt is for bio-diesel and the balance 9.6 mt towards household and other use.

"Palm oil getting increasingly diverted for bio-diesel is leaving less quantity available, both for the domestic cooking oil and export market," said B V Mehta, executive director of the Mumbai-based Solvent Extractors' Association of India. Such diversion has become all the more attractive with Brent crude prices hardening post the Ukrainian war — to a closing high of \$127.98 per barrel on March 8 and staying elevated at \$100-plus levels.

Impact on India

Website: www.prepmate.in

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Telegram Channel: [@upscprepmate](https://t.me/upscprepmate)

Youtube channel: [PrepMateEdutech](https://www.youtube.com/channel/UCPrepMate)

India is the world's biggest vegetable oils importer. Out of its annual imports of 14-15 mt, the lion's share is of palm oil (8-9 mt), followed by soyabean (3-3.5 mt) and sunflower (2.5). Indonesia has been India's top supplier of palm oil, though it was overtaken by Malaysia in 2021-22 (see table).

On March 16-17, the Indonesian government lifted its retail price caps on palm oil along with the 30% domestic market sale obligation on exporters. At the same time, it levied a progressive tax on exports, linked to a reference price for CPO. These rates range from \$175 per tonne (when the reference export price is \$1,000-1,050) to \$375 (when prices are above \$1,500).

The restrictions on exports, even in the form of levy, take into cognizance Indonesia's higher population (27.5 crore, against Malaysia's 3.25 crore) as well as its ambitious bio-fuel programme (Malaysia is still to fully implement even 20% palm oil admixture in diesel). To that extent, the world – more so, the bigger importer India – will have to get used to lower supplies from Indonesia.

Meanwhile, import prices of edible oils have eased from their last month peaks, although higher than one year back. That should provide some relief, both for households and industrial consumers (including soap and cosmetic makers) in India.

Landed prices of CPO (cost plus freight, Mumbai) are currently ruling around \$1,750 per tonne, as against \$2,000 and \$1,175 at this time last month and a year ago, respectively. The corresponding import prices (current versus month-ago and year-ago) stood at \$1,690 (\$1,960 and \$1,115) for RBD palmolein and \$1,800 (\$1,925 and \$1,290) for crude de-gummed soyabean oil.

Source: The Indian Express

6. How much more will petrol prices increase in India?

Relevant for GS Prelims & Mains Paper III; Economics

While the prices may continue to rise, the extent of the increase may slow in the coming days. Latest data show that the incremental rise in petrol prices in the last 17 days may continue for some more time. However, with the crude oil prices softening from the highs recorded in March, and the exchange rate improving slightly, the degree of the rise in retail petrol prices may reduce in the coming days. But meaningful reduction in retail prices can only be expected if the government cuts the Centre's excise duty component further.

In the last 17 days, the retail petrol prices were revised upwards 14 times. From ₹95.41 on March 21, the retail petrol price in Delhi increased to ₹105.41 by April 7 (Chart 1). In other metros such as Mumbai, Kolkata and Chennai, the prices reached record levels of ₹120.51, ₹115.12 and ₹110.85 per litre, respectively, depending on the State's taxes.

Why are the prices rising?

After Deepavali on November 4, 2021, the price of petrol did not increase for over 138 days until March 22. Around Deepavali, the central excise duty was cut. This was later followed up by a reduction of Value Added Tax (VAT) in some States. After these two tax cuts, the retail petrol prices stayed put for a long time, likely owing to the Assembly elections in five States: Uttar Pradesh, Punjab, Goa, Manipur, and Uttarakhand.

The excise duty cut in November became necessary as crude oil prices were rising at the time. Between September and November last year, crude oil prices (Indian basket) increased from \$70.6/barrel to \$83.6/barrel (Chart 2). And this had an impact on the retail price, which increased from ₹101.34/litre to ₹109.69/litre during that period in Delhi (Chart 5). The tax cuts brought the price down to ₹95.41 and the retail price stayed put thereafter.

However, after January 2022, crude prices soared again and the exchange rate fell, driving up import costs. Between January and March 2022, crude prices (Indian basket) increased from \$77/barrel to \$102/barrel. They peaked at \$128/barrel on March 9. On March 24, crude prices recorded a relatively smaller peak of \$117. During that period, the exchange rate also weakened from ₹74.51 to ₹75.81 (Chart 3).

Thus, from January, while crude prices increased and the exchange rate fell, retail petrol prices stayed put, most likely due to the Assembly elections, leading to an imbalance. Oil marketing companies were possibly informally asked not to increase the retail prices and bear the additional costs during this period. And therefore, to correct this imbalance, the retail prices have been raised several times after March 22.

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When will this trend abate?

The current retail prices in Delhi have not yet reached the highest level recorded before the excise duty cut in November 2021 (₹110 per litre). So, the retail prices may not immediately start plateauing.

Another factor to be considered is that on November 4, when the excise duty was cut, crude prices (Indian basket) were around the \$80 mark, whereas currently they continue to be above the \$100 mark. But they are not as high as \$128 or \$117 per barrel, as was the case at various points in March.

The exchange rate has also improved in the last five days (Chart 3), from ₹75.81 to ₹75.60. So, while the extent of increase in retail prices may slow down in the immediate future, a levelling off or reversal in the price trend cannot be expected.

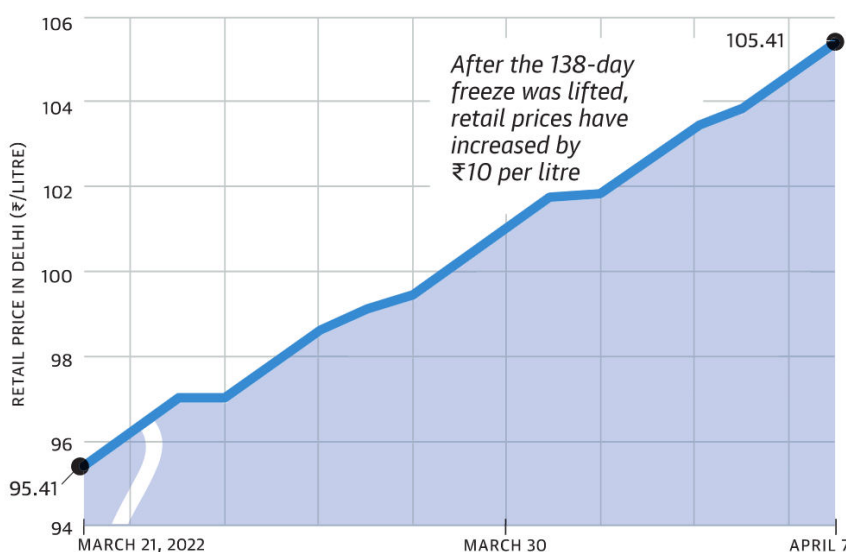
High taxation

The Centre's excise duty component continues to form about 27% of the retail petrol price in Delhi. That is, for every ₹100 worth of petrol filled in the stations, the customer is paying a Central tax of about ₹27. Back in

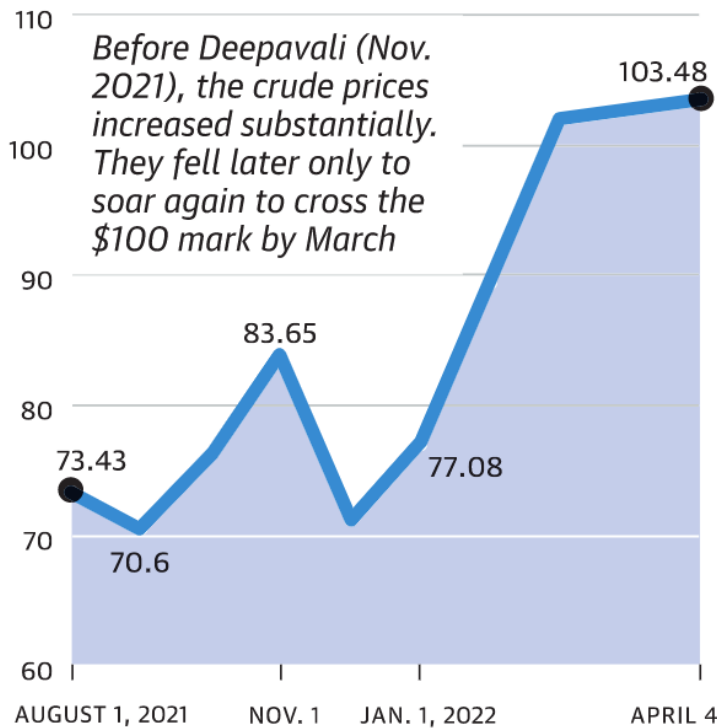
2014, the Centre's tax share was only 14%. Since then, whenever crude prices have crashed, the government has increased the Centre's excise duty in proportion to the drop and has not passed on the benefits to the customers.

Given that the crude prices are still high, any meaningful decrease in the retail prices can be achieved only if another round of excise duty and VAT cuts is implemented.

■ **CHART 1** | The chart shows the retail petrol price in Delhi in the last 17 days

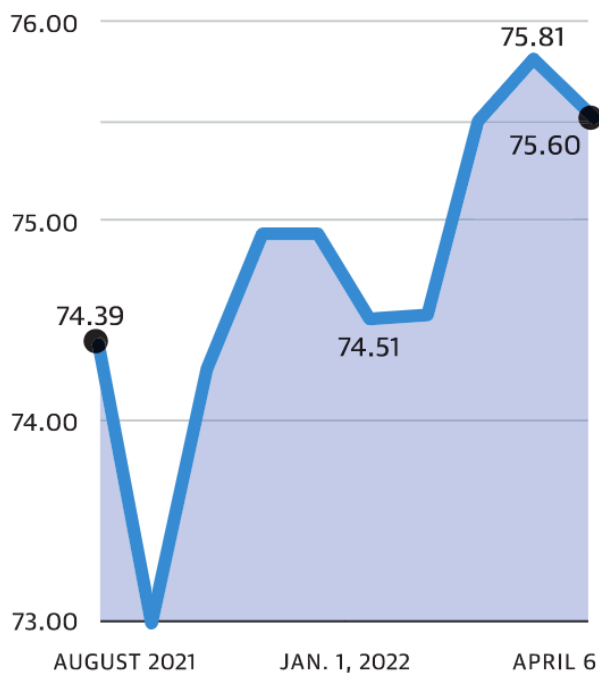


■ **CHART 2** | The chart shows the crude oil price (Indian basket) in \$ per barrel

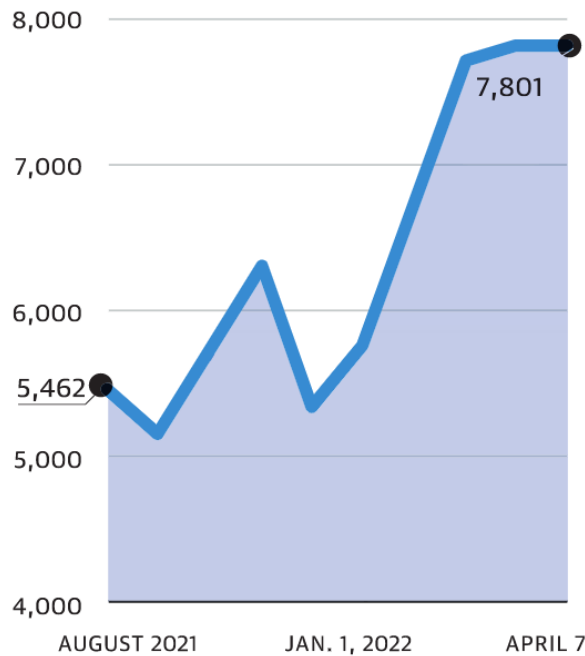


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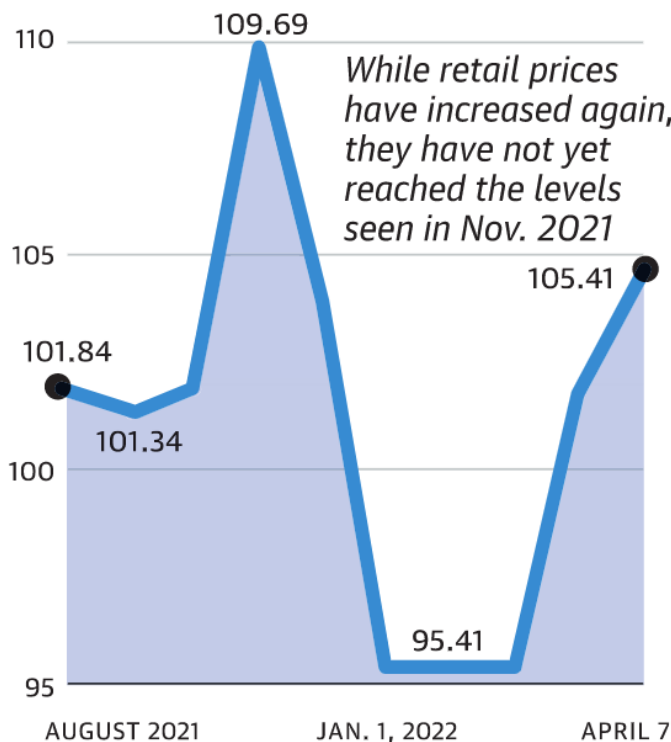
■ **CHART 3** | The chart shows the ₹'s exchange rate against the \$



■ **CHART 4** | The chart shows crude oil price (indian basket) in ₹ per barrel



■ **CHART 5** | The chart shows the retail price of petrol in Delhi in ₹ per litre



Source: PPAC, IMF



Source: The Hindu

7. The fingerprint on the new tax on Employees' Provident Fund income

Relevant for GS Prelims & Mains Paper III; Economics

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What are the guidelines on taxing Provident Fund contributions? Who is going to be impacted?

In the Union Budget of 2021-22, Finance Minister Nirmala Sitharaman introduced a new provision to tax income on provident fund contributions from employees beyond ₹2.5 lakh a year. An Employees' Provident Fund (EPF) account is mandatory for formal sector workers earning up to ₹15,000 a month in firms with over 20 employees, as a means of ensuring retirement income. An amount equivalent to 12% of the basic pay and dearness allowance paid to a worker is deducted as employees' contribution to their accounts, with an equivalent amount remitted by the employer. The EPF members are also allowed to voluntarily deploy more of their savings into the EPF account, an option many choose due to the need to build a larger nest egg for their sunset years and the reasonably healthy tax-free annual returns on the EPF.

What's the latest development on the PF tax introduced last year?

The Finance Ministry had rationalised the tax move by arguing that the ₹2.5 lakh cap on contributions will cover about 93% of EPF members, and the tax-free, assured income was being milked by the super-rich and high net-worth individuals. Many were contributing crores into their EPF accounts and earning several lakhs as annual income, thus misusing what is essentially a social security scheme, the Revenue Department pointed out. While the tax provision also covers government employees, the contribution limit for tax-free income for them and any other PF accounts where employers do not contribute was set at ₹5 lakh per year. On August 31, 2021, the Central Board of Direct Taxes (CBDT) notified rules to calculate the taxable income on PF contributions exceeding the specified limits, starting from the financial year 2021-22. The rules require all PF accounts to be split into separate accounts — one with the taxable contribution and interest earned on that component, and another with the non-taxable contribution that shall include the closing balance of the PF account as on March 31, 2021 and all fresh non-taxable contributions and interest thereon. The Employees' Provident Fund Organisation (EPFO), in charge of managing most private sector employees' retirement savings as well as regulating the operations of a few thousand companies that manage their PF trusts in-house, issued a circular on Wednesday to explain the operational details of the tax.

How will this new tax provision be implemented for EPF account holders?

The 43-page communique, which some tax experts noted is unusually long, seeks to provide guidelines on how to compute the tax liability in different scenarios. "The circular is mostly for administrative purposes and explains how withholding taxes would be computed and deducted in various situations such as withdrawal of funds from the PF account during the year," said Suresh Surana, RSM India founder, adding that it lays down norms for the tax to be deducted at source by the EPFO or company-run PF trusts.

At what rate will taxes be deducted from income on taxable contributions' account?

As specified by the CBDT, the EPFO will maintain a non-taxable account for contributions up to ₹2.5 lakh a year, and a taxable account for members who contribute over that threshold. Tax will be levied at 20% on such income for EPF members whose retirement savings accounts have not been linked to their Permanent Account Number (PAN), while the rate will be 10% for those who have linked their tax and EPF accounts. "Thus, PF members should ascertain that their PF accounts are linked with PAN in order to avoid unnecessary blockage of funds by way of deduction of TDS at a higher rate," Mr. Surana advised.

The TDS rate has been pegged at 30% for non-resident employees with active EPF accounts in India, unless their countries of origin have a Double Taxation Avoidance Agreement (DTAA) with India. According to Mr. Surana, this rate would be further increased by education cess and applicable surcharges.

How will it be factored in to Income Tax returns this year?

While the EPFO or an employer will take care of the TDS levies, if your income tax slab rate is higher than the rate at which the TDS was undertaken, you will need to pay the differential rate at the time of filing your IT returns, pointed out Deloitte India partner Saraswathi Kasturirangan. Moreover, depending on how much you contribute beyond the ₹2.5 lakh limit and whether your EPF and PAN are linked, there is some trickier math for you to work out. "Section 194A of the IT Act provides TDS deduction at 10% on eligible PF interest, provided the interest payable in the entire year is ₹5,000 or more. Thus, no TDS would be deducted if the PF interest paid to the resident does not exceed ₹5,000," said Mr. Surana. Where the tax liability on PF contributions' income is ₹5,000 or less, the tax will have to be calculated by the employee at the time of filing their returns. For instance, an interest income of ₹50,000 or ₹25,000 from contributions over ₹2.5 lakh, attracting a levy of 10% or 20%, respectively, would fall within this ₹5,000 cap. This may cover a lot of EPF members voluntarily parking more than mandated savings. "Employees will certainly need to keep close tabs on this and include such income in their returns," Ms. Kasturirangan emphasised. This provision of the Income Tax Act, however, does not apply on non-residents, pointed out Mr. Surana, noting that the TDS in such cases would have to be deducted on the entire PF income chargeable to tax.

Source: The Hindu

8. What is SDF, the RBI's new tool to absorb excess liquidity to control inflation?

Relevant for GS Prelims & Mains Paper III; Economics

While retaining the reverse repo rate at 3.35 per cent, the Reserve Bank of India (RBI) on Friday (April 8) introduced the Standing Deposit Facility (SDF), an additional tool for absorbing liquidity, at an interest rate of 3.75 per cent.

Role of SDF

The main purpose of SDF is to reduce the excess liquidity of Rs 8.5 lakh crore in the system, and control inflation.

In 2018, the amended Section 17 of the RBI Act empowered the Reserve Bank to introduce the SDF – an additional tool for absorbing liquidity without any collateral. By removing the binding collateral constraint on the RBI, the SDF strengthens the operating framework of monetary policy. The SDF is also a financial stability tool in addition to its role in liquidity management.

The SDF will replace the fixed rate reverse repo (FRRR) as the floor of the liquidity adjustment facility corridor. Both the standing facilities — the MSF (marginal standing facility) and the SDF will be available on all days of the week, throughout the year.

How it will operate

The SDF rate will be 25 bps below the policy rate (Repo rate), and it will be applicable to overnight deposits at this stage. It would, however, retain the flexibility to absorb liquidity of longer tenors as and when the need arises, with appropriate pricing. The RBI's plan is to restore the size of the liquidity surplus in the system to a level consistent with the prevailing stance of monetary policy.

Reverse repo rate

The fixed rate reverse repo (FRRR) rate which is retained at 3.35 per cent will remain part of the RBI's toolkit, and its operation will be at the discretion of the RBI for purposes specified from time to time. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework, the RBI said.

Question of liquidity

The "extraordinary" liquidity measures undertaken in the wake of the pandemic, combined with the liquidity injected through various other operations of the RBI, have left a liquidity overhang of the order of Rs 8.5 lakh crore in the system.

This has pushed up the retail inflation level in the system. “The RBI will engage in a gradual and calibrated withdrawal of this liquidity over a multi-year time frame in a non-disruptive manner beginning this year,” RBI Governor Shaktikanta Das said.

Source: The Indian Express

9. Reserve Bank’s policy thrust: Monetary tightening to tackle inflation

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Relevant for GS Prelims & Mains Paper III; Economics

For the eleventh time in a row, the Reserve Bank of India (RBI) has decided to keep the main policy rate – repo rate – unchanged at 4%. It has also retained its accommodative stance, but indicated it will engage in a gradual and calibrated withdrawal of surplus liquidity to rein in inflation. The central bank has now decided to focus on inflation over growth by sucking out money from the system in a multi-year time-frame.

What is the big picture emerging from the monetary policy review?

In the wake of the rise in crude oil and commodity prices and the impact of the Russian invasion of Ukraine, RBI has slashed the growth forecast to 7.2% for fiscal 2022-23 from 7.8% projected earlier. Although India’s direct trade exposure to the countries at the epicentre of the conflict is limited, the war could potentially impede the economic recovery through elevated commodity prices and global spill-over channels.

Also, financial market volatility induced by monetary policy normalisation in advanced economies, renewed Covid-19 infections in some major countries with augmented supply-side disruptions and protracted shortages of critical inputs such as semiconductors and chips, pose downside risks to the outlook, RBI said.

RBI has also increased the retail inflation projection from 4.5% to 5.7% in 2022-23. The spike in international crude prices since end-February poses substantial upside risk to inflation through both direct and indirect effects. Sharp increases in domestic pump prices could trigger broad-based second-round price pressures. A combination of high international commodity prices and elevated logistic disruptions could aggravate input costs across agriculture, manufacturing, and services sectors. Their pass-through to retail prices warrants continuous monitoring and proactive supply management, the policy panel said.

How has inflation moved of late?

The RBI’s objective is to achieve the medium-term target for consumer price index (CPI) inflation of 4% within a band of $\pm 2\%$, while supporting growth.

Provisional CPI data for February released by the NSO on March 14 showed that headline CPI inflation (year-on-year) for February 2022 edged up to 6.1% from 6% cent in January. The rise in oil and commodity prices and supply disruptions due to the war have led to a global rise in inflation. Retail inflation, which is considered a trigger for the RBI’s interest rate hikes, rose to 5.59% cent in December 2021 from 4.9% in November, 4.48% in October, and 4.35% in September.

Overall, external developments during the past two months have led to downside risks to the domestic growth outlook and upside risks to inflation projections presented in the February MPC resolution. Inflation is now projected to be higher and growth lower than the assessment in February, RBI Governor Shaktikanta Das said.

On the food price front, global factors such as the restrictions on wheat supplies from Ukraine and Russia via the Black Sea route and the unprecedented high international prices of wheat could have implications for domestic wheat prices. Edible oil price pressures are likely to remain elevated in the near term due to export restrictions by key producers as well as loss of supply from the Black Sea region.

However, a likely record rabi harvest would help to keep domestic prices of cereals and pulses in check.

What policy instruments has the RBI proposed to tackle this situation?

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Telegram Channel: [@upscprepmate](https://t.me/upscprepmate)

Youtube channel: [PrepMateEdutech](https://www.youtube.com/channel/UCPrepMate)

The RBI's liquidity management is characterised by two-way operations: through variable rate reverse repo (VRRR) auctions of varying maturities to absorb liquidity, and variable rate repo (VRR) auctions to meet transient liquidity shortages and offset mismatches.

In this review, the RBI has introduced the Standing Deposit Facility (SDF) – a new tool for absorbing liquidity – at an interest rate of 3.75%. So while the MPC maintained status quo on the repo rate and kept the stance accommodative, it signaled the normalisation of the liquidity adjustment facility (LAF) corridor by introducing the SDF as the floor rate in place of the fixed rate reverse repo (FRRR), which was kept unchanged at 3.35%.

Analysts said this would enable the central bank to mop up liquidity without providing any collateral. Both the standing facilities viz., the MSF and SDF, will be available on all days of the week, throughout the year.

The FRRR rate, retained at 3.35%, will remain part of the RBI's toolkit, and its operation will be at the discretion of the RBI for purposes specified from time to time. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework, the RBI said. The extraordinary liquidity measures undertaken in the wake of the pandemic, combined with the liquidity injected through various other operations of the RBI, have left a liquidity overhang of the order of Rs 8.5 lakh crore in the system, according to Das.

What is the trade-off in the RBI's policy with regard to growth?

The RBI has now decided to focus on inflation over growth as inflation remains above the RBI's upper band of 6%. The policy panel decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

While the RBI has been focusing on growth with its accommodative policy in the last three years, several analysts recently said it is behind the curve in tackling inflation and liquidity management. "In the sequence of priorities, we have now put inflation before growth. Time is appropriate...", Das said.

Is a long-term tightening of money supply indicated?

The RBI has said it will engage in a calibrated withdrawal of the accommodative stance over a multi-year time frame in a non-disruptive manner beginning this year. The objective is to restore the size of the liquidity surplus in the system to a level consistent with the prevailing stance of monetary policy. "While doing so, I would like to reiterate our commitment to ensure the availability of adequate liquidity to meet the productive requirements of the economy," Das said.

That said, the gradual tightening of money supply is expected to push up interest rates. The liquidity measures undertaken in the wake of the pandemic, combined with liquidity injected through various other operations of the RBI, have left a liquidity overhang of the order of Rs 8.5 lakh crore in the system.

Source: The Indian Express

10. How will cardless cash withdrawal system at ATMs work?

Relevant for GS Prelims & Mains Paper III; Economics

Last week, India's central bank announced cardless cash withdrawals at ATMs in the country. The feature will let consumers use Unified Payment Interface (UPI) on their smartphones to withdraw cash from ATMs. All ATMs across the country must enable this feature in their cash-dispensing machines, the Reserve Bank of India (RBI) said.

How will this system work?

Cardless cash withdrawals are to be authenticated via UPI. So, ATMs are expected to show an option for withdrawing cash using UPI. Once an user selects this option, they can input the amount to be withdrawn. A QR code will be generated on the ATM. Users will then need to scan that code via their UPI app, and enter password

to withdraw cash from the ATM. Until now, only fund transfers between accounts were enabled via UPI. With this option, consumers can take cash out from ATMs without a card.

What issues does this tech solve?

According to the RBI Governor Shaktikanta Das, cardless cash withdrawals will enhance security of cash withdrawal transactions. Besides, it would help prevent frauds like card skimming and card cloning.

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Currently, only existing customers of a few banks are allowed to withdraw cash without cards, and from specific bank's ATM networks. However, RBI's move to allow interoperability in cardless withdrawals will enable users to take cash from any all bank's ATM.

RBI's move will invite more players into the payment ecosystem in India to innovate and solve further problems of customers, Swapnil Bhaskar, Head of Strategy, Niyo, a millennial- focused neo-banking platform, said .

What is card skimming?

Criminals steal data from credit or debit cards by tracking a card swiped at ATMs. They pick this information from using a skimming device that reads the card's magnetic strip. These devices are surreptitiously installed on ATMs. And once the device picks up the data, it can be used to gain unauthorised access to the user's banking records.

The stolen information can be coded onto a new card, a process called cloning, and be used to make payments and transact with other bank accounts. Problematic ATMs that function intermittently, and the ones located in isolated areas are often used to install such skimming devices.

Fraudsters also install scanning devices on point of sale machines. These devices can stealthily scan a card before it is swiped at the payment counter at a departmental store. This is especially tough to spot if the billing counter is not in the line of sight of the card owner.

These devices are difficult to identify as they appear to be a legitimate part of an existing ATM, or like a regular in-store card reader. It is skilfully fitted to the payment machines.

What are the limitations and challenges of card-less cash withdrawal feature?

Currently, ICICI Bank, Kotak Mahindra Bank, HDFC Bank and SBI allow cardless cash withdrawals for their users.

But, accessing the feature is cumbersome. And the feature has certain withdrawal limits, and the transaction is charged. The cardless feature at these banks work with each specific bank's app.

HDFC Bank customers are allowed to withdraw up to ₹10,000 per day and ₹25,000 per month using the cardless cash method. And these withdrawals also have a service fee of ₹25 per transaction.

At the moment, it is not clear whether UPI-based cash withdrawals will have the same restrictions and service fee.

Scalability of this feature might be a challenge as it has to be seen how many banks quickly roll it out to their customers, Kumar Shekhar, VP, Member Operations, Tide (India) said.

In cardless withdrawal, the security vulnerability of a card is minimised, but the risk will soon transfer to a mobile-enabled feature. The mobile can now become epicentre of transactions, making it the next target for the fraudsters, Bhaskar said.

What is the future of debit cards?

Issuing cards will not be stopped, as they have several other utilities beyond cash withdrawals. They can be used at a restaurant, shop, or for payments in a foreign country, Das said in a statement.

Debit card is a very evolved financial product and has already gone through a lot of iterations to its perfection. In its further evolution, we are seeing new use cases for debit cards like having standing instructions or EMI payments, Bhaskar said.

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"There is still a lot of time for UPI to come to the level of sophistication of a debit card. Moreover, the debit card will continue to serve some segments of the economy which are not comfortable with pure digital payment solutions like UPI or who want to have higher transaction limits," Bhaskar added.

Source: The Hindu

11. What is a 'Poison Pill' defence, that Twitter is using to counter Elon Musk's takeover bid?

Relevant for GS Prelims & Mains Paper III; Economics

On Friday, Twitter countered Elon Musk's offer to buy the company for more than \$43 billion with a corporate tool known as a poison pill, a defensive strategy familiar to boardrooms trying to fend off takeovers but less familiar to everyday investors.

This defense mechanism was developed in the 1980s as company leaders, facing corporate raiders and hostile acquisitions, tried to defend their businesses from being acquired by another enterprise, person or group.

What is a poison pill?

A poison pill is a maneuver that typically makes a company less palatable to a potential acquirer by making it more expensive for the acquirer to buy shares of the target company above a certain threshold.

"The whole point of it is to make the offer from the board more attractive than the acquirer," said Carliss Chatman, an associate professor of law at Washington and Lee University.

The strategy also gives a company more time to evaluate an offer and can give the board leverage in trying to force a direct negotiation with the potential acquirer.

What does a poison pill actually look like?

A poison pill is officially known as a shareholder rights plan, and it can appear in a company's charter or bylaws or exist as a contract among shareholders.

There are different types of poison pills, but usually, they allow certain shareholders to buy additional stock at a discounted price, said Ann Lipton, an associate professor of law at Tulane University.

The only shareholder blocked from making these discounted purchases is the one who triggers the poison pill. It is triggered when a person, usually the acquirer, hits a threshold for how many shares they own. If they hit that threshold, the value of their shares is suddenly diluted as other shareholders make discounted purchases.

Securities experts say that investors rarely try to break through a poison pill threshold, though there are exceptions.

Pizza chain Papa John's adopted a poison pill in July 2018 in a rare instance of a company trying to block its founder from taking over. The founder, John Schnatter, exited after a report that he had used a racial slur in a conference call, a statement he subsequently said in court had been mischaracterized. He owned 30% of its stock at the time.

The poison pill would have allowed shareholders to buy stock at a discount if Schnatter, his family members or friends raised their stake in the company to 31% or if anyone else bought 15% of the stock without the board's approval. The dispute ended with a settlement in March 2019.

In Twitter's case, the pill would flood the market with new shares if Musk, or any other individual or group working together, bought 15% or more of Twitter's shares. That would immediately dilute Musk's stake and make it significantly more difficult to buy up a sizable portion of the company. Musk currently owns more than 9% of the company's stock.

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Are there limits to using a poison pill?

Lipton said a company could be limited by the ceiling in its charter on how many shares it is allowed to issue. But even if it has hit that ceiling, she said, a company has other options to make the purchase unattractive.

And poison pills could also be evaded if the acquirer or the shareholders sue the company for violating its fiduciary duties. But, Lipton said, courts have shown "incredible reluctance" to interfere.

"Boards have a terrific amount of leeway to judge what is in the best interest of shareholders, particularly if they are made up of independent directors," she said. Boards often implement poison pills on a temporary basis so that they can consider their options with more time.

Are poison pills effective?

Very, according to Chatman. She said that hostile takeovers are not as common as they were in the 1980s because potential acquirers now assume that companies have poison pill provisions in place.

When else have poison pills been used?

Netflix successfully fended off billionaire investor Carl Icahn in November 2012, using a poison pill that would have made it more expensive for Icahn, or any other person or group, to accumulate more shares of Netflix if they acquired 10% of the company without the approval of its board.

Almost a year later, in October 2013, Men's Wearhouse survived an acquisition attempt by Jos. A. Bank Clothiers after it adopted a poison pill. (Men's Wearhouse then acquired Jos. A. Bank in March 2014, and the owner of both companies filed for bankruptcy in August 2020.)

In September 1985, in the wake of rumors that consumer goods company Philip Morris was targeting it, the McDonald's Corp. said it had adopted a poison pill plan to prevent "abusive takeover tactics." (The company said the plan was not adopted in response to any known offer.) A few years later, The Walt Disney Co. announced it had adopted one, calling it "a sound and reasonable means of safeguarding the interests of all stockholders."

Source: The Indian Express

12. What are oil bonds, and to what extent do they tie the govt's hands?**Relevant for GS Prelims & Mains Paper III; Economics**

Over the last one year, as retail prices of petrol, diesel and other petroleum products have surged, the government has attracted criticism. On several occasions, including last week, Finance Minister Nirmala Sitharaman has sought to counter such criticism by claiming that the current government cannot bring down taxes (and, as a consequence, prices) because it has to pay for the oil bonds issued by the Congress-led UPA government. How far do oil bonds tie the government down when it comes to taxation of petroleum products?

How much of fuel prices is tax?

There are two components to the domestic retail price — the price of crude oil itself, and the taxes levied on this basic price. Together they make up the retail price. The taxes vary from one product to another. For

instance, as of now, taxes account for 50% of the total retail price for a litre of petrol, and 44% for a litre of diesel.

What has the Finance Minister said?

She has made two main points. One, she has blamed the ongoing conflict in Ukraine for higher crude oil prices. Two, on taxes, she has blamed the UPA era oil bonds. "... Taxpayers of today are paying for the subsidy which was dished out to consumers more than a decade ago in the name of oil bonds and they will continue to pay for the next five years as the redemption of bonds continues till 2026," she said in Rajya Sabha.

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In December 2021, speaking in Parliament, she had quoted from then Prime Minister Manmohan Singh's 2008 address to the nation: "I would like the nation to remember that issuing bonds and loading deficits on oil companies is not the permanent solution to this problem (of high fuel prices). We are only passing our burden to our children who will have to repay this debt."

What are oil bonds? Why were they issued?

When fuel prices were too high for domestic consumers, governments in the past often asked oil marketing companies (OMCs) to avoid charging consumers the full price.

But if oil companies don't get paid, they would become unprofitable. To address this, the government said it would pay the difference. But again, if the government paid that amount in cash, it would have been pointless, because then the government would have had to tax the same people to collect the money to pay the OMCs.

This is where oil bonds come in. An oil bond is an IOU, or a promissory note issued by the government to the OMCs, in lieu of cash that the government would have given them so that these companies don't charge the public the full price of fuel.

An oil bond says the government will pay the oil marketing company the sum of, say, Rs 1,000 crore in 10 years. And to compensate the OMC for not having this money straightaway, the government will pay it, say, 8% (or Rs 80 crore) each year until the bond matures.

Thus, by issuing such oil bonds, the government of the day is able to protect/ subsidise the consumers without either ruining the profitability of the OMC or running a huge budget deficit itself.

Oil bonds were issued by several governments in the past. But the ones in question now are the ones which the UPA government issued.

As Table 1 shows, when the NDA government under PM Narendra Modi took charge in 2014, there were bonds worth Rs 1.34 lakh crore that had to be paid between 2015 and 2026.

TABLE 1

OIL BONDS NDA INHERITED

DETAILS (INTEREST RATE, DATE OF MATURITY)	PRINCIPAL (₹ cr)
7.61% GOI spl. Bonds, 2015*	1,750.00
7.59% GOI spl. Bonds, 2015*	1,750.00
8.13% GOI spl. Bonds, 2021*	5,000.00
7.75% GOI spl. Bonds, 2021*	5,000.00
8.20% GOI spl. Bonds, 2023	22,000.00
8.01% GOI spl. Bonds, 2023	4,150.00
8.20% GOI spl. Bonds, 2024	5,000.00
8.20% GOI spl. Bonds, 2024	10,306.33
6.35% GOI spl. Bonds, 2024	22,000.00
7.95% GOI spl. Bonds, 2025	11,256.92
8.40% GOI spl. Bonds, 2025	9,296.92
8.40% GOI spl. Bonds, 2026	4,971.00
6.90% GOI spl. Bonds, 2026	21,942.00
8.00% GOI spl. Bonds, 2026	10,000.00
TOTAL	1,34,423.17

*These bonds have been paid in full
(total paid ₹13,500 crore)

Source (Table 1 & Chart 1): Union Budgets,
Express Research

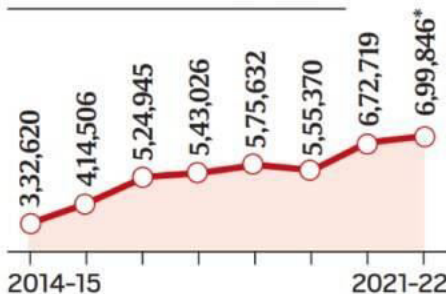
CHART 1

ANNUAL INTEREST PAYMENT ON OIL BONDS (₹ cr)



CHART 2

CONTRIBUTION OF OIL SECTOR TO EXCHEQUER (₹ cr)



*Provisional Source: PPAC, Express Research

Table 1, Chart 1 Source: Union Budgets, Express Research; Chart 2 Source: PPAC, Express Research

How much of the UPA-era oil bonds has the NDA government paid back?

As discussed earlier, there are two components of oil bonds that need to be paid off: the annual interest payment, and the final payment at the end of the bond's tenure. By issuing such bonds, a government can defer the full payment by 5 or 10 or 20 years, and in the interim just pay the interest costs. Table 1 shows that between 2015 and 2021, the NDA government has fully paid off four sets of oil bonds — a total of Rs 13,500 crore.

Each year, the BJP government had also had to pay the interest rate on all bonds that have not matured. Chart 1 shows the amount paid towards interest payment each year. Between 2014 and 2022, the BJP government has had to spend a total of Rs 93,686 crore towards interest as well as the principal.

Is this amount large enough to restrict the Finance Ministry from bringing down the taxes?

Compare the payout with the money that the government earned from all kinds of taxes that it levied on petroleum products. Chart 2, showing total revenues earned by the Centre and state combined from sector, this provides this information.

There are three ways to answer the question as to whether the amount is large enough to restrict a reduction in taxes.

The first is to observe that total payout was just 7% of the total revenues in 2014-15. As the years progressed, this percentage has come down because taxes generated from this sector have soared.

The second is to look at the total revenue earned by the government (both Centre and states) between 2014 and 2022 from taxing petroleum products. This amount is more than Rs 43 lakh crore. That means the total payout by the NDA government till date on account of oil bonds is just 2.2% of the total revenues earned during this period.

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The third way is to note that the total amount of revenue earned by the Centre from just one kind of tax — excise tax — in just — 2014-15 — was more than Rs 99, 000 crore. (This data point is not separately plotted in Chart 2.)

In other words, while the NDA government has had to pay for oil bonds, the payout is not big compared to revenues earned in this sector.

Still, isn't it a bad idea to issue such bonds?

Former PM Manmohan Singh was correct in noting that issuing bonds just pushed the liability to a future generation. But to a great extent, most of the government's borrowing is in the form of bonds. This is why each year the fiscal deficit (which is essentially the level of government's borrowing from the market) is so keenly tracked.

Further, in a relatively poor country like India, all governments are forced to resort to the use of bonds of some kind. Take the current NDA government itself, which has issued bonds worth Rs 2.79 lakh crore (twice the amount of oil bonds) to recapitalise public sector banks. These bonds will be paid by governments till 2036. According to N R Bhanumurthy, Vice-Chancellor of Dr B R Ambedkar School of Economics University in Bengaluru, the main wisdom while issuing bonds is for a government to employ this tool towards increasing the productive capacity of the economy.

Source: The Indian Express

13. Why are lemons so costly now?

Relevant for GS Prelims & Mains Paper III; Economics

Over the last few weeks, the price of lemon has touched unprecedented highs, with a single lemon retailing between Rs 10 and Rs 15 in most markets. A look at how much lemon is grown in the country, what has led to the price hike, and where the prices could possibly be headed:

How much lemon is grown in the country, and where?

The fruit is grown in orchards spanning a combined 3.17 lakh hectares across the country. Lemon trees flower and give fruit three times a year. Andhra Pradesh is the largest lemon-growing state with 45,000 hectares under the fruit. Maharashtra, Gujarat, Odisha and Tamil Nadu are the other major lemon-growing states.

What is known as nimbu in Hindi comes under two broad categories: lemon and lime. The small, round and thin-skinned kaagzi is the mostly commonly grown variety in the country. Lime, on the other hand, refers to the dark green fruits that are grown commercially in North India and the Northeast, with varieties such as the gondhoraj in West Bengal being locally well-known.

Annually, India produces over 37.17 lakh tonnes of the fruit, which is consumed domestically. The fruit is neither exported or imported.

A warm, moderately dry and moist climate is the most suitable for the fruit, with heavy rainfall inducing bacterial diseases in orchards. Plants are grown through grafting, with the Nagpur-headquartered ICAR Central Citrus Research Institute (CCRI) and various state agricultural institutes maintaining quality root stocks. Farmers normally plant 210-250 lemon trees on an acre, and orchards yield their first harvest after three years of planting. On an average, a single tree yields around 1,000-1,500 fruits.

BUYING A LEMON

Delhi	₹ 8-10
Mumbai	₹ 10-15
Kolkata	₹ 10
Lucknow	₹ 6-8
Ahmedabad	₹ 8-13
Panaji	₹ 10

Retail price of an average-sized fruit on Wednesday. Prices varied from market to market

The price of lemons in some cities on Wednesday

What is the fruit's cycle?

Farmers supply the fruit round the year by inducing flowering through what is known as the 'bahar treatment', said Dr A A Murkute, principal scientist for the CCRI. In this treatment, farmers withhold irrigation and spray chemicals, prune the orchards, and then resume fertiliser treatment and irrigation, which subsequently leads to flowering and thus to fruit formation.

Lemon growers take three bahars in a year — known as Ambe, Mrig and Hasta, and named based on the season when the flowering is induced. During the Ambe bahar, flowering starts in January-February with fruit formation happening from April. During the Mrig bahar, orchards bloom during June-July, and the harvest happens in October. The Hasta bahar involves flowering in September-October, with harvest happening post March. These bahars overlap, and thus farmers have fruit round the year to market.

Dr Murkute said almost 60% of the crop that feeds the market is harvested from the Ambe bahar, while the Mrig bahar contributes 30% and the Hasta bahar the rest. Most of the Mrig bahar fruit is initially sent to cold storage, while fresh fruits from the other two bahars are retailed.

How much have prices risen?

In Pune's wholesale market, a 10-kg bag of lemon is selling at Rs 1,750 at present. A 10-kg bag normally contains 350-380 lemons, so the price of a single lemon now costs Rs 5. The retail price of a single lemon in Pune is around Rs 10-15. This, traders say, is the highest ever price the nimbu has ever commanded in this market, and it is mainly due to extremely low arrivals. Pune's market normally reports around 3,000 bags of 10 kg each, but now the arrivals are barely 1,000 bags.

In markets such as Mumbai, Hyderabad, Kolkata, the fruit is selling at wholesale rates of Rs 120, Rs 60, and Rs 180 respectively per kg, up from Rs 100, Rs 40 and Rs 90 a month ago.

What is the reason for the hike?

One of the main reasons is the failure of the Hasta bahar and the subsequent Ambe bahar. Across the country, the monsoon was exceptionally good last year, but the months of September and October had brought exceptionally heavy rains. Lemon orchards are extremely sensitive to excess moisture and thus, due to the heavy rainfall, the bahar treatment failed and flowering did not happen. This fruit is normally kept in cold storage and marketed until the next fruit from the Ambe bahar arrives. Due to a significantly lower harvest this time, farmers had lower yields to store.

The Ambe bahar fruit also suffered from unseasonal rain, with farmers reporting a drop in flowering during the initial phases. Since the end of February, soaring temperatures too have hit the crop, causing the younger fruits to drop off. For the summer, when the demand for lemon hits an all-year high, the stored Hasta bahar and fresh Ambe bahar fruits feed the market. But the double whammy has hit production.

Farmers and traders said this would be the one of the rarest years when two consecutive bahars have failed. Across the country, prices of lemon have crossed record high levels due to the low arrivals.

When will the market see a correction in prices?

Chances of an immediate price correction are dim, with traders ruling out any immediate improvement in arrivals. The next crop that can be expected to reach the market will be ready only after October, and only then would arrivals improve significantly. At present, some arrivals from the Ambe bahar are expected from areas where the flowering has not been hit to a large extent. Even that arrival, however, is not expected to be enough to meet the demand.

Source: The Indian Express

14. Twitter's 'poison pill' roadblock to Elon Musk's 'hostile takeover'**Relevant for GS Prelims & Mains Paper III; Economics**

Twitter has thrown a roadblock in front of Elon Musk's hostile takeover bid, adopting a "limited-duration shareholder rights plan", also known as a "poison pill", that would make it much more expensive and complicated for the Tesla CEO to take control of the social media network. We take a look at what this plan is that Twitter has brought in to thwart Musk's bid and what are the options left for the Tesla CEO to complete his takeover.

Poison pill — the nuclear option against a hostile takeover

The method, known as a "poison pill" in the finance world, essentially allows existing shareholders to purchase freshly issued shares in a company at a discount to the trading price, effectively making any possible buyout plan extremely costly and prohibitive for the party planning a hostile takeover.

In this case, the move will prevent anyone from having more than a 15 per cent stake in Twitter by allowing existing shareholders to buy additional shares at a discount. The Twitter board detailed its defence plan to the US Securities and Exchange Commission and put out a statement saying it was needed because of Musk's "unsolicited, non-binding proposal to acquire Twitter".

In fact, Musk, who offered to buy Twitter for \$43 billion for \$54.20/share in cash for a 9.2 per cent stake in Twitter, seems to have been displaced as the largest shareholder in the platform. US registered investment advisor Vanguard Group, on April 8, disclosed that it now owns 82.4 million shares of Twitter, which means 10.3 per cent of the company, according to the most recent publicly available filings with the US Securities and

Exchange Commission. According to the filing, the asset-manager increased its stake in the company at some point during the first quarter.

Another high-profile Twitter investor, Al Waleed bin Talal Al Saud — a Saudi royal — has said that Elon Musk's offer to buy the platform is too low. Al Saud, in a tweet on April 15, rejected Musk's offer. "I don't believe that the proposed offer by Elon Musk (\$54.20) comes close to the intrinsic value of Twitter given its growth prospects," the Saudi prince tweeted. "Being one of the largest and long-term shareholders of Twitter, @Kingdom_KHC and I reject this offer."

A takeover bid is deemed as hostile when a company attempts to acquire another against the wishes of that unit's management. In the Twitter case, the management is represented by the platform's executive board which has indicated that it is viewing the Musk offer as "hostile".

What has Musk's plan been

Musk has gone back and forth on this. He says that his latest plan is to buy Twitter outright and then take it private "to restore its commitment" to what he calls "free speech". But his offer, which seemed to have gotten a clear thumbs down from the investors, raises multiple questions, including whether he's serious in the first place and does he have the funds to do this?

His objective for this move to take over Twitter is also fuzzy, including his promise of ensuring that it lives up to its potential as a "platform for free speech". Musk insisted on Thursday that his plan was triggered by the realization that "having a public platform that is maximally trusted and broadly inclusive is extremely important for the future of the civilization".

What stands in the Tesla CEO's way

Since Musk does not have any presence in the social media space, his proposal to buy Twitter is unlikely to raise any antitrust flags. However, there are still question marks over how he would fund the \$43 billion purchase. Bloomberg columnist Matt Levine wrote in an opinion piece that funding the 9.2 per cent buy-in would've been much easier given that Musk only just diluted Tesla stocks worth nearly \$16 billion. But to finance his purchase of the rest of Twitter's shares would mean tapping into his remaining \$55 billion worth of Tesla shares. There's also the question of Musk having to clear the SEC hurdles — an organisation that has had run-ins with Musk several times in the past with the regulator prevailing over the billionaire. On Thursday at a TED Event in Vancouver, speaking about his plans to take Tesla private Musk said: "I was told by the banks that if I did not agree to settle with the SEC, they would cease providing working capital and Tesla would go bankrupt immediately...so that's like having a gun to your child's head. So I was forced to concede to the SEC, unlawfully".

Response to the 'poison pill'

The proposal of Twitter's board to block Musk from buying the company out could also go either way, given that the billionaire could mobilise a proxy fight with thousands of retail investors backing him in voting the current set of directors out, Levine wrote. Notably, like he did before selling his Tesla stocks, Musk has already conducted a Twitter Poll titled: "Taking Twitter private at \$54.20 should be up to shareholders, not the board" with 83 per cent of the 2.9 million participants voting 'Yes', with the remaining 17% voting 'No'. Musk even tweeted: "If the current Twitter board takes actions contrary to shareholder interests, they would be breaching their fiduciary duty. The liability they would thereby assume would be titanic in scale". However, he does recognise the Board's ability to block the purchase. At the Vancouver event he acknowledged that he might not "actually be able to acquire" Twitter, but said that he has a Plan B if Twitter rejected his offer.

Source: The Indian Express

15. Why is India looking to boost wheat exports?

Relevant for GS Prelims & Mains Paper III; Economics

Does India have surplus wheat production? Which are the countries considering to import the foodgrain?

Russia's invasion of Ukraine and the subsequent western sanctions on Russia have affected wheat exports from the Black Sea region and impacted food security in several countries, especially in Africa and West Asia. The disruption to global wheat supplies in turn has thrown open opportunities that India's grain exporters are eyeing, especially given the domestic surplus availability of the cereal. Union Minister for Commerce and Industry Piyush Goyal said on Friday that Egypt, one of the largest importers of wheat, had agreed to source the cereal from India.

What is the status of India's wheat exports?

Globally, Russia is the market leader for wheat exports (almost 15% share) and Ukraine is also a major producer. Exports from these two countries have been hit by the war and sanctions.

India expects to produce 112 million tonnes of wheat in the current season. The government requires 24-26 million tonnes a year for its food security programmes. With surplus wheat production, opportunities have opened up for exports. Wheat exports in the 2021-2022 financial year were estimated at 7.85 million tonnes, a quadrupling from 2.1 million tonnes in the previous year.

More countries are turning to India because of the competitive price, acceptable quality, availability of surplus wheat and geopolitical reasons. While the existing importers are buying more, new markets have emerged for Indian wheat. Exports this fiscal are expected to be almost 10 million tonnes worth \$3 billion.

Which new markets are expected to buy from India?

The different grades of wheat produced in India are of the milling quality. So, apart from Egypt and Jordan, countries in East Africa are also likely to source the foodgrain from India. India has sent out dossiers to over 20 countries and talks are on at different levels with all these countries. The aim is to reach early resolution on the Pest Risk Analysis by each of these countries so that exports can take off.

The Agricultural and Processed Food Products Export Development Authority (APEDA) and Ministry of Agriculture are also sending delegations to several countries to resolve market issues, if any.

What is being done to facilitate the exports?

The Commerce Ministry has put in place an internal mechanism to facilitate it and get the paperwork ready for the related sanitary and phytosanitary applications to help facilitate shipments.

Wheat is going in full vessel loads and needs to be transported to the ports from the growing areas. The railways is providing rakes on priority to move the wheat. Tarun Bajaj, director at APEDA, says the railways, ports, and testing laboratories are all geared up to meet the requirements.

What norms are buyer countries using to approve Indian wheat?

Countries that have not previously imported wheat from India insist on the completion of the Pest Risk Analysis to provide market access. There are also other different standards that the buyers share with their sellers here. While, at present, Indian suppliers are able to meet these criteria, Indian authorities are working closely to step in and negotiate resolution if any "unreasonable" standards are stipulated.

What is the future outlook?

The government is optimistic about the long-term export opportunities not only for wheat, but for all cereals including millets and super foods.

Trade sources say if Indian wheat prices remain competitive and geopolitical and weather conditions stay favourable, the scope is good for wheat exports. India has won the confidence of markets such as Sri Lanka and Bangladesh. It needs to establish itself in the new markets too and the government should facilitate it.

Source: The Hindu

16. What's fuelling higher inflation in rural India?

Relevant for GS Prelims & Mains Paper III; Economics

Why are food, clothing and fuel prices higher in the hinterland? Will a good monsoon help ease the crisis?

The retail inflation rate surged to 6.95% this March — its highest level in nearly one and a half years, capping off six successive months of accelerating prices for consumers. With incremental fuel price hikes only kicking in during the latter half of March, the full impact of higher global oil prices being passed on to consumers will only begin reflecting in April. Economists expect inflation to go past 7% and hover around that level till as far as September. However, across large parts of the country, the experienced price rise has already crossed 7.5% and even 8%. Official data pegs rural inflation in March at 7.66%, with several States reporting even higher inflation, including West Bengal (8.85%), Uttar Pradesh and Assam (8.19%) as well as Madhya Pradesh (7.89%).

How have urban and rural inflation trends differed over the past year?

Urban inflation has usually tended to be higher than rural inflation by an average of about 0.8 percentage points through most of 2021 — the only exceptions being August when both stood at 5.3% and May when rural inflation was 6.6% and urban inflation was 5.9%. In December 2021, urban inflation was 5.9%, while rural inflation was 5.4%. In contrast, March 2022 marked the third consecutive month that the pace of price rise in the hinterland outstripped urban India, and the gap has been widening rapidly. From a minor 0.2 percentage points higher inflation rate over urban India in January, rural inflation hit a nine-month high of 6.38% in February even as urban inflation declined to 5.75%. In March, the gap between the two has surpassed 1.5% with urban inflation at 6.12% and rural areas clocking 7.66%.

What are the key drivers of higher inflation in the hinterland?

While food inflation was the key driver for the headline inflation rate jump in March, with the overall consumer food price index racing to 7.68% from 5.85% in February, the spike was far more pronounced in rural India where food inflation hit 8.04%. Food inflation in urban India was a full percentage point lower. Madan Sabnavis, chief economist at Bank of Baroda, reckoned that the higher inflation in food, which has a higher weight in the Consumer Price Index, along with inflation in fuel and light and clothing, were the key factors driving up rural prices. Consider the inflation rates for some items faced by rural consumers vis-à-vis their urban peers — oils and fats (20.75% v. 15.15%), clothing (9.9% v. 7.74%), footwear (12.2% v. 9.9%), fuel and light (8.3% v. 6.3%), personal care and effects (9.3% v. 7.7%) and last but not the least, a persistently higher inflation in education costs of about 1 to 1.5 percentage points.

"The pent-up demand appears to be higher in rural India, so clothing is seeing higher inflation as demand picks up. Moreover, fuel prices are higher in rural areas due to connectivity issues, while prices of traditional fuel like firewood have also risen in tandem," Mr. Sabnavis explained.

Rating agency ICRA's chief economist Aditi Nayar said part of this trend could also be explained by the shift of labour between urban and rural areas in the last two years, which has also injected volatility into demand dynamics.

"Interestingly, while vegetable prices declined in the urban areas between February and March 2022, they inched up sharply in rural India month-on-month, even though in absolute terms, their vegetables inflation rate remained lower at 10.57% than urban areas which recorded 13.37% inflation," she added. Indeed, the vegetable price trends have been most intriguing — rural inflation was 1.4% in January, 3.7% in February and a whopping 10.6% in March.

Which sections are affected the most, and what next?

While high inflation affects the poor the most in general, the fact that price rise in food, the largest component of their consumption basket, is driving the current surge, is particularly burdensome, noted Crisil chief economist Dharmakriti Joshi.

Using data from official surveys, Mr. Joshi's team has estimated that the bottom 20% of the population in urban as well as rural India is facing the worst effects. The rural bottom 20% faced the highest inflation at 7.7% in March, while the upper 20% of the income segment in the hinterland experienced 7.6% inflation.

"With upward pressure rising, inflation is becoming broad-based. Last year, low food inflation had contained the headline number, while fuel and core inflation (excluding food and energy prices) had risen. Now, food inflation is expected to rise along with both fuel and core inflation," he said.

While food price risks have risen due to the Russia-Ukraine conflict, higher prices for farm sector inputs could further feed into food inflation, SBI group chief economic adviser Soumyakanti Ghosh said in a report this Wednesday. "The cost of production is likely to increase by around 8-10%... the Minimum Support Price should at least be higher by around 12%-15%," he pointed out. With a normal monsoon anticipated this year, the inflation trajectory in months to come would determine if rural consumer demand rebounds or is constricted to focus on essential goods and services.

Source: The Hindu

17. What the increase in MCLR means for you, your loan

Relevant for GS Prelims & Mains Paper III; Economics

State Bank of India (SBI), India's largest commercial bank, on Monday raised the marginal cost of funds-based lending rates (MCLR) for the first time in three years, signalling that the soft rates regime that has prevailed since 2019 may be over.

Your EMIs are set to rise

SBI raised the MCLR by 10 basis points (bps) across tenures to 7.1% (from 7% earlier); it is now slightly lower than the 7.25% at HDFC Bank, Punjab National Bank, and ICICI Bank. Bank of Baroda, Axis Bank, and Kotak Mahindra Bank raised their MCLR by 5 bps each across tenures. Other public sector and private banks are set to raise MCLR in the coming days.

MCLR, which RBI instituted with effect from April 1, 2016, is the lowest interest rate that a bank or lender can offer. It is applicable to fresh corporate loans and floating rate loans taken before October 2019. RBI then switched to the external benchmark linked lending rate (EBLR) system where lending rate is linked to benchmark rates like repo or Treasury Bill rates.

As a result of the increase in MCLR, borrowers who have taken home, vehicle, and personal loans will find their equated monthly instalments (EMIs) rising in the coming months. With the RBI set to withdraw the accommodative policy (the willingness to expand money supply to boost economic growth), lending rates are expected to rise further in the coming months.

MCLR-linked loans had the largest share (53.1%) of the loan portfolio of banks as of December 2021. The rise in MCLR comes after the one-year median MCLR of banks declined by 95 bps between March 2020 and January 2022. The sustained decline in MCLR in the last three years and periodic resetting of such loans at lower rates helped existing borrowers, as banks extended the benefits to them by reducing the WALR (weighted average lending rate) on outstanding rupee loans more than the policy repo rate cuts during the EBLR period.

Banks linked their EBLR to the RBI's repo rate, which declined from 5.40% to 4% since October 2019. When the RBI hikes the repo rate, EBLR will go up and vice versa. The share of EBLR loans in total advances was 39.2% in December 2021, according to RBI.

Interest rates will rise too

According to bankers, the gradual tightening of money supply in the financial system is expected to push up interest rates. The “extraordinary” liquidity measures undertaken in the wake of the pandemic, combined with the liquidity injected through various other operations of the RBI have left a liquidity overhang of the order of Rs 8.5 lakh crore in the system.

With retail inflation hitting 6.95% in March and wholesale inflation at 14.55%, the central bank is expected to take measures to bring down prices. The tightening of the accommodative policy is normally accompanied by a rise in interest rates in the system. The US Federal Reserve recently announced a tightening of the policy and raised interest rates. The next round of rate hikes is expected around end-May-June. However, the rise in rates is likely to be gradual.

Banks expect a repo rate hike

Banks expect the repo rate — the main policy rate — to go up from June onwards as the RBI seeks to suck out liquidity from the system to rein in inflation. Indicating upward pressure on interest rates, the yield on 10-year benchmark government bonds has reached 7.15 per cent, rising 24 bps in less than two weeks. On the other hand, the cost of funds is set to increase, prompting banks to hike lending rates.

On April 8, the RBI’s Monetary Policy Committee restored the policy rate corridor under the liquidity adjustment facility to the pre-pandemic width of 50 bps by introducing the Standing Deposit Facility (SDF) at 3.75 as the floor of this corridor. SDF is an additional tool employed by the RBI to absorb excess liquidity. In essence, overnight rates were hiked to 3.75%.

In response to the 250-bps reduction in the policy repo rate since February 2019 —when the current easing phase started — the WALRs on fresh and outstanding rupee loans had declined by 213 bps and 143 bps respectively. This cycle is now being reversed.

Hike could happen in June

Analysts and bankers expect the RBI to increase the repo rate from 4% in the June policy review. “We now expect a 25-bps rate hike each in June and August, with a cumulative rate hike of 75 basis points in the cycle. Given that the spread between bond yields and repo rate jumps in an increasing interest rate cycle, bond yields could touch 7.75 per cent by September,” a research report from SBI said.

RBI has kept the repo rate unchanged in the last 11 policy reviews in a bid to boost growth. Interest rates on loans and deposits are expected to rise across the board when the repo rate is finally hiked in June or August, a banking industry source said.

Both policy rates were last reduced in May 2020 with repo at 4% and reverse repo at 3.35%, and have since been kept at these historic lows. “Deposit rates have already started moving higher, and with a lag, lending rates may move up in the first half of FY2023,” said Y S Chakravarti, MD & CEO, Shriram City Union Finance.

“The change in tone in today’s meeting, and narrowing of the LAF corridor will prepare the markets for repo rate hikes, which we expect to be 50-75 basis points in fiscal 2023, beginning with the June monetary policy review,” ratings firm Crisil had said on April 8. The pace of tightening will be guided by surprises emanating from inflation and external risks, it said.

Deposit rates will also rise

According to the SBI research report, deposit rates are likely to “increase meaningfully” over the next one-two months. SBI now offers 5.10% interest in the 1-2-year bucket. This means a fixed deposit holder is sitting on a negative return of 185 basis points, as inflation is now at 6.95%. Deposit rates in the 1-3-year bucket have fallen from 8.75-9.25% in 2013-14 to 4.90-5.15% in 2021-22, according to an RBI study on five major banks. Despite low interest rates, deposit growth increased during the pandemic years from 8% in FY20 to 11% in FY21. Many banks have increased deposit rates by up to 10 bps since February this year.

Source: The Indian Express

18. The case against Amway

Relevant for GS Prelims & Mains Paper III; Economics

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The Enforcement Directorate (ED) on Monday provisionally attached assets worth Rs 757.77 crore belonging to M/s Amway India Enterprises Private Limited in connection with a money laundering case. The direct selling company, whose parent company is based in the US, is accused of running a multi-level marketing (MLM) scam.

The attached properties include land and a factory building at Dindigul District, Tamil Nadu, plant and machinery, vehicles, bank accounts and fixed deposits. Immovable and movable properties account for Rs 411.83 crore of these properties, and bank balances in 36 accounts for the remaining Rs 345.94 crore.

What is the ED case about?

It is based on an FIR registered by Hyderabad police against the company under the Prize Chits and Money Circulation Schemes (Banning) Act. According to the ED, its probe has revealed that Amway is running a pyramid fraud in the guise of a direct selling multi-level marketing network.

“It is observed that the prices of most of the products offered by the company are exorbitant as compared to the alternative popular products of reputed manufacturers available in the open market. Without knowing the real facts, the common gullible public is induced to join as members of the company and purchase products at exorbitant prices and are thus losing their hard-earned money. The new members are not buying the products to use them, but to become rich by becoming members as showcased by the upline members,” the ED said in a statement. It said the commissions received by the “upline members” contribute enormously to the high prices of the products.

What is the magnitude of the alleged fraud?

The ED said Amway collected Rs 27,562 crore from its business operations from 2002-03 to 2021-22, out of which it paid commission of Rs 7,588 crore to its distributors and members in India and the US. “The entire focus of the company is about propagating how members can become rich by becoming members. There is no focus on the products.”

The ED said Amway brought Rs 21.39 crore as share capital in India in 1996-97, and remitted Rs 2,859.10 crore until 2020-21 in the name of dividend, royalty and other payments to investors and parent entities. “M/s Britt Worldwide India Private Limited and M/s Network Twenty One Private Limited also played a major role in promoting pyramid scheme of Amway by conducting seminars for joining members under the guise of sale of goods by enrolment of members...,” it said.

How long has Amway been under probe in India?

Between 2006 and 2014, the Andhra Pradesh Police filed several cases against Amway under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 and IPC Section 420 in cities including Hyderabad, Vijayawada, Kurnool, Warangal and Khammam. The FIRs were based on complaints from Amway associates who felt cheated, lawyers and activists, who alleged Amway of running a pyramid fraud and an illegal money laundering scheme in the name of MLM. The police shut down all corporate offices associated with Amway.

One of the first complaints was filed in September 2006 by a Hyderabad-based businessman, A V S Satyanarayana, with the CID Police Station. He said two Amway distributors had approached and invited him to join the scheme by paying Rs 4,000 and enrolling more members, and he would earn commission quickly. In August 2005, he joined by paying Rs 5,200. He alleged that the scheme was a chain, where each member was asked to enrol more. The CID registered this case under IPC Sections 385 and 480.

In May 2014, based on a complaint lodged at Kurnool, the Andhra Pradesh CID arrested Amway India chairman and CEO William S Pinckney from Gurgaon. He was subsequently taken into custody by Khammam Police too. A year earlier, in May 2013, he had been arrested by Kerala Police based on a complaint in Wayanad, after which the Andhra CID took over all cases against him following a plea in the High Court.

In August 2011, Kerala Police had sealed offices of Amway at Kozhikode, Kannur, Kochi, Kottayam, Thrissur, Kollam and Thiruvananthapuram. In November 2012, the Economic Offences Wing of Kerala Police conducted searches at Amway offices, seized products valued at Rs 2.14 crore and arrested some officials. On June 8, 2013, a Kozhikode court lifted the freeze on Amway offices in Kerala.

In 2017, a Chandigarh court framed charges under IPC Section 420 and the Prize Chits and Money Circulation Scheme (Banning) Act, against two directors of Amway India — Pinckney and Prithvai Raj Bijlani. This was based on a cheating case filed by eight complainants in 2002. A revision plea by the two was dismissed in 2018.

Has it faced such allegations abroad?

On November 3, 2010, Amway announced it had agreed to pay \$56 million — \$34 million in cash and \$22 million in products — to settle a class action filed in Federal District Court in California in 2007. The class action alleged fraud, racketeering, and that the defendants operated as an illegal pyramid scheme.

Amway, while noting that the settlement is not an admission of wrongdoing or liability, acknowledged it had made changes to its business operations as a result of the lawsuit. The economic value of the settlement, including the changes Amway made to its business model, totals \$100 million.

Source: The Indian Express

19. The various corporate defence mechanisms against hostile takeovers

Relevant for GS Prelims & Mains Paper III; Economics

Tesla CEO Elon Musk's bid to acquire Twitter was partially thwarted on Saturday with the microblogging platform deploying the 'poison pill' mechanism. The 'poison pill' mechanism is used to dilute shares of a company so that activist investors looking for hostile takeovers will incur a massive expenditure. Besides, this will make the process cumbersome.

How did Twitter deploy the 'poison pill'?

Twitter put forth a shareholder rights plan that would be triggered if an entity acquires a stake of 15% or more. The plan would allow existing shareholders, excluding the acquiring entity — Mr. Musk in this case — to purchase additional shares at a discounted rate, making it difficult for the acquirer to establish a majority stake in the company. The move would additionally reduce the likelihood of an entity acquiring control of the company without paying the other shareholders an appropriate premium. It was meant to buy more time as the company's board endeavours "to make informed judgements and take actions that are in best interest of shareholders."

What are the other defence mechanisms?

Publicly listed companies across the globe often witness threats of hostile takeovers, which take place through a back-door accumulation of shares; in other words, acquiring sizeable shares from the open market than from the management. However, with time, listed companies have been able to come up with several defence mechanisms to prevent such takeovers. Some of them include:

The greenmail defence: The idea here is simple: pay them to go away and stop threatening the company with a hostile takeover. It involves the target company repurchasing its own shares at a premium and in a quantity enough to prevent a hostile takeover. In 1986, broadcast company Viacom International ended a two-week long siege by repurchasing 17% of its own block of shares from prominent institutional investor Carl Icahn at \$62 per share. Wall Street professionals estimated the deal helped the investor reap \$21 million, as per Los

Angeles Times. Mr. Icahn's group had spent an average of \$65.75 for each share, or a total of \$230 million for 3.5 million shares of Viacom. However, the target company accorded it warrants priced between \$65.375 and \$72 for each of its common stock, which were usable for six years. Warrants are instruments that gives the holder the right, but not an obligation, to acquire the common stock of a company at any time before its expiry at a certain quantity and price. "Analysts said the warrants were attractive because of widespread predictions that Viacom stock will soar in value over the next few years," The New York Times noted in its report. Further, the publication reported, that the activist investor was given \$10 million worth of free commercial air time across the company's radio and television stations.

The practice had become the means for several activist investors to sell their shares at a premium by threatening a hostile takeover. The Wall Street Journal adds that the practice, widely criticised as 'corporate blackmail', died down after the 1990s as "companies beefed up defences and lawmakers took steps to discourage it."

The crown jewel defence: This mechanism involves the target company spinning-off its crown jewel unit, or its most valued asset, in order to make the acquisition less desirable for the acquirer. The asset could be the unit that is most profitable in the company, or is important for future profitability, or produces the flagship product of the company.

In September 2020, France-based Veolia Environnement SA initiated a bid to acquire 30% of utility company Suez SA from the state-backed utility company, Engie. Bloomberg reported that the acquirer was exploiting a depressed COVID-19 situation. It had reported, "Suez's justified outrage at this move, which would put Veolia boss Antoine Frerot in pole position to swallow the entire company, hasn't been backed up by a convincing alternative, however."

The defence was centred around Suez's French water business. In April 2021, Reuters reported that in an effort to force Veolia to negotiate, Suez set up a Dutch foundation to prevent the sale of the water business deemed essential for its rival to divest and thereby, receive the antitrust approval to buy Suez. The Dutch foundation was meant to ensure that they would own a symbolic but a powerful piece of the company and does not split from the group. In turn, this would make Suez unbuyable.

The pac-man defence: Here one prevents a hostile takeover by initiating a reverse takeover. It involves the target company making an offer to the acquire the company that commenced the takeover bid. The target company could make use of its 'war chest' or securing finances from outside for the reverse takeover bid.

Pac-Man was a popular yesteryear video game. The player is required to gulp all the power pills escaping the ghosts that are chasing the Pac-Man character. Once the player has acquired all the pills, the ghosts turn blue, allowing 'Pac Man' to eat them and acquire bonus points. In 1999, Richmond-based paper-recycling company Chesapeake Corp launched an unsolicited bid for Shorewood Packaging. The latter had previously tabled an offer to purchase the former Chesapeake for \$480 million at \$40 for each share. In response, Chesapeake upped its bid to acquire Shorewood at \$17.25 per share, valuing it at \$500 million, from an initial \$16.50 per share, reported CNN Money. Shorewood rejected the offer and after three months it was acquired by North America-based company, International Paper.

The white knight defence: In case a company's board finds itself in a situation that it cannot prevent a hostile takeover, it seeks a more accommodative and cordial firm to acquire a controlling stake from the hostile acquirer. The 'White Knight' agrees to restructure the company adhering largely to the desires of the target company's board, also providing a fair consideration.

Automobile maker Fiat bailing out Chrysler from a liquidation crisis in 2009 is a case in point. Chrysler, like many other automobile manufacturers at the time was witnessing a downswing in sales following the global economic crisis of 2008. It had to initiate bankruptcy proceedings in April 2009. This initiated a search for a potential buyer to bail it out from the crisis by infusing some cash into the company. Chrysler was previously endowed \$4 billion from the U.S. Treasury Department in December 2008 and another \$4 billion in 2009 to

keep the company afloat. But the overall macroeconomic downturn did not help its revival ambitions. Its near deals with Nissan and Kia Motors collapsed because of the same reason. Additionally, the companies were believed to be unwilling to infuse cash into the beleaguered company. It was later that Fiat emerged as the white knight. The terms of the deal held that Fiat would not immediately infuse cash into the company, but as The Wall Street Journal reported, obtain a stake in exchange for covering the cost of retooling a Chrysler plant to produce Fiat models in the United States and provide engine and transmission technology.

Source: The Hindu

20. What are Digital Banking Units, and what services will they provide?

Relevant for GS Prelims & Mains Paper III; Economics

Finance Minister Nirmala Sitharaman on Tuesday (April 19) reiterated her Budget announcement on setting up 75 digital banking units in 75 districts of the country this year. This is to take forward the government's agenda of digital financial inclusion.

What was the announcement?

In the Budget for 2022-23, the Finance Minister had said: "In recent years, digital banking, digital payments and fintech innovations have grown at a rapid pace in the country. Government is continuously encouraging these sectors to ensure that the benefits of digital banking reach every nook and corner of the country in a consumer-friendly manner. Taking forward this agenda, and to mark 75 years of our independence, it is proposed to set up 75 Digital Banking Units (DBUs) in 75 districts of the country by Scheduled Commercial Banks".

What are these DBUs?

Earlier this month, the Reserve Bank of India announced the guidelines for DBUs, following the report of a working group of the Indian Banks Association. A digital banking unit is a specialised fixed point business unit or hub housing certain minimum digital infrastructure for delivering digital banking products and services as well as servicing existing financial products and services digitally in self-service mode at any time.

Who will set up these DBUs?

Commercial banks (other than regional rural banks, payment banks and local area banks) with past digital banking experience are permitted to open DBUs in tier 1 to tier 6 centres, unless otherwise specifically restricted, without having the need to take permission from the RBI in each case.

What are the services that will be provided by these units?

As per the RBI, each DBU must offer certain minimum digital banking products and services. Such products should be on both liabilities and assets side of the balance sheet of the digital banking segment. Digitally value-added services to conventional products would also qualify as such.

The services include savings bank accounts under various schemes, current accounts, fixed deposits and recurring deposit accounts, digital kit for customers, mobile banking, Internet banking, debit cards, credit cards, and mass transit system cards, digital kit for merchants, UPI QR code, BHIM Aadhaar and point of sale (PoS).

Other services include making applications for and onboarding of customers for identified retail, MSME or schematic loans. This may also include end-to-end digital processing of such loans, starting from online application to disbursement and identified government sponsored schemes that are covered under the national portal.

How will these DBUs compete with fintechs?

Currently, fintechs operating as neobanks offer digital banking services but they do so in partnership with non-banking financial companies (NBFCs). Some of the neobanks offering services in India are Jupiter, Fi Money, Niyo, Razorpay X.

Compared to conventional banks with online and mobile banking facilities, neobanks or digital banks excel at product innovation and offer far better digital solutions. However, given the arrangement they have currently with NBFCs or scheduled banks to conduct the actual banking part, some in the industry have pegged these digital banks as “glorified digital distribution companies”.

Source: The Indian Express

21. What are SPACs for which a regulatory framework may be in the works

Relevant for GS Prelims & Mains Paper III; Economics

The government is reportedly considering a regulatory framework for special purpose acquisition companies (SPACs) to lay the ground for the possible listing of Indian companies through this route in the future.

According to reports, the Company Law Committee, which was set up in 2019 to make recommendations to boost ease of doing business in India, has made this suggestion in its report submitted to the government recently.

In March last year, the US Securities and Exchange Commission (SEC) issued an investor alert on SPACs, cautioning investors “not to make investment decisions related to SPACs based solely on celebrity involvement”.

The concept of SPAC has existed for nearly a decade now, and several investors and company promoters have used this route to take their investments public. The vehicle gained momentum in 2020, which was a record year for SPAC deals; this record was broken in 2021.

The vehicle and its attraction

An SPAC, or a blank-cheque company, is an entity specifically set up with the objective of acquiring a firm in a particular sector.

An SPAC aims to raise money in an initial public offering (IPO) without any operations or revenues. The money that is raised from the public is kept in an escrow account, which can be accessed while making the acquisition.

If the acquisition is not made within two years of the IPO, the SPAC is delisted and the money is returned to the investors.

According to the American regulator, certain market participants believe that, through an SPAC transaction, a private company can become a publicly-traded company “with more certainty as to pricing and control over deal terms as compared to traditional IPOs”.

While SPACs are essentially shell companies, a key factor that makes them attractive to investors are the people who sponsor them. Globally, prominent names such as former NBA star Shaquille O’Neal, tennis star Serena Williams, former TikTok CEO Kevin Mayer, Dell Technologies founder and CEO Michael Dell, billionaire and venture capitalist Vinod Khosla etc. have participated in SPACs.

Where India stands

According to data sourced from SPAC Insider, a portal that maintains a record of SPAC deals, of the 1,145 IPOs by blank-cheque companies since 2009, 248 happened in 2020, 613 in 2021, and 58 in 2022 so far. The gross proceeds raised by SPACs amounted to over \$83 billion in 2020 and \$162 billion in 2021. The number for 2022 has crossed \$10 billion already.

Early last year, renewable energy producer ReNew Power announced an agreement to merge with RMG Acquisition Corp II, a blank-cheque company, in what became the first involving an Indian company during the latest boom in SPAC deals. As things stand now, the Indian regulatory framework does not allow the creation of blank cheque companies. The Companies Act, 2013 stipulates that the Registrar of Companies can strike off a company if it does not commence operations within a year of incorporation.

Risk factors around SPACs

The boom in investor firms going for SPACs and then looking for target companies have tilted the scales in favour of investee firms. This has the potential, theoretically, to limit returns for retail investors post-merger. Also, even as the SPACs are mandated to return money to their investors in the event no merger is made within two years, the fineprint of several SPAC prospectuses shows that certain clauses could potentially prevent investors from getting their monies back. Historically, though, this has not happened yet.

The US SEC noted that celebrities “like anyone else, can be lured into participating in a risky investment or may be better able to sustain the risk of loss”. “However, celebrity involvement in a SPAC does not mean that the investment in a particular SPAC or SPACs generally is appropriate for all investors...It is never a good idea to invest in a SPAC just because someone famous sponsors or invests in it or says it is a good investment.”

Source: The Indian Express

22. Why has Reliance called off Future Retail takeover proposal?

Relevant for GS Prelims & Mains Paper III; Economics

Virtually calling off the proposal to buy Future Retail’s assets, Reliance Industries Ltd (RIL) on Saturday said the takeover proposal can’t be implemented as secured creditors rejected the RIL plan.

On Friday, secured lenders rejected Future Retail Limited’s (FRL) Rs 24,713 crore deal to sell its assets to Reliance Retail Ventures Ltd (RRVL), a subsidiary of RIL.

“The shareholders and unsecured creditors of FRL have voted in favour of the scheme. But the secured creditors of FRL have voted against the scheme. In view thereof, the subject scheme of arrangement cannot be implemented,” RIL said in a regulatory filing.

According to an exchange filing, in the secured creditors e-voting, 69.29 per cent of the votes of 11 lenders were against the proposal to sell the assets to the RIL subsidiary. However, 30.71 per cent of the votes of 34 lenders favoured the sale of assets.

However, 78.22 per cent of FRL’s unsecured creditors voted in favour of the proposal, the company said in a regulatory update. In the shareholders meeting, 85.94 per cent of the votes supported the sale of assets to RIL and 14.05 per cent of votes were against the proposal.

Future group owns retail chains including Big Bazaar, Food Bazaar, FBB, HomeTown, Central and Brand Factory.

Why banks were not in favour of the deal?

Some leading banks were not in favour of the proposal stating there’s ambiguity on debt recovery. “If top banks are opposing the sale to RIL, the deal is likely to fall through. The next option is to take the IBC route,” said a banking source.

Banks are now expected to move the bankruptcy court for a resolution plan. While FRL has proposed that over Rs 12,000 crore debt will be transferred to RIL, banks are not convinced about it.

In February, Reliance began taking over the rental leases of hundreds of stores once run by FRL and Future Lifestyle Fashions Ltd amid lawsuits and arbitration across India and Singapore.

Banks have already questioned the RIL takeover of some of the Future stores and stated that anybody dealing in the company's assets should keep in mind that these are subject at all times to the charge of the lenders.

Amazon's opposition to the Future-Reliance deal

US online retail giant Amazon has opposed the FRL's deal with RRVL. Last week, Amazon had said the meetings were "illegal" and such a step would not only breach the 2019 agreements when it made investments into FRL's promoter firm but also violate a Singapore arbitral tribunal's injunction on the sale of retail assets to Reliance.

FRL had rejected the Amazon's allegations and said the meetings are "in compliance" with the directions issued by the NCLT on February 28, 2022, to consider and approve the Scheme of Arrangement filed by various entities which are part of the deal.

In a regulatory update on April 16, FRL said "the said order has been issued by the NCLT, after considering all the facts and information submitted by the parties and specific objections filed by Amazon.Com NV Investment Holdings LLC vide an intervening application and the order dated February 15, 2022 issued by Supreme Court on the same subject matter".

Why this could be a setback for Future group

Future group has been defaulting on repayment since last year. On April 1, Future Retail said it failed to infuse Rs 3,900 crore by way of equity in the company before the due date of March 31, 2022.

Further, considering the infusion of capital, there was an obligation on the company to pay an aggregate amount of Rs 5,322.32 crore — as defined in the one-time restructuring (OTR) plan — to various consortium banks and lenders before March 31, the company said in an exchange filing.

Source: The Indian Express

23. State of (un)employment in India

Relevant for GS Prelims & Mains Paper III; Economics

Data from the Centre for Monitoring Indian Economy (CMIE) shows that India's labour force participation rate (LFPR) has fallen to just 40% from an already low 47% in 2016. This suggests not only that more than half of India's population in the working-age group (15 years and older) is deciding to sit out of the job market, but also that this proportion of people is increasing.

What is LFPR?

Before understanding LFPR, we need to define the labour force itself. According to the CMIE, the labour force consists of persons who are of age 15 years or older, and belong to either of the following two categories:

are employed

are unemployed and are willing to work and are actively looking for a job

There is a crucial commonality between the two categories — they both have people "demanding" jobs. This demand is what LFPR refers to. While those in category 1 succeed in getting a job, those in category 2 fail to do so.

Thus, the LFPR essentially is the percentage of the working-age (15 years or older) population that is asking for a job; it represents the "demand" for jobs in an economy. It includes those who are employed and those who are unemployed. The Unemployment Rate (UER), which is routinely quoted in the news, is nothing but the number of unemployed (category 2) as a proportion of the labour force.

What is the significance of LFPR in India?

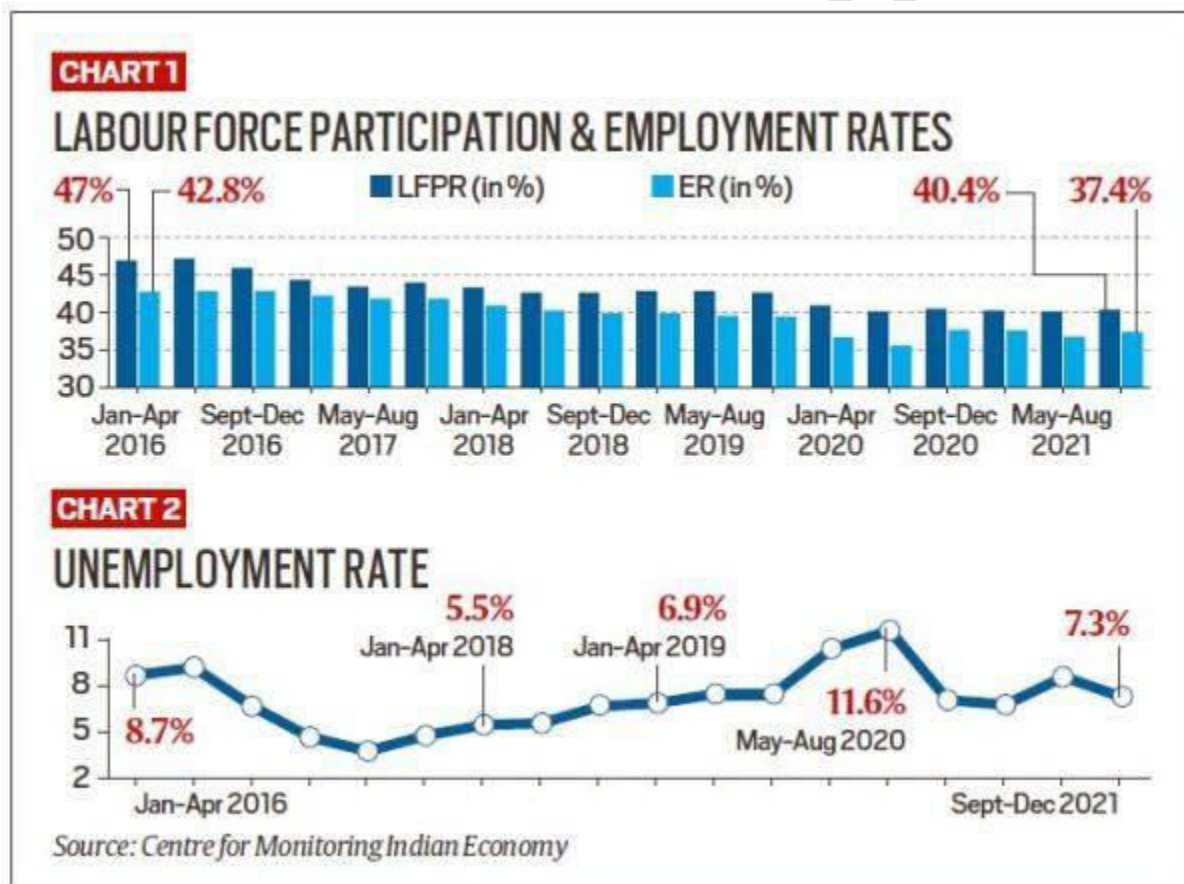
Typically, it is expected that the LFPR will remain largely stable. As such, any analysis of unemployment in an economy can be done just by looking at the UER.

But, in India, the LFPR is not only lower than in the rest of the world but also falling. This, in turn, affects the UER because LFPR is the base (the denominator) on which UER is calculated.

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The world over, LFPR is around 60%. In India, it has been sliding over the last 10 years and has shrunk from 47% in 2016 to just 40% as of December 2021.

This shrinkage implies that merely looking at UER will under-report the stress of unemployment in India.



The main reason for India's LFPR being low is the abysmally low level of female LFPR.

How is it under-reported?

Imagine that there are just 100 people in the working-age group but only 60 ask for jobs — that is, the LFPR is 60% — and of these 60 people, 6 did not get a job. This would imply a UER of 10%.

Now imagine a scenario when the LFPR has fallen to 40% and, as such, only 40 people are demanding work. And of these 40, only 2 people fail to get a job. The UER would have fallen to 5% and it might appear that the economy is doing better on the jobs front but the truth is starkly different.

The truth is that beyond the 2 who are unemployed, a total of 20 people have stopped demanding work. Typically, this happens when people in the working-age get disheartened from not finding work.

Something similar has happened in India's case (see Chart 1). The LFPR has sustained a secular decline. In fact, every time the LFPR falls, the UER also falls — because fewer people are now demanding jobs — giving the incorrect impression to policymakers that the situation has improved.

So, what is the correct way to assess India's unemployment stress?

When LFPR is falling as steadily and as sharply as it has done in India's case, it is better to track another variable: the Employment Rate (ER). Page | 155

The ER refers to the total number of employed people as a percentage of the working-age population.

By using the working-age population as the base and looking at the number of people with jobs (instead of those without them), the ER captures the fall in LFPR to better represent the stress in the labour market.

If one looks at the ER data (Chart 1), it becomes clear that while India's working-age population has been increasing each year, the percentage of people with jobs has been coming down sharply.

Looking at the absolute numbers makes the stress even more clear. In December 2021, India had 107.9 crore people in the working age group and of these, only 40.4 crore had a job (an ER of 37.4%). Compare this with December 2016 when India had 95.9 crore in the working-age group and 41.2 crore with jobs (ER 43%). In five years, while the total working-age population has gone up by 12 crore, the number of people with jobs has gone down by 80 lakh.

Why is India's LFPR so low?

The main reason for India's LFPR being low is the abysmally low level of female LFPR. According to CMIE data, as of December 2021, while the male LFPR was 67.4%, the female LFPR was as low as 9.4%. In other words, less than one in 10 working-age women in India are even demanding work. Even if one sources data from the World Bank, India's female labour force participation rate is around 25% when the global average is 47%.

Why do so few women demand work?

There are several reasons.

One reason is essentially about the working conditions — such as law and order, efficient public transportation, violence against women, societal norms etc — being far from conducive for women to seek work.

The other has to do with correctly measuring women's contribution to the economy. Academics such as Ashwini Deshpande, professor of economics at Ashoka University, have pointed out methodological issues in formally capturing women's contribution to the economy since a lot of women in India are exclusively involved within their own homes (caring for their family) of their own volition. Lastly, it is also a question of adequate job opportunities for women.

How do people who leave the labour force survive?

According to Mahesh Vyas, CEO of CMIE, households with more than one working member often witness this phenomenon. He said the fall in the LFPR since 2016 has been accompanied by a fall in the proportion of households where more than one person is employed. "The fall in LFPR has largely been the result of the additional person employed in a typical household losing a job," he said.

Source: The Indian Express

24. For state govts, why cutting taxes on fuel is easier said than done

Relevant for GS Prelims & Mains Paper III; Economics

Amid soaring fuel prices in November 2021, the Centre went for the first cut in Central excise duties on petrol and diesel in over three years. This was followed by a cut in Value Added Tax (VAT) by many states. But the relief from the cuts in excise duty and VAT was outweighed by a series of 14 price hikes in 16 days for fuel, which started after lifting of the 137-day freeze post state elections in March this year.

The reluctance to reduce excise duty and VAT on fuel stems from the fact that it constitutes an important source of revenue for both the Union government and the states. Excise duty on fuel makes up about 18.4 per cent of Centre's gross tax revenues. Petroleum and alcohol, on an average, account for 25-35 per cent of the own tax revenue of states, as per the Study of Budgets 2020-21 by the Reserve Bank of India.

Of the total revenue receipts of states, Central tax transfers comprise 25-29 per cent, while own tax revenues have a share of 45-50 per cent.

Central and state taxes currently account for about 43 per cent of the retail price of petrol and about 37 per cent of the pump price of diesel in Delhi. Credit ratings agency ICRA had noted in February that the government would have to forego revenue of about Rs 92,000 crore in FY23 to restore excise duties on petrol and diesel to pre-pandemic levels.

Following the Centre's move to reduce excise duty on petrol and diesel by Rs 5 and Rs 10 per litre respectively in November last year, 21 states and UTs (with legislature) reduced their VAT in the range of Rs 1.80-10 per litre for petrol and Rs 2-7 per litre for diesel, with the revenue loss to states due to the VAT cut estimated at 0.08 per cent of GDP, as per the RBI's State Finances report for 2021-22.

Despite the cut in excise duty on petrol and diesel, Central taxes have remained higher by Rs 8 per litre on petrol and by Rs 6 per litre on diesel compared to pre-pandemic levels.

During April-December 2021, taxes on crude oil and petroleum products had yielded Rs 3.10 lakh crore to the central exchequer, of which excise duty amounted to Rs 2.63 lakh crore, while cess on crude oil was Rs 11,661 crore. For the same period, Rs 2.07 lakh crore accrued to the states' exchequer, of which Rs 1.89 lakh crore was through VAT and rest was through royalty on crude oil and octroi/entry tax among others, as per data by Petroleum, Planning & Analysis Cell.

This compares with Rs 4.19 lakh crore (including Rs 3.73 lakh crore of excise and Rs 10,676 crore as cess) collected as taxes and duties on crude oil and petroleum products by the Centre and Rs 2.17 lakh crore by states (including Rs 2.03 lakh crore of VAT) in 2020-21.

Petroleum taxes with states are shared only out of basic excise duty. The Centre also levies additional excise duty and cesses on petroleum products. In 2020-21, the total central excise duty collected from petrol and diesel was Rs 3.72 lakh crore. The total amount of tax devolved to state governments from the corpus collected under the central excise duty in FY21 was Rs 19,972 crore.

Oil marketing companies (OMCs) have been revising prices since last month in line with rising crude oil prices, after a freeze of 137 days. Ordinarily, the prices of petrol and diesel are revised daily in line with a 15-day rolling average of benchmark prices of the petroleum products. However, oil marketing companies held the prices of both petrol and diesel constant starting November 4, when the Centre announced the excise duty cut. The freeze in price revisions continued till the end of the state elections in Uttar Pradesh, Punjab, Uttarakhand, Goa, and Manipal in March this year.

Ever since the revisions began in March, OMCs have hiked petrol prices by Rs 12 per litre and diesel prices by Rs 10 per litre. The price of LPG has also witnessed an increase with the price of a 15 kg cylinder being hiked by Rs 50 to Rs 949.5 and that of commercial 19 kg cylinders being hiked by Rs 250 to Rs 2,253 in the national capital.

The price of Brent crude has increased by about \$22.6 per barrel since November 4 to \$103.6 per barrel. India imports about 85 per cent of its crude oil requirements.

After the excise duty cut in November, as many as 19 states and seven UTs reduced their VAT on fuel. All 17 BJP-led states including Gujarat, Uttar Pradesh, Bihar, Haryana, Karnataka, Madhya Pradesh, Himachal Pradesh, Uttarakhand, Goa, Assam, Arunachal Pradesh, Manipur, Meghalaya, Nagaland, Tripura, and Sikkim cut state taxes within a day of excise duty cut. Odisha and Punjab announced a cut within a week of the excise cut.

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Delhi announced a cut in VAT in December. Prime Minister Narendra Modi on Wednesday said Maharashtra, West Bengal, Telangana, Andhra Pradesh, Tamil Nadu, Kerala, Jharkhand have not reduced VAT, urging "all states to work as a team in this time of global crisis following the spirit of cooperative federalism".

Source: The Indian Express

25. Indonesia's palm oil export ban and its impact on India

Relevant for GS Prelims & Mains Paper III; Economics

Indonesia, the world's biggest producer, exporter, and consumer of palm oil, would be banning all exports of the commodity and its raw materials from April 28 to reduce domestic shortages of cooking oil and bring down its skyrocketing prices, the country's President, Joko Widodo, announced on Friday, April 22, 2022.

Indonesian Finance Minister Sri Mulyani Indrawati said the move would hit supplies of palm oil in other countries and was "among the harshest moves" the government undertook to stabilise the price of cooking oil in the country, calling it necessary nonetheless.

This announcement came amid already surging global food prices as a consequence of the ongoing Russia-Ukraine conflict. Food prices rose by nearly 13% globally in March according to the United Nations. It also came on the same day that policymakers raised global food security concerns at the spring meetings of the World Bank and International Monetary Fund in Washington D.C., emphasising that countries should avoid hoarding food stocks and refrain from exercising export controls.

How important is palm oil to global supply chains?

Palm oil is the world's most widely used vegetable oil with its global production in the year 2020 being over 73 million tonnes (MT), according to the United States Department of Agriculture (USDA). It is estimated to be 77 million tonnes for the current year. Made from the African oil palm, it is used as cooking oil, and in everything from cosmetics, processed foods, cakes, chocolates, spreads, soaps, shampoo, and cleaning products to biofuel.

The oil palm industry has come under criticism for what are reportedly unsustainable production practices leading to deforestation, and exploitative labour practices carried forward from the colonial era. However, palm oil is preferred by many as it is inexpensive; oil palms produce more oil per hectare than some other vegetable oil plants like soybean.

Indonesia and Malaysia together account for almost 90% of the global palm oil production, with Indonesia producing the largest quantity at over 45 million tonnes in 2021.

According to Reuters, palm oil makes up 40% of the global supply of the four most widely used edible oils: palm, soybean, rapeseed (canola), and sunflower oil. Indonesia is responsible for 60% of the global supply of palm oil. India is the biggest importer of palm oil.

Why are the prices of edible oils rising?

The prices of palm oil rose this year as demand increased because of the short supply of alternative vegetable oils. The production of soybean oil, the second most-produced oil, is expected to take a hit this year due to a poor soybean season in major producer Argentina. The production of canola oil was hit in Canada last year due

to drought; and supplies of sunflower oil, 80-90% of which is produced by Russia and Ukraine, has been badly hit by the ongoing conflict.

Consumers across the globe have been bearing the brunt of these factors and the pandemic driving up global edible oil prices to record highs.

After Indonesia's unprecedented announcement to ban palm oil exports altogether, global markets of other vegetable oils saw spikes. The price of soybean oil on April 22, saw a 4.5% rise, taking it to a record high of 83.21 cents per pound on the Chicago Board of Trade. Soy oil prices have already seen a 50% rise so far this year.

How bad is Indonesia's palm oil crisis?

Indonesia uses palm oil for cooking purposes. The palm oil used for cooking is made by processing crude palm oil (CPO). Due to short supply of alternative vegetable oils, lower-than-expected output from second-biggest palm oil producer Malaysia due to pandemic-induced labour shortage, and the global food inflation linked to the pandemic and the Ukraine crisis, the global prices of CPO had risen significantly since the end of last year.

The price of CPO rose from an already high rate of \$1,131 per metric tonne in 2021 to its highest ever price of \$1,552 in February this year. The global rise affected the price of palm oil in Indonesia, which sells two types of cooking oil — expensive branded cooking oil and cheaper non-branded oil in bulk. The country saw the price of branded palm oil go from 14,000 Indonesian rupiah (IDR) per litre in March 2021, to 22,000 IDR in March this year.

In order to make cooking oil affordable, the Indonesian government introduced price caps in late January; deciding that the MRP of branded oil could not exceed 14,000 IDR, while that of the local product would remain at 11,500 IDR. The issue of consumers hoarding the commodity and reports of it being resold, made the government introduce a two-litre-per-person rule for buying cooking oil. Some sellers were inking the fingers of consumers, as done during voting, to ensure that they don't buy twice.

Amid reports of hoarding of cooking oil by consumers and producers, and producers being discouraged from making more oil owing to the gap between rising global prices and capped prices at home, Indonesia, the biggest palm oil maker, started witnessing an acute shortage of cooking oil.

To meet domestic demands, the government announced another policy called domestic market obligation (DMO), under which it required CPO exporters to sell 20% of export volume domestically, at a fixed price of 9,300 IDR per kg. This was later increased to 30% of the export volume for domestic use.

These policies, observers said, had an inverse effect on the domestic supply as the price controls and domestic quotas became ineffective amid the global price rise. The government retracted the price caps and export quota in late March but introduced a tax on exports, should the global prices go beyond \$1,500 per metric tonne.

Indonesian Trade Minister Muhammad Lutfi also accused producers of engaging in illegal hoarding and cartel practices and of acquiring illicit export permits amid the export restrictions. Investigations into both these matters are currently underway in the country.

The cooking oil shortage could in part also be attributed to Indonesia using large quantities of crude palm oil in making biodiesel, which it has branded as 'green diesel', despite palm oil production being known to be environmentally degrading. In late 2019, the country increased the palm oil content to be used in biodiesel to 30%. Reuters reported that it used over seven million tonnes of palm oil out of its total national output of 41.4 million tonnes in 2020, on biodiesel.

How will it impact India?

India is the biggest importer of palm oil, which makes up 40% of its vegetable oil consumption, as per the USDA. India meets half of its annual need for 8.3 million tonnes of palm oil from Indonesia. Last year, the Centre also unveiled its plan to boost India's domestic palm oil production.

Already grappling with record-high wholesale inflation, the late January export controls exercised by Indonesia had led to a 38% rise in the landed cost of CPO in India. The price of soybean oil, most consumed after palm, rose by 29% in the country this year; while sunflower oil, 90% of which India gets from Russia and Ukraine, stopped coming in almost completely.

Amid this situation, India had requested Indonesia in March to increase palm oil shipments to make up for the short supply and expensive alternatives. Despite the rising prices of the commodity, India's palm oil imports jumped 21% in March from the previous month as traders moved to secure alternatives to sunflower oil that could no longer be bought from Ukraine, four dealers told Reuters.

After the ban was announced by Indonesia, Atul Chaturvedi, president of the Solvent Extractors' Association of India told The Hindu Business Line: "This uncalled-for action (by Indonesia) has got massive repercussions for India. Local prices in Indonesia may fall as a result of this decision, but prices in India may skyrocket. It is going to be a difficult time."

Source: The Hindu

26. At the end of the road: the status of the Future group

Relevant for GS Prelims & Mains Paper III; Economics

The Future Group, once considered a formidable force in modern retail, is staring at a bleak future as two of its major group companies, Future Retail Ltd. and Future Enterprises Ltd., are headed for insolvency proceedings under the IBC (Insolvency and Bankruptcy Code) following defaults on payments to creditors, according to people familiar with the development.

Why did Reliance Retail withdraw from the ₹24,713 crore deal that would have allowed it to take over Future's retail operations?

Secured creditors of the Future Group last week rejected a proposal for a large transaction between Future Group entities and the retail arm of Reliance Industries Ltd., citing the legal challenges to the proposed transaction and the lack of clarity over the outlook for the deal. There was no concrete proposal for the creditors to vote on, said one of the people who spoke on the condition of anonymity.

As per an announcement made in August 2020, entities of Reliance were to acquire retail and warehousing assets of the Future Group for ₹24,713 crore. As part of the deal, Reliance was to invest a further ₹2,800 crore in Future Enterprises for a 13% stake. With Reliance calling off the deal, which it said could not be implemented following the rejection of the proposal by Future's secured creditors, the Future Group now has few options left to seek a new lease of life.

The stage seems set for lenders to lay claim to the about ₹29,000 crore owed to them, through the insolvency process at the National Company Law Tribunal (NCLT).

Will all of Future's assets be available as inventory when the insolvency process kicks in?

While it will take about six to eight months to start insolvency proceedings by the creditors to recover their dues with or without 'haircuts', Future Group's major businesses — mainly food and grocery — will suffer the most as their outlets are headed for closure or takeover. As per the now-scrapped deal, Reliance was to acquire assets of 19 Future Group firms.

Since February 2022, Reliance is believed to have taken over about 950 stores that were once operated by the Future group entities. Reports are that Reliance Retail has claimed that the takeover of these stores was independent of the ₹24,713-crore deal that has now fallen through.

The Reliance Industries Limited (RIL) is said to have invested close to ₹4,000 crore in running Future's stores and supplying products over the past few months after the retail major ran out of cash. These stores were operated as Future Group branded stores even after Reliance began funding their operational needs.

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How did Reliance acquire control over so many of the Future Group's stores?

Amid the legal battle between Amazon.com Inc. and Future Group, landlords of a large number of stores had reportedly approached Reliance to get the lease agreements transferred to its (Reliance) name as Future was unable to pay the rents. The Reliance arm took over the stores starting February 25, 2022, according to people familiar with the matter. The Future Group itself is of the opinion that it was a "hostile takeover by Reliance to acquire the assets by not paying the agreed-upon amount".

What is likely to happen to the remaining stores of the Future Group?

As of now, the Future Group is left with about 550 stores, including small-format stores. Since the cash-strapped Future Group is unlikely to be able to pay lease rentals to landlords, most of the stores are either headed for closure or may be taken over through lease agreements with landlords by either Reliance or any other competitor. According to people familiar with the development, most retail stores of Future face closure within a month from now due to lack of financial resources and supplies.

In 2019, Future Group had an employee base of 75,000 people, which has now declined to less than 13,000. The high-decibel legal battle between Amazon and the Future Group has also impacted footfalls.

Where does Amazon figure in this imbroglio?

Future had offered Amazon a 49% stake in Future Coupons, a promoter group entity. Through this transaction in December 2019, Amazon also acquired an indirect stake in Future Retail.

As losses mounted, the Future Group entered into the ₹24,713-crore agreement with Reliance Retail in August 2020. In October 2020, Amazon filed a case opposing the deal contending that the proposed transaction with Reliance violated certain clauses in Amazon's contract with the Future Group and also went for international arbitration. Amazon's contention was that as per its agreement with Future Coupons, the Future Group necessarily required written approval from the U.S. online behemoth for any deal with Reliance. In the still ongoing legal tussle, the Future Group won a brief reprieve last December when the competition commission of India suspended the Amazon-Future agreement citing false representation of motive on the part of Amazon.

However, when Future moved the NCLT for approval to the proposal with Reliance, secured creditors rejected the transaction, even though shareholders and unsecured creditors had granted approval. Today, footfalls into the few remaining functioning stores of the Future Group have plummeted.

Source: The Hindu

Environment

1. The key takeaways of a UNEP report on noise pollution

Relevant for GS Prelims & Mains Paper III; Environment

What does the Frontiers report say about the effects of sustained high decibel levels? Why was the inclusion of Moradabad as a noisy city cause for controversy?

A February report commissioned by the United Nations Environment Programme on the environmental challenges posed by noise, wildfires and the disruption of biological rhythms of plants, animals and ecological cycles became controversial on account of the mention of a single city, Moradabad.

What was the controversy?

The first chapter of the report, called Frontiers 2022: Noise, Blazes and Mismatches, deals with noise. It compiles studies about noise levels in several cities around the world and illustrates a subset of 61 cities and the range of dB (decibel) levels that have been measured. Delhi, Jaipur, Kolkata, Asansol and Moradabad are the five Indian cities mentioned in this list and Moradabad in Uttar Pradesh was shown as having a dB range from 29 to 114. At a maximum value of 114, it was the second-most-noisiest city in the list. The first was Dhaka, Bangladesh at a maximum value of 119 dB.

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While road traffic, industry and high population density are well-known factors associated with high dB levels, the inclusion of Moradabad appeared strange because similar studies in the past had never suggested it to be an unusually noisy city. There was no mention of the city in any of the scientific reports listed out in the bibliography of sources. A perusal of the list of research articles, linking each city to the scientific study undertaken to measure noise levels, pointed to a study, "Environmental noise challenges and policies in low- and middle-income countries. South Florida Journal of Health." This was authored by Dietrich Schwela, a researcher at the University of York, but surprisingly had no reference to Moradabad.

There were references to noise levels in Aurangabad (40-102), Chandigarh (51-75) and Kolkata (70-83). Schwela's study itself is a compilation of studies by several authors from around the world and the studies on Aurangabad, Chandigarh and Kolkata were done by independent authors. Another place that finds itself in the Frontiers report is Asansol, India, again referenced to Schwela's study and like Moradabad has no mention in the study.

So, is Moradabad the second-noisiest city?

The author of that chapter, Francesco Aletta, is based at the University College, London, in response to queries from The Hindu said that the confusion stemmed from errors in the bibliography. The actual study linked to Moradabad was: "Assessment of noise level status in different areas of Moradabad city" by Avnish Chauhan, of the Graphic Era Hill University, Dehradun. Incidentally this study was published in 2010 and, as is routine in many studies measuring noise levels, involved measurements in different parts of the city: residential areas, industrial areas and commercial places during the day and night. The 114 measurement was an average of measurements reported from a factory in an industrial zone. Aletta added that inferring Moradabad to be the 'second-noisiest city' was incorrect because the list of cities whose values were illustrated were only indicative.

The noise indicators that the different studies/reports included weren't "necessarily consistent/harmonised and it was generated simply as an example of the spread of noise values that different people have observed in different cities over time in different places."

Why are measurements of noise important?

The latest 2018 World Health Organization (WHO) guidelines established a health-protective recommendation for road traffic noise levels of 53 dB. The Frontiers report compiled a host of evidence, including the adverse effects of noise on public health, which range from mild and temporary distress to severe and chronic physical impairment. Night-time noise disturbs sleep and affects well-being the following day.

Estimates suggest that in Europe 22 million and 6.5 million people suffer from chronic noise annoyance and sleep disturbance, respectively. The elderly, pregnant women and shift workers are among those at risk of noise-induced sleep disturbance. Noise-induced awakenings can trigger a range of physiological and psychological stress responses because sleep is necessary for hormonal regulation and cardiovascular functioning. Traffic noise exposure is a risk factor for the development of cardiovascular and metabolic disorders such as elevated blood pressure, arterial hypertension, coronary heart disease and diabetes. Long-term exposure to environmental noise contributes to 48,000 new cases of ischemic heart disease and causes 12,000 premature deaths annually in Europe.

Two 15-year-long studies of long-term residents of Toronto, Canada found that exposure to road traffic noise elevated risks of acute myocardial infarction and congestive heart failure, and increased the incidence of Type 2 diabetes by 8%, and hypertension by 2%, says the report.

What is India doing about noise pollution?

The Central Pollution Control Board (CPCB) is mandated to track noise levels, set standards as well as ensure, via their State units, that sources of excessive noise are controlled.

The agency has a manual monitoring system where sensors are installed in major cities and few cities have the facility to track noise levels in real time. The CPCB also measures noise levels before and after Diwali in major cities, to publicise the impact of firecrackers.

- A February report commissioned by the United Nations Environment Programme on the environmental challenges posed by noise, wildfires and the disruption of biological rhythms of plants, animals and ecological cycles became controversial on account of the mention of a single city, Moradabad.
- It compiles studies about noise levels in several cities around the world and illustrates a subset of 61 cities and the range of dB (decibel) levels that have been measured.
- The Central Pollution Control Board (CPCB) is mandated to track noise levels, set standards as well as ensure, via their State units, that sources of excessive noise are controlled.

Source: The Hindu

2. What are the takeaways from the latest IPCC report on climate change?

Relevant for GS Prelims & Mains Paper III; Environment

What are the key messages? What are the implications of this report for India?

In its latest assessment report, the Intergovernmental Panel on Climate Change (IPCC) has laid out several scenarios on the steps that ought to be taken to keep temperatures below 2°C. It warned that even temporarily exceeding the warming level of 1.5°C over the next two decades would mean additional severe impact, some irreversible.

How is this report prepared?

Scientists from around the world including India are part of the Working Group III of the IPCC. They analyse the various interventions that can be made to ensure that temperature rise by the end of the century is minimal. The group does this by assessing the most credible, updated literature on the scientific, technological, environmental, economic and social aspects of mitigating the impact of climate change. This specific group studies social developments, such as decisions taken at the annual Conference of Parties (COP), progress on clean energy technologies and availability of finance. Placing the data in the context of climate science, the scientists analyse the role played by various groups such as forest communities, indigenous tribes and businesses, in addressing climate change and finally recommend steps that must be taken over three periods: until 2030, until 2050 and until 2100, on what needs to be done to limit temperature rise. A key part of the report, called the Summary for Policymakers, was approved by 195 member-governments of the IPCC, through a virtual approval session that started on March 21. The latest report is the third instalment of the IPCC's Sixth Assessment Report (AR6), which will be completed this year.

What are the key messages?

Total net anthropogenic GHG (greenhouse gas) emissions have continued to rise from 2010–2019, as have cumulative net CO₂ emissions since 1850. Average annual GHG emissions during 2010–2019 were higher than in any previous decade, but the rate of growth between 2010 and 2019 was lower than that between 2000 and 2009. By 2019, the largest growth in absolute emissions occurred in carbon dioxide from fossil fuels and industry followed by methane. The per-unit costs of several low-emission technologies have fallen continuously since 2010, however innovation has lagged in developing countries due to weak enabling

conditions. Even if countries adhered to their promises towards reducing emissions, called Nationally Determined Contributions, warming will still exceed 1.5°C during the 21st century. Keeping warming below 2°C would then rely on a rapid acceleration of mitigation efforts after 2030.

Tracked financial flows were still falling short of the levels needed to achieve mitigation goals across all sectors and regions. The challenge of closing gaps was largest in developing countries as a whole. Increasing financial flows can be supported by clear policy choices and signals from governments and the international community, it said. According to the scientists, limiting warming to around 1.5°C requires global greenhouse gas emissions to peak before 2025 at the latest and be reduced by 43% by 2030; at the same time, methane would also need to be reduced by about a third. Even if this happened, it is almost inevitable that this ceiling would be temporarily breached but, with appropriate action, it could again dip by the end of the century.

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The global temperature will stabilise when carbon dioxide emissions reach net zero. For 1.5°C, this meant achieving net zero carbon dioxide emissions globally in the early 2050s; for 2°C, it is in the early 2070s. Even limiting warming to around 2°C would still require global greenhouse gas emissions to peak before 2025 at the latest and be reduced by a quarter by 2030, the report stressed.

What are the implications of this report for India?

The report's warning against opening new coal plants is of relevance to India. The panel finds that all coal-fired power plants, without the technology to capture and store carbon (CCS), would need to be shuttered by 2050 if the world aspired to limit global temperature rise to 1.5°C. According to the Central Electricity Authority, India had about 211 GW of operational coal-fired power plants — roughly 10% of global capacity. As per Global Energy Monitor data, another 31 GW was being constructed and about 24 GW in various pre-construction phases. None of the existing under construction coal-fired power plants in India have CCS facilities. India has committed to a net-zero year, or when it would cease to be a net carbon dioxide emitter, of 2070 and has defined a pathway to transition to renewable energy sources but also insisted on its right to coal use given its developmental needs as well underlining that the historical responsibility of climate change from fossil fuel rested with the developed countries, who needed to shoulder much of the mitigating burden. The Centre has "welcomed" the report and said it recognises India's position that developed countries must do more to mitigate climate change.

Source: The Hindu

3. What is GO 111, the order to protect Hyderabad's Osman Sagar and Himayat Sagar, that has now been lifted

Relevant for GS Prelims & Mains Paper III; Environment

Environmentalists and activists are criticising the Telangana government for withdrawing an over 25-year-old government order protecting the historic Osman Sagar and Himayat Sagar reservoirs in Hyderabad, which they say will destroy the fragile surrounding ecosystem.

What was the government order that protected the two lakes?

On March 8, 1996, the government of erstwhile (undivided) Andhra Pradesh had issued 'Government Order (GO) 111' prohibiting development or construction works in the catchment area of the Osman Sagar and Himayat Sagar lakes up to a radius of 10 km.

The GO prohibited the setting up of industries, residential colonies, hotels, etc. which cause pollution. The total catchment area covers around 1.30 lakh acres, spread over 84 villages. The aim of the restrictions was to protect the catchment area, and to keep the reservoirs pollution-free. The lakes had been supplying water to Hyderabad for nearly 70 years, and were the main source of drinking water for the city at the time.

When and why were these reservoirs constructed?

The reservoirs were created by building dams on the Musi (also known as Moosa or Muchkunda) river, a major tributary of the Krishna, to protect Hyderabad from floods. The proposal to build the dams came after a major flood during the reign of the sixth nizam Mahbub Ali Khan (1869-1911) in 1908, in which more than 15,000 people were killed.

The lakes came into being during the reign of the last nizam Osman Ali Khan (1911-48). Osman Sagar was completed in 1921, and Himayat Sagar in 1927. The nizam's guesthouse at Osman Sagar is now a heritage building.

And why has the government withdrawn protection to the catchment area of the lakes?

Chief Minister K Chandrashekar Rao said in the Assembly that the city no longer depends on these two reservoirs for water supply, and there was no need to continue with the restrictions on development in the catchment radius.

Hyderabad's drinking water requirement has increased to more than 600 million gallons per day (MGD), which is being drawn from other sources including the Krishna river; water from the two reservoirs amounts to just about 1 per cent of the daily requirement.

However, officials said the government would continue to take measures to ensure that the water flowing into the reservoirs is not polluted, and would not allow unauthorised development or construction.

So, what is the government doing to ensure that the two reservoirs are not impacted adversely as a result of the withdrawal of restrictions?

The government has set up a committee headed by the chief secretary to frame rules and regulations of development around the two lakes. Several sewerage treatment plants are proposed in the area, and pipelines or canals will be dug to divert the treated water away from the lakes.

The government also proposes to establish large green zones throughout the area, which will remain free of any development. The committee will recommend ways to create infrastructure in the area, especially the laying of roads and drainage pipelines, without causing too much damage.

Construction activity will be strictly monitored and regulated.

What are environmentalists and activists saying?

Activist Dr Lubna Sarwath, state president of the Water Resources Council, says the government's decision is reckless, and will doom the two lakes. "They are still an important water source for the city. My question is why destroy water bodies at all? A huge concrete jungle will come up around them. It seems the powerful real estate lobby put a lot of pressure. There are already over 10,000 illegal constructions around the two lakes," she said.

Himayat Ali Mirza, a great grandson of the last nizam, too has appealed to protect the lakes from destruction and has asked the government to not scrap GO 111.

Source: The Indian Express

4. How quickly can India move away from coal?

Relevant for GS Prelims & Mains Paper III; Environment

With the demand for power going up, what is the outlook on the renewable energy sector?

On Friday, Tamil Nadu Chief Minister M.K. Stalin wrote to Prime Minister Narendra Modi, requesting him to ensure adequate supply of coal to the power-generating units in the State. In Maharashtra, Deputy Chief Minister Ajit Pawar said the State government planned to import coal to cope with the power crisis. The other top power-consuming State in the country, Gujarat, is also planning to import coal, according to reports. Decline in coal stocks and the resulting power outages in several States have spurred queries of renewable energy's

potential to fill in for the conventional resource. Earlier this week, coal stocks in more than 100 thermal power plants in India fell below the critical mark (less than 25% of the required stock) while it was less than 10% in over 50 plants across India. On Saturday, the Minister for Coal and Mines, Pralhad Joshi, said at present 72.5 million tonnes (MT) of coal is available at different sources of Coal India, Singareni Collieries and coal washeries, and 22.01 MT with thermal power plants. "There is sufficient coal availability in the country, to last over a month, which is being replenished daily with record production," he tweeted.

Is there a coal crisis?

Coal accounts for 55% of the country's energy needs, according to Mr. Joshi. The India Energy Outlook 2021 report of the International Energy Agency (IEA) said energy use in India has doubled since 2000, with 80% of demand still being met by coal, oil and solid biomass. Pandemic-related disruptions, however, prevented the stock-up of coal. Mining operations were halted to curb the spread of the virus. Despite the gradual easing into operations, mining activities were hampered during the monsoons, delaying arrival of stocks. With household demand for power picking up and the arrival of summer, combined with the sudden acceleration in economic activity, it has resulted in a demand-supply mismatch. The country had experienced a similar situation last October, but with peak summer approaching, the coal stock situation is more worrisome now because demand for power will be high. The energy demand will go up as urbanisation and the population increase. The IEA estimates that despite the shock from COVID-19, India's demand is expected to grow by almost 5% a year till 2040.

What is the consumption pattern?

Coal is abundantly available, has shorter gestation periods and coal-based plants have lower capital costs than hydel and nuclear plants, therefore, making it the most viable enabler of energy security in the country. The conventional resource's capacity addition is further helped by the increased participation of the private sector in power generation. In Washington recently, Finance Minister Nirmala Sitharaman said India's move away from coal will be hampered by the war in Ukraine. At the recently concluded Budget session, Mr. Joshi said, "Despite push for renewables, [the] country will require base load capacity of coal-based generation for stability and also for energy security."

Where does India stand on renewable energy sources?

The report of the Central Electricity Authority on optimal generation capacity mix for 2029-30 estimates that the share of renewable energy in the gross electricity generation is expected to be around 40% by that financial year. The Union government has spent ₹3,793 crore until March 14 in 2021-22 for implementing varied renewable energy-related schemes and programmes.

A total of 152.90 GW of renewable energy capacity has been installed in the country as on February 28, as per government figures. This includes 50.78 GW from solar power, 40.13 GW from wind power, 10.63 GW from bio-power, 4.84 GW from small hydel power and 46.52 GW from large hydel power. In accordance with the Prime Minister's announcement at COP26 (the 2021 United Nations Climate Change Conference), the Ministry of New and Renewable Energy aspires to install 500 GW of electricity capacity from non-fossil fuel sources by 2030.

In 2020-21, as per the CEA, 1,381.83 billion units (bu) was generated in total, of which renewable energy sources' share was 297.55 bu — representing 21.5% of the overall generation. Up to August 2021, the share stood at 24%. "Over the next 10 years, the strong growth of renewables is not sufficient in the stated policies scenario to keep up with the projected pace of electricity demand growth, and coal-fired power generation makes up the difference....," the IEA said in its report on India.

What are the challenges?

The capacity of a plant does not necessarily translate into the actual power it generates for the grid, some of it is lost owing to external factors such as heat or transmission losses. This applies for both renewable and conventional sources.

Solar and wind energy are variable resources with 'variability' being particularly exposed during periods of peak demand. For example, solar energy is abundantly available during daytime in summers. However, the domestic consumption peaks in the evenings when we turn on the air-conditioner after returning from work. With no sunlight outside then, energy requirement and supply face a mismatch. Another dimension to it is the seasonal variation. In monsoons, solar energy is barely available with wind energy available in abundance. Another factor is spatial variability. Regions near coastal areas enjoy more wind and therefore, possess greater ability to produce wind energy, like Gujarat, in comparison to States which are drier and experience more sunlight, like Rajasthan. Use of renewable energy, therefore, would essentially require a balancing act.

What about transmission and storage?

Transmission and storage are central to addressing variability issues. They help cope with the 'duck curve' power demand among consumers in India. Resembling a duck, the curve is a graphical representation exhibiting the difference between the demand and availability of energy through the day. With both wind and solar being variable sources — it becomes imperative to establish a complementing model. This would require import and export technologies between States as well as optimising the trade between those with differing demand and production profiles. "Thermal plants in the eastern region, by contrast, provide flexibility for demand centres to the south and west, which have high industrial and agricultural loads and may call on imports during periods of low renewables availability," IEA says.

They further add, "India's national infrastructure has not been designed to account for so much variability in energy generation. The grid is accustomed to consistent supply from thermal power plants, which is diametrically opposed to the erratic generation from solar-PV, wind turbines, and other renewables."

How will the cost factor work?

Transition to renewable energy would depend a lot on inculcating energy-efficient behaviour such as operating ACs, both for commercial and domestic usage, more flexibly through the day and opting for energy-efficient products. Cooling systems emerge as a utility during summers, the usage however is divided between higher and lower income households with the former being more economically secure opting to run them all through the day. A demand response programme in the direction would help address such issues keeping external factors constant. Further, lifestyle changes to reduce energy demand too would be essential; an example here could be Japan's 'Cool Biz Campaign' permitting employees to wear light and casual clothes at work instead of the conventional jackets and tie in order to reduce the need for air-conditioning. As per government data, India has seen record low tariffs of ₹1.99 per KWh for solar power and ₹2.43 per KWh for wind power — much cheaper in comparison to electricity produced from conventional sources.

- The decline in coal stocks and the resulting power outages in several States have spurred queries of renewable energy's potential to fill in for the conventional resource
- The India Energy Outlook 2021 report of the International Energy Agency (IEA) said energy use in India has doubled since 2000, with 80% of demand still being met by coal, oil and solid biomass
- The report of the Central Electricity Authority on optimal generation capacity mix for 2029-30 estimates that the share of renewable energy in the gross electricity generation is expected to be around 40% by that financial year
- Transition to renewable energy would depend a lot on inculcating energy-efficient behaviour such as operating ACs, both for commercial and domestic usage, more flexibly through the day and opting for energy-efficient products

Source: The Hindu

5. Can climate change be solved by pricing carbon?

Relevant for GS Prelims & Mains Paper III; Environment

As climate change bakes the planet, dozens of nations and many local governments are putting a price tag on greenhouse gas emissions that are increasing flooding, droughts and other costly catastrophes.

Pennsylvania on Saturday becomes the first major fossil fuel-producing state in the US to adopt a carbon pricing policy to address climate change. It joins 11 states where coal, oil and natural gas power plants must buy credits for every ton of carbon dioxide they emit.

President Joe Biden is attempting a less direct approach — known as the social cost of carbon — that calculates future climate damages to justify tougher restrictions on polluting industries. Republicans say that could crush many businesses. They want the US Supreme Court to stop the administration after lower courts in Louisiana and Missouri split on the issue.

Governments elsewhere have moved more aggressively. Canada, for example, imposes fuel charges on individuals and also makes big polluters pay for emissions. It's one of 27 nations with some kind of carbon tax, according to The World Bank.

The varied strategies come as scientists warn climate change is accelerating — and all can help reduce emissions. But experts say U.S. efforts have been hobbled by its fractured approach.

"Part of the reason you need all of these things to work in tandem is we do not have a federal climate policy," said Seth Blumsack, director of the Center for Energy Law and Policy at Penn State University. "We have social cost of carbon used in regulatory decisions but not (a carbon price) that is faced by the market."

So what's the price tag?

It varies. A lot.

The Biden administration's social cost estimate is about \$51, meaning every ton of carbon dioxide spewed from a power plant or tail pipe today is projected to contribute to \$51 in economic damages in coming years. The state of New York has its own social cost of carbon, updated in 2020 to \$125 a ton to account for economic trends.

By contrast, emissions were most recently valued at \$13.50 per ton at auction under the Regional Greenhouse Gas Initiative in the Northeast, which Pennsylvania is joining. A similar "cap and trade" emissions program is in place in California, and one is due to go into effect in Washington state in 2023.

Canada's carbon taxes include a minimum fuel charge for individuals equivalent to about \$40 per ton.

Why the big differences?

The social cost of carbon attempts to capture the value of all climate damage, centuries into the future. Carbon pricing reflects how much companies are willing to pay today for a limited amount of emission credits offered at auction.

In other words, the social cost of carbon guides policy, while carbon pricing represents policy in practice.

"You're trying to get the price to reflect the true cost to society," said economist Matthew Kotchen, a former U.S. Treasury Department official now at Yale University. "A more stringent policy would have a higher carbon price. A more lax policy would give you a lower carbon price."

In the most efficient world, economists say the two figures would line up, meaning there would be agreement about what climate change damages will cost and the policies used to address them.

Is any of this working?

Emissions from northeastern states would have been about 24% higher if the carbon pricing consortium hadn't been in place, according to researchers from Duke University and the Colorado School of Mines.

The carbon auctions also have brought in almost \$5 billion that can be used to reduce household energy cost increases and promote renewable energy.

The consortium began in 2009 — the year of a failed push in Congress to establish a nationwide cap and trade program. The bipartisan proposal died amid arguments over cost and whether climate change was even occurring.

Following lawsuits from environmentalists, President Barack Obama's administration crafted the social cost of carbon and began including future damage estimates in cost-benefit analyses for new regulations. It was used under Obama more than 80 times, including for tightened vehicle emissions standards and regulations aimed at shuttering coal plants.

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President Donald Trump moved to roll back many of the Obama-era rules — and to help justify the changes, the Republican administration cut the social cost of carbon from about \$50 per ton to \$7 or less. The lower number included only domestic climate impacts and not global damages.

"On its face that might sound okay, but when you think about it, global harms from climate change have implications in the U.S. in terms of the global financial system," said Romany Webb, a climate change law expert at Columbia Law School.

What's next?

On the day Biden took office, he set up an interagency group that revived the Obama estimate and promised a revised figure incorporating previously overlooked consequences of climate change. Many economists expect the revised figure to be higher, perhaps more than double the current \$51.

Without a nationwide cap and trade program, environmentalists and some economists want the government to be more aggressive in using the social cost of carbon to overhaul government energy policy.

Under Biden, the U.S. Interior Department for the first time is applying climate damage considerations to oil and gas sales on public lands and waters. An upcoming lease sale in Wyoming, for example, could result in future emissions of 34 million tons (31 million metric tons) of carbon dioxide. That's equivalent to more than \$1.5 billion in future damages.

But the agency still plans to sell the leases because officials said there were no "established thresholds" to evaluate whether the increased emissions were acceptable, or not.

The expansion of carbon pricing into Pennsylvania remains tenuous. A legal challenge is pending and the state's term-limited Democratic governor could soon be replaced by a successor who opposes the state's participation.

"While pricing carbon would be the gold standard, it seems politically difficult to actually get there," said Brian Prest with Resources for the Future, a Washington, D.C.-based research organization.

Source: The Indian Express

6. Twitter's new policy on climate change denial ads, its significance

Relevant for GS Prelims & Mains Paper III; Environment

Citing the latest assessment report of the Intergovernmental Panel on Climate Change (IPCC), social media giant Twitter has announced that it will prohibit misleading advertisements on climate change.

By misleading, Twitter means ads that "contradict" the scientific consensus on climate change. This decision, Twitter said, is in line with its inappropriate content policy, which deals with prohibiting ads that contain inappropriate content.

Twitter's announcement on Friday—coinciding with Earth Day—is part of an attempt to curb climate change disinformation campaigns on its network.

The IPCC's assessment reports are the most comprehensive and widely accepted scientific evaluations of the state of the Earth's climate. They form the basis for government policies to tackle climate change, and provide the scientific foundation for the international climate change negotiations.

In 2019, Twitter shared plans to achieve 100 percent carbon-neutral power sourcing in their data centres by the end of 2022. Page | 169

Twitter's reasoning behind the new policy

Twitter has said that climate denialism shouldn't be monetised on the platform and that "misrepresentative ads shouldn't detract from important conversations about the climate crisis".

"We recognize that misleading information about climate change can undermine efforts to protect the planet," it said in a blog post announcing the new policy.

Twitter's policy on inappropriate content already specifies that ad content which includes dangerous or exploitative content, demeaning or inflammatory content, personal attacks, misrepresentative content, misleading synthetic or manipulated content, content engaged in coordinated harmful activity, distasteful content and content that showcases violence is inappropriate and, therefore, not fit to be monetised on the platform.

Google's announcement of similar policy

In October 2021, tech giant Google had done something similar when it announced a new monetisation policy for Google advertisers, publishers and YouTube creators.

Google's policy prohibits ads for, and monetization of, content that contradicts "well-established scientific consensus around the existence and causes of climate change".

"This includes content referring to climate change as a hoax or a scam, claims denying that long-term trends show the global climate is warming, and claims denying that greenhouse gas emissions or human activity contribute to climate change," its policy says.

Source: The Indian Express

7. From environmental concern to practical use: study shows old masks can strengthen cement

Relevant for GS Prelims & Mains Paper III; Environment

Addition of disposable masks to cement

With single-use masks during the pandemic now presenting an environmental problem, researchers have demonstrated the idea of incorporating old masks into a cement mixture to create stronger, more durable concrete. If they are not reused, disposable masks can remain in the environment for decades and pose a risk for the ecosystem.

In a paper published in the journal Materials Letters, researchers showed that the mixture using mask materials was 47% stronger than commonly used cement after a month of curing, Washington State University said in a press release.

Save carbon emissions

Production of cement is a carbon-intensive process, responsible for 8% of carbon emissions worldwide. If concrete is reinforced with microfibres, it can potentially reduce the amount of cement needed for a project, or

make the concrete last longer, saving carbon emissions as well as money. Medical masks have fibres that can be useful for the concrete industry.

“These waste masks actually could be a valuable commodity if you process them properly... This work showcases one technology to divert the used masks from the waste stream to a high-value application,” the release quoted the paper’s corresponding author Xianming Shi, professor of civil and environmental engineering, as saying.

The researchers developed a process to fabricate tiny mask fibres, ranging from 5 mm to 30 mm in length, and then added them to cement concrete to strengthen it and to prevent its cracking. They removed the metal and cotton loops from the masks, cut them up and incorporated them into ordinary Portland cement. They mixed the mask microfibres into a solution of graphene oxide before adding the mixture to cement paste. Without the fibres, microscopic cracks in the concrete would eventually lead to wider cracks and the material’s failure, the release said.

The researchers are conducting more studies to test their idea that the graphene oxide-treated microfibres could also improve the durability of the concrete and protect it from frost damage and from deicing chemicals that are used on roadways. They also envision applying this technology to the recycling of other polymer materials, such as discarded clothing, to incentivise the collection of such waste.

The study was led by Zhipeng Li, a graduate student in WSU’s Department of Civil and Environmental Engineering. The study was funded through the US Department of Transportation’s National Center for Transportation Infrastructure Durability and Life Extension.

Source: The Indian Express

Science and Technology

1. How is Meta planning to moderate its content to deal with misinformation and fake accounts? What are the new rules for advertisers on the site?

Relevant for GS Prelims & Mains Paper III; Science & Technology

In a blogpost on March 27, Facebook’s parent company Meta stated that it can anticipate threats and help prevent interference in elections better than before. It added that the platform’s focus on strengthening artificial intelligence and machine learning systems among other tools made it more effective at finding and removing abuse and fake accounts. Further, to ensure a level playing field, Meta extended the use of all advertising tools, previously available only to large entities, to entities of all sizes.

What are the recent changes Meta has incorporated into its platform?

The Ad auction: Meta said ad pricing on its platforms vary as per the entity’s targeting and bid strategy. It informed the auction does not make pricing decisions based on political viewpoints. “The assertion that any political party in India got discounted rates on ads because of their political affiliation is factually inaccurate,” the blog stated. In January, Facebook decided to do away with some of its ‘detailed targeting’ options that let the advertisers refine their target audience. It informed that broad targeting along with customised and lookalike audience targeting options would continue to exist.

Disclaimers: Political ads on Facebook and Instagram are required to be mandatorily authorised and must include disclaimers as well. This enables users to note the name of the person or organisation running the ads. The advertisers are required to verify their credentials to increase their accountability. “For example, if we discover that the phone, email or website are no longer active or valid, we will inform the advertiser to update them. If they do not, they will no longer be able to use that disclaimer to run ads about elections or politics,” the blog read.

Removing and demoting content: Meta announced that all political advertisements violative of their policies and standards, including those flagged by the Election Commission of India and scrutinised by them, will not be allowed to stay on their platforms. Separately, prior to the recently concluded State elections in five States of India, it had stated that if content, even though not violative of its standards but could potentially cause offline harm becomes widespread, it will be demoted so fewer people can see it.

Coordinated Inauthentic Behaviour: This refers to coordinated actions at a large scale aimed at influencing public opinions to achieve a strategic social or political goal. Fake accounts are usually central to such operations. Meta stated it accords focus on behaviour and not content when determining deceptive campaigns. "...in many cases the content shared by influence operations isn't verifiably false and may in fact be copied from authentic communities these deceptive campaigns are trying to mimic or reach," the blog stated. The blog informed that it has been working on technologies to detect and block fake accounts, which are the source of a lot of inauthentic activity.

Virality: Meta said it does not tweak its algorithms to suit a particular user. The feed is essentially shaped by choices and actions of the individual user. "It is made up primarily of content from the friends and family they choose to connect to on the platform, the Pages they choose to follow, and the Groups they choose to join. Ranking is then the process of using algorithms to order that content," the blog stated.

Language: Meta's blogpost stated that it has content reviewers in 20 Indian languages. There has been \$13 billion worth of investment which helped the company triple the size of its global team working on safety and security to over 40,000 including 15,000+ dedicated reviewers across 70 languages.

What is the process of authentication for advertisers?

Facebook stated that any advertiser publishing advertisements concerning social issues, elections or politics and are located in the designated country must complete Meta's authorisation process. The rules do not apply for news publishers.

The direct (or proxy) entities are required to comply with requirement pertaining to disclaimer, labelling, blackout periods, foreign interference or spending limits and reporting requirements. As for authorisation, they are required to confirm their primary location, and upload a government photo ID such as passport, driving licence etc. After this, the entity would be required to put forth the list of accounts that would be used to fund its ads. Failure to comply with Meta's provisions or furnishing misleading information during authentication may impart restrictions such as unpublishing of associated pages, disabling existing advertisements and revoking permission to publish new ads.

Can Meta completely ban advertising campaigns?

Meta barred all advertising about the Georgia runoff elections on its platform, with effect from January 6 the previous year. This was not the first time that Meta imposed an advertising blackout. This was first implemented in the runup to the election day in United States. Meta had barred all campaigners from publishing new advertisements a week before. "We know it's important that campaigns are able to run get out the vote campaigns, but in the final days of an election there may not be enough time to contest new claims, which is why we aren't accepting new political or issue ads in the final week," it stated.

However, the campaigners allowed the existing advertisements to continue running.

How have Indian authorities checked Facebook's alleged lack of accountability?

On March 28, officials of the social media platform Facebook were answering queries laid out by the Parliamentary Standing Committee on Information and Technology. The allegations laid out against them concern the partisan use of their algorithms to favour one political party. They were also questioned on the spread of hate content and the lack of Indian language experts for quality check. The company's representatives, in their defence, said the algorithms only determine the comparative performance of the ads,

denying allegations of any intervention by the company, a source informed The Hindu. It added that the platform does not differentiate between political and non-political advertisements.

Source: The Hindu

2. What is genome editing technology and how is it different from GM technology?

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Relevant for GS Prelims & Mains Paper III; Science & Technology

On Wednesday, the central government paved the way for easy introduction of genome edited crops. The government has clearly distinguished such crops from genetically modified crops and has prescribed relatively easier norms for their introduction. The Indian Express explains what genome editing is and how it is different from genetically modified crops.

What is genome editing?

A decade ago, scientists in Germany and the US discovered a technique which allowed them to 'cut' DNA strands and edit genes. For agriculture scientists this process allowed them to bring about desired changes in the genome by using site directed nuclease (SDN) or sequence specific nuclease (SSN). Nuclease is an enzyme which cleaves through nucleic acid — the building block of genetic material.

Advanced research has allowed scientists to develop the highly effective clustered regularly interspaced palindromic repeat (CRISPR) -associated proteins based systems. This system allows for targeted intervention at the genome sequence. This tool has opened up various possibilities in plant breeding. Using this tool, agricultural scientists can now edit genome to insert specific traits in the gene sequence. Depending on the nature of the edit that is carried out, the process is divided into three categories — SDN 1, SDN 2 and SDN 3.

SDN1 introduces changes in the host genome's DNA through small insertions/deletions without introduction of foreign genetic material. In the case of SDN 2, the edit involves using a small DNA template to generate specific changes. Both these processes do not involve alien genetic material and the end result is indistinguishable from conventionally bred crop varieties. On the other hand, SDN3 process involves larger DNA elements or full length genes of foreign origin which makes it similar to Genetically modified organisms (GMO) development.

How is gene editing different from GMO development?

Genetically modified organisms (GMO) involves modification of the genetic material of the host by introduction of a foreign genetic material. In the case of agriculture, soil bacteria is the best mining source for such genes which are then inserted into the host genome using genetic engineering. For example, in case of cotton, introduction of genes cry1Ac and cry2Ab mined from the soil bacterium *Bacillus Thuringiensis* (BT) allow the native cotton plant to generate endotoxins to fight pink bollworm naturally. BT Cotton uses this advantage to help farmers naturally fight pink bollworm which is the most common pest for cotton farmers.

The basic difference between genome editing and genetic engineering is that while the former does not involve the introduction of foreign genetic material, the latter does. In the case of agriculture, both the techniques aim to generate variants which are better yielding and more resistant to biotic and abiotic stress. Before the advent of genetic engineering, such variety improvement was done through selective breeding which involved carefully crossing plants with specific traits to produce the desired trait in the offspring. Genetic engineering has not only made this work more accurate but has also allowed scientists to have greater control on trait development.

What are the regulatory issues which have prevented wider adoption of this technique?

Across the world, GM crop has been a topic of debate, with many environmentalists opposing it on the grounds of bio safety and incomplete data. In India, the introduction of GM crops is a laborious process which involves multiple levels of checks. The Genetic Engineering Appraisal Committee (GEAC), a high power committee under the Ministry of Environment, Forest and Climate Change, is the regulator for introduction of any GM material

and in case of agriculture multiple field trials, data about biosafety and other information is necessary for getting the nod before commercial release of any GM crop. Till date the only crop which has crossed the regulatory red tape is Bt cotton.

Scientists both in India and across the world have been quick to draw the line between GM crops and genome edited crops. The latter, they have pointed out, has no foreign genetic material in them which makes them indistinguishable from traditional hybrids. Globally, European Union countries have bracketed genome edited crops with GM crops. Countries like Argentina, Israel, US, Canada, etc have liberal regulations for genome edited crops.

Last year, a group of eminent agricultural scientists had written to Prime Minister Narendra Modi voicing their concern about what they said was a move to put the issue of genome edited crops to the back burner. Back then, the central government had invited suggestions and objections from states and Union Territories about the issue and put on hold field trials of such crops. The signatories, many of whom were Padma awardees, had categorically said that the variants developed through SDN1 and SDN2 techniques do not have any alien DNA and as such can be treated as other hybrids.

What has the government decided?

On Wednesday, the Environment Ministry put a lid to the topic by issuing fresh guidelines. The Wednesday's notification has exempted SDN 1 and SDN 2 genmoe from the same and instead it would rely on reports of Institutional Biosafety Committee to exclude exogenous genetic material.

The institutional biosafety committees are expert committees constituted under the Act to deal with research and release of GM material. Such committees would now be entrusted to certify that the genome edited crop is devoid of any foreign DNA. This would be a less cumbersome and time consuming process for commercial release of genome edited crops.

Source: The Indian Express

3. NFC technology for instant payments

Relevant for GS Prelims & Mains Paper III; Science & Technology

How will the 'Tap to Pay' feature make things easier for monetary transactions on smartphones? What are the other uses of NFC technology?

Google Pay has recently launched a new feature in India, 'Tap to pay for UPI', in collaboration with Pine Labs. The feature makes use of Near Field Communication (NFC) technology.

The functionality will allow users with NFC-enabled Android smartphones and UPI accounts linked to Google Pay to carry out transactions just by tapping their phones on any Pine Labs Android point-of-sale (POS) terminal across the country, Google said in a release. Till now, Tap to Pay was only available for cards.

What is NFC and how does it work?

NFC is a short-range wireless connectivity technology that allows NFC-enabled devices to communicate with each other and transfer information quickly and easily with a single touch — whether to pay bills, exchange business cards, download coupons, or share a document.

NFC transmits data through electromagnetic radio fields, to enable communication between two devices. Both devices must contain NFC chips, as transactions take place within a very short distance. NFC-enabled devices must be either physically touching or within a few centimetres from each other for data transfer to occur.

How will this technology work with the recently launched feature, 'Tap to pay for UPI'?

Google Pay has been the first among UPI apps to bring the Tap to Pay feature working on POS terminals. It will allow users with UPI accounts configured on Google Pay to make payments just by tapping their NFC-enabled

Android smartphones on any Pine Labs Android POS terminal. Once users tap their phones on the POS terminal, it will automatically open the Google pay app with the payment amount pre-filled. Users can then verify the amount and merchant name and authenticate the payment, using their UPI PIN. They will be notified once the payment is successful, Google told The Hindu.

The process is much faster compared to scanning a QR code or entering the UPI-linked mobile number which has been the conventional way till now.

Are other companies using NFC tech for payments using smartphones?

In February this year, Apple introduced Tap to Pay on the iPhone. It will allow merchants across the U.S. to use their iPhones to accept Apple Pay, contactless credit and debit cards, and other digital wallets through a tap to their iPhone without the need for any additional hardware or payment terminal.

At checkout, the customer just needs to hold their iPhone or Apple Watch to pay with Apple Pay, their contactless credit or debit card, or other digital wallet near the merchant's iPhone to complete the payment using NFC technology, Apple said in a release earlier.

What are the other applications of NFC technology?

NFC tech has a wide range of applications besides driving payment services like Google Wallet and Apple Pay. It is used in contactless banking cards to perform money transactions or to generate contact-less tickets for public transport. Contactless cards and readers use NFC in several applications from securing networks and buildings to monitoring inventory and sales, preventing auto theft, keeping tabs on library books, and running unmanned toll booths, according to investopedia.

NFC is behind the cards that we wave over card readers in subway turnstiles and on buses to check tickets. It is present in speakers, household appliances, and other electronic devices that we monitor and control through our smartphones. With just a touch, NFC can also set up WiFi and Bluetooth devices in our homes, investopedia noted.

It also has an application in healthcare, to monitor patient stats through NFC-enabled wristbands. NFC is used in wireless charging too.

How safe is this technology?

NFC technology is designed for an operation between devices within a few centimetres from each other. This makes it difficult for attackers to record the communication between the devices compared to other wireless technologies which have a working distance of several metres, according to the NFC forum, a non-profit industry association.

The user of the NFC-enabled device determines by the touch gesture which entity the NFC communication should take place with, making it more difficult for the attacker to get connected. The security level of the NFC communication is by default higher compared to other wireless communication protocols.

The NFC Forum has also added Peer to Peer communication which is a mechanism to cipher all exchanged data to avoid external interpretation of recorded communication. Since the receiving device reads your data the instant you send it, NFCs also reduce the chance of human error, according to investopedia.

Where does it stand in comparison to other wireless technologies?

There are other wireless technologies available which are replacing cable-based connections. The IrDa technology is a short range (a few metres) connection based on the exchange of data over infrared light where the two communication devices must be positioned within a line of sight. Today, this technology is mainly used for remote control devices. For larger data communication with computer devices this technology was replaced by Bluetooth or WiFi connections.

However, for these technologies' receiver devices need their own power supply due to the larger working distance. Therefore, the receiving device cannot be powered by the radiofrequency (RF) field like in NFC, the NFC forum highlighted. Another consequence of the larger working distance is the need for the user to configure their device and to pair them together for communication. Connection cannot be initiated by a simple touch gesture like in NFC.

When did NFC tech start?

In 2004, consumer electronics companies, Nokia, Philips and Sony together formed the NFC Forum, which outlined the architecture for NFC technology to create powerful new consumer-driven products.

Nokia released the first NFC-enabled phone in 2007.

- Google Pay has recently launched a new feature in India, 'Tap to pay for UPI', in collaboration with Pine Labs. The feature makes use of Near Field Communication (NFC) technology.
- The process is much faster compared to scanning a QR code or entering the UPI-linked mobile number which has been the conventional way till now.
- In 2004, consumer electronics companies, Nokia, Philips and Sony together formed the NFC Forum, which outlined the architecture for NFC technology to create powerful new consumer-driven products.

Source: The Hindu

4. The recombinant variants of SARS-CoV-2

Relevant for GS Prelims & Mains Paper III; Science & Technology

The World Health Organization (WHO) has flagged the emergence of a new variant of the SARS-CoV-2 virus — the XE recombinant. The WHO further added that the recombinant virus was detected in the U.K. on January 19 and over 600 sequences have been reported and confirmed since.

How are variants created?

SARS-CoV-2, the virus that causes COVID-19, is an RNA virus which evolves by accumulating genetic errors in its genome. These errors are produced when the virus infects a person and makes copies of itself inside the host's cells.

These errors (otherwise called mutations) are therefore a by-product of replication of SARS-CoV-2 inside the cell and may be carried forward as the virus continues to infect people. When viruses having a specific set of errors or mutations infect a number of people, this forms a cluster of infections descending from a common parental virus genome and is known as a lineage or a variant of the virus.

How are the variants named?

The PANGO network, an open global consortium of researchers from across the world, provides a system for naming different lineages of SARS-CoV-2. These variants or lineages are widely followed by epidemiologists for tracking the evolution of SARS-CoV-2.

What is a recombinant variant?

Apart from the errors in the virus genome, another process through which a virus increases its genetic diversity is recombination. Recombination occurs when, in extremely rare situations, two different lineages of the virus co-infect the same cell in the host and exchange fragments of their individual genomes which generates a descendent variant having mutations that occurred in both the original lineages of the virus. Recombination of lineages happens in a variety of other viruses, including those that cause influenza, as well as other coronaviruses.

Such recombination events occur typically in situations where two or more lineages of SARS-CoV-2 may be co-circulating in a certain region during the same time period. This co-circulation of lineages provides an opportunity for recombination to occur between these two lineages of SARS-CoV-2.

How many recombinant viruses have been detected?

While recombination events are not frequently observed for the SARS-CoV-2 virus, multiple recombinant lineages have been designated during the pandemic. The recombinant lineages are annotated by PANGO with an 'X' followed by an alphabet which indicates the order of discovery. Some previously detected and designated lineages include XA, a recombinant of B.1.1.7 (Alpha) and B.1.177 detected in the U.K., lineage XB detected in the U.S., and lineage XC detected in Japan, which is a recombinant of B.1.1.7 (Alpha) and AY.29 sublineage of Delta.

Three new recombinant lineages of SARS-CoV-2 have been recently designated by the PANGO network and are being monitored — XD, XE, and XF.

Lineages XD and XF are a combination of lineages AY.4 (a sublineage of Delta) and BA.1 (Omicron), while lineage XE is a combination of Omicron lineages BA.1 and BA.2. Lineage XD, which has the Spike gene of Omicron inserted into a Delta genome, was first detected in France and Denmark. Lineage XF was detected in the U.K. early in January 2022 but has since not shown any significant transmission events in the country. Lineage XE, also first detected in the U.K., is a recombinant having fragments of lineage BA.1 with the majority of BA.2 genome.

Although currently present in a very low proportion of genomes in the U.K., early data from the country show evidence of community transmission of XF.

Are recombinant variants more deadly?

Although recombination has been detected in SARS-CoV-2, it has not yet impacted public health in a unique way. There is little evidence to suggest that recombinant lineages have a varied clinical outcome compared to the currently dominant Omicron variant, although preliminary data from the U.K. health security agency suggests a transmission advantage over the Omicron variant. It is certain at this point in time that more data will be needed to ascertain the impact of these lineages on the epidemiology of COVID-19.

What are the methods through which recombinants are identified?

Identifying and tracking recombinant lineages for SARS-CoV-2 is a challenging task. This would require specialised tools and the availability of primary (or raw) data for genome sequences as similar variant combinations could also arise from inadvertent errors in sequencing or analysis as well as contamination of sequencing experiments. A cluster of recombinant genomes can be designated a lineage name by the PANGO network if it can be confirmed that samples in the cluster have a common origin and descend from two individual lineages of SARS-CoV-2. Additionally, there should be at least 5 genomes in the public domain belonging to the cluster, indicating an ongoing transmission of the lineage. Furthermore, screening the sequencing data of these samples should show no signs of contamination and meet the definition of a recombinant.

What lies ahead?

Since recombinations are extremely rare occurrences, it is unclear how and why the viruses recombine. It is, therefore, important to track recombination of SARS-CoV-2 lineages because it may lead to the generation of a viral lineage that is better at infecting people or transmitting from host to host. Regardless of the consequences that recombination events may have on the evolution of the virus, monitoring circulating SARS-CoV-2 genomes for evidence of recombination will not only help gain a better understanding of the ongoing evolution of SARS-CoV-2 but will also be able to give one a heads up, if a more “concerning” variant of the virus were to emerge.

Source: The Hindu

5. What is XE variant of coronavirus, and why you need not worry about it — at least for now

Relevant for GS Prelims & Mains Paper III; Science & Technology

The Brihanmumbai Municipal Corporation (BMC) on Wednesday (April 6) announced that a 50-year-old woman with a travel history to South Africa may have been infected with the newly-discovered 'XE' variant of the coronavirus.

XE, a sub-variant of Omicron, which caused the third wave of Covid-19 this winter, had not been found in India until now. The announcement about its discovery sparked concern about the possibility of a fresh wave of infections in India, where Covid-19 cases are in continuous decline, and are now at their lowest level in more than two years.

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Almost immediately, however, Union Health Ministry sources in New Delhi clarified that the identification of the XE variant in that particular patient was yet to be confirmed. In fact, a preliminary analysis had suggested that the virus detected in the patient was not the XE variant.

A confirmation one way or the other was expected in a day or two.

What is the XE variant of coronavirus?

The Omicron variant, which is responsible for over 90 per cent of the infections detected this year, has two prominent sub-variants, called BA.1 and BA.2. There is a BA.3 sub-variant as well, but that is less common.

During the initial phase, the BA.1 sub-variant was the most widespread. In India, however, it was the BA.2 that was the most dominant during the third wave.

BA.2 was found to be slightly more transmissible than BA.1, even though it was not more dangerous. In the last couple of months, the BA.2 variety has become the most widespread across the globe, accounting for almost 94 per cent of all Omicron infections in the last one month, according to the World Health Organisation (WHO). The incidence of the BA.1 variety is declining sharply.

The XE variant is what is called a 'recombinant'. This means it contains the mutations found in BA.1 as well as BA.2 varieties of Omicron. This was first discovered in the United Kingdom in January, and so far more than 600 samples of XE have been found in different countries.

Recombinant variants are not uncommon. Variants that contain mutations characteristics of two or more known variants occur all the time. In fact, variants that contain the characteristic mutations of Delta and Omicron have also been identified.

The random process of genetic mutations in viruses and other organisms keeps happening continuously. But only a small fraction of these mutations significantly alter the abilities of the virus to infect, or to cause severe diseases.

"Given the current high level of transmission worldwide, it is likely that further variants, including recombinants, will continue to emerge. Recombination is common among coronaviruses and is regarded as an expected mutational event," the WHO said in a recent update.

So is there a threat from XE?

As of now, there is no evidence to show that the XE variant is significantly different from the other varieties of Omicron.

What has been noticed is that XE could be about 10 per cent more transmissible than the dominant BA.2 variant. But that is a very small advantage that XE has, and even this has not been confirmed as of now.

The fact that there has been no significant increase in the incidence of the XE variant since its detection three months ago shows that it might not be a big worry at present.

The clinical manifestation of the XE variant has not been found to be any different from BA.1 or BA.2. It has, so far, not been found to cause a more severe form of the disease compared to other Omicron varieties. As such, the XE variant is not being considered different from Omicron.

“XE belongs to the Omicron variant until significant differences in transmission and disease characteristics, including severity, may be reported,” the WHO said.

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Will the XE variant of Covid-19 come to India?

It would not be surprising if the XE variant is indeed found in India — in the Mumbai woman, or in some other patient at a later stage. Travel restrictions have been mostly done away with, and international air travel is back to almost where it was in the pre-pandemic period.

Also, the possibility of XE, or any other recombinant variety of Omicron, developing within the Indian population cannot be ruled out. It is also possible that the XE variant is already circulating in the Indian population, but is yet to be detected.

However, the mere detection of the XE variant does not, on its own, trigger worries of a fresh wave in the country. As of now, it is not very different from the Omicron variant. Unless it develops special abilities to infect, bypass immunity, or cause a more severe form of disease, the threat from the XE variant to the Indian population is quite low right now.

Can Indians breathe easy, therefore?

The fact is that a fresh wave of infections in India can never be ruled out, considering that the virus has not been eliminated, and is also undergoing mutations.

But in the absence of the emergence of a new variant, that is either much more transmissible, has special abilities to bypass the immunity gained by human beings from prior infection, or causes more severe disease, this situation seems unlikely in the near term.

That is mainly because a very large proportion of the Indian population, an estimated 40 to 50 per cent, has very recently been infected by the Omicron variant. The immunity gained from that infection is likely to be still effective. Reinfection from the same variant is not unknown, but not very common either.

A fresh wave in the near future, if it comes, would most likely be caused by a new variant that is not very similar in characteristics to the Omicron variant. And the XE variant might not be that candidate, considering what is currently known about it.

Source: The Indian Express

6. ‘Micro-swimmers’ may soon help with drug delivery

Relevant for GS Prelims & Mains Paper III; Science & Technology

Movement of Microbots with Light as fuel

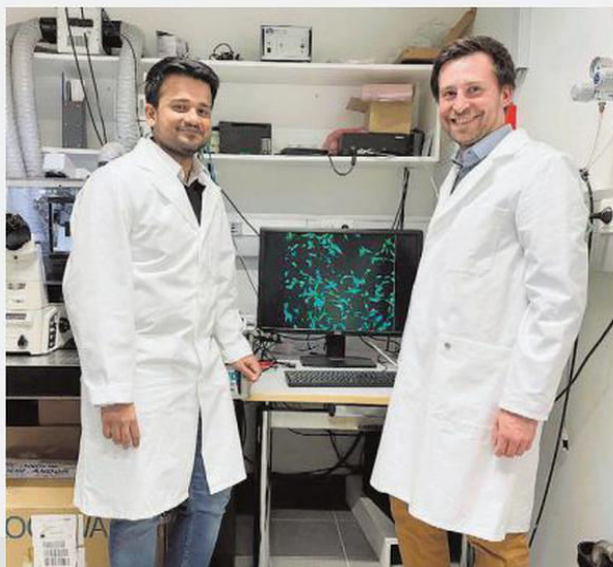
Recent research aims at moving microbots into the bloodstream to deliver drugs. Speaking of this work, Varun Sridhar from Max Planck Institute for Intelligent Systems (MPI-IS), Stuttgart, Germany, says, “Our work has shown that it is possible to use light as a fuel to move microbots in real-body conditions with intelligent drug-delivery that is selectively sensitive to cancer cells.” The research is led by MPI-IS and Max Planck Institute for Solid State Research (MPI-FKF), Stuttgart, Germany.

What is the challenge?

Imagine trying to swim in a pool of honey. Any effort to push backwards and thus generate forward motion would be hindered by the high viscosity of the honey. At the microscopic level, the viscosity of even water is overwhelming. The locomotion of microscopic swimmers is not that simple.

Swimming through viscous body fluids

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Varied tactics: By changing the pH of the solution or by triggering it with light, the researchers showed that drug release could be activated

■ SPECIAL ARRANGEMENT

■ The micro-swimmers are made from the two-dimensional compound poly(heptazine imide) carbon nitride

■ The nearly spherical micro-swimmers (1 to 10 micrometre in size) can self-propel, energised by light

■ Like in a solar cell, the incident light is converted into electrons and holes on the surface of the swimmers, which in turn react to form ions

■ These ions move around the particle and make the fluid flow around it, causing the micro-swimmers to move

■ The body fluids and blood contain dissolved salts, and

the salt ions stop the reaction ions from moving freely

■ The researchers found that the ions in the salty solution passed through the pores of PHI carbon nitride leaving little or no resistance

■ In addition to transporting salt ions from the fluid, the voids and pores on the microparticles acted like cargo bays to soak up drug molecules

■ The researchers showed drug release could also be activated by testing with Doxorubicin

Made from the two-dimensional compound poly (heptazine imide) carbon nitride (aka PHI carbon nitride), these microbots are nothing like the miniaturised humans. They range from 1-10 micrometre (a micrometre is one-millionth of a metre) in size, and can self-propel when energised by shining light.

How they swim

The PHI carbon nitride microparticles are photocatalytic. "Like in a solar cell, the incident light is converted into electrons and holes. These charges drive reactions in the surrounding liquid," explains Dr. Sridhar. The charges react with the fluid surrounding them. This reaction, combined with the particle's electric field, makes the microbots (micro-swimmers) swim.

"As long as there is light, electrons and holes are produced on the surface of the swimmers, which in turn react to form ions and an electric field around the swimmer. These ions move around the particle and cause fluid to flow around the particle. So this fluid flow causes the micro-swimmers to move," said Dr. Sridhar, "With light, we not only move the microbots but can direct their motion towards a specific goal."

Just like the fragrance of incense wafts from a region of high concentration to low, the ions move from the bright surface of the micro-swimmer to the rear end. The diffusion of the swimming medium in one direction propels the micro-swimmer in the opposite direction. This is like a boat moving in the direction opposite to the oar strokes.

The particles are nearly spherical, and the incident light illuminates one-half of the sphere, leaving the other dark. As photocatalysis is light-driven, it occurs only on the brightened hemisphere. As the ions move from the bright side to the dark side, micro-swimmers march towards the direction of the light source.

The spoilsport

The design of micro-swimmers or making them move in a particular direction is not new. "The body fluids and blood contain dissolved salts. When salts are present, the salt ions stop the reaction ions from moving freely as they will just bind or recombine with them and stop them. So all the chemically propelled swimmers can't swim in solutions containing salts." says Filip Podjaski, an author of the paper published in Science Robotics.

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For example, when dissolved in water, common salt (NaCl) breaks up into sodium (Na^+) and chloride (Cl^-) ions. These ions will neutralise the ions created by the photocatalytic reaction, thereby impeding the self-propulsion.

To overcome this challenge, the researchers examined various materials such as titanium dioxide and cobalt monoxide and finally zeroed on polyheptazine imide (PHI) carbon nitride. While carbon nitride is an excellent photo-catalyst, the two-dimensional PHI has a sponge-like structure full of pores and voids and charge storage properties.

The researchers found that the ions in the salty solution passed through the pores of PHI carbon nitride. Thus, there was little or no resistance from the salt ions. Experiments were carried out in sample solutions as highly concentrated as water from the dead sea. "Salt ions present in the swimming medium do not affect the propulsion. Our organic material allows the ions to pass through them freely," says Bettina Lotsch, a director at MPI-FKF, and co-author of the paper.

Drug delivery

In addition to transporting salt ions from the fluid, the voids and pores on the microparticles worked as cargo bays and could soak up large amounts of drug. The researchers found that Doxorubicin, a drug used to treat cancer, was readily absorbed. By changing the pH of the solution or by triggering it with light, the researchers showed the drug release could be activated.

"The material also has an intelligent charge-storage property to store electrons when light is present. The environment of cancer cells is characterised by low oxygen. The stored electrons are sensitive to it. We use that to deliver drugs, targeting the cancer cells," explains Dr. Sridhar.

Source: The Hindu

7. Adding colour to our lives, naturally

Relevant for GS Prelims & Mains Paper III; Science & Technology

The ancient Greeks called the plant dye indigo by a name which is pronounced as indikón and means Indian. The Latin name, used by the Romans, was indicum, from where it mutated to indigo in English. The dye was highly valued, from royalty to militaries (as in navy blue) and came from a tropical genus of plants, Indigofera, some of which were native to the Indian subcontinent.

Highly prized

Leaves of these plants contain upto 0.5% of Indican which when exposed to oxygen produces the blue substance Indigotin. Cakes of this were a major item of trade from India. Crossing the sea to the Middle East, Arab merchants would carry it across deserts to the Mediterranean and into Europe where it was a highly prized item, used in the colouring of silk, in paintings and murals, and in cosmetics.

The establishing of sea routes to India from Europe led to a rapid rise in indigo export, as it was one of the few reliable dyes for cotton — a fabric of the masses.

The dye named Suranji got from Indian mulberry (*Morinda tinctoria*, aal in Hindi; manjanatti or manjanunnai in Tamil), gives a bright yellow-red, or chocolate, or even black colour to cotton, depending on the method of 'fixing' it to cloth. The roots of Manjistha, the Indian madder (*Rubia cordifolia* -manjith in Hindi; manditta in Tamil) yield a red pigment called purpurin, that in 1869, became the first dye to be synthesised in a laboratory, as alizarin.

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Safflower (*Carthamus tinctorius* - Kusum in Hindi; Kusumba in Tamil), of which India is today a major producer on account of the oil, was the source of carthamin and carthamidin, which lend a red colour to cotton and a distinctive orange-red to silk.

Over 160 tonnes of the dried flowers of this plant were exported from India every year until synthetic aniline dyes overtook the natural variant.

Colour of jeans

By the beginning of the twentieth century, relentless progress in chemistry had led to cheap methods of synthesising indigo, which replaced the plant dye in most applications. A typical pair of blue jeans is loaded with 3-5 grams of synthetic indigo. Over 40,000 tonnes of indigo are produced every year.

The environmental impact of using synthetic dyes is considerable, and the dyeing of textiles is a major source of water pollution. Most synthetic dyes are made from petrochemical derivatives.

Indigo is by itself non-toxic, but it is insoluble in water and strongly alkaline lyes are needed to dissolve and fix it to fabrics.

That same pair of jeans requires over 100 litres of water during the dyeing process alone, and along with the lye, about 15% of the dye escapes into the waterways as pollution. Jeans-wearers, think about it!

Natural methods

Luckily, this means that the use of natural, plant-origin dyes has not been phased out. Indigo continues to be cultivated. The environmental impact of natural dyes is much lesser than that of synthetic equivalents. The search for better and better techniques and procedures for using natural dyes from other commonly available herbs, shrubs and trees continues.

The work of Padma Shri Vankar (formerly of IIT Kanpur), her colleagues and other Indian groups is worthy of note. Collectively, they have identified and sometimes successfully recreated dye-extraction and dyeing methods for several plant species.

The list includes: (a) Nepal barberry (*Mahonia napaulensis*, Daaruhaldi in Hindi; Mullumanjanathi in Tamil): The Apatani tribe of Arunachal Pradesh has for long used this plant for colouring their weaves. (b) Wild canna (*Canna indica* – Sarvajaya in Hindi; Kalvazhai in Tamil) The flowers of this ornamental plant are bright red, from an alcohol-soluble dye that can be easily fixed on to cotton and stands fast. (c) Flame of the forest (*Butea monosperma*, Palash in Hindi) is a native of our subcontinent and has an eye-catching flower from which is derived a traditional colour of the Holi festival. Sun-dried petals of this flower are rich in dyes that can be extracted by water.

Environmental costs

Meanwhile, biotechnologists look to bypass the environmental costs of chemical methods. This has been proved in concept by engineering bacteria to produce the indigo precursor, indican.

The conversion of this to the dye is performed by enzymes on the surface of wet denim, thus eliminating several toxic effluents (Hsu et al., Nature Chemical Biology 2018, doi:10.1038/nchembio.2552).

Source: The Hindu

8. Is it difficult to diagnose the XE variant?

Relevant for GS Prelims & Mains Paper II; Science & Technology

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Who has the competence in India to interpret genome data from the newer strains of the coronavirus?

In a field plagued by rapid developments, Tuesday brought more drama. Brihanmumbai Corporation declared that it had detected the country's first XE recombinant variant of SARS-CoV-2, a claim that was, not long after, contested by the Union Health Ministry. In a statement, it said: "FastQ files in respect of the sample, which is being said to be 'XE' variant, were analysed in detail by genomic experts of INSACOG, who have inferred that the genomic constitution of this variant does not correlate with the genomic picture of 'XE' variant." At the end of the day it was agreed that Mumbai would send the sample to an INSACOG laboratory — the National Institute of Biomedical Genomics — for further analysis.

What was the cause for varying diagnosis?

Some media reports quoted BMC officials as saying that the sequence generated from the sample was in line with GISAID data. GISAID provides open access to genomic data for the coronavirus strains and variants. However, experts at INSACOG (The Indian SARS-CoV-2 Genomics Consortium) working with data sent to them by Mumbai, averred that the variant was not genomically similar to the XE variant. Final results are still awaited. V. Ravi, virologist and core committee member of INSACOG, says the competence required to interpret data is extremely high, and unless that is available, a misinterpretation might occur. The sample was not tested at any INSACOG lab, which has the necessary competence to identify a variant, based on the data generated from a genome sequence.

Genome sequencing is a tool or process used to decipher the genetic material in an organism, in order to identify and classify it, and study the characteristics of the disease it might cause, thereby impacting mitigation strategies.

Dr. Ravi says the machine throws up a humongous amount of data, and the key is to interpret it properly. In an article in The Conversation, U.S. based researchers, Alexander Sundermann, Lee Harrison and Vaughn Cooper, break down the process of genome sequencing for readers. "Genome sequencing involves deciphering the order of the nucleotide molecules that spell out a particular virus's genetic code. For the coronavirus, that genome contains a string of around 30,000 nucleotides. Each time the virus replicates, errors are made. These mistakes in the genetic code are called mutations."

Special labs sequence, curate, analyse lab results and using software interpret the data generated, studying the errors in the sequence to draw data-backed conclusions about the variants.

The XE is a recombinant variant, a mutant that the World Health Organization flagged, as having a possible 10x transmission compared to Omicron. Variants occur with continued transmission of the virus, as it replicates itself multiple times. It is said the XE emerged after co-infection from Omicron BA.1 and BA.2 variants at the same time, a condition that leads to mixing of genetic material inside the human body. It was first detected in the U.K. in January and since then over 600 cases have been identified.

What goes into making interpretations from genome sequencing?

Dr. Ravi explains the process that occurs in the lab, after the RNA strand is isolated and sequenced. For COVID-19, a 30,000 nucleotide string is generated. "If there is 98% coverage, we accept the sequence. What comes next is something called depth — we need to see multiple such readings particularly in the region of the mutation, in this case, the XE. When all this is present, then we feed this through the advanced software which will confirm the result."

Since data is now available on the genome sequence of all the variants of SARS-CoV-2, almost as soon as they are sequenced, it will be easy to correlate the results to known patterns generated in the original genome sequence. However, gene experts insist that it all rests in the way the data is read and interpreted.

What is the way forward?

Dr. Ravi says the way forward for States who have suspicions about strains of SARS-CoV-2 is to send the sample to any INSACOG laboratory for verification, and confirmation that the genome sequence is in line with what is described for the XE variant. Confirmation in an INSACOG lab is essential before any announcement, he adds.

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Source: The Hindu

9. How to withdraw cash from an ATM through UPI, without a card

Relevant for GS Prelims & Mains Paper III; Science & Technology

The Reserve Bank of India (RBI) has proposed to make cardless cash withdrawal facility available at all ATMs, irrespective of banks, through the Unified Payment Interface (UPI), one of the key decisions made by the RBI's Monetary Policy Committee (MPC).

"At present the facility of cardless cash withdrawal through ATMs is limited only to a few banks. It is now proposed to make the facility available across all banks and ATM networks using UPI," RBI Governor Shaktikanta Das had said while making the announcement. How will the process work and will it have any impact on debit card usage? We explain.

How will cash withdrawals via UPI work?

While the RBI did not disclose specific details on how the process will work, a person having knowledge about the matter said ATMs soon will show an option to withdraw cash using UPI. Upon selecting that option, a user would have to add the amount they wish to withdraw following which a QR code would be generated on the ATM machine. The user would then have to scan that code on their UPI app and enter their pin following which the ATM will dispense cash, the person added.

According to Das, allowing cash withdrawals through UPI would increase the security of such transactions. "In addition to enhancing ease of transactions, the absence of the need for physical cards for such transactions would help prevent frauds such as card skimming and card cloning, among others," the RBI Governor informed.

What are the current ways of cardless cash withdrawals at ATMs?

At the moment, a few banks such as ICICI Bank, Kotak Mahindra Bank, HDFC Bank and SBI, allow their users to withdraw cash from their ATMs without a card, a feature introduced in the wake of the Covid-19 pandemic. However, it is a long-drawn process. Users have to install apps of their respective banks and first select the option of cardless cash withdrawal on the app, followed by adding beneficiary details and the withdrawal amount. After confirming the mobile number of a user, the bank will send an OTP and a nine-digit order ID to the beneficiary's phone. Post that, the beneficiary would have to visit an ATM and key-in the OTP, order ID, amount for transaction and mobile number to get the cash.

Besides this cumbersome process, cardless cash withdrawals have certain limits as well — such withdrawals start from Rs 100 per transaction and have an upper limit put in place by respective banks. For HDFC Bank users, such withdrawals are restricted to a maximum of Rs 10,000 each day and Rs 25,000 per month. Such withdrawals also come with a service fee of Rs 25 per transaction. At the moment, it is unclear whether UPI-based cash withdrawals would also be subject to the same restrictions and service fee.

RBI's Deputy Governor T Rabi Sankar said that the central bank is currently working on the "systemic changes" that may need to be done and the "issues will clear in the next 2-3 months". Das said that the RBI would soon send separate instructions to the National Payments Corporation of India (NPCI), ATM networks and banks.

Could this impact debit card usage?

Debit cards are currently the most popular way of cash withdrawals at ATMs. As of now, there are more than 900 million debit cards in the country, and experts have cautioned that allowing cash withdrawals through UPI could negatively impact debit card usage.

“There could be a potential first-order impact on debit cards as this step would reduce the need to carry debit cards. There could be a potential second-order impact on other payment forms such as credit cards and wallets since this step seems to promote ubiquity of the UPI,” said Shivaji Thapliyal, lead analyst (institutional equities) at YES Securities. “Prima facie, this step seems negative for MDR fee-generating payment form factors”.

However, to assuage these concerns, Das clarified that the issuance of debit cards would not stop due to the move since they have other uses beyond cash withdrawals, a sentiment also echoed by some industry stakeholders.

“Due to other intertwining dependencies built in the banking system for authorisation at call centres or Internet Banking and change of PIN for UPI, the issuance of debit cards may not reduce,” said Anand Bajaj, the founder, MD & CEO of PayNearby.

What’s next in the UPI pipeline?

It is projected that in the next 3-5 years, UPI would be processing a billion transactions a day, and to enable that, a number of initiatives have been introduced. Chief among these is UPI’s AutoPay feature, which has already seen increased adoption owing to RBI’s disruptive guidelines on recurring mandates. According to industry experts, the AutoPay feature will be crucial to increasing daily transactions on the platform.

The RBI has also announced UPI on feature phones without an Internet connection, which is expected to open up the payments system to more than 40 crore individuals who use such devices. This will expand digital financial inclusion and add to the number of transactions made on the platform.

Source: The Indian Express

10. What is Canister Launched Anti-Armour Loiter Ammunition that the Army wants?**Relevant for GS Prelims & Mains Paper III; Science & Technology**

The Army has issued a Request for Information (RFI) for anti-armour loiter ammunition for its mechanised forces which can be used on enemy tanks and other targets in the plains and deserts of Western India as well as on high altitude areas in the Northern borders in Ladakh.

What exactly is a CALM System?

The CALM System is a pre-loaded canister with loiter ammunition or a drone which once fired can remain aloft for a period of time over the area of operation, and when a target is sighted it can be guided down to destroy the target with the explosive payload that it carries. Usually, loiter munitions carry a camera which is nose-mounted and which can be used by the operator to see the area of operation and choose targets. These munitions also have variants which can be recovered and reused in case they are not used for any strike.

What is the RFI that the Army has issued and when?

On April 8, the Army issued a RFI for the Cannister Launched Anti-Armour Loiter Ammunition (CALM) System. The Army has specified that it intends to procure 150 such systems which will be launched from the BMP Infantry Fighting vehicles of the Mechanised Infantry which are especially modified for this purpose. These systems are being procured under the ‘Make in India’ and ‘Atmanirbhar Bharat’ programmes.

What use of the equipment has been specified in the RFI?

The RFI states that the CALM Systems will be used in the plains and deserts of the Western parts of the country as well as the Northern high altitude areas of heights up to 5,000 metres. In the plains and deserts, the system

should be able to operate between the temperature of zero degrees Celsius to 45 degrees Celsius while in high altitude it should be able to operate between minus 15 degrees Celsius to 40 degrees Celsius. It will be employed by the Mechanised Infantry units of the Army for surveillance of beyond line of sight targets by day and night in real time and beyond visual range engagement of enemy armoured fighting vehicles and other ground based weapon platforms over extended ranges.

Has this kind of system been used in combat?

The CALM System had been very effectively used in the Armenia-Azerbaijan conflict in 2021 where the Azerbaijan forces made extensive use of Israeli systems to wreak havoc on Armenian tanks, radar systems, communication hubs and other military targets. The top down attack capability of the loiter ammunition gives it a big advantage over targets such as tanks which are vulnerable to any attack on the top where the armour protection is weak. The Russian military is also using their ZALA KYB loiter ammunition in Ukraine while some reports say that the US has also provided Ukraine with its Switchblade loiter munitions that could target Russian armour 10 km away.

Source: The Indian Express

11. How far has India come with respect to solar power generation and storage? Why do the authors of the report say that India will not meet its 2022 solar goal?**Relevant for GS Prelims & Mains Paper III; Science & Technology**

A report, jointly prepared by two energy-research firms — JMK Research and Analytics and the Institute for Energy Economics and Financial Analysis — says India will likely miss its 2022 target of installing 100 gigawatts (GW) of solar power capacity. This is because of rooftop solar lagging behind, the authors say.

What is India's solar policy?

Since 2011, India's solar sector has grown at a compounded annual growth rate (CAGR) of around 59% from 0.5GW in 2011 to 55GW in 2021. The Jawaharlal Nehru National Solar Mission (JNNSM), also known as the National Solar Mission (NSM), which commenced in January 2010, marked the first time the government focussed on promoting and developing solar power in India. Under the scheme, the total installed capacity target was set as 20GW by 2022. In 2015, the target was revised to 100GW and in August 2021, the government set a solar target of 300GW by 2030.

India currently ranks fifth after China, U.S., Japan and Germany in terms of installed solar power capacity. As of December 2021, the cumulative solar installed capacity of India is 55GW, which is roughly half the renewable energy (RE) capacity (excluding large hydro power) and 14% of the overall power generation capacity of India. Within the 55GW, grid-connected utility-scale projects contribute 77% and the rest comes from grid-connected rooftop and off-grid projects.

What does the report say?

As of April, only about 50% of the 100GW target, consisting of 60GW of utility-scale and 40GW of rooftop solar capacity, has been met. Nearly 19 GW of solar capacity is expected to be added in 2022 — 15.8GW from utility-scale and 3.5GW from rooftop solar. Even accounting for this capacity would mean about 27% of India's 100GW solar target would remain unmet, according to Jyoti Gulia, co-author of the report and Founder, JMK Research. A 25GW shortfall in the 40GW rooftop solar target, is expected compared to 1.8GW in the utility-scale solar target by December 2022. Thus, it is in rooftop solar that the challenges of India's solar-adoption policy stick out.

What are the reasons for rooftop solar adoption not meeting targets?

In December 2015, the government launched the first phase of the grid-connected rooftop solar programme to incentivise its use in residential, institutional and social areas. The second phase, approved in February 2019, had a target of 40GW of cumulative rooftop solar capacity by 2022, with incentives in the form of central financial assistance (CFA). As of November 2021, of the phase 2 target of 4GW set for the residential sector,

only 1.1GW had been installed. The disruption in supply chains due to the pandemic was a key impediment to rooftop solar adoption.

In its early years, India's rooftop solar market struggled to grow, held back by lack of consumer awareness, inconsistent policy frameworks of the Centre/ State governments and financing. Recently, however, there has been a sharp rise in rooftop solar installations thanks to falling technology costs, increasing grid tariffs, rising consumer awareness and the growing need for cutting energy costs. These factors are expected to persist giving a much-needed boost to this segment, the report notes. Going ahead, rooftop solar adoption is expected to proportionally increase as land and grid-connectivity for utility solar projects are expected to be hard to come by. Factors impeding rooftop-solar installation include pandemic-induced supply chain disruption to policy restrictions, regulatory roadblocks; limits to net-metering (or paying users who give back surplus electricity to the grid); taxes on imported cells and modules, unsigned power supply agreements (PSAs) and banking restrictions; financing issues plus delays in or rejection of open access approval grants; and the unpredictability of future open access charges, the report notes.

How critical is solar power to India's commitment to mitigate climate change?

Solar power is a major prong of India's commitment to address global warming according to the terms of the Paris Agreement, as well as achieving net zero, or no net carbon emissions, by 2070.

Prime Minister Modi at the United Nations Conference of Parties meeting in Glasgow, in November 2021, said India would be reaching a non-fossil fuel energy capacity of 500 GW by 2030 and meet half its energy requirements via renewable energy by 2030.

To boost the renewable energy installation drive in the long term, the Centre in 2020 set a target of 450GW of RE-based installed capacity to be achieved by 2030, within which the target for solar was 300GW.

Given the challenge of integrating variable renewable energy into the grid, most of the RE capacity installed in the latter half of this decade is likely to be based on wind solar hybrid (WSH), RE-plus-storage and round-the-clock RE projects rather than traditional solar/wind projects, according to the report. On the current trajectory, the report finds, India's solar target of 300GW by 2030 will be off the mark by about 86GW, or nearly a third.

The authors in fact speculate that that the government, in the short-term, will aggressively push for expediting solar capacity addition to achieve the 100GW target by 2022 by re-allocating some of the unmet rooftop targets to utility-scale projects.

Source: The Hindu

12. Why are telecom companies upset with TRAI despite its proposal to cut spectrum prices by 40%?

Relevant for GS Prelims & Mains Paper III; Science & Technology

Why has the spectrum price been cut?

Telecom Regulatory Authority of India (TRAI) this week released recommendations on auction of spectrum, including those likely to be used for offering 5G services. The telecom regulator has suggested cutting prices of airwaves across various bands by 35-40% from its earlier proposed base price. However, the Cellular Operators Association of India, whose members include the three private telcos, Bharti Airtel, Reliance Jio and Vodafone Idea, has expressed disappointment, given the industry's demand for a 90% reduction in the prices.

What are the key recommendations?

The telecom regulator has recommended that all available spectrum in the existing bands — 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz — should be put up for auction, along with airwaves in new bands such as 600 MHz, 3300-3670 MHz and 24.25-28.5 GHz. In all, more than 1,00,000 MHz

of airwaves have been recommended to be put up for auction. The total spectrum on offer at reserve price is valued at about ₹5 lakh crore for 20 years.

For the 3300-3670 MHz band, which has emerged as the prime spectrum for 5G and is likely to be used for deploying 5G in India, the all-India reserve price has been lowered by about 35.5% to ₹317 crore/MHz, from ₹492 crore/MHz recommended earlier. Similarly, the reserve price for the premium 700 MHz band, which saw no takers in the previous auction, has been cut by 40% to ₹3,927 crore/MHz, from about ₹6,568 crore/MHz.

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TRAI has determined the reserve price for spectrum bands based on a 20-year spectrum holding period. The reserve price for the increase in spectrum holding period to 30 years would be 1.5x the recommended reserve price for 20 years.

It has also recommended several options for the uptake of Captive Wireless Private Networks (CWPNS), including private networks through telcos, independent isolated network in an enterprise's premises using telcos' spectrum, allowing enterprise to take spectrum on lease from telcos or directly from Department of Telecom (DoT) to establish their own isolated captive private networks. TRAI also suggested that enterprises may obtain the spectrum directly from the government and establish their own isolated CWPNS.

Why has the price been cut?

Given the financial stress in the sector, the government had in November, written to the regulator emphasising the need to strike a balance between generating revenue and the sustainability of the telecom sector in a way that telecom service providers are in good health with sufficient capacities to make regular and substantial capital expenditure for transitioning to 5G technology. It had also highlighted that spectrum lying idle was a waste for the economy.

Further, in the last spectrum auction, held in March 2021, only 37.1% of the spectrum put to auction was acquired by the telecom services providers, largely due to high prices.

"The inputs received by the Authority during the consultation process also point to the need for further rationalisation of the reserve price," the regulator said in the recommendation running to more than 400 pages.

In its recommendations, the regulator has asserted that the "valuation exercise (and the setting of the reserve prices) is grounded in a techno-economic methodology that is time-tested. The valuation is intended to elicit spectrum prices that encourage buyers to procure radio frequencies in different bands, while at the same time ensuring that bidders are discouraged from collusive behaviour."

Why are the telcos unhappy?

The telecom services providers have via the industry body COAI expressed disappointment with TRAI's recommendations for auction of 5G spectrum bands.

In a strongly worded reaction, COAI called the recommendation a "step backwards" than forward towards building a digitally connected India.

COAI maintained that the spectrum pricing recommended by TRAI was too high, and noted that throughout the consultation process, the industry had presented extensive arguments based on global research and benchmarks, for significant reduction in spectrum prices. "Industry recommended 90% lower price, and to see only about 35-40% reduction recommended in prices, therefore is deeply disappointing," it said.

It added that charging a 1.5x price for spectrum for a 30-year period will nullify the relief provided by the Union Cabinet in 2021. The industry body pointed out that by introducing mandatory rollout obligations for 5G networks without factoring the huge cost of such a rollout, TRAI has "delinked itself from reality and is running counter to the Government's efforts of enhancing ease of doing business".

On allowing private captive networks for enterprises, COAI argued that TRAI was dramatically altering the industry dynamics and hurting the financial health of the industry rather than improving it. Private networks disincentivise the telecom industry to invest in networks and continue paying high levies and taxes, it contended.

Source: The Hindu

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13. The status of India's National Cyber Security Strategy

Relevant for GS Prelims & Mains Paper III; Science & Technology

Amid a surge in cyberattacks on India's networks, the Centre is yet to implement the National Cyber Security Strategy which has been in the works since 2020.

What is the National Cyber Security Strategy?

Conceptualised by the Data Security Council of India (DSCI), headed by Lt General Rajesh Pant the 22-page report focuses on 21 areas to ensure a safe, secure, trusted, resilient, and vibrant cyberspace for India.

The main sectors of focus of the report are:-

Large scale digitisation of public services: Focus on security in the early stages of design in all digitisation initiatives, developing institutional capability for assessment, evaluation, certification, and rating of the core devices and timely reporting of vulnerabilities and incidents.

Supply chain security: Monitoring and mapping of the supply chain of the Integrated circuits (ICT) and electronics products, scaling up product testing and certification, leverage the country's semiconductor design capabilities globally at strategic, tactical and technical level.

Critical information infrastructure protection: Integrating Supervisory control and data acquisition (SCADA) security with enterprise security, monitoring digitisation of devices, evaluating security devices, maintaining a repository of vulnerabilities, preparing an aggregate level security baseline of the sector and tracking its controls, devising audit parameters for threat preparedness and developing cyber-insurance products.

Digital payments: Mapping and modeling of devices and platform deployed, supply chain, transacting entities, payment flows, interfaces and data exchange, routine threat modeling exercises to disclose vulnerabilities, threat research and sharing of threat intelligence, timely disclosure of vulnerabilities.

State-level cyber security: Developing state-level cybersecurity policies, allocation of dedicated funds, critical scrutiny of digitization plans, guidelines for security architecture, operations, and governance Security of small and medium businesses: Policy intervention in cybersecurity granting incentives for higher level of cybersecurity preparedness, developing security standards, frameworks, and architectures for the adoption of Internet of Things (IoT) and industrialisation

What steps does the report suggest?

To implement cybersecurity in the above-listed focus areas, the report lists the following recommendations:

Budgetary provisions: A minimum allocation of 0.25% of the annual budget, which can be raised upto 1% has been recommended to be set aside for cyber security. In terms of separate ministries and agencies, 15-20% of the IT/technology expenditure should be earmarked for cybersecurity. The report also suggests setting up a Fund of Funds for cybersecurity and provide Central funding to States to build capabilities in the same field. While managing security of data, it is recommended to adhere to practices based on discovery, visibility and risks of critical information.

Research, innovation, skill-building and technology development: The report suggests investing in modernisation and digitisation of Integrated Circuits (ICT), set up a short and long term agenda for cyber security via outcome-based programs and provide investments deep-tech cyber security innovation. In a bid

to attract experts to work on cybersecurity, it is recommended to host hackathons, hands-on workshops, simulations on security on both national and state levels.

Furthermore, a national framework should be set in collaboration with institutions like National Skill Development Corporation (NSDC) and ISEA (Information Security Education and Awareness) to provide global professional certifications in security. DSCI further recommends creating a 'cyber security services' with cadres chosen from the Indian Engineering Services.

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Crisis management: For adequate preparation to handle crisis, DSCI recommends holding cybersecurity drills which include real-life scenarios with their ramifications. In critical sectors, simulation exercises for cross-border scenarios must be held on an inter-country basis. To identify possible weakness and exploitations in systems, DSCI recommend sharing of threat information between government departments.

Cyber insurance: Cyber insurance being a yet to be researched field, must have an actuarial science to address cybersecurity risks in business and technology scenarios as well as calculate threat exposures. DSCI recommends developing cyber insurance products for critical information infrastructure and quantify the risks involving them.

Cyber diplomacy: Cyber diplomacy plays a huge role in shaping India's global relations. Hence cyber security preparedness of key regional blocks like BIMSTEC and SCO must be ensured via programs, exchanges and industrial support. To further better diplomacy, the government should promote brand India as a responsible player in cyber security and also create 'Cyber envoys' for the key countries/regions, suggests DSCI. For a robust internet infrastructure, DSCI suggests keeping critical infrastructure, root server of programs controlling and governing India, inside India.

Cybercrime investigation: With the increase in cybercrime across the world, the report recommends unburdening the judicial system by creating laws to resolve spamming and fake news. It also suggest charting a 5-year roadmap factoring possible technology transformation, setting up exclusive courts to deal with cybercrimes and remove backlog of cybercrimes by increasing centres providing opinion related to digital evidence under section 79A of IT act.

Moreover, DSCI suggests advanced forensic training for agencies to keep up in the age of AI/ML, Blockchain, IoT, Cloud, Automation. Law enforcement and other agencies should partner with their counterparts abroad to seek information of service providers overseas. The report also suggests creating a special cadre of Cybercrime investigators.

Why does India need a cybersecurity strategy?

As per American cybersecurity firm Palo Alto Networks' 2021 report, Maharashtra was the most targeted state in India — facing 42% of all ransomware attacks. The report stated that India is among the more economically profitable regions for hacker groups and hence these hackers ask Indian firms to pay a ransom, usually using cryptocurrencies, in order to regain access to the data. One in four Indian organisations suffered a ransomware attack in 2021 — higher than the global average of 21%.

Software and services (26%), capital goods (14%) and the public sector (9%) were among the most targeted sectors. Increase in such attacks has brought to light the urgent need for strengthening India's cybersecurity.

What is the progress in its implementation?

In the recent Budget session of Parliament, several MPs questioned the Ministry of Electronics & Information Technology (MeitY) on when the Centre plans to introduce the policy.

In response, the Centre clarified that it has "formulated a draft National Cyber Security Strategy 2021 which holistically looks at addressing the issues of security of national cyberspace." Without mentioning a deadline for its implementation, Centre added that it had no plans as of yet "to coordinate with other countries to develop a global legal framework on cyber terrorism."

Source: The Hindu

14. What is the 'mystery' liver disease affecting children in the US and Europe?

Relevant for GS Prelims & Mains Paper III; Science & Technology

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Health officials in countries, including the US and the United Kingdom, are investigating cases of a mysterious liver disease detected in children. We take a look at what the disease is all about and the possible causes of it.

Which places have reported cases of the mystery liver illness?

Cases of this mysterious liver disease have been reported in Spain, Denmark and the Netherlands, besides the US and UK. So far, no deaths have been reported.

On April 6, the UK's Health Security Agency (UKHSA) stated that doctors and scientists were investigating about 74 cases of hepatitis (liver inflammation) in children since January 2022. The WHO says that all the hepatitis viruses (A, B, C, D and E) have been excluded as causes of the disease. It added that adenoviruses and SARS-CoV-2 were detected in some of these cases.

In the US, the state of Alabama has reported cases among nine children between the ages 1-6 years since October 2021.

The WHO has said that some of these children required transfer to specialist units and six underwent liver transplants. So far, the WHO advises: "While some cases tested positive for SARS-CoV-2 and/or adenovirus, genetic characterization of viruses should be undertaken to determine any potential associations between cases."

What could be a possible cause of the mystery illness?

Among these cases, the usual viruses that cause infectious hepatitis (hepatitis A and E) were not detected. The UKHSA also said at the time that one of a number of potential causes of the mysterious disease could be a group of viruses called adenoviruses, which cause common respiratory illnesses such as the common cold.

Most people infected with an adenovirus recover from the illness without any major complications. However, rarely, hepatitis can be a rare complication resulting from the virus. Human to human transmission of adenoviruses is possible by touching contaminated surfaces and through the respiratory route.

Hepatitis, which affects the liver, can occur because of a number of reasons and can be life threatening if not treated. Its symptoms include dark urine, pale and grey-coloured stool, itchy skin, yellowing of the eyes and skin, high temperature, muscle and joint pain and loss of appetite among others.

Alabama's health department said in a statement released Friday that the children presented themselves with symptoms of gastrointestinal illness and varying degrees of liver injury including liver failure. As per their analyses, there could be a possible association of the hepatitis with Adenovirus 41.

Science magazine endorsed the theory that the hepatitis is being caused by an adenovirus, since upto half of the children infected in the UK have tested positive for it. "But so far, the evidence is too thin to resolve the mystery, researchers and physicians say," the magazine reported.

Source: The Indian Express

15. Submarine Vagsheer and its features, capabilities

Relevant for GS Prelims & Mains Paper III; Science & Technology

Website: www.prepmate.in

Prepmate Cengage Books Preview: <https://prepmate.in/books/>

Telegram Channel: [@upscprepmate](https://t.me/upscprepmate)

Youtube channel: [PrepMateEduTech](https://www.youtube.com/channel/UCPrepMateEduTech)

Vagsheer, the sixth submarine of the P75 project of the Indian Navy was launched on Wednesday by Veena Ajay Kumar, wife of Union Defence Secretary Dr Ajay Kumar, at Mazgaon Dock Ltd. It is the last of the Scorpene class submarines made under the P75 project and can join the Navy fleet within 12-18 months after sea trials.

The project

P 75 is one of two lines of submarines, the other being P75I, as part of a plan approved in 1999 for indigenous submarine construction with technology taken from overseas firms. The contract for six submarines under P75 was given to Mazgaon dock on October 6, 2005 and delivery was to start from 2012, but the project has faced delays.

Under P75, INS Kalvari, INS Khanderi, INS Karanj and INS Vela have been commissioned. Sea trials are on for Vagir. Vagsheer is the sixth; its production was delayed due to the pandemic.

Why 'Vagsheer'

Vagsheer is named after the sand fish, a deep sea predator of the Indian Ocean. The first submarine Vagsheer, from Russia, was commissioned into the Indian Navy on December 26, 1974, and was decommissioned on April 30, 1997. The new Vagsheer will be officially named at the time of its commissioning.

Specifications

Naval sources said Vagsheer can take up to eight officers and 35 men. It is 67.5 metres long and 12.3 metres high, with a beam measuring 6.2 metres Vagsheer can reach top speed of 20 knots when submerged and a top speed of 11 knots when it surfaces

It has four MTU 12V 396 SE84 diesel engines, 360 battery cells for power, and a silent Permanently Magnetised Propulsion Motor. The hull, fin and hydroplanes are designed for minimum underwater resistance and all equipment inside the pressure hull is mounted on shock-absorbing cradles for enhanced stealth.

Features

Vagsheer is a diesel attack submarine, designed to perform sea denial as well as access denial warfare against the adversary. It can do offensive operations across the spectrum of naval warfare including anti-surface warfare, anti-submarine warfare, intelligence gathering, mine laying and area surveillance.

It is enabled with a C303 anti-torpedo counter measure system. It can carry up to 18 torpedoes or Exocet anti-ship missiles, or 30 mines in place of torpedoes.

Its superior stealth features include advanced acoustic absorption techniques, low radiated noise levels, hydro-dynamically optimised shape, and it has the ability to launch a crippling attack using precision guided weapons, underwater or on surface.

Scorpene submarines can undertake various types of missions such as anti-surface warfare, anti-submarine warfare, intelligence gathering, mine laying, area surveillance etc.

Road ahead

Vagsheer will be commissioned into the Indian Navy's Western Command after 12 to 18 months when sea trials end. It will be based with Western Naval Command, mostly in Mumbai.

The submarine will undergo a very comprehensive and rigorous set of tests and trials, for more than a year, to ensure delivery of a fully combat worthy submarine, capable of operation in all modes and regimes of deployment.

Source: The Indian Express

16. Lessons from India's all-cause mortality data

Website: www.prepmate.in

Prepmate Cengage Books Preview: <https://prepmate.in/books/>

Telegram Channel: [@upscprepmate](https://t.me/upscprepmate)

Youtube channel: [PrepMateEduTech](https://www.youtube.com/channel/UCPrepMateEduTech)

Relevant for GS Prelims & Mains Paper III; Science & Technology

Data suggest there were 3.5 million to 3.7 million 'excess deaths' nationwide, from April 2020 to June 2021. The scale of devastation caused by India's COVID-19 epidemic is gradually becoming clearer. This is thanks to the efforts of journalists, The Hindu included, who have been gathering all-cause mortality data from around the country.

The mortality data, from State and city civil registration systems, paint a grim picture of a major increase in deaths across the country during the novel coronavirus pandemic. Very few of these additional deaths have been recorded as COVID-19 deaths.

Cautious estimate

We can try to understand the scale of the tragedy via a simple question. How many extra deaths have occurred, over and above those expected in normal times? The data suggest an approximate answer: during 15 months from April 2020 to June 2021, there were 3.5 million-3.7 million "excess deaths" nationwide. This amounts to 35% more deaths than expected.

This estimate is cautious, and likely to increase as more data come in. Data for June and beyond are very limited, and so the story is incomplete.

Before we examine the numbers it is important to understand the context. There are several reasons why estimating a surge in mortality is difficult. We need to know how many deaths have occurred during the pandemic, and how many to "expect" in normal times. The idea is to carefully reconstruct these numbers from death registrations and survey-based estimates of pre-pandemic mortality.

Data in the pandemic period

But death registration data for the pandemic period are limited. It is unavailable for some States, and incomplete in others, for example coming from online systems which do not log all death registrations. Some data are organised according to date of death, and some by date of registration. Moreover, there are uncertainties about death registration prior to the pandemic. In some States, official estimates of levels of registration, which we use, appear to be overestimated.

Compounding the difficulties, registered deaths show complex trends in some States — for example, gradually increasing prior to the pandemic, but dropping sharply around the time of the national lockdown before the pandemic deaths start to show.

To arrive at the estimates here, we examined data from 12 States where partial or complete civil registration data are available for at least January 2018 to May 2021: Andhra Pradesh, Bihar, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu and West Bengal. These States comprise roughly 60% of the national population.

During April 2020-May 2021 we found six million death registrations in the data; that is 1.3 million more than expected from 2019 data. If we assume — perhaps optimistically — that the deaths which were not captured in these registration systems, including unregistered deaths, rose proportionately, we arrive at an estimate of around 1.7 million excess deaths in these States up to May.

If these 12 States reflect the national picture, then India saw around 2.8 million excess deaths nationwide during April 2020-May 2021. This is 8.5 times the official COVID-19 death toll of 3,32,000 over the same period.

Global comparison

Using limited data for June (currently available only for Andhra Pradesh and Punjab), or assuming that the ratio of excess deaths to official COVID-19 deaths does not change rapidly, we estimate 3.5 million-3.7 million excess

deaths nationwide by the end of June. Over a 15 month period, for every three expected deaths, there was a further “pandemic death”.

This places India among the harder hit countries in the world. It would mean that relative to baseline, India’s surge in mortality is lower than that of Mexico, similar to that of Brazil and South Africa, and considerably higher than in the United States, the United Kingdom and most of western Europe.

Moreover, the estimates here are conservative. More up-to-date data will push up the numbers. There are also hints that disruption may have prevented — and not merely delayed — many death registrations. For instance, we see significant drops in birth registrations during 2020 in some States where this data are available, most noticeably in Kerala and Andhra Pradesh. Moreover, there are good reasons to believe the mortality surge may have been greatest in marginalised communities where death registration is weaker.

We cannot be sure how many of India’s excess deaths were from COVID-19. According to the latest national serosurvey, around 60%-70% of people in India may have been infected with the virus by June. If so, international data on fatality rates suggest we should expect two million to four million COVID-19 deaths. So, it is quite plausible that the majority of India’s excess deaths have been from COVID-19. But we cannot rule out a significant surge in non-COVID deaths too.

Individual States

In individual States, all-cause mortality data paint diverse pictures. Kerala, Punjab and Himachal Pradesh stand out for having somewhat lower excess mortality than expected, even after we adjust for possible disruptions to registration. Andhra Pradesh and Madhya Pradesh, on the other hand, saw considerably more deaths than expected.

Overall, around two-thirds of the excess deaths took place during a shocking mortality spike around May 2021. But the time-course varies in different States. Madhya Pradesh’s explosive second wave accounted for 80-90% of its excess deaths. By contrast, Maharashtra saw more even surges, with over 40% of its excess deaths during its first wave.

There are striking variations in the ratio of excess deaths to recorded COVID-19 deaths. In Maharashtra excess deaths up to May 2021 are roughly four times recorded COVID-19 deaths, or less if we factor in reconciliations of COVID-19 deaths during June and July. By contrast, in Madhya Pradesh, excess deaths are an astonishing 25-30 times recorded COVID-19 deaths.

Exploring the stories behind these variations is important for understanding the pandemic and disease surveillance in India.

Considerable gaps remain. Some civil registration data are available for Uttar Pradesh up to April 2021, and these appear to show a major surge in mortality; but there are huge fluctuations in registrations, and unexplained discrepancies with historical data which make it hard to use this data with any confidence. Where civil registration data are of poor quality or unavailable, large-scale mortality surveying could help to fill the gaps.

A perspective

Could the sharp rise in death registrations reflect not a surge in mortality but improvements in death registration? This claim has been made, but is not credible for several reasons. If we accept the estimate that 92% of deaths were registered in 2019, higher registration coverage could not cause a 35% surge in death registrations.

In fact there is little evidence for improving death registration during the pandemic. During the relatively quiet period between the two COVID-19 waves (January-March 2021), we see death registrations return close to 2019 baseline levels. And throughout the pandemic period, we see a very strong association between monthly

excess deaths and official COVID-19 deaths, strongly suggesting these are pandemic-related excess deaths, and not a reflection of underlying trends in registration.

There are no easy ways to explain away or deny the scale of the catastrophe. Yes, there are uncertainties, and details will change as more data become available. Most likely, the numbers will increase. One thing is clear: during the COVID-19 pandemic, India has witnessed a surge in mortality on a scale not seen since Independence.

Source: The Hindu

17. Now, Indians can make payments using UPI in UAE. How will it work?

Relevant for GS Prelims & Mains Paper III; Science & Technology

Tourists or migrants to the United Arab Emirates (UAE) with Indian bank accounts will be able to make UPI payments at shops, retail establishments and other merchants in the gulf nation, thanks to the partnership between the National Payments Corporation of India (NPCI) and the Mashreq Bank's NEOPAY. How will this work and are there similar arrangements with other countries? We explain.

How does the service work?

It will be mandatory for users to have a bank account in India with UPI enabled on it. The users will also need an application, like BHIM, to make UPI payments.

"With the acceptance of BHIM UPI in the UAE, Indian tourists can now make seamless payments through BHIM UPI across NEOPAY enabled shops and merchant stores. This partnership will play a key role in transforming the P2M payment experience for Indian travelers in the UAE. The implementation of BHIM UPI in the UAE is a stepping stone toward providing a major boost to digital payments in the country," the NPCI International Payments Ltd (NIPL) said in a statement.

Will UPI be accepted everywhere in the UAE?

No. Payments using UPI will only be accepted at those merchants and shops which have NEOPAY terminals.

Does NPCI have other such international arrangements?

Yes. NPCI's international arm NIPL have several such arrangements with international financial services providers for its products, including UPI and RuPay cards. Globally, UPI is accepted in Bhutan and Nepal, and is likely to go live in Singapore later this year.

In Singapore, a project to link UPI with the city-state's instant payment system PayNow is being undertaken by the RBI and the Monetary Authority of Singapore. The linkage is targeted for operationalisation by July this year. Even though the UAE arrangement only allows for Indians to make payments, in Singapore's case, the UPI-PayNow linkage will enable users of each of the two fast payment systems to make instant, low-cost fund transfers on a reciprocal basis without a need to get on-boarded onto the other payment system.

Source: The Indian Express

18. What a new research about Jupiter's moon Europa means

Relevant for GS Prelims & Mains Paper III; Science & Technology



Europa is the smallest of Jupiter's four Galilean moons. (Image credit: NASA/JPL-Caltech/SETI Institute)

In their new research, a team of researchers from Stanford University have said that on one of Jupiter's moons Europa, a prime candidate for life in the solar system, there might be an abundance of water pockets beneath formations called double ridges.

It is already known that Europa, whose surface is mostly solid water ice, contains water beneath it. The researchers are now saying that the double ridges – the formations which are most common on Europa's surface and are similar to those seen on Earth's Greenland ice sheet – are formed over shallow pockets of water.

The team's findings were published in the journal Nature Communications this week.

About Europa

Europa is slightly smaller than Earth's moon and its diameter is about one-quarter that of the Earth. Even though Europa has a very thin oxygen atmosphere, it is considered one of the most promising places in the solar system to find present-day environments that are suitable for life beyond the Earth.

It is also believed that underneath Europa's icy surface the amount of water is twice that on Earth. NASA notes that scientists believe Europa's ice shell is 15-25 km thick and is floating on an ocean, which is estimated to be between 60-150 km deep. Interestingly, while its diameter is less than the Earth's, Europa probably contains twice the amount of the water in all of the Earth's oceans.

NASA is expected to launch its Europa Clipper in 2024. The module will orbit Jupiter and conduct multiple close flybys to Europa to gather data on the moon's atmosphere, surface and its interior.

What are the implications of the recent findings?

The central implication is that the shallow water pockets beneath the double ridge, like surfaces seen on the Greenland ice sheet on Earth and those seen on Europa's ice shell, increase the potential habitability of the moon.

The ice shell, which is potentially miles thick, has been a difficult prospect for scientists to sample. But according to the new evidence gathered by the Stanford team, the ice shell is believed to be less of a barrier and

more of a dynamic system. This means that the ice shell does not behave like an inert block of ice, but rather undergoes a variety of geological and hydrological processes.

“Because it’s (the double ridges) closer to the surface, where you get interesting chemicals from space, other moons and the volcanoes of Io, there’s a possibility that life has a shot if there are pockets of water in the shell,” senior author of the study, Dustin Schroeder, was quoted as saying in a press release.

“If the mechanism we see in Greenland is how these things happen on Europa, it suggests there’s water everywhere,” he added.

The double-ridge feature

The study co-authors noticed the double-ridge formations during a lab group presentation about Europa. They observed that the formations looked extremely similar to a minor feature on the surface of the Greenland ice sheet.

“We were working on something totally different related to climate change and its impact on the surface of Greenland when we saw these tiny double ridges – and we were able to see the ridges go from ‘not formed’ to ‘formed’,” Schroeder was quoted as saying in the release.

Source: The Indian Express

19. What is Russia’s new nuclear missile Sarmat, capable of striking ‘anywhere in the world’?

Relevant for GS Prelims & Mains Paper III; Science & Technology

Amidst stiff resistance from Ukraine in the ongoing war and harsh sanctions imposed by the West, Russia went ahead and tested its new Inter Continental Ballistic Missile (ICBM) Sarmat on Wednesday. The Russian President said the test would make Russia’s enemies “think twice”. What is this missile capable of and what is the threat for Russia’s adversaries?

Is this the first test of the new ICBM?

This was the first test launch of the ICBM Sarmat after having been delayed earlier in 2021. For reasons not known to the public, the test was pushed to December 2021 and then to April 2022. On Wednesday, it was launched from Plesetsk in North West Russia with the intended target in the Kamchatka peninsula almost 6,000 km away. As per Russian news reports, the missile will have at least five more launches in 2022 before being inducted into the Russian military. Prior to the actual launch, a dummy missile test also took place. Computer simulated missile launches were also done multiple times and some of them were also shared publicly.

Was Russia known to be developing this missile?

It was widely known that Russia was developing a new ICBM to replace its older ones and an announcement in this regard had been made by President Vladimir Putin in 2018 while making his State of the Nation address to the Federal Assembly.

He had stated at the time that the first Regiment fully armed with Sarmat ICBM will be operational by the end of 2022. Even before Putin’s announcement, there had been reports that Moscow was developing a new ICBM and photos of the possible design came into the fore in 2016. The actual development schedule is believed to have been further back in 2009 to 2011. The deteriorating relations between Russia and the Western Powers is said to have given an impetus to its development.

How is it more advanced than the other Russian ICBMs?

The RS-28 Sarmat (NATO name Satan-II) is reported to be able to carry ten or more warheads and decoys and has the capability of firing over either of the earth’s poles with a range of 11,000 to 18,000 km. It is expected to pose a significant challenge to the ground-and-satellite-based radar tracking systems of the western powers, particularly the USA.

The ten warheads are Multiple Independently-Targetable Re-entry Vehicles and each has a blast yield of .75 MT. The Sarmat will also be the first Russian missile which can carry smaller hypersonic boost-glide vehicles. These are manoeuvrable and hard to intercept. The upgraded electronic counter measures, guidance systems and alternative warhead carrying capacity makes the RS-28 Sarmat ICBM more lethal than the R-36M Voyevoda ICBMs (NATO name Satan) currently in service in Russia.

Some reports say that while the height and weight of Sarmat ICBM is the same as in the older one, it has more speed and high throw weight. However, the Sarmat is a liquid fuelled missile as compared to US ICBMs which have moved on to solid fuel systems. Regardless of the different propulsion system, the Sarmat is supposed to pose a significant threat to the US Missile Defence Systems.

Who is it named after?

According to a report by news agency TASS, the Sarmat is named after nomadic tribes that roamed the steppes of present-day Southern Russia, Ukraine and Kazakhstan in the early medieval period. According to Encyclopaedia Britannica: "Sarmatians were highly developed in horsemanship and warfare." It goes on to say that the administrative capabilities and political expertise of Sarmatians contributed to their gaining widespread influence and by the 5th century BC they held control of the land between the Urals and the Don River. "In the 4th century they crossed the Don and conquered the Scythians, replacing them as rulers of almost all of southern Russia by the 2nd century," it adds.

Source: The Indian Express

20. Why the govt is working on quality guidelines for EVs after surge in scooter fires

Relevant for GS Prelims & Mains Paper III; Science & Technology

Union Road Transport Minister Nitin Gadkari Thursday cautioned electric vehicle manufacturers, asking them to take "advance action" in recalling all defective batches of vehicles immediately and said the government would soon issue quality-centric guidelines for EVs. His comments came in the wake of over a dozen instances of electric scooters erupting into flames across the country, claiming at least four lives so far.

How many instances of EV fires have there been?

In the last few weeks, over a dozen electric scooters have caught fire including those manufactured by Ola Electric, Okinawa, Pure EV and Jitendra EV. In March, an Ola Electric scooter in Pune burst in flames while parked on the roadside of a busy commercial area. Later that month, an Okinawa scooter erupted into flames claiming the lives of a man and his 13-year-old daughter.

Earlier this month, more than 20 electric scooters made by Jitendra EV caught fire while they were being transported from the company's factory in Nashik, in what was potentially the biggest such incident of fire yet. On Wednesday, an electric scooter made by Pure EV caught fire in Telangana's Nizamabad after its battery exploded claiming the life of an 80-year-old man.

The companies have said they are currently investigating the reasons behind the possible causes of the scooter fires. Apart from that, Pure EV has initiated a recall of 2,000 of its electric scooters while Okinawa has announced it is recalling more than 3,000 of its EVs to check them for potential safety issues.

How has the government responded to the incidents?

Gadkari's remarks were the first time he publicly acknowledged the mishaps involving EVs in the country. "Several mishaps involving Electric two-wheelers have come to light in (the) last two months. It is most unfortunate that some people have lost their lives and several have been injured in these incidents," Gadkari tweeted.

Last month, the Road Transport Ministry ordered a probe into the incidents and roped in the Centre for Fire Explosive and Environment Safety (CFEES) to investigate the incidents and suggest remedial measures. On Thursday Gadkari said if any EV makers were found “negligent in their process”, the government will impose a heavy penalty, and order a recall of all of their defective EVs.

Source: The Indian Express

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21. What makes blue straggler stars tick

Relevant for GS Prelims & Mains Paper III; Science & Technology

These hot, blue, massive stars seem to have a different trajectory of evolution from the norm.

It's not only humans who appear eccentric; stars can have their own ideas of eccentricities, too. One such case is that of blue stragglers, a particular type of star seen in clusters and also, sometimes, alone. Scientists try to understand their eccentricity and, after studying them for long years, Indian Institute of Astrophysics, Bengaluru, researchers have found support for one way to understand their aberrant behaviour. For this, the researchers also made use of the observations by the UVIT instrument (Ultra Violet Imaging Telescope) of ASTROSAT, India's first science observatory in space.

Stellar ageing

To know what blue stragglers are, it is necessary to understand how stars are classified and their evolution, studied. Our Sun, for example, is what is called a main sequence star, and, given its mass and age, it is expected that once it has converted all its hydrogen into helium, its core will get denser, while outer layers expand. So, it will bloat into a red giant. After this phase, its fuel spent, it will shrink, becoming a smaller, cooling star called a white dwarf star at the end of its life.

To study the behaviour of the star, you could plot a graph of the colour of a star, which is an indication of its surface temperature, against its magnitude, which is related to the total energy given off by it. If you do this for all the stars in a globular cluster, a large number of stars are seen to find a place within a band known as the main sequence. Our Sun is a main sequence star, too, and the expectation is that all main sequence stars follow a pattern of evolution pretty much like our Sun's fate, which was described earlier.

Blue stragglers

There are a few stars that, just at the stage of their lives, when they are expected to start expanding in size and cooling down, do just the opposite. They grow brighter and hotter as indicated by their blue colour, thus standing out from the cooler red stars in their vicinity in the colour-magnitude diagram. Since they lag behind their peers in the evolution, they are called stragglers, more specifically, blue stragglers, because of their hot, blue colour.

The puzzle of why a blue straggler is more massive, and energetic, than it is expected to be may be resolved in several ways: One to simply show that these do not belong to the family of stars in the cluster, and hence not expected to have the group properties. But if they actually belong to the group, the evasive behavior is due to these stars gaining mass from a binary companion. In this second scenario, the straggler draws matter from the giant companion star and grows more massive, hot and blue, and the red giant to end up as a normal or smaller white dwarf. The third possibility is that the straggler draws matter from a companion star, but that there is a third star that facilitates this process.

The IIAP researchers have shown evidence that supports the second of the hypotheses listed above.

“The team carefully selected the target star clusters based on the likelihood of such stars present in them. It was not an easy task to prove that these stragglers belong to the group,” says Annapurni Subramaniam from IIAP in whose lab this work was done. Not just this. It was also no mean task to choose objects that were safe for collecting data using the sensitive UVIT. They developed unique tools to differentiate binary systems among

the blue stragglers. “All of these took time, but the persistent study of the team consisting of several PhD students led to the conclusive evidence of white dwarf companions to blue stragglers,” she adds.

Source: The Hindu

22. Generating energy from banana peel

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Relevant for GS Prelims & Mains Paper III; Science & Technology

Energy in hydrogen can be harnessed by generating electricity with it.

In the 1985 science fiction film *Back to the Future*, a flamboyant inventor modifies his car into a plutonium-powered time machine and travels back and forth in time. During a visit to the year 2015, he updates his engine so that it will now take any form of matter for generating energy — even a carrot or two tossed into the “tank” will do.

Well, 2015 has gone past us. Fusion-powered vehicles are still beyond the horizon. And we keep hoping for new and better ways of extracting clean energy from renewable sources. Such as carrots, or maybe bananas — which is indeed what has been achieved by a research group working at the Swiss Federal Institute of Technology in Lausanne (Chemical Science, 2022).

Their version of the banana split involved the splitting of biomass — banana peel, orange peel, coconut shells — by flashes of light emanating from a xenon lamp.

Appeal of hydrogen

But before looking at this innovative approach, a few words about what makes hydrogen an attractive energy source. Storing large quantities of energy in a modest amount of space is a vital requirement, and hydrogen has an impressive energy storage capacity. While classifying fuels in terms of their energy value (also called heating value), the deciding elements are carbon, hydrogen and oxygen. Hydrogen has an energy value that is seven times that of carbon.

In the burning of wood, carbon and hydrogen are oxidised in a heat-generating reaction, the end products of which are carbon dioxide and water. The former is a greenhouse gas, contributing to global warming. Burning of hydrogen gives us only water and heat. A smarter way to harness the energy in hydrogen would be to generate electricity with it. This is achieved in a proton exchange membrane fuel cell where, in the presence of a metal catalyst, a hydrogen molecule is split into protons and electrons, with the electrons providing the current output.

Transport vehicles

Such fuel cells are now used to power a few light passenger transport vehicles in some parts of the world. Unlike electric cars, hydrogen-powered cars have a refuelling time of only about five minutes. Commercially available hydrogen-powered cars have fuel tanks that can carry 5-6 kg of compressed hydrogen, with each kilo providing a range of about 100 km (and emitting nine litres of water, mostly as steam).

The limited popularity of hydrogen as fuel is due to production and distribution restraints. It is safer to handle than domestic cooking gas.

Industrial-level quantities of Hydrogen gas are used in processes such as the production of ammonia for fertilizers. Over 90% of the world’s hydrogen is produced from fossil fuels.

This brings us back to the search for alternative sources of energy that do not tax the environment. Biomass is a catch-all term for organic waste material of plant and animal origin. It is a rich source of both hydrogen and carbon — our dried banana peel has a hydrogen content of 5%, and 33% is carbon. An important goal of all climate change-curbing protocols is to sequester as much carbon as possible — don’t let it become a gas.

The Swiss group uses pyrolysis, wherein organic matter is decomposed using small bursts of intense heat under inert conditions.

Flashes of irradiation from a xenon lamp provide the heat — a total of 15 milliseconds of irradiation are enough to heat the system to 600 degrees Celsius, and decompose a kilogram of banana peel powder — liberating 100 litres of hydrogen gas.

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This short burst of photothermal energy also produces 330 grams of biochar, a solid residue that is rich in carbon.

It is worth noting here that if the biomass had been burnt, gaseous carbon would have escaped as carbon monoxide and carbon dioxide. Pyrolysis ensures that carbon remains sequestered as a solid.

Benefits of biochar

Biochar has other uses too — apart from safekeeping carbon, biochar has several uses in agriculture.

Agricultural leftovers such as rice husk are a major source of biomass, and the biochar it forms has significant mineral content. Adding it to soil enriches plant nutrients.

The porous nature of biochar makes it suitable for remediation — the adsorption of toxic substances in polluted soils - thus reducing the potency of contaminants in the soil (Annals Agric. Sci., 2019).

Biomass, be it from banana peel, or tree bark or poultry manure, thus improves air quality and adds value to agricultural produce — while setting in motion that emission-free car.

Source: The Hindu

23. European Union ground rules for Web

Relevant for GS Prelims & Mains Paper III; Science & Technology

The European Parliament and European Union (EU) Member States announced on Saturday that they had reached a political agreement on the Digital Services Act (DSA), a landmark legislation to force big Internet companies to act against disinformation and illegal and harmful content, and to “provide better protection for Internet users and their fundamental rights”.

The Act, which is yet to become law, was proposed by the EU Commission (anti-trust) in December 2020. As defined by the EU Commission, the DSA is “a set of common rules on intermediaries’ obligations and accountability across the single market”, and ensures higher protection to all EU users, irrespective of their country.

The proposed Act will work in conjunction with the EU’s Digital Markets Act (DMA), which was approved last month.

The DSA is likely to be adopted by the EU Parliament in the next few months. Once adopted, “it will apply from fifteen months or from January 1, 2024, whichever is later”.

What is the DSA, and to whom will it apply?

The DSA will tightly regulate the way intermediaries, especially large platforms such as Google, Facebook, and YouTube, function when it comes to moderating user content. Instead of letting platforms decide how to deal with abusive or illegal content, the DSA will lay down specific rules and obligations for these companies to follow.

According to the EU, DSA will apply to a “large category of online services, from simple websites to Internet infrastructure services and online platforms.” The obligations for each of these will differ according to their size and role.

The legislation brings in its ambit platforms that provide Internet access, domain name registrars, hosting services such as cloud computing and web-hosting services. But more importantly, very large online platforms (VLOPs) and very large online search engines (VLOSEs) will face “more stringent requirements.”

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Any service with more than 45 million monthly active users in the EU will fall into this category. Those with under 45 million monthly active users in the EU will be exempt from certain new obligations.

Once the DSA becomes law, each EU Member State will have the primary role in enforcing these, along with a new “European Board for Digital Services.” The EU Commission will carry out “enhanced supervision and enforcement” for the VLOPs and VLOSEs. Penalties for breaching these rules could be huge — as high as 6% of the company’s global annual turnover.

What do the new rules state?

A wide range of proposals seeks to ensure that the negative social impact arising from many of the practices followed by the Internet giants is minimised or removed.

Online platforms and intermediaries such as Facebook, Google, YouTube, etc will have to add “new procedures for faster removal” of content deemed illegal or harmful. This can vary according to the laws of each EU Member State.

Further, these platforms will have to clearly explain their policy on taking down content; users will be able to challenge these takedowns as well. Platforms will need to have a clear mechanism to help users flag content that is illegal. Platforms will have to cooperate with “trusted flaggers”.

Marketplaces such as Amazon will have to “impose a duty of care” on sellers who are using their platform to sell products online. They will have to “collect and display information on the products and services sold in order to ensure that consumers are properly informed.”

The DSA adds “an obligation for very large digital platforms and services to analyse systemic risks they create and to carry out risk reduction analysis”. This audit for platforms like Google and Facebook will need to take place every year.

Companies will have to look at the risk of “dissemination of illegal content”, “adverse effects on fundamental rights”, “manipulation of services having an impact on democratic processes and public security”, “adverse effects on gender-based violence, and on minors and serious consequences for the physical or mental health of users.”

The Act proposes to allow independent vetted researchers to have access to public data from these platforms to carry out studies to understand these risks better.

The DSA proposes to ban ‘Dark Patterns’ or “misleading interfaces” that are designed to trick users into doing something that they would not agree to otherwise.

This includes forcible pop-up pages, giving greater prominence to a particular choice, etc. The proposed law requires that customers be offered a choice of a system which does not “recommend content based on their profiling”.

The DSA incorporates a new crisis mechanism clause — it refers to the Russia-Ukraine conflict — which will be “activated by the Commission on the recommendation of the board of national Digital Services Coordinators”. However, these special measures will only be in place for three months.

This clause will make it “possible to analyse the impact of the activities of these platforms” on the crisis, and the Commission will decide the appropriate steps to be taken to ensure the fundamental rights of users are not violated.

The law proposes stronger protection for minors, and aims to ban targeted advertising for them based on their personal data.

It also proposes “transparency measures for online platforms on a variety of issues, including on the algorithms used for recommending content or products to users”.

Finally, it says that cancelling a subscription should be as easy as subscribing.

Does this mean that social media platforms will now be liable for any unlawful content?

It has been clarified that the platforms and other intermediaries will not be liable for the unlawful behaviour of users. So, they still have ‘safe harbour’ in some sense.

However, if the platforms are “aware of illegal acts and fail to remove them,” they will be liable for this user behaviour. Small platforms, which remove any illegal content they detect, will not be liable.

India’s IT Rules announced last year make the social media intermediary and its executives liable if the company fails to carry out due diligence. Rule 4 (a) states that significant social media intermediaries — such as Facebook or Google — must appoint a chief compliance officer (CCO), who could be booked if a tweet or post that violates local laws is not removed within the stipulated period.

India’s Rules also introduce the need to publish a monthly compliance report. They include a clause on the need to trace the originator of a message — this provision has been challenged by WhatsApp in Delhi High Court.

Source: The Indian Express

24. Why has Ola Electric recalled over 1,400 scooters?

Relevant for GS Prelims & Mains Paper III; Science & Technology

Why are EV makers recalling some of their electric scooters?

Ola Electric has said it is recalling more than 1,400 of its electric scooters in the wake of dozens of incidents of two-wheelers catching fire, in which at least four people have been killed so far. The move came after Union Road Transport Minister Nitin Gadkari asked EV makers to take “advance action” to recall all defective batches of their vehicles immediately.

The recall

Ola Electric is recalling 1,441 scooters of a specific batch, one of which had burst in flames while parked on the roadside in a busy area in Pune last month. The company said the incident was likely “isolated”.

“Our internal investigation into the March 26 vehicle fire incident in Pune is ongoing and the preliminary assessment reveals that the thermal incident was likely an isolated one. As a pre-emptive measure, we will be conducting a detailed diagnostics and health check of the scooters in that specific batch and therefore are issuing a voluntary recall of 1,441 vehicles,” it said.

Ola Electric said the scooters being recalled will be inspected by its service engineers and will go through a diagnostics check across all battery, thermal and safety systems. The firm said its battery pack already complies with and is tested for AIS 156, the latest proposed standard for India, in addition to being compliant with the European standard ECE 136.

Recent EV fires

In the last few weeks, over a dozen electric scooters have caught fire including those manufactured by Ola Electric, Okinawa, Pure EV and Jitendra EV. Last month, an Okinawa scooter erupted into flames in Vellore, claiming the lives of a man and his 13-year-old daughter.

Earlier this month, more than 20 electric scooters made by Jitendra EV caught fire while being transported from the factory in Nashik. On Wednesday, an electric scooter made by Pure EV caught fire in Telangana's Nizamabad after its battery exploded, killing an 80-year-old man.

The other companies have said they are investigating the possible reasons behind the fires. Pure EV has initiated a recall of 2,000 electric scooters; Okinawa has announced it is recalling more than 3,000 EVs to check them for potential safety issues.

Government's response

Earlier this week, Gadkari said that if EV makers are found "negligent in their process", the government will impose a heavy penalty and order a recall of all their defective EVs. Quality-centric guidelines for EVs would be issued soon, he said. The Road Transport Ministry has ordered an investigation into the fire incidents by the Centre for Fire Explosive and Environment Safety.

Source: The Indian Express

25. Tackling Strontium: A cyber-espionage group

Relevant for GS Prelims & Mains Paper III; Science & Technology

What are the different malware tools used by the Russian hacking group? Who are their main targets?

On April 7, Microsoft said it had disrupted cyberattacks from a Russian nation-state hacking group. The group called 'Strontium' by the software company targeted Ukrainian firms, media organisations, government bodies, and think tanks in the U.S. and the EU. The Richmond-based company took control of seven Internet domains used by the group to launch their attacks after a court order permitted it to seize the infrastructure. In the past, Microsoft had performed 15 similar seizures to take control of over 100 Strontium-controlled domains. Apart from Microsoft, security firms, government agencies and individual researchers have been watching the attack group, which has been active for over one and a half decades deploying different attack methods to target individuals and organisations across multiple sectors globally.

What is Strontium?

Strontium, also known as Fancy Bear, Tsar Team, Pawn Storm, Sofacy, Sednit or Advanced Persistent Threat 28 (APT28) group, is a highly active and prolific cyber-espionage group. It is one of the most active APT groups and has been operating since at least the mid-2000s, making it one of the world's oldest cyber-spy groups. It has access to highly sophisticated tools to conduct spy operations, and has been attacking targets in the U.S., Europe, Central Asia and West Asia. The group is said to be connected to the GRU, the Russian Armed Forces' main military intelligence wing. The GRU's cyber units are believed to have been responsible for several cyberattacks over the years and its unit 26165 is identified as Fancy Bear.

How does it attack networks?

The group deploys diverse malware and malicious tools to breach networks. In the past, it has used X-Tunnel, SPLM (or CHOPSTICK and X-Agent), GAMEFISH and Zebrocy to attack targets. These tools can be used as hooks in system drivers to access local passwords, and can track keystroke, mouse movements, and control webcam and USB drives. They can also search and replace local files and stay connected to the network, according to a report by the U.K. National Cyber Security Centre (NCSC).

APT28 uses spear-phishing (targeted campaigns to gain access to an individual's account) and zero-day exploits (taking advantage of unknown computer-software vulnerabilities) to target specific individuals and organisations. It has used spear-phishing and sometimes water-holing to steal information, such as account

credentials, sensitive communications and documents. A watering hole attack compromises a site that a targeted victim visits to gain access to the victim's computer and network.

For high volume attacks, the group has used Zebrocy, which is also primarily deployed through spear-phishing emails.

Fancy Bear has also used VPNFilter malware to target hundreds of thousands of routers and network-access storage devices worldwide. The infection allows attackers to potentially control infected devices, make them inoperable and intercept or block network traffic, according to NCSC. More recently, a cybersecurity advisory issued by the National Security Agency (NSA) and the Federal Bureau of Investigation (FBI) noted that APT28 deployed a malware called Drovorub, designed for Linux systems. When deployed on a victim machine, it provides file download and upload capabilities; execution of arbitrary commands; and implements hiding techniques to evade detection.

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Which organisations have been targeted?

The Democratic National Committee (DNC) hack during the 2016 U.S. presidential election, the global television network TV5Monde cyberattack, the World Anti-Doping Agency (WADA) email leak, and several other high-profile breaches are said to be the work of APT28.

The DNC was allegedly hacked by Fancy Bear, and documents including emails that were stolen during the cyberattacks were published online. Throughout the campaign, dozens of politicians, DNC staff, speech writers, data analysts, former staff of the Obama campaign, staff of the Hillary Clinton campaign, and even corporate sponsors were targeted multiple times, according to a report by cybersecurity software firm Trend Micro. During the same year, Fancy Bear was suspected to be behind the release of confidential medical files relating to many international athletes. WADA stated publicly that this data came from a hack of its anti-doping administration and management system.

In 2015, the German federal Parliament, Bundestag, was reportedly attacked by Fancy Bear. During the attack, a significant amount of data was stolen and the email accounts of several MPs, as well as then Chancellor Angela Merkel, were affected. Later that year, the same group was supposedly responsible for accessing and stealing content from multiple email accounts belonging to a small U.K.-based TV station.

How have governments and security agencies reacted?

In 2018, a jury indicted 12 Russian nationals in the DNC hack for committing federal crimes that were intended to interfere with the 2016 U.S. presidential election. The convicts were members of GRU. Later that year, another jury indicted seven defendants, all officers in the GRU. The conspirators included a Russian intelligence hacking team that travelled abroad to compromise computer networks used by anti-doping and sporting officials.

In the U.K., the government had announced it would enforce asset freezes and travel bans against two Russian GRU officers and the GRU's unit 26165, responsible for the 2015 cyberattacks on Germany's Parliament. Besides, the country's NCSC had issued a detailed technical advisory to assist in detecting the presence of malicious tools used by APT28 on platforms and networks, along with mitigation guidelines for protection against the group's activities.

In addition to security agencies, software and cybersecurity firms as well as researchers have published detailed reports, describing Fancy Bear's notorious cyberattacks and the tools used in executing them. This is to help and prepare organisations against the persistent cyber threats from APT groups working in association with nation-states.

Source: The Hindu

26. New research: How self-replicating mRNA Covid-19 vaccines work, and what trial results show

Website: www.prepmate.in

Prepmate Cengage Books Preview: <https://prepmate.in/books/>

Telegram Channel: [@upscprepmate](https://t.me/@upscprepmate)

Youtube channel: [PrepMateEdutech](https://www.youtube.com/channel/UCPrepMate)

Relevant for GS Prelims & Mains Paper III; Science & Technology

A self-amplifying mRNA vaccine — one in which the delivered RNA multiplies inside the body — has shown promising results against Covid-19 in ongoing phase 1/2/3 trials. The vaccine, ARCT-154, has been developed by Arcturus Therapeutics Holdings, based in San Diego, California, and its trials are in progress in Vietnam. It offered 95% protection against severe Covid-19 and death, and 55% against Covid infection, Arcturus said in a press release.

WHAT IT MEANS: An mRNA vaccine, such as those from Pfizer/BioNTech and Moderna, use messenger RNA that encodes the spike protein of the coronavirus. In other words, the mRNA directs the cell to produce copies of the spike protein, so that the immune system will recognise the spike if and when actual infection takes place, and mount a response.

A self-amplifying mRNA vaccine is an improvement on the traditional RNA platform. It encodes four extra proteins in addition to the vaccine antigen, and these enable amplification of the original strand of RNA once inside the cell. The basic advantage is that it requires a smaller dose.

THE TRIAL: It enrolled over 19,000 adult subjects in Vietnam, including individuals at higher risk of severe complications of Covid-19 disease. The Phase 3 placebo-controlled vaccine efficacy portion of this study enrolled over 16,000 participants. An analysis between 7 days and 56 days after completion of a two-dose vaccination series demonstrated 55% vaccine efficacy for protection against Covid-19, the release said. These cases were detected during an outbreak in Vietnam when the Delta and Omicron variants were dominant.

The analysis of severe Covid-19 disease (including deaths) included 43 severe cases. Forty-one cases occurred in the placebo group and two in the vaccinated group, demonstrating vaccine efficacy of 95%, the release said. Nine deaths were reported in the placebo group, and one in the vaccinated group, whom the company described as an older age group participant who was also at increased risk of severe Covid-19.

ADVERSE EVENTS: The incidence of unsolicited adverse events in the two groups are comparable, the release said. No cases of myocarditis or pericarditis were reported; however, the company conceded that the study is not large enough to reliably observe these events given their extremely rare frequency of occurrence.

Adverse events collected in diaries of study participants (solicited adverse events) for seven days following each vaccination demonstrate that the majority of these events were mild or moderate in severity, it said. The majority of solicited adverse events resolved within the 7-day window of observation.

IMPLICATIONS: The Pfizer/BioNTech and Moderna vaccines against Covid-19 are the only two mRNA vaccines available so far. “The new vaccine may come with significant advantages: easier storage, along with lower cost because its ‘self-amplifying’ design allows for smaller doses”, Science magazine said.

However, the magazine noted, much of the world has already been vaccinated, and the Arcturus vaccine may be making its debut too late, at least for primary vaccination.

Source: The Indian Express

27. Asthma drug blocks protein crucial to replication of coronavirus: IISc study

Relevant for GS Prelims & Mains Paper III; Science & Technology

A widely available drug, used for treatment of asthma and allergies, can also block a protein that is key to replication of SARS-CoV-2, the virus that causes Covid-19, a study by Indian Institute of Science (IISc) researchers has found. The study has been published in the journal eLife.

The drug: The drug, montelukast, is an oral treatment given to prevent wheezing, difficulty breathing, chest tightness, and coughing caused by asthma, and also used to prevent breathing difficulties during exercise, according to the US National Library of Medicine.

“Montelukast is prescribed in India by physicians. It is readily available as tablets and syrup (for kids) in pharmacy shops under different brand names,” IISc Assistant Professor Tanweer Hussain, senior author of the study, told The Indian Express.

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In fact, some clinicians were using montelukast to treat Covid-19 patients because of its known role in making breathing easier in asthma patients, Hussain said. “However, it was not known that this drug also has antiviral activity, which we have figured out in this study.”

Antiviral activity: When it infects the human cell, the coronavirus releases a protein called Nsp1, which is key to its replication. The viral protein binds to the host cell’s protein-making machinery, called the ribosome. “If the ribosome is blocked, then the host cell is unable to synthesise proteins needed to fight the viral infection. This helps in the establishment of viral infection,” Hussain said.

Targeting Nsp1, therefore, can reduce the damage inflicted by the virus. And the IISc researchers found that montelukast binds strongly to Nsp1, blocking its access to the ribosome.

Other viral proteins could, of course, still bind elsewhere on the host cell. “However, blocking viral Nsp1 allows the host cells to synthesise immune effector proteins to fight the viral infection,” Hussain said.

Also, Nsp1’s mutation rate is very low compared to other viral proteins, which means Nsp1 is likely to remain largely unchanged in any virus variants that emerge, Hussain said. Hence drugs targeting this region are expected to work against all such variants.

How the drug was identified: The researchers first used computational modelling to screen more than 1,600 drugs approved by the US Food and Drug Administration (FDA). “A new molecule will have to clear all phase trials before it can be prescribed to patients, which would require months and years to complete. Hence we looked for candidates among USFDA-approved drugs,” Hussain said.

The researchers shortlisted a dozen drugs that binds to Nsp1, among which they zeroed in on montelukast and saquinavir, an anti-HIV drug. Lab tests on cultured human cells then showed that only montelukast was able to rescue Nsp1’s inhibition of protein synthesis.

Source: The Indian Express

28. What is Corbevax, the vaccine approved for your 5-year-old kid?

Relevant for GS Prelims & Mains Paper III; Science & Technology

As schools around the country return to full in-person classes, and amid reports of some small children testing positive for Covid-19, the national drugs controller on Tuesday (April 26) cleared children as young as 5 years old to receive vaccination against the coronavirus.

Once the modalities for the rollout are finalised by the government, kids in the age group of 5-12 can be vaccinated with Biological E’s Corbevax.

The United States and United Kingdom have allowed vaccination of children age 5 with Pfizer/BioNTech’s mRNA vaccine. Corbevax, which is being used at present to vaccinate pre- and young teens in the 12-14 years age group, is built on a different technological platform.

Also on Tuesday, the Drugs Controller General of India (DCGI) granted emergency use authorisation (EUA) to Bharat Biotech's Covaxin for kids in the age group of 6-12 years, and to Gujarat-based Zydus Cadila's two-dose vaccine for recipients above the age of 12 years.

Zydus Cadila's vaccine is the world's first Covid-19 vaccine built on a DNA platform that has been approved for commercial use. A three-dose version of Zydus Cadila's vaccine is already part of the vaccine basket for the country's adult population.

How does Corbevax work?

Corbevax is a "recombinant protein sub-unit" vaccine, which means it is made up of a specific part of SARS-CoV-2, that is, the spike protein on the virus's surface.

The spike protein allows the virus to enter cells so that it can replicate and cause disease. However, when just the spike protein is injected into the body, it is not as harmful as the virus itself, because the rest of the virus is missing.

The body is expected to develop an immune response against the injected spike protein and, if and when the real virus attempts to infect, the body has an immune response ready, which will make it unlikely that the virus can make the victim seriously ill.

This technology itself is not new. It has been used for decades to make hepatitis B vaccines. However, Corbevax is among the first Covid-19 vaccines to use this platform.

Gaithersburg, Maryland-based Novavax too has developed a protein-based vaccine, which has been manufactured in India under licence by Serum Institute of India. This vaccine, named Covovax in India, received restricted emergency use authorisation for the 12-17 age group from DCGI last month.

How was Corbevax made?

While Biological E, the manufacturer of Corbevax, is a Hyderabad-based biological products company, the beginnings of the vaccine can be traced to the National School of Tropical Medicine at the Baylor College of Medicine (BCM) in Houston, Texas. The school had been working on recombinant protein vaccines for coronaviruses SARS and MERS for a decade.

"We knew all the techniques required to produce a recombinant protein (vaccine) for coronaviruses at high levels of efficiency and integrity," Dr Peter Hotez, Professor and Dean at the National School of Tropical Medicine had told The Indian Express earlier.

When the genetic sequence for SARS-CoV-2 was made available in February 2020, researchers at the school pulled out the sequence for the gene for the spike protein, and worked on cloning and engineering it. The gene was then put into yeast, so that it could manufacture and release copies of the protein.

"It's actually similar to the production of beer. Instead of releasing alcohol, in this case, the yeast is releasing the recombinant protein," Dr Hotez said.

The protein was then purified to remove any remnants of the yeast "to make it pristine". The vaccine was then formulated using an adjuvant to better stimulate the immune response.

Most of these ingredients are cheap and easy to find.

In August 2020, BCM transferred its production cell bank for this vaccine to Biological E, so that the Hyderabad-based company could take the candidate through trials.

How is Corbevax different?

The Covid-19 vaccines manufactured by Pfizer and Moderna are mRNA vaccines; those made by AstraZeneca-Oxford (Covishield in India), Johnson & Johnson and Sputnik V are viral vector vaccines; and Covaxin, Sinovac-CoronaVac, and Sinopharm's SARS-CoV-2 Vaccine-Vero Cell are inactivated vaccines.

Inactivated vaccines, which contain killed particles of the whole SARS-CoV-2 virus, seek to target the entire structure of the virus. On the other hand, Corbevax, like the mRNA and viral vector vaccines, targets only the spike protein, but in a different way.

Viral vector and mRNA and vaccines use a code to induce human cells to make the spike proteins against which the body has to build immunity. "In this case (Corbevax), we're actually giving the protein," Dr Hotez said.

Source: The Indian Express

29. What is Paxlovid, strongly recommended by WHO as the best therapeutic choice for high-risk Covid-19 patients?

Relevant for GS Prelims & Mains Paper III; Science & Technology

On April 22, the World Health Organisation (WHO) said Pfizer's oral antiviral drug Paxlovid was "strongly recommended" for patients with non-severe Covid-19 who are at highest risk of developing severe disease and hospitalisation, such as unvaccinated, older, or immunosuppressed patients.

The recommendation was based on new data from two randomised controlled trials involving 3,078 patients. The data show that the risk of hospitalisation was reduced by 85% following this treatment, the WHO said in a statement. In a high-risk group (over 10% risk of hospitalisation), that meant 84 fewer hospitalisations per 1,000 patients.

The drug

Paxlovid consists of nirmatrelvir tablets and ritonavir tablets, co-packaged for oral use. It was given emergency use authorisation (EUA) by the USFDA in December last year.

Nirmatrelvir inhibits a viral enzyme called protease that is necessary for the virus to replicate itself inside the host cell. Ritonavir slows down the breakdown of nirmatrelvir in order to help it remain in the body for longer at higher concentrations.

A drug like nirmatrelvir is considered to have an advantage over vaccines because it attacks a vulnerability in the virus that does not mutate like spike proteins — which vaccines target — do. As a result, the medication is seen to be effective against all variants. (The Omicron wave showed that in a very large number of cases, vaccines are unable to prevent infection, even though they do prevent serious illness and deaths.)

Even before the WHO's latest endorsement, Paxlovid was seen as a wonder drug that presented a dramatic new advantage in the battle against the coronavirus. A second oral Covid-19 drug, molnupiravir, manufactured by Merck and Ridgeback, too received FDA authorisation in December last year, but showed a somewhat lower efficacy in clinical trials.

Paxlovid is administered as three tablets — two of nirmatrelvir and one of ritonavir — taken together orally twice daily for five days, that is, a total of 30 tablets. The USFDA authorised Paxlovid for use only up to five consecutive days.

The EUA for Paxlovid was based on clinical data that showed a reduced risk of hospitalisation or death by 89 per cent within three days of the onset of symptoms, and 88 per cent within five days of the onset of symptoms, compared to the placebo group.

The European Medicines Agency (EMA) issued advice that Paxlovid can be used to treat adults with Covid-19 who do not require supplemental oxygen and who are at increased risk of progressing to severe disease.

Generic versions

On November 16 last year, Pfizer had announced it had signed a voluntary licence agreement for Paxlovid that would facilitate the production and distribution of the drug by granting sub-licences to qualified generic medicine manufacturers.

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Pfizer's licensing agreement with the United Nations-backed public health organisation Medicines Patent Pool (MPP) was intended to enable the supply of the medicines to 95 low- and middle-income countries including India, comprising approximately 53% of the world's population.

It was announced at the time that Pfizer would not receive royalties on sales in low-income countries, and that royalties would be waived on sales in all countries covered by the agreement for as long as Covid-19 remained classified as a Public Health Emergency of International Concern by WHO.

Subsequently, on March 17 this year, the MPP announced that it had signed agreements with 35 companies to manufacture the generic version of nirmatrelvir, which in combination with a low dose of ritonavir can be supplied in 95 low- and middle-income countries. Six companies will produce the drug substance, nine will produce the drug product, and the rest will do both, the MPP said in a release.

The companies are located, besides India, in Bangladesh, Brazil, China, Dominican Republic, Jordan, Israel, Mexico, Pakistan, Serbia, Republic of Korea, and Vietnam.

The MPP, founded by the Geneva-based Unitaid, works to increase access to, and facilitate the development of, life-saving medicines for low- and middle-income countries. MPP partners with civil society, governments, international organisations, industry, patient groups, and other stakeholders to prioritise and license needed medicines and pool intellectual property to encourage generic manufacture and the development of new formulations.

Drug in India

Nineteen of the 35 companies with which the MPP has signed sub-licensing agreements are Indian, and they include drugmakers such as Bengaluru-based Biocon Ltd; Mumbai-based Glenmark Pharmaceuticals, Sun Pharmaceuticals, and Cipla; Ahmedabad headquartered Torrent Pharmaceuticals and Cadila Pharmaceuticals; Hetero Drugs and Laurus Labs of Hyderabad; and Emcure Pharmaceuticals of Pune.

It was reported earlier this week that Hetero's drug could be available at chemists' very soon, but no confirmation was available.

In its April 22 statement, WHO said it was "extremely concerned" that low- and middle-income countries could be pushed to the "end of the queue" while accessing Paxlovid treatment — in the same way these countries had suffered when it came to the supply of Covid-19 vaccines. It said that Pfizer's licensing agreement with the MPP limited the number of countries that can benefit from generic production of the medicine.

Push in the US

The Biden administration is aiming to expand access to oral antiviral treatments like Paxlovid by doubling the number of locations at which they are available, the White House said on Tuesday.

Currently, pharmacies were dependent on states to obtain the pills. The government sends the treatments to select pharmacies, as well as directly to states and community centres. Under the current system, the treatments are available in around 20,000 locations, a Reuters report said.

The administration now expects to increase their direct distribution to over 30,000 locations and reach 40,000 sites over the coming weeks, the report said, quoting an official.

Demand for Paxlovid has been unexpectedly light due to complicated eligibility requirements, reduced testing, and potential for drug interactions. The US has agreed to buy up to 20 million pills at around \$530 a course, and Pfizer is on pace to produce 3.5 million courses earmarked for US use by the end of April, the Reuters report said.

Source: The Indian Express

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30. How far could a ban on menthol cigarettes help reduce smoking in India?

Relevant for GS Prelims & Mains Paper III; Science & Technology

The US Food and Drug Administration (FDA) on Thursday proposed rules for banning menthol cigarettes and all flavoured cigars, a move likely to have the deepest impact on Black smokers and young adults.

In its fact sheet, the FDA said nearly 85% of Black smokers use menthol cigarettes as compared to 30% white smokers, and that modelling studies estimate a 15% overall reduction in smoking over age 40 if menthol cigarettes were unavailable.

How would a similar ban be likely to play out in India?

If India were to ban menthol and other flavoured cigarettes, the impact might be limited, given that chewing tobacco and bidi are the most common forms of tobacco use.

India has 26.7 crore tobacco users aged 15 and above, as per the last available Global Adult Tobacco Survey (GATS 2016-17) — 18% of the population uses smokeless tobacco, 7% smoke, and 4% use both.

Even among smokers, “the impact of such a step would only be on young adults and women who are just starting to smoke. Apart from giving tobacco a pleasant flavour, menthol reduces the harshness, irritation, and somewhat the smell, making it appealing to those who have just started smoking or those who need to hide the smell from family members”, said Dr S K Arora, a chest physician, a former head of Delhi’s Tobacco Control Cell, and winner of a World Health Organization (WHO) award for his role in controlling tobacco use in India.

“However, once a person continues smoking for two weeks to a month, the flavour is of no consequence. If we ban menthol flavour, they will just continue smoking regular cigarettes,” he said.

Monika Arora, Director of the Public Health Promotion Division, Public Health Foundation of India, said, “Menthol cigarettes usually attract adolescents who initiate with a flavoured product, then switch to regular cigarettes. Banning it could prevent new users” from beginning smoking.

Banning products has logistical issues as well. “Banning is not the solution. How much can you ban? Things will be smuggled in,” said Dr G K Rath, former head of the National Cancer Institute. Gutkha and e-cigarettes, which are banned in India, are still available.

India has no official estimate on the number of people who use menthol or other flavoured cigarettes, but availability of various flavours has increased over the years.

WHY THE US PROPOSAL

HEALTH: Menthol reduces the irritation of smoking and increases appeal; it also enhances nicotine's addictive effects, making it more difficult to quit smoking.

RACE: Menthol cigarette use is disproportionately higher among Black Americans (85% of smokers within the community) than White Americans (30%).

How many young Indians are tobacco users?

Tobacco use among 15-24-year-olds has been reducing in India, from 18.4% in GATS-1 (2009-10) to 12.4% in GATs-2 (2016-17), a relative reduction of 33%.

On the other hand, there has been an increase in tobacco use among American youth, driven mostly by e-cigarettes. More than 1 in 4 high school students used tobacco product in the previous 30 days in 2018, with e-cigarette use increasing from 11.7% to 20.8% among high school students from 2017 to 2018, according to the US Centers for Disease Control and Prevention (CDC). In India, e-cigarettes are banned.

"If such a step is taken by India, there will likely be a proportion of current users who will stop smoking. But it is likely to reduce initiation to smoking. There are several studies from across the world that show this," said Dr Jagdish Kaur, regional advisor to WHO's Tobacco Free Initiative.

A recent study from Canada shows that after menthol cigarettes were banned, 8% more menthol smokers quit smoking than non-menthol smokers.

Another modelling based study from Singapore, where use of flavoured cigarettes is predominant, showed that in 50 years, smoking prevalence will increase from 12.7% to 15.2% if flavoured cigarettes are not banned, go down by 10.6% if there is a complete ban, and remain the same if there is a partial ban.

What additional measures need to be taken for tobacco control?

Other than banning tobacco products that draw in young new users, experts stressed a need for oversight on social media platforms, content streaming websites, and web based shopping portals.

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“These websites not only advertise a tobacco product, which is against the law, they also make misleading claims such as menthol cigarettes being less harmful than regular cigarettes... These are the avenues that need to be regulated...,” Dr Monika Arora said.

Source: The Indian Express

Social Issues

1. The manacles of caste in sanitation work

Relevant for GS Prelims & Mains Paper I; Social Issues

Despite laws, workers in the field in India still face stigma and are devoid of essential rights

Even in 2020, the Indian government and our civil society continue to grapple with the inhuman nature of manual scavenging. While civil society started a movement in the 1990s to abolish dry latrines, the focus now is on manhole deaths and provision of safety equipment to sanitation workers. The movement has been demanding the abolition of the dehumanising practice of the manual removal of human excreta and calls for the introduction of mechanisation for handling waste. Various State governments and the previous Central governments have responded to these civil society demands by introducing different laws to stop manual scavenging and provide incentives to build toilets.

If, on the one hand, the civil society has tended to approach this issue as a collective problem that needs to be addressed by the State, on the other, the current ruling dispensation seems to be framing the issue as a spectacle in the form of Swachh Bharat Abhiyan, and is addressing the problem in terms of an obstacle in the way of tourism promotion.

Problematic descriptions

In 1993, the then government promulgated an Act prohibiting the construction of unsanitary dry latrines and employing manual scavengers.

The Act defined ‘manual scavenger’ as a person engaged in or employed for manually carrying human excreta. On August 18, 2010, I recorded a video of a sanitation worker entering a manhole without any safety gear, in the English and Foreign Languages University, Hyderabad, for Dalit Camera, a YouTube channel that documents the experiences of Dalits, Adivasis, Bahujans and other minorities. I also approached various social movements that were campaigning against dry latrines and requested them to include this aspect of manual scavenging to their campaigns, to no avail.

The government’s description of dry latrine was a problem, as it defined dry latrine as “latrine other than a water-seal latrine”. Manual scavenging was not just a practice related to dry latrines, but also to insanitary latrines and open defecation. Until the introduction of the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act in 1993, State governments had a post called ‘scavengers’. A scavenger’s job was to manually remove human excreta in households and designated places. The local authorities levied scavenging tax on houses for availing this service. But after the Act was introduced, State governments themselves became agencies that would enforce prohibition of the construction or usage of dry latrines.

Ten years later, the Safai Karamchari Andolan, a social movement that campaigned against manual scavenging, along with other organisations, filed a public interest litigation in the Supreme Court. The demand was to direct State governments and Union Territories to strictly enforce the law to stop the practice of manual removal of human excreta. Mounting pressure from civil society, coupled with the intervention of the Supreme Court, forced the Central government to conduct a survey of manual scavengers in 2013. The survey found that dry latrines and manual removal of human excreta still persisted. In the same year, the government introduced the Prohibition of Employment as Manual Scavengers and their Rehabilitation Act.

Though the construction of dry latrines has drastically reduced, the number of deaths in manholes, sewers and septic tanks continues to remain high. The present government had plans to amend the 2013 Act to completely mechanise the cleaning of sewers and manholes and build new sewers. But neither the past nor the present amendment addresses the issue of labour safety. Same is the case with the Swachh Bharat Abhiyan, which skirts the issue of labour rights and the stigma attached to sanitation. As a matter of fact, in Tamil Nadu, all political parties have trade unions for government servants, except for sanitation workers. Bodily wastes are seen as unholy elements that need to be kept away from places of living, cooking, studying, or worshipping. Not only toilets, but even cleaning work is seen as a lowly job in India. Dalit movements have been found wanting in this regard — there have hardly been any organised movements to demand permanent job status for sanitation workers. Most sanitation contracts are given to private contractors or self-help groups, and such staff hardly have ID cards, leave alone the protection of medical insurance policies.

Workforce in sanitation departments is recruited via open competition. The local administration usually approaches particular caste members during such hiring. The situation is so dire that while we find volunteers to distribute food and undertake rescue operations during natural calamities, hardly any volunteer offers to do clean-up work or dispose of dead bodies. During the last Chennai floods, sanitation workers from the Nilgiris district were made to travel in garbage trucks to Chennai. This situation has continued even during the COVID-19 pandemic. In Tamil Nadu, sanitation workers are asked to work in newly formed COVID-19 wards. For example, the Gudalur municipality in the State issued an order to six of its staff members to work in COVID-19 wards. Similarly, in Kotagiri town panchayat, officials asked the sons of sanitation workers to work in COVID-19 wards.

Question of dignity

Unlike other labour forces, sanitation workers do not have a separate rule-book that lays down guidelines for their work timings, holidays, a proper place for roll call, removal from duty, etc. For example, in the Nilgiris district of Tamil Nadu, all the sanitation workers have to stand outside the office during the morning and afternoon roll calls. If they reach early, they are seen sitting on roadside pavements. Even though there are spaces within the office premises, the officers force them to stand outside. The officials claim that the practice is traditional and that for any change, new rules need to be formed. There are no vehicles for sanitation workers to travel to their designated workspaces, and they have to either walk for kilometres or use garbage vehicles. This is a forced choice and is connected to the dignity of a worker. To put this in contrast, no supervisor would stand and travel with the sanitation workers.

There are hardly any exclusive trade unions for sweepers, and unlike other sections in government or private workforce, their problems are voiced by only those who are not associated with sanitation work — often NGOs. This, I argue, is because in India, sanitation work is caste-ridden and hence, there is an urgent need to dissociate caste from labour.

Source: The Hindu

2. The languages India speaks

Relevant for GS Prelims & Mains Paper I; Social Issues

Last week, Home Minister Amit Shah suggested that states should communicate with each other in Hindi rather than English, while stressing that Hindi should not be an alternative to local languages. “When citizens

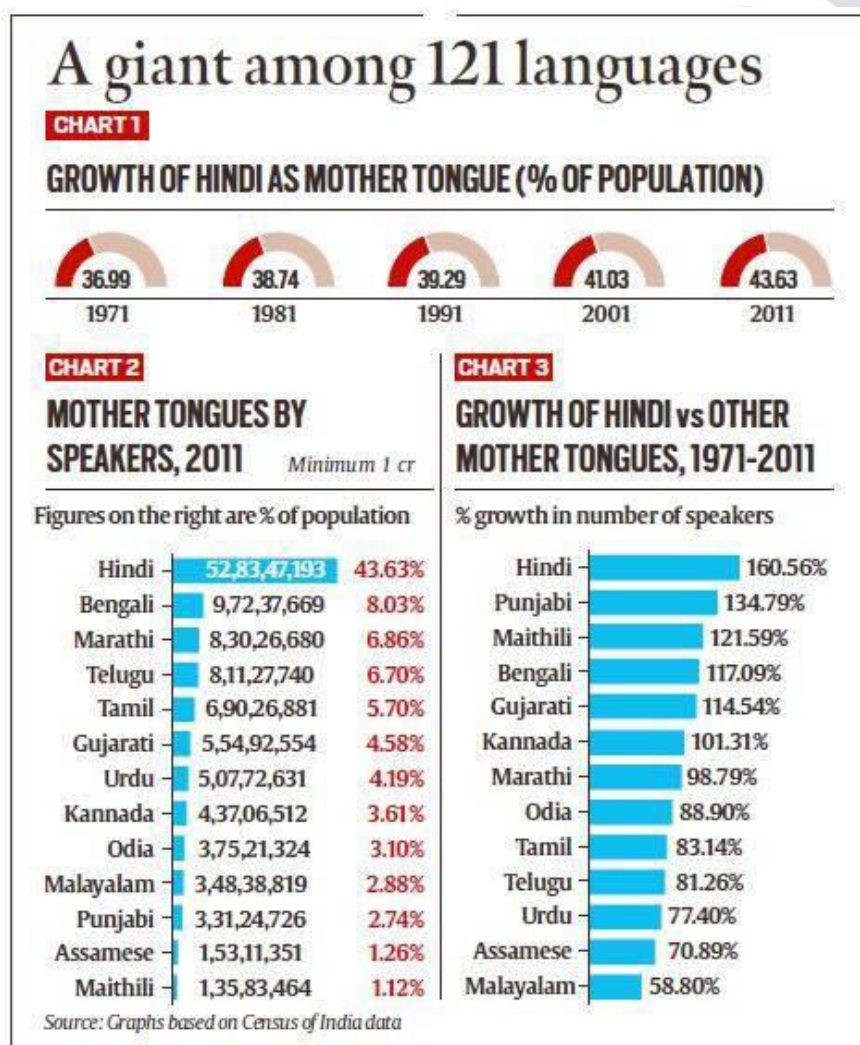
of states who speak other languages communicate with each other, it should be in the language of India,” Shah was quoted by the Home Ministry as having said at the meeting of the Parliamentary Official Language Committee.

Opposition parties have criticised this as “Hindi imposition”. In the Northeast, organisations such as the Asam Sahitya Sabha and the North East Students’ Organisation have protested against Shah’s statement that the states of the region would make Hindi compulsory up to class 10 in schools.

How widely is Hindi spoken in India?

The 2011 linguistic census accounts for 121 mother tongues, including 22 languages listed in the 8th Schedule of the Constitution. Hindi is the most widely spoken, with 52.8 crore individuals, or 43.6% of the population, declaring it as their mother tongue. The next highest is Bengali, mother tongue for 97 lakh (8%) — less than one-fifth of Hindi’s count (Chart 2).

In terms of the number of people who know Hindi, the count crosses more than half the country. Nearly 13.9 crore (over 11%) reported Hindi as their second language, which makes it either the mother tongue or second language for nearly 55% of the population.



Source: Census of India data

Has it always been this widespread?

Hindi has been India's predominant mother tongue over the decades, its share in the population rising in every succeeding census. In 1971, 37% Indians had reported Hindi as their mother tongue, a share that has grown over the next four censuses to 38.7%, 39.2%, 41% and 43.6% at last count (Chart 1).

This begs the question as to which mother tongues have declined as Hindi's share has risen. A number of mother tongues other than Hindi have faced a decline in terms of share, although the dip has been marginal in many cases. For example, Bengali's share in the population declined by just 0.14 percentage points from 1971 (8.17%) to 2011 (8.03%). In comparison, Malayalam (1.12 percentage points) and Urdu (1.03 points) had higher declines among the mother tongues with at least 1 crore speakers in 2011. Punjabi's share, on the other hand, rose from 2.57% to 2.74%.

Perhaps absolute numbers can present a better picture of Hindi's growth. Between 1971 and 2011, the number of individuals who declared their mother tongue as Hindi multiplied 2.6 times, from 20.2 crore to 52.8 crore. The numbers more than doubled for Punjabi, Maithili, Bengali, Gujarati, and Kannada, and almost doubled for Marathi.

At the other end of the scale (among the 22 languages listed in the 8th Schedule of the Constitution) were Malayalam, whose numbers rose by under 59% in four decades, and Assamese, rising just over 71% (Chart 3).

What explains Hindi's high numbers?

One obvious explanation is that Hindi is the predominant language in some of India's most populous states, including Uttar Pradesh, Madhya Pradesh and Bihar. Another reason is that a number of languages are bracketed under Hindi by census enumerators, according to Dr Ganesh Devy, chairman of the People's Linguistic Survey of India, a ongoing project to map the languages of the country.

"In 2011, there were 1,383 mother tongues reported by people, and hundreds were knocked out. These mother tongues were then grouped into languages. You will find that under Hindi, they have listed nearly 65 mother tongues. Among them is Bhojpuri, and 5 crore people have reported Bhojpuri as their mother tongue, but the census has decided that Bhojpuri is Hindi," he said.

Citing other examples, he said, "If one were to knock out the other languages merged with Hindi, the total figure goes down to 38 crore."

And how widely is English spoken?

Although English, alongside Hindi, is one of the two official languages of the central government, it is not among the 22 languages in the 8th Schedule; it is one of the 99 non-scheduled languages. In terms of mother tongue, India had just 2.6 lakh English speakers in 2011 — a tiny fraction of the 121 crore people counted in that census.

That does not reflect the extent to which English is spoken. It was the second language of 8.3 crore respondents in 2011, second only to Hindi's 13.9 crore. If third language is added, then English was spoken — as mother tongue, second language or third language — by over 10% of the population in 2011, behind only Hindi's 57%. Bengali was third at about 9%.

Dr Devy felt the count should be higher. "Can you believe that in India, only 2.6 lakh speak English as their primary language? You take a very rapid census of Delhi or Kolkata or Chennai, for families who have moved in for white-collar jobs. You'll notice that English is their language for day-to-day affairs. Yet it is still seen in the eyes of the government as a foreign language. It is still not a scheduled language in India, when it should be," he said.

Where is English most prevalent?

As mother tongue, Maharashtra accounted for over 1 lakh of the 2.6 lakh English speakers. As second language, English is preferred over Hindi in parts of the Northeast. Among the 17.6 lakh with Manipuri (an 8th Schedule language) as their mother tongue in 2011, 4.8 lakh declared their second language as English, compared to 1.8 lakh for Hindi.

Among the non-scheduled languages spoken in the Northeast, Khasi, predominant in Meghalaya, was the mother tongue of 14.3 lakh, of whom 2.4 lakh declared their second language as English, and 54,000 as Hindi. The trends were similar for Mizo, and for various languages spoken in Nagaland, including Ao, Angami and Rengma. Beyond the Northeastern languages, among 68 lakh with Kashmiri as their mother tongue, 2.8 lakh declared their second language as English, compared to 2.2 lakh who declared Hindi.

Source: The Indian Express

3. Who are the Hattis of Himachal Pradesh, and why do they want ST status?

Relevant for GS Prelims & Mains Paper I; Social Issues

Himachal Pradesh Chief Minister Jai Ram Thakur on Tuesday (April 26) said that Union Home Minister Amit Shah had assured him that the Centre would consider favourably the state government's request for inclusion of the Hatti community in the list of Scheduled Tribes in the state, and that the state government would complete all the formalities required for getting tribal status for the 3 lakh-strong community.

Coming as it does in the run-up to the Assembly elections in the state later this year, the move is politically significant, as the Hattis have considerable presence in about nine seats in the Shimla and Sirmaur regions. Earlier this month, they had threatened to boycott the polls if their demand was not met.

Who are the Hattis?

The Hattis are a close-knit community who got their name from their tradition of selling homegrown vegetables, crops, meat and wool etc. at small markets called 'haat' in towns.

The Hatti community, whose men generally don a distinctive white headgear during ceremonies, is cut off from Sirmaur by two rivers called Giri and Tons. Tons divides it from the Jaunsar Bawar area of Uttarakhand. The Hattis who live in the trans-Giri area and Jaunsar Bawar in Uttarakhand were once part of the royal estate of Sirmaur until Jaunsar Bawar's separation in 1815.

The two clans have similar traditions, and inter-marriages are commonplace. There is a fairly rigid caste system among the Hattis — the Bhat and Khash are the upper castes, while the Badhois are below them. Inter-caste marriages have traditionally remained a strict no-no.

Due to topographical disadvantages, the Hattis living in the Kamrau, Sangrah, and Shilliai areas lag behind in education and employment.

The Hattis are governed by a traditional council called Khumbli, which like the khaps of Haryana, decide community matters. The Khumbli's power has remained unchallenged despite the establishment of the panchayati raj system.

Since when have the Hattis been demanding tribal status?

The community has been making the demand since 1967, when tribal status was accorded to people living in the Jaunsar Bawar area of Uttarakhand, which shares a border with Sirmaur district. Their demand for tribal status gained strength because of resolutions passed at various maha Khumblis over the years.

"They share similar culture and socio-economic conditions with the Hattis residing in Sirmaur," Chief Minister Thakur said. "In 1967, their family members who were in Jaunsar were declared tribals but those who remained in Himachal were not given the same status or benefits."

The Jaunsar Bawar area has produced a sizable number of civil servants, an achievement that has not been lost on their brethren living in the trans-Giri areas.

How many people are likely to benefit if the government concedes the demand?

The Chief Minister has said that the move will benefit a population of about 3 lakh people in 154 panchayats in the trans-Giri area in the state.

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What is the political significance of this move?

In 2009, the BJP promised to give ST status to the Hattis in its election manifesto. That was the first time that any political party had incorporated this demand in its manifesto, and it led to the consolidation of the community behind the party, which has been repeating the promise in subsequent manifestos.

The BJP has gained from Hatti support in the parliamentary elections in Shimla, once a Congress stronghold. In 2014, Defence minister Rajnath Singh, then BJP's national president, had even announced the grant of Scheduled Tribe status to Hattis at a rally in Nahan in Sirmaur.

The Hatti community is concentrated in the four Assembly constituencies in Sirmaur district — Shillai, Paonta, Renuka, and Pachhad — but they can play a significant role in at least nine seats spread across Shimla and Sirmaur. The BJP won 44 of the 68 Assembly seats in the 2017 elections, but the 2022 elections are likely to be different, with the Aam Aadmi Party, upbeat after its spectacular win in Punjab, also in the fray in the three-cornered contest.

How has the Hattis' case for ST status progressed so far?

In 2016, then Congress Chief Minister Virbhadr Singh moved a file to the Union Ministry of Tribal Affairs asking for tribal status to the trans-Giri region, and Dodra Kwar in Rohru on the basis of a study conducted by the Tribal Affairs Institute, Shimla.

The Union Ministry however, said that the ethnography report about the Hatti community was inadequate, and sought a full-fledged ethnographic study.

In March this year, the Jai Ram Thakur government sent a detailed ethnographic proposal to the Union ministry, seeking the inclusion of the Hatti community of the trans-Giri area in the ST list of Himachal Pradesh. This week, Thakur met Home Minister Shah in New Delhi with his requests.

Source: The Indian Express

Internal Security

1. After Ghazipur blaze: Why landfill fires are easy to ignite and difficult to put out

Relevant for GS Prelims & Mains Paper III; Internal Security

A fire broke out at Ghazipur landfill in New Delhi on March 28 and could be put out nearly 48 hours later, while plumes of smoke arose from the mounds of garbage.

Environment Minister Gopal Rai said on Wednesday that the Delhi Pollution Control Committee (DPCC) had been directed to impose a fine of Rs50 lakh on the East Delhi Municipal Corporation (EDMC), which manages the landfill.

Why do landfills burn repeatedly?

The Ghazipur dumpsite, which covers around 70 acres in East Delhi, is not a scientifically planned sanitary landfill. The Solid Waste Management Rules issued by the MoEFCC in 2016 state that only non-recyclable, non-biodegradable and non-combustible waste should go to a sanitary landfill.

“These landfill sites are not scientifically designed. We are not segregating the waste and these landfills receive mixed waste, including organic waste as well as ignitable material and plastics,” said Richa Singh, programme officer, Waste Management Programme at the Centre for Science and Environment.

The biodegradable or food waste decomposes over time. The anaerobic decomposition (breakdown of organic waste in the absence of oxygen) of organic waste generates methane gas and heat.

“Methane is present in air only in traces. But at dumpsites, methane can range between 3.5% and 13%. If there is anything combustible at the dumpsite, it can catch fire quickly. Natural fires are very common at dumpsites,” Singh said.

At sanitary landfills, waste should be compacted and a thick soil cover should be placed over it. “Soil acts as a fire suppressant and restricts the passage of oxygen that is required for combustion,” Singh said.

“At Ghazipur, since there is legacy waste from many years, there is a lot of formation of methane and the temperatures are very high. This can lead to fires,” said a senior EDMC official.

Why is it difficult to douse fires that break out at landfills?

Scientifically designed landfills are expected to have leachate collection systems and gas collection systems, while the waste is to be compacted properly and pathways are to be provided through the dumpsite. At uncontrolled landfills, access can be difficult.

“A lot of methane is already trapped at the dumpsite. Using water to douse fires at these sites means that it will generate leachate and heat. The best fire suppressant is soil or construction debris. Wind speed can also hinder attempts to douse it,” Singh said.

How much waste is generated and treated?

According to a progress report for January submitted by the Delhi Pollution Control Committee to the Ministry of Jal Shakti, the city generates around 11,119 TPD (tonnes per day) of municipal solid waste. The total capacity of existing municipal solid waste processing facilities is only 5530 TPD, around 49.7% of the total generation. This existing capacity is also underutilised – only around 4,646 TPD of waste was being processed in January, mostly at the city’s waste-to-energy (WTE) plants. Small quantities are also being treated at compost plants and bio-methanation plants.

The EDMC area, comprising 64 wards, generates 2,700 TPD of municipal solid waste, of which only 0.6% or 15 TPD was being processed in January, since work was under way at the 1,300-TPD waste-to-energy plant at Ghazipur. The reports from August, September and October last year state that only around 600 TPD of waste was being processed at the Ghazipur WTE plant. The plant is still being renovated, the EDMC official said.

Consequently, around 2,685 TPD was being disposed at the landfill at Ghazipur in January. While 100% of the waste is being collected, as per the DPCC report, only 50% was being segregated in 61 wards, and 80% to 100% was being segregated in the remaining three wards.

The EDMC had proposed to set up a 2,000-TPD solid waste processing plant at Ghonda Gujran – a proposal that was recently rejected since the site was on the floodplains of the Yamuna. The EDMC has placed a request with the Delhi Development Authority for an alternative site.

On the orders of the NGT, biomining of waste is to be undertaken at the three non-engineered landfills at Ghazipur, Bhalswa and Okhla. The action plan submitted by the EDMC to the NGT set December 2024 as the deadline to remediate all of the waste lying at the landfill.

Of the 140 lakh tonnes of legacy (or old) waste dumped at the site in 2019, 8.74 lakh tonnes or only 6.4% of the total was processed by Jan 31 this year. And, the landfill receives more waste every day.

As per a 2019 assessment, the Ghazipur landfill had the highest quantity of legacy waste – 140 lakh tonnes – as opposed to the Okhla landfill which had 60 lakh tonnes, and the Bhalswa landfill that had 80 lakh tonnes.

Source: The Indian Express

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2. What is the history of AFSPA in the Northeast? Why has the Home Ministry decided to reduce the number of 'disturbed areas' under the Act?

Relevant for GS Prelims & Mains Paper III; Internal Security

On March 31, the Ministry of Home Affairs announced the reduction of “disturbed areas” under the Armed Forces (Special Powers) Act in Assam, Manipur and Nagaland with effect from April 1. The decision was based on the recommendations of a committee the Ministry had constituted on December 26, 2021, to study the possibility of withdrawing the AFSPA from areas in Nagaland in the wake of public anger against a botched ambush by an elite unit of the Army that led to the killing of 13 civilians at Oting in Mon district on December 4.

How did the AFSPA come about?

The British colonial government had on August 15, 1942, promulgated the Armed Forces Special Powers Ordinance to suppress the Quit India movement. It was the foundation for four ordinances, including one for the “Assam disturbed areas” invoked in 1947 to deal with Partition-induced internal security challenges. The Armed Forces (Assam and Manipur) Special Powers Act, 1958, followed the Assam Disturbed Areas Act of 1955 to deal with the uprising in the Naga Hills and adjoining areas. The Act was replaced by the AFSPA for wider application. A similar Act specific to Jammu and Kashmir was enacted in 1990.

How is the AFSPA imposed?

Section 3 of the AFSPA empowers the Governor of a State and the administrator of a Union Territory (UT) to declare an area “disturbed” and issue an official notification in The Gazette of India to give the Centre the authority to deploy the “armed forces in aid of the civil power”. A government considers an area “disturbed” if it perceives a threat to “public peace and tranquility, by reason of differences or disputes between members of different religious, racial, language or regional groups or castes or communities.” The Act is said to give unbridled power to the armed forces and the Central Armed Police Forces deployed in “disturbed areas” to kill anyone acting in contravention of the law, arrest and search any premises without a warrant and protection from prosecution and legal suits without the Central government’s sanction. It says any commissioned officer, warrant officer, non-commissioned officer or any other person of equivalent rank in the armed forces can for the maintenance of public order “fire upon or otherwise use force” after giving such due warning as he may consider necessary. The situation is reviewed periodically for extension of the AFSPA. While the Assam and Manipur governments issue a notification in this regard, the Ministry of Home Affairs does it for Nagaland and Arunachal Pradesh, where it is applicable in Tirap, Changlang, Longding and areas falling under Namsai and Mahadevpur police stations bordering Assam. Once declared “disturbed”, a region has to maintain the status quo for a minimum of three months according to The Disturbed Areas (Special Courts) Act, 1976.

How is the AFSPA viewed?

The AFSPA has often been under the scanner for giving the armed forces personnel the “license to kill”. Rights groups have panned it as a tool of State abuse, oppression and discrimination while the United Nations has often pointed out it has no place in Indian democracy. Various State governments have over the years yielded to public demand and changed political scenarios to revoke the AFSPA. Punjab was the first to do so in 1997 followed by Tripura in 2015. In April 2018, Meghalaya withdrew the Act from a 20-km area along the 885-km boundary with Assam. Manipur had in 2004 withdrawn AFSPA from seven Assembly constituencies straddling the State capital Imphal following unrest over the custodial death of a woman deemed an extremist.

What triggered the recent decision?

Since assuming power in 2014, the Narendra Modi government has been claiming to have tamed extremism in the Northeast, unlike the past governments, with a series of peace deals, including the Framework Agreement with the Isak-Muivah faction of the National Socialist Council of Nagaland. This, many pointed out, made the AFSPA redundant. But the trigger for the decision was the revival of the anti-AFSPA demand across the Northeast following the killing of 13 people in Nagaland's Oting village on December 4, 2021, in a botched ambush by the armed forces.

In Assam, the AFSPA has been removed completely from 23 districts and partially from the Cachar district.

The Act has been revoked from 15 police station areas in six districts of Manipur but continues in 82 police stations in 16 districts.

In Nagaland, the AFSPA has been removed from areas under 15 police stations in seven districts but remains active in areas under 57 police stations in 13 districts.

The AFSPA continues in Mon, the district that put the focus back on the "draconian law". This has not gone down well with the Naga Hoho, the apex body of various Naga tribes.

Source: The Hindu

3. Understanding the additional airbags mandate for vehicles

Relevant for GS Prelims & Mains Paper III; Security issues

Will installing extra airbags increase the price of vehicles? What are the international precedents for such a move?

The government of India has proposed the installation of six airbags in all passenger vehicles to enhance safety for vehicle occupants. The proposal was made public on January 14 this year, seeking comments and objections from all stakeholders within a period of 30 days.

What does the proposal say?

The general statutory rules (GSR) notification states that all vehicles in the M1 category manufactured after October 1 this year must come fitted with two side torso air bags in the front row at the outboard seating positions. The Ministry of Road Transport and Highways explained that it would be deployed to the seats or on the sides at the stipulated position inside the vehicle. It added that the deployment of the inflatable airbag in the mentioned position would help mitigate injuries in the torso region or ejection of the occupant from the vehicle. Further, the notification asks for deploying curtain or tube air bags to cushion the entire outboard sides of the vehicle. In the event of a rollover or a crash, this would help mitigate head injury. The notification informs the requirement for such airbags would be verified in compliance to AIS-099 standards that deals with protection of occupants in a vehicle in the event of a lateral collision.

Union Minister for Road Transport and Highways Nitin Gadkari replying to the motion in Rajya Sabha had said, "This has been notified to enhance safety for the vehicle occupants. In the event of lateral collision, the side/torso airbags act as a cushion between the vehicle body and occupants and absorbs energy of impact." He added the move would ultimately ensure the safety of passengers across all segments, irrespective of cost/variant of the vehicle.

What are the previous legislation on air bags?

The ministry had previously mandated deployment of airbags for the passenger on the front seat of the vehicle, next to the driver, for vehicles manufactured after April 1 last year. However, owing to the COVID-19 pandemic, the timeline for its implementation was extended to December 31, 2021.

“This has been mandated as an important safety feature, and is also based on suggestions of the Supreme Court Committee on Road Safety,” the Minister of State for Heavy Industries Krishan Pal Gurjar stated in the Lok Sabha in December last year.

How will the prices of vehicles be affected?

Automobile market analyst JATO Dynamics told Reuters that installing four additional airbags in vehicles would increase its cost by ₹17,600. “In some cases, the cost could be higher as companies will need to make engineering changes to the car’s structure to accommodate the additional airbags,” president of JATO Dynamics India told Reuters. Further, the news agency reported that the Society of Indian Automobile Manufacturers (SIAM) has asked the ministry to “review and reconsider” the rules considering “side and curtain bags are not mandated anywhere else in the world”.

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Mr. Gadkari had said in the recently-concluded budget session of the Lok Sabha that the automobile industry was upset with the announcement citing increase in the price of vehicles. “...if a poor man dies let him die and save the rich man, is it?” he said, adding, “So, from now on, any economic model...the smallest of the smallest, even Nano model, every car will have six airbags is being made mandatory so that people’s lives are saved.” He stated that the fixed cost of an air bag would be determined by market forces and volume of production. The Union Minister said the approximate variable cost of four airbags (two side air bags and two curtain air bags) may vary between ₹5,600 and ₹7,000.

Will the move ensure safety in case of a collision?

According to the U.S. National Highway Traffic Safety Administration (NHTSA), frontal air bags saved 50,457 lives between 1987 and 2017 — enough to fill a major league baseball stadium. It added airbags to prevent the passenger’s upper body or head from hitting the vehicle’s interior during a crash. The transport regulatory body says passengers must also ensure fastening their seat belts on roads. Mr. Gadkari stated in the recently-concluded parliamentary session that 8,598 lives in 2020 could have been saved in head-on collision with the use of airbags. “Similarly, side collisions cost 14,271 lives and 31% of those or 4,424 lives could have been saved with the use of side airbags”, he said.

The Minister had apprised the Lower House in March about the government adopting a multi-pronged strategy to address issues pertaining to road safety based on education, engineering (both roads and vehicles), enforcement and emergency care. With respect to vehicular engineering, Mr. Gadkari informed the house that with respect to airbags, anti-braking systems (ABS), tyres, crash tests, speed limiting devices and compliance with fire alarms and protection systems, safety standards for automobiles have been improved.

Additionally, he reminded the House about the February 15 notification prescribing norms for safety of children below four years of age, riding or being carried on motorcycle. It specified the use of a safety harness, crash helmet and restricting the upper speed limit to 40 kmph. He also referred to the Motor Vehicles (Amendment) Act, 2019 that stipulated strict penalties to deter violation of traffic rules and ensure strict enforcement.

Source: The Hindu

Culture

1. How ancient megalithic jars connect Assam with Laos and Indonesia

Relevant for GS Prelims & Mains Paper I; Culture



The jars have been found in six sites in Assam. (Photo provided by the researchers)

The discovery of a number of megalithic stone jars in Assam's Dima Hasao district has brought to focus possible links between India's Northeast and Southeast Asia, dating back to the second millennium BC. According to a study in Asian Archaeology, the jars are a "unique archaeological phenomenon". It calls for more research to understand the "likely cultural relationship" between Assam and Laos and Indonesia, the only two other sites where similar jars have been found.

The history

The jars of Assam were first sighted in 1929 by British civil servants James Philip Mills and John Henry Hutton, who recorded their presence in six sites in Dima Hasao: Derebore (now Hojai Dobongling), Kobak, Kartong, Molongpa (now Melangpeuram), Ndunglo and Bolasan (now Nuchubunglo).

These discoveries were followed up only in 2014, when a collaborative effort by researchers from the North-Eastern Hill University (NEHU) and Nagaland University under the Archaeological Survey of India (Guwahati circle) was undertaken.

"Two sites were discovered in 2016. In 2020, we followed that up and discovered four more sites," said Dr Tilok Thakuria of the History and Archaeology Department at NEHU in Meghalaya.

The paper, 'An archaeological survey of the Assam stone jar sites', has been authored by Thakuria, along with Uttam Bathari of Gauhati University and Nicholas Skopal of the Australian National University. They documented three distinct jar shapes (bulbous top with conical end; biconical; cylindrical) on spurs, hill slopes and ridge lines. At one site, Nuchubunglo, as many as 546 jars were found. "This is arguably the largest such site in the world," said Thakuria, adding that most jars they found were in "poor condition" because of factors such as "weather condition, forest growth and burning owing to shifting cultivation and road cutting".

The significance

While the jars are yet to be scientifically dated, the researchers said links could be drawn with the stone jars found in Laos and Indonesia. "There are typological and morphological similarities between the jars found at all three sites," said Bathari.

Added Thakuria: “There is no reported parallel anywhere else in India, apart from the northeast – this points to the fact that once upon a time a group of people having similar kind of cultural practice occupied the same geography between Laos and Northeast India.”

Dating done at the Laos site suggests that jars were positioned at the sites as early as the late second millennium BC.

The other takeaway is the link to mortuary practices. The paper stated that in Laos, researchers had said there was a “strong association” between the stone jars and mortuary practices, with human skeletal remains found inside and buried around the jars. In Indonesia, the function of the jars remains unconfirmed, although some scholars suggest a similar mortuary role.

Mills and Hutton, too, had suggested that the jars were associated with mortuary rituals. They referred to the “practices of ancestral bone repository of tribes like Mikir, Sakchips, Hangkals, Kuki, Khasi and Synteng and evidence of cremated bone fragments placed in one of the jars”, stated the paper. In the 1930s, anthropologist Ursula Graham Bower described these as “funerary urns”.

Thakuria said the next phase would involve systematic excavation of material remains as well as scientific dating. The researchers suggested additional surveys are required across Assam, as well as in Meghalaya and Manipur, “to understand the extent of this culture”.

Source: The Indian Express

Miscellaneous

1. The cheating case related to INS Vikrant in which BJP's Kirit Somaiya, son have been booked

Read Only for Understanding

The Mumbai Police on Thursday registered an FIR against BJP leader Kirit Somaiya and his son Neil on allegations of swindling money collected for restoration of INS Vikrant, Indian Navy's first aircraft carrier.

What is INS Vikrant

The INS Vikrant was the first aircraft carrier of the Indian Navy, which gained national prominence for the role it played in the 1971 Bangladesh Liberation war. The 5-storey, 16,000-tonne warship was decommissioned in 1997, and attempts were made to preserve it as a museum ship in Mumbai. In 1999, the NDA-led central government had gifted the ship to the state for conversion into a martyrs' museum.

The Maharashtra government had proposed to hire a private entity to transform the ship into a museum featuring a convention centre, a restaurant and maybe even a mall. It had also floated several bids to this effect, none of which materialised.

Subsequently in 2013, a decision was made to scrap the ship as she had become very difficult to maintain. In 2014, the ship was sold in an online auction to a ship breaker for Rs 60 crore. While the sale was challenged, the ship was scrapped in November 2014 after an SC order.

What is Kirit Somaiya's role in the INS Vikrant issue

BJP leader Kirit Somaiya was at the forefront of attacking the then Congress-NCP government in 2013, questioning its intent over the conservation of the historic warship INS Vikrant. Somaiya had then said that the Congress-NCP government wanted to commercially exploit the decommissioned warship by handing it over to private players.

“When the DF government was back in power in 2004, repeated efforts were made to clear decks for commercialisation of the warship. Former CMs (late) Vilasrao Deshmukh and Ashok Chavan wrote to the Ministry several times but successive defence ministers, including incumbent A K Antony, never backed the public-private partnership (PPP) route. The model is nothing but a Rs 200-crore commission scam,” Somaiya had said in 2013.

Somaiya had alleged that “commercial interests” were driving the state’s initiative to conserve the ship.

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“Public opinion has always been for preservation of the ship. Neither will we allow its commercialisation nor its disposal. We have written to Chief Minister Prithviraj Chavan saying that we are willing to contribute money for the conservation project, including the commission amount,” Somaiya said.

He had then launched a money collection drive to save the ship.

Why Somaiya has been booked

Based on a complaint from one Baban Bhosale, a former soldier in the army, the Trombay Police station has booked Somaiya and his son Neil under section 420 (cheating and dishonesty including delivery of property) and 406 (punishment for criminal breach of trust) and 34 (common intentions) of the Indian Penal Code.

Bhosale in his complaint has said that the father-son duo collected money from people claiming it would be used to conserve the ship, but spent it on their personal use. The complainant said he too had paid Rs 2,000 for the initiative, and that the total money collected could be around Rs 57 crore.

What is Somaiya’s response?

Somaiya has denied any wrongdoing and said that he is ready to face any inquiry. “There is no scam in this. I have not done anything wrong. I have not received the copy of the FIR filed in the case. I will keep exposing the Uddhav Thackeray government. I am ready to face the investigation,” he said.

Somaiya has been at the forefront of accusing Maharashtra Vikas Aghadi leaders of corruption. Over the past few months, Somaiya has publicly accused various MVA leaders, including Maharashtra Chief Minister Uddhav Thackeray of financial impropriety.

Source: The Indian Express

2. Elon Musk earns a seat on Twitter’s board; what next?

Relevant for GS Prelims

As the platform’s largest shareholder, what is Musk expected to do at the California-based company?

On Monday, Elon Musk took a 9.2% stake in Twitter, according to a U.S. securities exchange filing. He reported owning 73.5 million shares of the social media company as of March 14, an announcement that sent the company’s shares soaring 27% at the New York Stock Exchange. Mr. Musk’s stake is valued at \$2.9 billion based on Friday’s closing price, and makes him Twitter’s largest shareholder, holding more than the company’s co-founder and former CEO Jack Dorsey. That size has earned him a seat at the social media firm’s board. The CEO of Tesla is Twitter’s most famous ‘blue tick’ personality with over 80 million followers on the platform. He is a regular user of the micro-blogging site, and its most vocal critique. While Mr. Musk did not share any details about why he bought shares of Twitter, except posting a tweet on Monday saying: “oh hi lol”, there are some cues to what he might end up doing at the California-based company.

Will he interfere in content moderation?

In recent times, the billionaire had weighed up the platform’s commitment to free speech. In some of his tweets, he had broached the idea of starting his own social media firm, without disclosing specifics.

On March 24, Mr. Musk tweeted a poll asking his followers whether the platform “rigorously adheres” to free speech. Over 70% of the two million users, who voted, clicked ‘no’. Mr. Musk’s poll came two weeks after the Twitter handle of a U.S.-based parody website, Babylon Bee, was taken down ‘for hateful comment’. The website had derisively awarded Rachel Levine, a transgender U.S. government official, the title “Man of the Year”. The site’s award was in response to USA Today naming the government health official one of the “Women of the Year”.

That piece of satire was posted on Twitter, which led the platform to block the parody account’s handle. Reacting to Twitter’s suspension, Seth Dillon, the CEO of Babylon Bee, explained in a series of tweets that the platform would not restore the account until the tweet on Ms. Levine was deleted. Mr. Dillon refused. The site’s handle is now unblocked, but it has been kept from posting new content.

After Mr. Musk joined Twitter’s board, Mr. Dillon replied to the two-week old poll tweet on Tuesday saying, “Musk reached out to us before he polled his followers about Twitter’s commitment to free speech. He wanted to confirm that we had, in fact, been suspended. He even mused on that call that he might need to buy Twitter.” In a separate episode, several conservatives took to the micro-blogging site on Monday expressing hope that Mr. Musk would overturn Twitter’s decision to de-platform former U.S. President Donald Trump after the infamous January 6 U.S. Capitol attack.

What about open-source algorithm?

Later, on the same day, on March 24, Mr. Musk once again reached out to his followers on Twitter. This time, he conducted a poll on whether the platform’s algorithm be made open source or not. The poll was retweeted by co-founder Mr. Dorsey with a note “the choice to which algorithm to use (or not) should be open to everyone.” Over 80% of the million odd users who took the poll voted ‘yes’.

Some experts note that making social media algorithms open source could weed out misinformation and hatred from these platforms. Having an idea of what a platform prioritises over another will help users to be more informed, and keep bad actors from manipulating the system. But others point out that the codes that run these platforms are part of the corporation’s trade secret. Balancing disclosure and corporate secrecy will be a tough act to follow as most tech firms may not even have a team that has a full view of how their algorithm works. It continues to be a black box that few have complete access to.

How will Mr. Musk tackle the issue of financial regulators?

While crafting policies around content moderation and open-source algorithm could take much of Mr. Musk’s time at Twitter in the long-term, a fight with financial regulators in the U.S. will be an urgent priority. That’s because, according to the filing, Mr. Musk’s disclosed 9.2% holding was submitted in a form that is required for investors to use when they pick more than 5% stock, without planning to seek control of the company. But the Tesla CEO will have an active role to play at Twitter. Also, Mr. Musk’s notice to the exchange was sent several days later.

According to a report by the Wall Street Journal, the Securities Exchange Commission (SEC) has previously brought enforcement actions against some people who missed ownership-disclosure deadlines repeatedly. And Mr. Musk’s disclosure could hurt him in his ongoing legal battles with the SEC.

Source: The Hindu

3. What’s in the new museum to Prime Ministers: concept, content, technology

Relevant for GS Prelims

Prime Minister Narendra Modi inaugurated the Pradhanmantri Sangrahalaya at Teen Murti Estate in New Delhi on Thursday. The museum recalls the tenures of 14 Prime Ministers from Jawaharlal Nehru to Manmohan Singh, and the various challenges they navigated while leading the country. (The museum is a work in progress, and Modi’s own tenure is not part of the narrative yet.)

“Desh ke har pradhanmantri ne samvidhaan sammat loktantra ke lakshyon ki poorti mein bharsak yogdaan diya hai (All Prime Ministers have contributed immensely towards achieving the goals of constitutional democracy),” Modi said at the inauguration.

Concept and controversy

The idea of a museum dedicated to India’s Prime Ministers was mooted in 2016. The Congress opposed the idea, since Teen Murti Estate was Nehru’s residence, which was later turned into a memorial to the first Prime Minister. Manmohan Singh wrote to Modi, expressing concern over the “agenda” to “change the nature and character” of Nehru Memorial Museum and Library (NMML) and the Teen Murti complex.

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NMML officials say Teen Murti Estate, where Nehru lived for 16 years, is the natural home for the Pradhanmantri Sangrahalaya because of the continuity the site represents.

The Rs 270-crore project was approved in 2018, and NMML was appointed the nodal agency for the project in May 2019. Delays in civil works and content and curation issues, as well as disruptions caused by pandemic lockdowns resulted in the project missing the completion deadline of October 2020.

Erstwhile Nehru Museum

What used to be the Nehru Museum has been integrated with the new building. The Nehru Museum is now designated as Block I of the Prime Ministers’ Museum, and has been technologically upgraded. A number of gifts Nehru received from all over the world, which had not been put on display so far, have been exhibited in the toshakhana on the first floor of the renovated Block I.

Two new galleries — Constitution Gallery and India at Independence: British Legacy — have been added on the ground floor.

The new building

The top of the new museum — Block II of the complex — is built in the shape of the Ashok Chakra, from where visitors walk down to the various galleries. The ground floor has galleries dedicated to Gulzarilal Nanda, Lal Bahadur Shastri, Indira Gandhi, P V Narasimha Rao, H D Deve Gowda, I K Gujral, Atal Bihari Vajpayee, and Manmohan Singh.

The first floor has galleries dedicated to Rajiv Gandhi, V P Singh, Chandra Shekhar, Morarji Desai, and Charan Singh. The guiding principle has been to recognise the contribution of all Prime Ministers in a non-partisan manner, officials said.

The Shastri gallery highlights his role in the Green Revolution and the Indo-Pak war of 1965. The Indira gallery highlights India’s role in the liberation of Bangladesh, and the nationalisation of banks. The Vajpayee gallery celebrates him as a great parliamentarian and orator, and highlights India’s victory in the Kargil War and the Pokhran nuclear tests. The economic reforms of the early 1990s and the civil nuclear deal with the US are highlighted among Manmohan Singh’s contributions.

Memorabilia, displays

Over the last two years, families of all former Prime Ministers were requested to give some of their personal items for display. Shastri’s family gave his charkha, badminton racquet and some letters; Morarji’s family donated his copy of the Bhagavad Gita, his Gandhi topi, pen, and rudraksh mala.

Some handwritten diaries of Chandra Shekhar are on display, as are Vajpayee’s Bharat Ratna medal, spectacles, wristwatch, and some letters.

No new personal items have been added in the Indira and Rajiv galleries.

The displays comprise photographs, speeches, video clips, newspaper interviews, and some original writings. These were collected from Doordarshan, Films Division, Sansad TV, the Ministry of Defence, Indian and foreign media houses and news agencies, and the toshakhana of the Ministry of External Affairs.

Families were requested for valuable information about the leaders; most of this content has been acquired on perpetual licence.

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Virtual engagement

The 10,491-sq-m museum, built at a final cost of Rs 306 crore, has 43 galleries, and can accommodate 4,000 visitors at a time. There is a 'Time Machine' to transport visitors into the past, and an engagement zone, 'Anubhuti', offers a walk with the hologram of any Prime Minister, a picture with the PMs, or a letter 'signed' by them.

The museum makes extensive use of virtual reality, augmented reality, holograms, and audio-visual elements. A levitating emblem is the centrepiece of the reception zone, and 'Glimpses of the Future' on the ground floor allows visitors to be virtually part of future projects.

Source: The Indian Express