1. 14 Palestinian groups, including Hamas and Fatah, sign China-brokered deal: Why it matters

Leaders of Palestinian groups Hamas and Fatah signed a China-brokered declaration in Beijing, "pledging to end division and strengthen unity". The two groups have competed in the past over the political leadership of Palestinian territories.

Representatives of 12 other Palestinian groups also participated in three days of talks. Foreign Minister Wang Yi said on closing day that "The most important consensus reached in the talks was for the reconciliation and unity of the 14 factions, with the core outcome being that the Palestine Liberation Organization is the sole legitimate representative of all Palestinian people."

Who are these groups and what is the significance of the declaration being signed in China?

Who are Hamas, Fatah and PLO?

Hamas and Fatah are major political groups in Palestinian territories, that is the Gaza Strip and the West Bank. Hamas is in power in Gaza, while Fatah heads the Palestinian Authority which governs some parts of the West Bank. Most of the West Bank is under Israeli control.

Hamas emerged as a resistance group against Israeli occupation after the First Intifada or uprising in 1987. There was dwindling faith among many about the prospects of Palestinian goals for independence being met at the time, and Hamas advocated the use of violence.

Prior to it, Fatah was established in the 1950s by Palestinian leader Yasser Arafat. It became the most powerful organisation in the Palestinian Liberation Organisation (PLO), created in 1964 to unite Palestinian groups. PLO is also the representative of Palestine at various international organisations and Hamas is not a part of it. While they initially lodged strong opposition to Israel and employed tactics such as attacks on Israelis, that stance softened over time, around the 1990s.

Particularly, the signing of the US-brokered Oslo Accords in 1993 between Arafat and Israeli Prime Minister Yitzhak Rabin led the PLO to recognise the State of Israel for the first time. PLO also resolved to give up violence, while Israel recognised it in turn as the sole representative of the Palestinians.

How have their positions shifted over time?

Hamas and Fatah are often differentiated based on their approaches to the Palestinian movement. For Hamas, the recognition of Israel means giving up the right to Palestinian statehood. Its Islamist positions also contrasted against the secular Fatah.

In 2007, Hamas came to control Gaza after winning the elections with around 44% of the votes. Fatah came second, at 41%.

For a long time, Hamas championed a hardline stance on Jews. But by 2017, its new charter said it was against the "racist, aggressive, colonial and expansionist" aims of the Zionist project, but not against Judaism or Jews.

This shift has been observed in recent years as the Palestinian issue began to lose prominence in Middle East politics. More and more Arab states have signed trade agreements and normalisation agreements with Israel, giving it increased legitimacy.

What is the significance of this declaration?

The Hamas attacks against Israel on October 7 followed Israel's military campaign in the Gaza Strip, and since then there has been no resolution to the brutal conflict. More than 39,000 people have been reportedly killed in Gaza according to the region's health ministry.

The lack of a Palestinian representative, who enjoys support among all parties, has been cited as a reason behind the slow progress on establishing peace. Israel, for instance, views Hamas as a terrorist group which needs to be completely destroyed. The US has also repeatedly condemned Hamas.

In this scenario, China has attempted to present itself as a mediator with "no selfish interests in the issue" and "a staunch advocate of justice and fairness". But its engagement with Palestinian leadership also comes from its long-standing support for Palestine. China was one of the first countries to recognise the PLO and the State of Palestine.

It also comes after another deal China negotiated in 2023 between regional rivals Saudi Arabia and Iran. China has attempted to position itself as a reliable partner for the Middle East and as an alternative to the United States' role so far. Its significant economic heft also allows it to form trade ties that supplement diplomatic relationships.

However, whether the declaration can result in a lasting impact on stability in the region remains to be seen. Hamas and Fatah have earlier said they will work together but such deals have fallen apart over internal disagreements.

Relevance: GS Prelims & Mains Paper II; International Relations
Source: Indian Express

2. India's Plastic Waste Challenge

Overview of the Problem

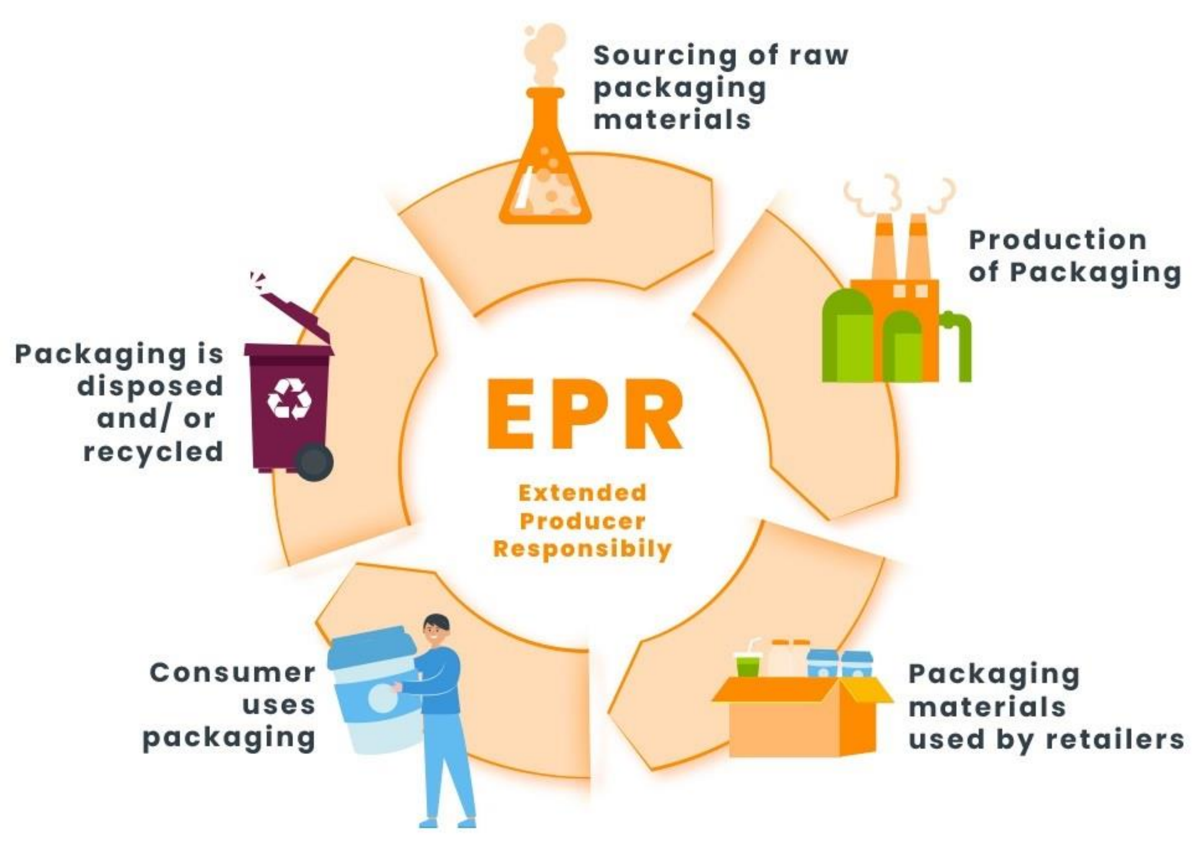
India, like other large economies, faces a significant plastic waste problem. According to a 2020-21 report by the Central Pollution Control Board (CPCB), four million tonnes of plastic waste are generated annually. Unfortunately, only a quarter of this waste is recycled or treated, with the rest ending up in landfills or being disposed of unsustainably.

Plastic Waste Management Rules

Since 2016, the Plastic Waste Management Rules have mandated that users of plastics are responsible for collecting and recycling their waste. These requirements, known as Extended Producer Responsibility (EPR) rules, were initially voluntary but are now enforced through an online EPR trading platform.

Extended Producer Responsibility (EPR) System

The EPR system involves packagers, importers, and large industrial users of plastic packaging, as well as professional recyclers, registering with the CPCB. Recyclers, who have networks to collect plastic waste, recycle the waste and receive validated certificates for each tonne recycled. These certificates can be uploaded to a dedicated CPCB portal and purchased by plastic packaging companies that fall short of their annual recycling targets.



Challenges and Issues
In 2022-23, the CPCB estimated that certificates for nearly 3.7 million tonnes of recycled plastic were generated. However, not all of these certificates were legitimate, with approximately 600,000 fraudulent certificates discovered. Additionally, hackers reportedly stole several thousand certificates last year and sold them to companies. A criminal investigation is ongoing, and it remains unclear how much of the claimed 3.7 million tonnes was genuinely recycled.

CPCB's Response
In response, the CPCB has taken two significant actions:
1. Audit: Commissioned an audit of nearly 800 firms, representing almost a fourth of the 2,300 registered recyclers who had traded certificates.
2. Security Overhaul: Undertook a comprehensive overhaul of the security features on the EPR trading platform, although this has delayed the process of filing returns for 2023-24 by several months.

Future Steps
The CPCB has described these problems as “teething issues” associated with implementing a large-scale electronic system. While the audit is necessary, it should be a one-time initiative to avoid undermining trust in the system with annual, lengthy investigations. Although the CPCB has the authority to impose heavy fines, the process is lengthy and fraught with legal challenges.

Conclusion
A market-driven approach to solving plastic waste has a significant but limited effect. Greater efforts must be made to curb plastic production and promote sustainable alternatives. Addressing the root causes of plastic waste and enhancing the effectiveness of recycling systems are crucial in mitigating India's plastic waste problem.

Relevance: GS Prelims & Mains Paper III; Environment
Source: The Hindu

3. Can States tax mining activities?

Why in News?
In a landmark ruling on July 25, the Supreme Court affirmed that States have the legislative authority to impose taxes on minerals in addition to the royalty levied by the Centre. Upholding the principles of federalism, the verdict clarified that the power of State legislatures to tax mineral activities within their respective territories is not constrained by Parliament's Mines and Minerals (Development and Regulation) Act, 1957 (1957 Act). The case which has been pending for more than a quarter century was decided by an 8:1 ruling with Chief Justice of India (CJI) D.Y. Chandrachud authoring the majority opinion. Justice B.V. Nagarathna gave a dissenting opinion where she cautioned that allowing States to impose additional levies could hinder the development of the nation's mineral resources and disproportionately advantage mineral-rich States.

What was the case?

Section 9 of the 1957 Act requires those who obtain leases to conduct mining activities to “pay royalty in respect of any mineral removed” to the individual or corporation who leased the land to them. The key question for consideration was whether the royalties paid by mine leaseholders to State governments under the 1957 Act should be classified as “tax.” Additionally, the court needed to determine whether the Centre could impose such charges or if the States possessed the sole authority to levy them within their jurisdictions.

What is the difference between royalty and tax?

The majority ruling clarified the distinction between royalty and tax. It defined royalty as the “contractual consideration” paid by the mining lessee to the lessor (who may also be a private party) for the right to extract minerals. In contrast, a tax was characterised as an “imposition by a sovereign authority.” The judges underscored that taxes are determined by law and can only be levied by public authorities to fund welfare schemes and public services. Meanwhile, royalties are paid to a lessor in exchange “for parting with their exclusive privileges in the minerals”.

Can States tax mining activities?

Entry 50 of the State List under the seventh Schedule of the Constitution gives States the exclusive authority to make laws regarding “taxes on mineral rights”, but this power is limited by any laws Parliament may pass concerning mineral development. On the other hand, Entry 54 of the Union List gives the Centre the power to regulate “mines and mineral development,” especially when Parliament decides it is necessary in public interest. During the proceedings, the Centre argued that Entry 50 in the State List had allowed Parliament to impose “any limitations” on taxes on mineral rights through the promulgation of laws relating to mineral development — in this case, the 1957 Act.

However, the majority reasoned that since royalties could not be classified as a tax, they do not fall within the category of “taxes on mineral rights ”as defined in Entry 50 of the State List. As a result, it was held that the 1957 Act merely provided States with another source of revenue through royalties, without interfering with their authority to levy taxes on mineral rights under Entry 50.

While the Centre is empowered to regulate mining development under Entry 54 of the Union List, the court clarified that this authority does not include the power to impose taxes, which is exclusively under the jurisdiction of the State legislatures. However, this express power, it said, is subject to “any limitations” that may be imposed by Parliament which could even include a “prohibition’” against imposing taxes. This implies that if the Centre wanted to modify the existing legislative framework under the 1957 Act to divest States of their power to levy a tax, it could do so.

The majority also held that States have the power to tax the land where mines and quarries are located by virtue of Article 246 read with Entry 49 (taxes on lands and buildings) of the State List. “In other words, mineral-bearing lands also fall within the description of lands under Entry 49 of List 2,” the CJI declared, adding that the income of the land yield can be adopted as a measure of tax.

Why did Justice Nagarathna dissent?
Disagreeing with the majority, Justice Nagarathna held that royalties paid under the 1957 Act should be considered as tax for developing the country's mineral resources.

She pointed out that a central legislation, like the 1957 Act, was intended to promote mineral development and this objective could be severely undermined if States were allowed to impose levies and cesses (additional taxes) on top of the royalties they collect. The passage of the 1957 Act thus "denuded" States' powers to levy taxes by entrusting the Centre with complete control over mineral development and limiting States to generating revenue solely through royalties, she underscored.

Elucidating upon the likely consequences of allowing States to tax mineral rights, the judge highlighted that this would lead to an "unhealthy competition between the States to derive additional revenue" resulting in a steep, uncoordinated, and uneven increase in the cost of minerals. Such a scenario, she warned, might exploit the national market for arbitrage, where differences in pricing could be manipulated for profit, disrupting the market's stability.

What happens next?
On July 31, the court will consider whether the verdict should be applied retroactively or prospectively.

If applied retroactively, it could result in significant financial benefits for mineral-rich States such as West Bengal, Odisha, and Jharkhand, which have enacted local laws to impose additional taxes on mining lessees.

Relevance: GS Prelims & Mains Paper II; Governance
Source: The Hindu