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MAINSTORMING 2021

PAPER II BOOSTER

(OCTOBER - NOVEMBER 2021)

1. INDIAN POLITY

1.1 The Constituent Assembly debates of India

Why in news?

The Constitution Day was celebrated on November 26, marking the adoption of our Constitution on November 26, 1949.

How did the Constituent Assembly evolve?

- In 1934 the seed of forming a Constituent Assembly was first sown by an Indian pioneer of the Communist movement, Mr. M.N. Roy.
- The Constituent Assembly of India came into existence as per the provisions of **Cabinet Mission Plan** of May 1946.
- Its task was to formulate a Constitution for facilitating appropriate transfer of sovereign power from British authorities to Indian hands.
- The Assembly was to have proportional representation from existing provincial legislatures and from various princely states.
- **Rajendra Prasad** was the elected President of Constituent Assembly while VT Krishnamachari and HC Mookerji served as Vice-Presidents.
- The Constituent Assembly of India sat for the first time on December 9, 1946 and held 12 sessions or rounds of sittings.
- The Assembly met for 165 days and spoke about 3.6 million words overall comprising around 8,000 pages of written documents which laid the foundation for our Constitution.
- The Constituent Assembly had precisely taken two years, eleven months, and seventeen days to complete the historic duty of drafting the Indian Constitution.
- Finally the Constitution was adopted on **November 26, 1949** with a Preamble, 395 Articles, and 8 Schedules.
- The Constitution came into force from **January 26, 1950** which is celebrated as the Republic Day.s

How diverse is the Constitutional Assembly?

- The Constituent Assembly was supposed to be a body partly elected, and partly nominated members.
- It comprised of representatives of all sections of the society namely the Hindus, Muslims, Sikhs, Parsi, Anglo-Indian, Indian Christians, SCs/ STS, Backward Classes, and women belonging to all of these sections.
- The total membership of the Constituent Assembly was to be 389.
 - 292 members elected through the Provincial Legislative Assemblies
 - The Indian Princely States was represented by 93 members
 - The Chief Commissioners' Provinces were represented by 4 members
- Almost a quarter of the members came from princely states.
- In terms of gender, there were 15 women and around 90% of the Assembly members were Hindu.
- Despite an overwhelming presence of Congress party members, there was great diversity in their ideological positions.

What is the analysis about the Constitutional debates?

- **Words spoken** - When a Lorenz curve is drawn and the number of words spoken by each member is lined up, the graph exhibits an extremely unequal distribution.

- Less than 6% of members spoke 50% of all the words uttered in the Assembly.
- Women members spoke less than 2%. (Rajkumari Amrit Kaur and Sucheta Kriplani, among others, didn't say anything).
- The most voluble speakers were Rajendra Prasad and Ambedkar (7.5% and 7.2% respectively).
- Prominent national leaders like Nehru and Patel contributed to merely 2.18% and 1.47% of the debate by word-count.
- The Gini coefficient of the number of words spoken in the Constituent Assembly debates is 0.756 which indicates high asymmetry.
- **Constitutional Ideas** – Mapping the frequency of utterance of Constitutional concepts allows us to see which concepts dominated the talks and which ones were hardly discussed.
- 'Rights' came to be the most invoked word.
- Members spoke considerably about ideas involving 'religion', 'caste', 'Hindu' and 'Muslim' much less than 'freedom'.
- More members uttered 'education' as compared to 'health'
- Words like 'secular' were used a lot more than 'dharma' or 'morality' and 'women' was invoked more than 'adivasis'.
- Interestingly, 'liberty' invocations far exceeded 'equality' which in turn was used considerably more than 'socialism'.

What is the relevance of this analysis?

- These estimates may not signal anything concrete, but they do offer a window into what occupied the Assembly's collective mind.
- This project aims for deeper research on how we the people came to where we've reached as the path is not as linear as one would think.
- If India is breathing the air of sovereignty, democracy, and freedom along with the rights and duties, it is because of the relentless efforts by notable personalities who had come together to gift India its biggest asset, the Constitution of India.

1.2 The Law on General Consent

What is the issue?

The Supreme Court has expressed concern over a CBI report that stated that since 2018, around 150 requests for sanction to investigate have been pending with 8 state governments that have withdrawn general consent.

What is general consent?

- The CBI is governed by **The Delhi Special Police Establishment (DSPE) Act, 1946**, and must **mandatorily** obtain the consent of the state government concerned before investigating a crime in a state.
- The consent of the state government can be either case-specific or general.
- A "general consent" is normally given by states to help the CBI in seamless investigation of cases of corruption against central government employees in their states.
- In the absence of general consent, the CBI would have to apply to the state government in every case, and before taking even small actions.
- According to **Section 6 of The DSPE Act**, nothing contained in section 5 shall be deemed to enable any member of DSPE to exercise powers and jurisdiction in any area in a State, (not being a Union territory or railway area), without the consent of the Government of that State.

Which states have withdrawn general consent?

- Eight states have currently withdrawn consent to the CBI - Maharashtra, Punjab, Rajasthan, West Bengal, Jharkhand, Chhattisgarh, Kerala, and Mizoram.
- At the time of withdrawing consent, all states alleged that the central government was using the CBI to unfairly target the opposition.

What is the view of the judiciary in this aspect?

- Calcutta High Court recently ruled that the central agency cannot be stopped from probing an employee of the central government in another state which has been challenged in the Supreme Court
- In Vinay Mishra vs the CBI, Calcutta HC ruled that corruption cases must be treated equally across the country, and a central government employee could not be distinguished just because his office was located in a state that had withdrawn general consent.
- The court also said that withdrawal of consent would apply in cases where only employees of the state government were involved.
- In 2018, Delhi High Court ruled that the agency could probe anyone in a state that has withdrawn general consent, if the case was not registered in that state.

What are the powers of CBI in these states?

- The withdrawal of general consent means that the CBI will not be able to register any fresh case involving officials of central government or a private person in the state without the consent of state government.
- But the CBI retained the power to investigate cases that had been registered before consent was withdrawn.
- The agency can use the Calcutta HC order to its advantage.
- A case registered anywhere else in the country, which involved individuals stationed in these states, allowed the CBI's jurisdiction to extend to these states.
- Also, the CBI has the option to get a warrant from a local court in the state and conduct the search in connection with an old case.
- In case the search requires an element of surprise, Section 166 of CrPC allows a police officer of one jurisdiction to ask an officer of another to carry out a search on their behalf.
- The consent of state governments does not apply in cases where someone has been caught red-handed taking a bribe.

To what extent is the CBI "its master's voice"?

- After the 2018 **amendments to the Prevention of Corruption Act, 1988**, the Centre has come to exercise power over the CBI not just administratively, but also legally.
- In 2018, the amendments to Section 17A of the Act, made it mandatory for the CBI to seek the Centre's permission before registering a case of corruption against any government servant.
- This means that the 2018 amendment virtually means the agency can investigate only the officers that the government of the day wants investigated.
- In fact, corruption cases registered by the CBI dropped by over 40 % between 2017 and 2019.

1.3 No Quota without Quantifiable Data

What is the issue?

- The Madras High Court has recently quashed the **10.5% special reservation for Vanniyakula Kshatriyas** within the overall 20% quota for MBC and DNC.
- This has again highlighted the importance of quantifiable data as a prerequisite for reservation in education and employment.

What was the reservation about?

- In 2021, the Assembly passed a special Act which divided the 'Most Backward Classes/Denotified Communities' category into three parts.
- Of the total, the largest share of 10.5% was given to the Vanniyakula Kshatriya and its various sub-castes.
- The MBC/DNC sub-division was to have 7% for DNCs and a section of MBCs, while the remaining 2.5% was meant for the rest of the MBCs.
- It was justified based on the report of Second Backward Class Commission which stated that the Vanniyar population was 13.01% of the then total population in 1983.

Is it possible for States to make changes in the backward classes list?

- The **102nd Amendment to the Constitution** created the National Backward Class Commission and empowered the President to notify the backward classes list for each State.
- The Supreme Court had ruled, in the Maratha reservation case, that the Amendment took away the power of the States to notify or identify OBCs.
- Later, the **105th Amendment** made it explicit that the States could make changes in their lists.

What were the reasons for the court's judgment?

- The legislation was challenged before the High Court which held it unconstitutional.
- The court cited the **lack of adequate quantifiable data** with the State government before the introduction of the law.
- The government did not wait for the report of a commission it had appointed earlier to gather quantifiable data to justify the State's 69% total reservation.
- The other ground was that the separate reservation for one caste amounted to discrimination against all the other castes in the same MBC category.
- Even the State BC Commission report 2011, which justified the 69% reservation for BC, MBC/DNCs and SC/ ST under the 1994 Act, did not give any community-wise break up of representation in government services.

What was the stand of the State Backward Commissions regarding internal reservation?

- The **first BC Commission** (1969-70), headed by A.N. Sattanathan, talked of having a device for removing the top layers of the communities periodically (creamy layer concept).
- The **second BC Commission** headed by Ambasankar advocated compartmental reservation by grouping the BCs on the basis of backwardness.
- The concept of quota within quota is already in place in Tamil Nadu.
 - In 1989, a new category called MBC and DNC was carved out of the BCs and given 20% exclusively from the then quantum of 50%.
 - In 2007, Muslims in the BCs were provided with 3.5% reservation.
 - In 2009, 3% reservation was provided for Arunthathiyars out of 18% quota for the SCs.

69 % Rule of Reservation	
Open Competition	31.00 %
Backward Class	26.50 %
Backward Class Muslim	3.50 %
Most Backward Class & Denotified Communities	20.00 %
Scheduled Caste	*15.00 %
Scheduled Caste (Arunthathiyars)	*3.00 %
Scheduled Tribes	1.00 %

What are the effects of the verdict?

- The State government is planning to appeal to the Supreme Court.
- Any change in The State's 1994 Act would require an amendment to that law as well as the President's assent which may complicate the existing internal quotas given to BC Muslims and Arundhatiarys.
- The High Court had mentioned that these two quotas were backed by census data and valid recommendations, but it did not consider the question whether their introduction without an amendment to the 1994 Act or the President's assent was valid.

1.4 Falling Short on Data Protection Provisions

What is the issue?

The Joint Parliamentary Committee (JPC) on Personal Data Protection Bill, 2019 has recently met and the agenda is to adopt the draft report that deals with privacy and security of the personal data of citizens.

What is the draft personal data protection bill 2018?

- The draft personal data protection bill 2018 was submitted by the Justice B.N. Srikrishna-headed expert panel.
- The Justice Srikrishna Committee has set the standards to build a legal framework based on the landmark judgment, **Justice K.S. Puttaswamy vs Union of India**, on privacy.
- The draft takes into account three aspects in terms of data - the citizens, the state and the industry and notes that "**the right to privacy** is a fundamental right".
- To know more about the draft personal data protection bill 2018, [click here](#)

What is the Personal Data Protection Bill, 2019?

- The PDPB seeks to provide for protection of personal data of individuals, and establishes a Data Protection Authority for the same.
- **Applicability** - The Bill governs the processing of personal data by government, companies incorporated in India and foreign companies dealing with personal data of individuals in India.
- **Categorisation of personal data** - The Bill categorises certain personal data as sensitive personal data which includes financial data, biometric data, caste, religious or political beliefs, or any other category of data specified by the government.
- **Obligations of data fiduciary** - A data fiduciary is an entity or individual who decides the means and purpose of processing personal data.
- All data fiduciaries must undertake certain measures such as
 - implement security safeguards (data encryption and preventing misuse of data),
 - institute grievance redressal mechanisms to address complaints of individuals.
 - institute mechanisms for age verification and parental consent
- **Rights of the individual** - The Bill includes the right to
 - Obtain confirmation from the fiduciary on whether their personal data has been processed
 - Seek correction of inaccurate, incomplete or out-of-date personal data
 - Have personal data transferred to any other data fiduciary
 - Restrict continuing disclosure of their personal data by a fiduciary, if it is no longer necessary or consent is withdrawn
- **Grounds for processing personal data** - The processing of data by fiduciaries is allowed only if consent is provided by the individual.
- But it can be processed without consent if it is required by the State for providing benefits to the individual or for legal proceedings or to respond to a medical emergency.
- **Social media intermediaries**: The Bill proposes to include intermediaries with certain obligations to enable online interaction between users and allow for sharing of information.
- **Data Protection Authority** - The Bill sets up a Data Protection Authority consisting of a chairperson and 6 members with at least 10 years' expertise in the field of data protection and information technology.
- Orders of the Authority can be appealed to an Appellate Tribunal which in turn can be appealed in the Supreme Court.
- **Transfer of data outside India** - Sensitive personal data may be transferred outside India for processing if explicitly consented and subject to certain additional conditions but critical personal data can only be processed in India.
- Such sensitive personal data should continue to be stored in India.
- **Sharing of non-personal data with government** - The central government may direct data fiduciaries to provide it with any non-personal data and anonymised personal data for better targeting of services.

What are the divergences of the 2019 bill from the Justice Srikrishna Committee's draft Bill?

- The JPC was set up in 2019 to take up the personal data protection bill after parliamentarians were divided over several provisions of the law.

- The dissent notes submitted by some panel members from the Opposition point out that the draft falls short of the standards set by the Justice Srikrishna Committee.
- The key divergences from the Justice Srikrishna Committee's draft Bill is in the selection of the chairperson and members of the Data Protection Authority (DPA).
- While the 2018 draft Bill allowed for judicial oversight, the 2019 Bill relies entirely on members of the executive government in the selection process for the DPA.
- The 2018 Bill allowed for exemptions to be granted to state institutions from acquiring informed consent from data principals only to the "security of the state" but the 2019 Bill adds "public order" as a reason.

What has the panel suggested to build additional compliance?

- Companies will need to report a data breach within 72 hours
- Mandatorily disclose if information relating to a data principal (person or entity that owns the data) is passed on to someone else
- Appoint senior management personnel as data protection officers
- Ensure that copies of sensitive and critical personal data already in possession of foreign entities be brought back by the government in a timebound manner.
- Called for a mechanism in which social media companies can be treated as publishers in some circumstances.
- A change in the contentious portion of the law - Clause 35, which deals with conditions under which the government can access personal data without consent.

What relaxations were suggested for the government?

- Rule about mandatory disclosure of third party sharing need to the data principal need not be made in case it is for State functions or to comply with a court order.
- Quantifying the penalties for companies violating the provisions of the law
- An in-house inquiry by government departments to fix responsibility in the event of a leak.

Key suggestions on data protection law



STRICT NEW NORMS

- 72-hour deadline for notification of breach, including of non-personal data
- Companies need to ensure fairness of algorithm or method used for processing personal data
- A data protection officer needs to be from senior management
- Companies will need to mandatorily disclose to data principals if their information is passed on to third party

RELAXATIONS FOR GOVERNMENT

- If data is passed on to another entity for purposes of State use, there need not be mandatory disclosure
- Government departments to carry out in-house inquiry to fix blame in case of breach, instead of head of department being responsible
- Government should quantify penalties for companies violating provisions of the law

SOCIAL MEDIA AS PUBLISHERS?

The report recommends that social media companies mandatorily verify users to keep their status as intermediaries. They will be liable for posts by unverified accounts

PUSH ON LOCALISATION

The commission also suggested that the central government bring back copies of sensitive and critical personal data that is already with foreign entities in a time-bound manner

How can the rules be made more stringent?

- The dangers of exemption on the grounds of public order is susceptible to misuse and "security of the state" criteria is recognised by other data regulations such as Europe's General Data Protection Regulation as a viable reason for exemption.
- The Global Privacy Assembly, featuring Privacy Commissioners from over 19 countries came up with a clear resolution on principles for government access to personal data.

- It has asked for a set of principles on legal basis, the need for clear and precise rules, proportionality and transparency, data subject rights, independent oversight, and effective remedies and redress to the individuals affected.
- The JPC's adoption of the draft Bill and the dissent notes suggest that it has fallen short of standards protecting privacy rights of individuals against blanket misuse by the state.
- The Parliament has to tighten the provisions further and bring them in conformance with the 2018 Bill.

1.5 On Dealing with False Criminal Cases

What is the issue?

There has been increasing misuse of legal provisions such as Section 304B on dowry deaths and Scheduled Castes (SCs) and Scheduled Tribes (STs) (Prevention of Atrocities) Act, 1989.

What does the data show on false allegations?

- Section 304B in of Indian Penal Code provides for an imprisonment for a term which shall not be less than seven years but which may extend to imprisonment for life for committing dowry death.
- As per **NCRB's Crime in India 2020** report, about 5% of the cases under Section 498A were found to be false.
- Out of the 17,765 cases under Section 498A decided by the courts, only 3,425 cases ended with a conviction
- About 12% of the cases under the SCs and STs (Prevention of Atrocities) Act were found to be false by the police.
- Out of the 8,138 cases under the SCs and STs (Prevention of Atrocities) Act decided by the courts, only 3,588 cases ended with a conviction.

What has been the court's view on these provisions?

- **Dowry deaths** - Realising the misuse of Section 498A, the Supreme Court in *Rajesh Sharma vs State of Uttar Pradesh (2017)* issued certain guidelines.
 1. Formation of district Family Welfare Committees (FWCs)
 2. Restraint on arrest till the complaint was examined by the committee
 3. Disposal of the proceedings by a senior judicial officer in case of a settlement between the parties
- But in 2018, the Supreme Court in *Social Action Forum for Manav Adhikar vs Union of India* held that the constitution of the extrajudicial FWCs was contrary to the procedure prescribed under the Code of Criminal Procedure (CrPC).
- **SCs and STs (Prevention of Atrocities)** - The Supreme Court in *Subhash Kashinath Mahajan vs State of Maharashtra (2018)*, issued certain guidelines.
 1. Holding of a mandatory preliminary inquiry to avoid false implication of an innocent individual
 2. Approval of the appointing authority before the arrest of a public servant
- However, in 2019, the Supreme Court in *Union of India vs State of Maharashtra and Ors .*, overruled the above judgment and held that the guidelines were opposed to the protection given to members of SC and ST communities.

What do these judgments indicate?

- It indicates that the court cannot lay additional guidelines when the existing law is clear and only legislature can modify such law.
- The onus is on the police to ensure that once the law is set into action no undue advantage of the special law is taken by the complainant.
- Some investigation must be done to confirm the genuineness of a complaint before an arrest takes place.
- The Supreme Court in *Arnesh Kumar vs State of Bihar (2014)* asked the police to satisfy themselves on the necessity of an arrest under the parameters laid down in Section 41 of the CrPC.
- The judicial magistrate has to examine the report furnished by the police officer and be satisfied themselves before authorising detention.

Is there any legal remedy available against those lodging false complaints?

- Criminal action can be initiated against the person who gives false information to the police or levels specific criminal charges against a person.
 - The police after the investigation may initiate action under Section 182 or 211 of the IPC respectively and both these offences are non-cognisable and a magistrate's nod is necessary for further legal action.
- A judicial magistrate having jurisdiction, after an inquiry, can take appropriate action against a person who filed a false case with the police.
- The complainant may approach a High Court for anticipatory bail and for quashing the FIR.
 - The High Court, under Section 482 of the CrPC, may quash the judicial proceedings even after a conviction, in case a genuine compromise is reached between the conflicting parties.
- Damages may be claimed under the law of tort for malicious prosecution and causing injuries.
- Since the onus of arriving at the truthfulness of a case lies primarily with the investigating officer, it is their duty to investigate the case thoroughly and collect all the facts and circumstances fearlessly.

1.6 How Political Parties are Registered in India

What is the issue?

Former Punjab chief minister Captain Amarinder Singh announced that he will be forming his own political party in Punjab which will be registered with the Election commission.

What is the procedure for registering political parties?

- **Article 324** of the Indian Constitution and **Section 29A of the Representation of the People Act, 1951** has conferred power to the Election Commission to prescribe guidelines for registration of parties.
- Election Commission has provided that any party seeking registration has to submit an application to the Commission within a period of 30 days following the date of its formation.
- The applicant has to publish a proposed party name in two national daily newspapers and two local daily newspapers.
- The notice for publication is also displayed on the website of the Election Commission.
- An application for registration has to be sent to the Secretary to the Election Commission within 30 days following the date of formation of the party in the prescribed format.
- The application must be accompanied by a demand draft for Rs.10,000, printed copy of the memorandum, rules and regulations or constitution of the party.
- It also needs to have the latest electoral rolls in respect of at least 100 members of the party to show that they are registered electors.
- The application would also need an affidavit duly signed by the President or General Secretary of the party and sworn before a First Class Magistrate/Oath Commissioner/ Notary Public.
- Individual affidavits from at least 100 members of the party would also be needed to ensure that they are not a member of any other political party registered with the Commission.

What is the significance of registering parties with the EC?

- It is **not mandatory** to register with the Election Commission
- Registering a political party with the EC has its advantage under the provisions of the Representation of the People Act, 1951.
- The candidates of the registered political party will get preference in the matter of allotment of free symbols over independent candidates.
- These registered political parties can get recognition as a 'state party' or a 'national party' subject to the fulfilment of the conditions prescribed in the **Election Symbols (Reservation and Allotment) Order, 1968**.

How EC recognises a political party as a state or national party?

- Several conditions are followed by the Election Commission to recognise the parties as a state or national party.
- **State Party** – The registered party has to satisfy any of the 5 conditions.

1. Secure at least 6% of the valid vote & win at least 2 seats in an Assembly General Election
2. Secure at least 6% of the valid vote & win at least 1 seats in a Lok Sabha General Election
3. Win at least 3% of the seats or at least 3 seats, whichever is more, in an Assembly General Election
4. Win at least 1 out of every 25 seats from a state in a Lok Sabha General Election
5. Secure at least 8% of the total valid vote in an Assembly or a Lok Sabha General Election

- **National Party** - The registered party has to satisfy any of the 3 conditions.

1. Secure at least 6% of the valid vote in an Assembly or a Lok Sabha General Election in any four or more states and won at least 4 seats in a Lok Sabha General Election from any State or States
2. Win at least 2% of the total Lok Sabha seats in a Lok Sabha General Election and these seats have to be won from at least 3 states
3. The party is recognized as a State Party in at least four states

- These conditions have to be fulfilled by the parties before every Lok Sabha and Assembly elections to make sure they don't lose their status.

As on 2019, India had **7 national parties**

(All India Trinamool Congress, Bahujan Samaj Party, Bharatiya Janata Party, CPI, CPI(M), Indian National Congress and Nationalist Congress Party).



There are over **60 regional parties** and more than 2,000 registered but unrecognised parties in the country.

What are the perks of recognition as a state or national party?

- A party recognized as a state party gets a reserved symbol within the state whereas for a national party, the reserved symbol can be used across the country by its contesting candidates.
- Such parties need only one proposer for filing the nomination.
- They are also entitled for two sets of electoral rolls free of cost.
- They are entitled to broadcast/telecast facilities over state-owned Akashvani/Doordarshan during the general elections.
- There are also other advantages to the recognized parties like subsidized land for party offices, etc.

1.7 Constitutionalisation of Political Parties

What is the issue?

Political parties are the breathing air of the political system and they need to be constitutionalized to ensure in-party democracy and to make them transparent.

What is so remarkable about political parties?

- A political party is an organised group of citizens who hold common views on governance and act as a political unit that seeks to obtain control of government with a view to further the agenda and policy they profess.
- They are indispensable links between the people and the representative machinery of government.
- Political parties maintain a continuous connection between the people and those who represent them either in government or in the opposition.
- Political parties are important institutes in almost every democratic country.

What are the legal provisions with respect to political parties?

- Political parties in India are extra-constitutional.
 - The right to form political parties is not mentioned in the Constitution of India.
 - **Section 29A (5) of the Representation of the People Act, 1951** – It is the only major statutory provision dealing with political parties in India.
 - It sets down certain conditions for a political party for the formation and registration by ECI.
1. It must consist only of Indian citizens

2. It must call itself a political party set up for the purpose of contesting elections to the Parliament and State Legislatures and for no other purpose.
3. It must have at least 100 registered electors as its members.
- It orders that a political party shall bear true faith and allegiance to the Constitution of India as by law established, and to the principles of socialism, secularism, democracy, and would uphold the sovereignty, unity and integrity of India
- **Deregistration of parties** - The ECI is not empowered to de-register parties on the grounds of violating the Constitution or breaching the undertaking given to it at the time of registration.
- A party can only be de-registered
 1. if its registration was obtained by fraud;
 2. if it is declared illegal by the Central Government;
 3. if a party amends its internal Constitution and notifies the ECI that it can no longer abide by the Indian Constitution.

What is the case of political parties in other countries?

- **The German model** - Germany gives constitutional status to political parties and deals with their status, rights, duties and functions.
- **The U.K. model** - In U.K., the Conservative Party has National Conservative Convention, Central Council and an Executive Committee to maintain high levels of internal democracy.
- **The U.S. model** - In the U.S., both the Democratic and the Republican Party have National Committee that plays an important role in the presidential election and agenda setting.

What is the need for constitutionalisation of political parties?

- Most of the parties in India are openly caste- or religious-based.
- The finances of most of the parties are dubious and opaque.
- Almost all the parties are family fiefdoms. i.e. engaged in dynasty politics.
- There are no periodical in-party elections in Indian parties.
- Since, political parties are the agents of democracy and safety valves in the political system, they desperately need reform.
- Hence, it is high time to constitutionalise political parties to ensure in-party democracy, to impart transparency in their finances, and to de-communalise them.

1.8 Election of Deputy Speaker

Why in news?

Hardoi MLA Nitin Agrawal was recently elected Deputy Speaker of the Uttar Pradesh Assembly, which has barely 5 months left in its tenure.

What is the dispute involved?

- Agrawal won on a Samajwadi Party (SP) ticket in 2017, but switched loyalty to the BJP in 2018.
- In 2019, SP sought his disqualification from the Assembly under the anti-defection law.
- The petition remained pending until days before the recent election, when it was rejected by the Speaker.
- Technically, Agrawal, who was elected Deputy Speaker with BJP support, continues to be an SP member of the Uttar Pradesh Assembly.
- The developments raise several questions.
- It also brings attention to the 17th Lok Sabha which, for more than 2 years after it was constituted in 2019, remains without a Deputy Speaker.

What are the provisions in this regard?

- **Article 93** - The House of the People shall, as soon as may be, choose 2 members of the House to be respectively Speaker and Deputy Speaker.

- If the office of Speaker or Deputy Speaker becomes vacant, the House shall choose another member to be Speaker or Deputy Speaker.
- **Article 178** - Corresponding position for Speaker and Deputy Speaker of the Legislative Assembly of a state.
- **Rule 8** - In Lok Sabha, the election of Deputy Speaker is governed by Rule 8 of The Rules of Procedure and Conduct of Business in Lok Sabha.
- Accordingly, the election “shall be held on such date as the Speaker may fix.”
- The Deputy Speaker is elected once a motion proposing his name is carried.
- There are similar provisions in the State Legislative Assembly Rules.

Mandatory

- Both Articles 93 and 178 use the words “shall” and “as soon as may be.”
- So, not only is the election of Speaker and Deputy Speaker mandatory, but it must also be held at the earliest.

Time-frame for election

- The Constitution says that the election must be held “as soon as possible”.
- **Speaker** (Both Lok Sabha and state Legislative Assemblies) – Usually elected during the first session of the new House.
- Usually on the 3rd day, after oath-taking and affirmations take place over the first 2 days.
- **Deputy speaker** - Usually takes place in the second session (sometimes in first session too); not delayed beyond that without genuine and unavoidable constraints.

Tenure

- Once elected, the Deputy Speaker usually continues in office until the dissolution of the House.
- Article 94 (Article 179 for state legislatures) - The Speaker or Deputy Speaker shall vacate the office if she ceases to be a member of the House of the People.
- They may also resign (to each other), or may be removed from office by a resolution of the House passed by a majority of all the then members of the House.

Powers - Deputy Speaker

- Article 95(1) - While the office of Speaker is vacant, the duties of the office shall be performed by the Deputy Speaker.
- In general, the Deputy Speaker has the same powers as the Speaker when presiding over a sitting of the House.
- All references to the Speaker in the Rules are deemed to be references to the Deputy Speaker when she presides.
- No appeal lies to the Speaker against a ruling given by the Deputy Speaker or any person presiding over a sitting of the House in the absence of the Speaker.

Disqualification

- Being Deputy Speaker does not protect an MP or MLA from the law of disqualification, except for the following exemptions in Para 5 of the 10th Schedule to the Constitution (anti-defection law):
- Elected Speaker/ Deputy Speaker shall not be disqualified if she, by reason of election to that office, voluntarily gives up the membership of the political party to which she belonged immediately before such election and does not (as long as in that office) thereafter rejoin that political party or become a member of another political party.
- This exemption applies to the Rajya Sabha Deputy Chairman, Chairman/ Deputy Chairman of a state Legislative Council, and Speaker/ Deputy Speaker of a state Legislative Assembly as well.

Judicial intervention

- Article 122(1) - The validity of any proceedings in Parliament shall not be called in question on the ground of any alleged irregularity of procedure.
- There is no precedent of a court forcing the legislature to elect the Deputy Speaker.
- However, the courts do have jurisdiction to at least enquire why there has been no election to the post of Deputy Speaker, since the Constitution does envisage an election “as soon as may be”.

- A petition before the Delhi HC has argued that the delay in the election of the Lok Sabha Deputy Speaker violates Article 93 of the Constitution.

1.9 Reflections on the 'Quasi-federal' Democracy

What is the issue?

Since recent events have underscored the federal democratic structure, Indian federalism needs an institutional amendment despite being a basic structure.

What are the recent faultlines in the federal structure?

K.C. Wheare analyses India's "centralized state with some federal features" as "quasi-federal".

- **Legislative disruptions** - The Rajya Sabha passed a record number of Bills amidst a number of adjournments.
- Whenever any party with a massive majority in any state finds itself marginalised in the central legislature, it disrupts proceedings.
- **Colonial legacy** - India's federal structure underpinned on the colonial 1935 Act.
- Nothing about States' rights and their territorial boundaries were talked enabling the Centre to unilaterally alter State boundaries and create new States.
- The Indian Constitution itself has been amended 105 times in 70 years compared with 27 times in over 250 years in the United States.
- **Division of power** - The constitutional division of power and resources remains heavily skewed in favour of Centre along with residual, concurrent and implied powers.
- The higher judicial appointment, promotion and transfer becoming a central prerogative hampers the role of judiciary.
- **All India Services** - All India Service personnels are recruited and trained by the Centre which they work under various states affecting the separation of powers.
- **Role of Governor** - Governor appointed by the Centre is a constitutional authority which at recent times are transforming federal "link" to one of a central "agent" in the States.
- **Division of subjects** - The critical instruments of national governance are assigned or appropriated by the Centre but States are left with politically controversial subjects such as law and order and land reforms.
- **Conflict resolution** - There is no federal chamber to politically resolve conflicts.
- Rajya Sabha cannot veto its legislations unlike the U.S. Senate. It can only delay leading to disruptions.

Kesavananda Bharati v. State of Kerala - Federalism to be a part of basic structure of the Constitution

What are the lessons to be learnt?

- The federal flaws are structural reinforcing conflicts adding threat to national security.
- We might learn from the mistakes of neighbouring Sri Lanka and Pakistan.
- India's national security deserves a functional **democratic federal alternative** to its dysfunctional "quasi-federal" structure.

1.10 Failure of Anti-defection Law to Discourage Defection

What is the issue?

There have been accusations on anti-defection law being failed to discourage defection with varying suggestions from Former Vice President Hamid Ansari, ECI and Supreme Court.

What is the anti-defection law?

- The anti-defection law punishes individual MPs/MLAs for leaving one party for another.
- It was added by **52 nd Constitutional Amendment Act** as the **Tenth Schedule** in 1985.
- Its purpose was to bring stability to governments by discouraging legislators from changing parties.
- It was a response to the toppling of multiple state governments by party-hopping MLAs after the general elections of 1967.

- The Presiding Officers of the Legislature (Speaker, Chairman) are the deciding authorities in such cases.
- The decision can be challenged before the higher judiciary.

What constitutes defection?

- The law covers three kinds of scenarios.
 1. When legislators elected on the ticket of a political party **voluntarily** give up membership of that party or vote in the legislature against the party's wishes.
 2. When an MP/MLA who has been elected as an independent joins a party later.
 3. When nominated legislators join a political party after **six months** of being appointed to the House.
- Violation of the law in any of these scenarios can lead to a legislator being penalised for defection.
- But it allows a group of two-third MP/MLAs to join (i.e. merge with) another political party without inviting the penalty for defection.

What are the loopholes in defection law?

- The law does not provide a time-frame within which the presiding officer has to decide a defection case.
- There have been many instances where a Speaker has misused this in not determining the case of a defecting MLA until the end of the legislature term.
- Parties often sequester MLAs in resorts to prevent them from changing their allegiance or getting poached by a rival party.
- Recent examples are Rajasthan (2020), Maharashtra (2019), Karnataka (2019 and 2018), and Tamil Nadu (2017).

'FINISH PROCEEDINGS IN 3 MTHS'

➤ SC sets **three months** as the **outer limit** for Speakers to **conclude disqualification proceedings** against defectors

➤ Recommends that Parliament should amend Constitution to set up a permanent tribunal to decide cases. Tribunal can be **headed by retired SC judge or HC CJ**

➤ SC emphasises that **ensuring purity of anti-defection law** under

the 10th Schedule is vital to democracy's functioning

➤ SC decision came in a case related to **Manipur Congress MLA T Shyam Kumar**, who switched to BJP and became a minister after the party formed govt in 2017

➤ A dozen pleas seeking Shyam's disqualification were filed but Speaker sat over them. SC asks Speaker to **decide in four weeks**

Have any suggestions been made to improve the law?

- Last year, the Supreme Court held that ideally Speakers should take a decision on a defection petition within **three months**.
- It also said that Parliament should set up an independent tribunal headed by a retired judge of the higher judiciary to decide defection cases swiftly and impartially.
- The Election Commission has suggested it should be the deciding authority in defection cases.
- Former Vice President Hamid Ansari has suggested that anti defection should be applicable only to save governments in no-confidence motions.

1.11 Transfer as Punishment

Why in news?

Chief Justice of the Madras High Court Sanjib Banerjee has been abruptly transferred to head the Meghalaya High Court.

What is the issue?

- In September 2019, Justice Vijaya K. Tahilramani resigned after being shifted from Madras to the Meghalaya High Court at a time when she was the country's senior-most Chief Justice.
- The transfer of Chief Justice of the Madras High Court Sanjib Banerjee is the second such instance of the head of a court with a sanctioned complement of 75 judges being asked to take over a court with a strength of 4.

What is the legal provision regarding the transfer of judges?

- **Article 222** of the Constitution deals with the transfer of judges and states that the President may, after consultation with the Chief Justice of India transfer a judge from one high court to another.
- The Chief Justice of India is justly empowered to transfer the head of any High Court in the interest of the **"better administration of justice"**.

- A five-judge bench of the Supreme Court interpreted Article 222 in the *Sankalchand H Sheth case* and held that the transfer of a judge from one court to another inflicts many injuries on the individual.
- The court held that the consent of the judge proposed to be transferred was part of the scheme and language of Article 222.
- It also said that if the power of transfer is vested solely with the executive, it undermines judicial independence and eats into the basic features of the Constitution.
- *The First and Second Judges' cases* resulted in the formation of the Collegium System by interpreting "consultation" with the CJI to really mean "concurrence" which is arrived at by the CJI upon discussion with the two senior-most judges.
- *The Third Judges' case* expanded the collegium to include the five senior-most judges, including the CJI.
- *The K Ashok Reddy case* relied on the decision of the Second Judges' case and held that the primacy of the judiciary in the matter of appointments.

What are the concerns around the transfers?

- In Justice Banerjee's case, the transfer has come within 10 months of his assuming office, raising the question whether he was being punished for some uncertain reason.
- There is bound to be speculation on whether his transfer has anything to do with his stern approach and observations while seeking accountability from the Government and other institutions.
- This could be seen as degrading the work a judge is doing.

What does this call for?

- High Court Chief Justices play an important role in identifying judicial talent for appointments and streamlining administrative functions.
- It would be reasonable if a serving Chief Justice is given tenure long enough in a High Court to discharge the functions effectively.
- The Memorandum of Procedure for judicial appointments and transfers says a proposal to transfer a High Court judge can only be initiated by the CJI, "whose opinion in this regard is determinative".
- In addition, the views of "one or more knowledgeable Supreme Court judges" are taken which are considered by the five-member Collegium.
- However, recent developments suggest that it may not be enough to dispel the impression that a transfer is not exactly based on administrative needs or related to performance.
- There is a need for transparency in judicial functioning to dispel all notions of favouritism, bias or governmental interference.

1.12 Extension of Tenure of ED and CBI Directors

Why in news?

The Centre promulgated two ordinances to extend the tenures of the Directors of CBI and Enforcement Directorate from 2 years to upto 5 years and issued an order to amend the Fundamental Rules, 1922.

What is the amendment about?

- Director of CBI is appointed under the **Delhi Special Police Establishment Act, 1946** and Director of Enforcement in the Directorate of Enforcement is appointed under the **Central Vigilance Commission Act, 2003**.
- The fifth proviso of Clause (d) of **Rule 56 of the Fundamental Rules, 1922** was amended to extend the services of the Defence Secretary, Home Secretary, Director of IB, Secretary of RAW, the Director of CBI and ED in "public interest".
- The previous list comprised Defence Secretary, Foreign Secretary, Home Secretary, Director of Intelligence Bureau and Secretary of Research and Analysis Wing.
- Though Director of CBI was mentioned in the previous order, the new notification adds the Delhi Special Police Establishment Act, 1946 under which the investigation agency's head is appointed.

What are the concerns of this amendment?

- **Autonomy** – The notification will compromise the autonomy of these two agencies.

- It goes against the spirit of the Supreme Court judgment in *Vineet Narain vs Union of India* (1997) which said that the Directors of the CBI and the ED should have a minimum tenure of 2 years.
- While it did not bar longer terms or extensions, giving an annual extension can be an incentive for displaying loyalty to the ruling government in the discharge of their duties.
- **Ordinance route** - The changes were brought in through the ordinance route which raises a doubt whether the Government is keen on retaining the present Director of Enforcement, S.K.Mishra.
- **Beyond superannuation** - There is an implied extension for an officer appointed to one of these protected posts if the appointment comes within two years of retirement.
- A further extension beyond superannuation for one year at a time, will render the heads of two investigating agencies under the influence of the Government.

What is the judiciary's view in this case?

- The Supreme Court declined to interfere with the one-year addition to the original term of appointment in Mishra's case.
- It also said that extension of tenure granted to officers who have attained the age of superannuation should be done only in **rare and exceptional cases** and only for a **short period**.
- It also made it clear that no further extension shall be granted to him.
- The protection given by a fixed tenure is meant to dilute the '**doctrine of pleasure**' implicit in civil service but it may be breached, if the extension allowed in exceptional circumstances becomes the rule.

The Doctrine of Pleasure is one of the concepts which has been inherited from the British rule. Under this doctrine, the civil servants were regarded as servants of the crown and these civil servants served at their pleasure.

2. GOVERNANCE

2.1 Swachh Survekshan 2021 Awards

Why in news?

President Ramnath Govind presented the Swachh Survekshan Awards 2021 and the winners were honoured at the Swachh Amrit Mahotsav organised by the Ministry of Housing and Urban Affairs (MoHUA).

What is Swachh Survekshan?

- Swachh Survekshan is an annual survey of cleanliness, hygiene and sanitation in cities and towns across India.
- It was launched as part of the **Swachh Bharat Abhiyan** which aimed to make India clean and free of open defecation by 2nd October 2019.
- The first survey was undertaken in **2016** and covered 73 cities.
- **Ministry of Housing and Urban Affairs (MoHUA)** ranks all cities under Swachh Bharat Mission-Urban (SBM-U) with Quality Council of India (QCI) as its implementation partner.
- The objective of the survey is to
 - Encourage large scale citizen participation
 - Ensure sustainability of initiatives taken towards garbage free and open defecation free cities
 - Provide credible outcomes which would be validated by third party certification
 - Institutionalize existing systems through online processes
 - Create awareness amongst all sections of society towards making towns and cities more habitable and sustainable
 - Foster a spirit of healthy competition amongst towns and cities to improve their service delivery to citizens

What is the 2021 ranking?

- **Cleanest City – Indore, Madhya Pradesh** for the fifth consecutive year (in the more than 1 lakh population category) and, **Vita, Maharashtra** (in the population category of less than 1 lakh)

- **Best Ganga Town - Varanasi**
- **India's Cleanest Cantonment - Ahmedabad Cantonment**
- **Fastest Mover City - Hoshangabad (Madhya Pradesh)**
- **Fastest Mover States** – **Karnataka** in the big (more than 100 ULBs) and **Mizoram** in the small (less than 100 ULBs) category
- **Cleanest State** – **Chhattisgarh** for the third consecutive year (in the category of more than 100 Urban Local Bodies) and **Jharkhand** for the second time (in the "less than 100 ULBs category")
- Under **Prerak Daaur Samman**, a new performance category introduced under Swachh Survekshan 2021 to assess solid waste management, 5 cities – Indore, Surat, Navi Mumbai, New Delhi Municipal Council and Tirupati were categorized as 'Divya' (Platinum).
- Indore, Navi Mumbai, Nellore and Dewas emerged as the top performers in the **Safaimitra Suraksha Challenge**.
- Chhattisgarh and Chandigarh bagged the award for best performing State and Union Territory under the Challenge.
- Safaimitra Suraksha Challenge was launched in 2020 by MoHUA to eradicate human fatalities from hazardous cleaning of sewers and septic tanks.
- A total of 9 cities – Indore, Surat, New Delhi Municipal Council, Navi Mumbai, Ambikapur, Mysuru, Noida, Vijayawada and Patan have been certified as 5 star cities while 143 cities have been certified as 3 star.
- The Star Rating Protocol of Garbage Free Cities was introduced as a SMART framework by MoHUA in 2018, to holistically evaluate cities across solid waste management parameters.



What is the significance of the ranking?

- The environment conservation has been an integral part of the traditional lifestyle of India and the whole world is emphasising to reduce, reuse and recycle the resources.
- Good examples are coming out of the idea of 'Waste to Wealth' and many start-ups are active in these areas.
- A publicity boost and recognition for the winners will motivate others to climb higher on the rankings.
- Six years is a good time to take stock of what the ranking programme intends to achieve.
- The Mission has taken the shape of a people's movement – a true '**Jan Andolan**' and is the world's largest urban cleanliness survey today.

What questions remain unanswered regarding the survey?

- Is it motivating cities to significantly allocate resources towards improving sanitation?
- Are cleaner cities cleaner because they are better positioned to access State funds and thus able to pull further away from other cities?
- Do States focus their energies and funds in keeping some cities clean to avail of a rank in any of the wide number of categories?

- There should be more qualitative analysis of whether India's cities are getting cleaner in the aggregate or if numbers are hiding inequity.

2.2 Population Slowdown is Triumph of India's People

Why in news?

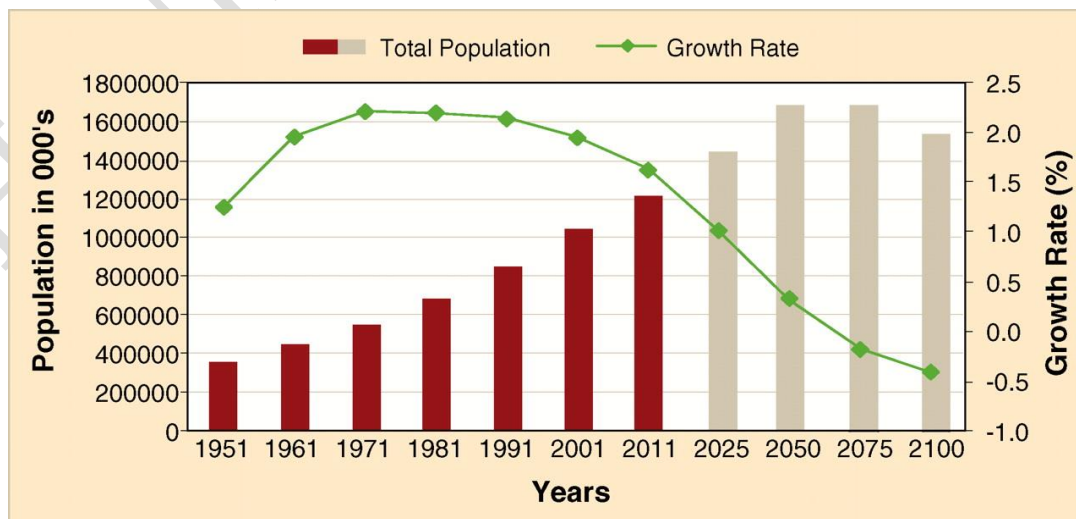
The Ministry of Health and Family Welfare's National Family Health Survey (NFHS- 5) data on health and family welfare issues has given rise to a flurry of chest-thumping declarations.

What are the survey's findings about population?

- TFR is the average number of children born to a woman during her lifetime whereas Replacement Fertility Rate is the level of fertility at which a population exactly replaces itself from one generation to the next.
- The Total Fertility Rate (TFR) has declined from 2.2 to 2.0 at the national level, even below the replacement rate of 2.1.
- According to the United Nations, if women have on an average 2.1 children each over a sustained period of time, the population neither grows nor declines and thus stabilises.
- The credit for the drop in India's TFR from almost 6 in the 1950s to its current levels must go to the people of India, along with successive governments, especially the bureaucracy.
- This drop is a sign of changing aspirations, especially among women, who are seeing the wisdom of having fewer children.

What efforts have been taken for population stabilisation?

- India's family planning programme started in 1951 is among the world's oldest.
- The campaigns sought to promote smaller families but there was little progress as India continued to see rapid population growth.
- In 1975, the desperation to control the population took a dark turn because a widespread mandatory sterilisation programme saw thousands of vasectomies, many of which were forced.
- These sterilisations became a major issue in the 1977 general elections leading to voting out of Congress government.
- This was the first time a strong evidence of a clear popular rejection of a coercive population-control policy was witnessed.
- In 1994, at the **International Conference on Population Development (ICPD)**, 179 governments, including India, recognised and committed to a rights-based approach to family planning.
- The ICPD inspired India's **2000 National Population Policy**.
- The implementation picked pace when the National Rural Health Mission, now part of the larger National Health Mission, was launched in 2005.



What were the challenges in population stabilisation?

- The implementation of the provisions of National Population Policy was very slow.

- The burden of family planning stayed with women, with female sterilisation being the most available method.
- Although women desire to have less than two children, there were issues regarding access to family planning services.
- The lack of emphasis on quality of care led to some bad practices where 16 women died in [Bilaspur](#) in 2014 after they were sterilised at a government camp.

How the family planning services changed its course?

- In 2016, the Supreme Court in 2016 asked the government to put a stop to sterilisation camps and focus on providing temporary methods of contraception.
- Increased reach of the media has changed women's aspirations, and their desire for greater control over their lives.
- Girls' education has a direct co-relation with a decrease in fertility.
 - According to NFHS data, women who had no schooling had the highest TFR of 3.06, as compared to women with 12 or more years of education who had a TFR of 1.71.
- The government needs to play a pivotal role and invest in education, health and creating economic opportunities for young people.
- The government must provide health and life-skills education at an early age along with ensuring access to sexual and reproductive health services.

2.3 Missing an Inclusionary Vision for the Urban Poor

What is the issue?

The Tamil Nadu government has released the “**Resettlement and Rehabilitation Policy**” for public comment but it is based on a tired model of peripheral resettlement that fails on social justice.

What is the Resettlement and Rehabilitation Policy about?

- The draft policy aims to ensure that slum dwellers are treated fairly and humanely when they are resettled from objectionable poramboke lands.
- The policy states that it is applicable to encroachment, eviction and displacement undertaken by the departments, statutory authorities and local bodies under various acts and rules.
- The distance from nearest towns or source of employment must be considered to identify land for resettlement.
- Slum dwellers must be accommodated only in areas from where it won't take more than half an hour to reach the nearest urban areas by bus or train.
- The policy mandated the formation of “**Resettlement Committees**” for each resettlement scheme with representation of women, Scheduled Castes, and Scheduled Tribes and voluntary organisations apart from officials from different departments.
- It also mandated the constitution of **State-level and District-level Habitat Development Committees** for inter-departmental coordination, creating basic amenities, delivery of welfare schemes, and redress grievances.
- Lands affected by industrial pollution, environmental degradation, and lands that fell under buffer zones of ecologically sensitive zones must be avoided as resettlement locations.
- It provides for an entitlement matrix which includes subsistence allowance, shifting allowance, employment assistance, availability of public facilities like anganwadis, community halls etc.
- The policy also focussed on capacity building to sensitise officials on the issues involved in the resettlement and conduct of social audit after two years of resettlement.

Why the approach of the policy is considered narrow?

- The policy is premature and is not anchored in a comprehensive housing and habitat policy that defines a framework for affordable housing, slum clearance, and land use.
- The policy restricts its scope to managing procedures for eviction and resettlement and lacks a clear vision of integration and inclusion of vulnerable communities into the mainstream.
- Since a large proportion of urban land across Indian cities lack legal title, the policy builds on a foundation of widespread vulnerability to eviction without recourse.

- The poorly serviced colonies on the peripheries of cities are highlighted in places such as Bawana (New Delhi), Vatwa (Ahmedabad), and Mahul (Mumbai), etc.
- Broken livelihoods, alcohol and substance abuse, criminalisation of youth, and safety threats to women and girls are also endemic to these sites.
- Many residents sell or rent out their allotments and return to informal settlements in the city.
- Regarding the travel time, the nearest urban area could be a small town and a resettlement colony sited a 30-minute bus ride from a small town can effectively ruralise urban workers.
- High drop-out rates of women from the labour force and children from schools have been the norm in these colonies.

What is the history of inclusionary models of slum clearance in Tamil Nadu?

- Tamil Nadu historically led the country in providing large-scale low-income housing through land acquisition or by regularising and upgrading informal settlements.
- The projects of 1980s produced around 57,000 plots in Chennai which are scaleable, cost-effective, and successful in facilitating socio-economic mobility of the residents over long term.
- The projects built mixed-class and mixed-use neighbourhoods by providing plots of varying sizes for different income groups on State-acquired land, and incorporating industrial and commercial spaces within the sites.
- These schemes vastly expanded the supply of affordable housing over time with minimal outlay by the State as families were allowed to design, build, and incrementally expand their homes.
- Despite their peripheral location, they were built near existing developments where trunk infrastructure such as roads, water supply and public transport was already available.

How can a holistic policy be achieved?

- **Minimal disruption** - A resettlement policy dealing with the city's most vulnerable populations must be visionary, proactive, far-sighted and should ensure minimal disruption of the ecologies of survival and mobility.
- Delhi's slum rehabilitation policy recognises this by defining *in situ* rehabilitation as its principle strategy and relocation is envisaged only in rare cases.
- **Land rights** - Odisha's award-winning slum rehabilitation project which aims to transform urban economies and futures by giving land rights to slum dwellers can be looked upon.
- **Real commitments to integration** - A clear provision of the maximum distance from the previous residence will be better.
- The Delhi policy, for instance, specifies that the alternate accommodation will be provided within a radius of 5 km.
- **Adequate amenities** - A sensitive policy would build measures to ensure the adequacy, quality and timeliness of amenities in resettlement sites.
- Transport facilities must comprise adequate, reliable and affordable arrangements before resettlement to ensure that workers seamlessly maintain their links to their workplaces.
- **Beyond skill development** - Livelihood support cannot simply mean skill development training which almost surely will not translate into employment for an over-40-year-old vendor from the city.
- An effective policy must engage seriously with the complex problems that render these settlements unsafe for women, children and youth.

2.4 The Need to Move away from Clientelism

What is the issue?

The poor perceive the state as an arbitrator of their well-being but today's political parties resort to unsolicited freebies to attract them.

What is clientelism?

- Clientelism is a political or social system based on the relation of client to patron with the client giving political support to a patron (as in the form of votes) in exchange for some special privilege or benefit (freebies).
- It is a populist measure that differs from welfarism.

- Welfare initiatives include Targeted PDS, providing social security, quality education, fair employment, affordable healthcare, decent housing, protection from exploitation and violence, etc.
- Freebies, on the other hand, create limited private benefit for the receiver and do not contribute towards strengthening public goods/facilities.

How did the freebie culture originate?

- The origin of freebie culture in India can be traced to the Tamilnadu politics.
- They have a key place in our Indian election manifesto
- Kanyashree for girls, Krishak Bandhu for farmers, free washing machines, phones, laptops, grinders, bicycles and free transportations are instances where freebies are showered on voters before the polls.

How are freebies supported by the political parties?

- The freebie culture started with some outlines such as it would help to enhance the capacity of poor people, to reduce the poverty and to empower the target beneficiaries.
- Political leaders have justified freebies citing social justice as it aids those at the bottom of the pyramid.
- Parties argue that Rs.1 per kg rice, free gas stoves, maternity assistance of Rs.1,000 for all poor women for six months have helped human development indices at the cost of economic growth.
- Certain assistances like community canteens employ thousands of women contributing to women empowerment.

What are the criticisms of freebies?

- Freebies question the state's financial status contributing to huge fiscal debt.
- The role of freebies to avail good governance is questionable. For example, distributing laptops does not serve the purpose of increasing the quality of education.
- The social, political and economic consequences of freebies are very short-lived in nature.
- Freebies are not the sustainable solutions. For instance, free electricity, free water, farm loan waivers, etc. have not contributed to increased productivity.
- Freebies culture paves way to corrupt practice because of the involvement of middle man.
- Freebies violate the constitutional mandate of extending benefits for public purpose and instead create private benefits.
- Providing freebies is to treat people like subjects, whereas citizens are entitled to constitutional guarantees.

What was the judiciary's view on the freebie culture?

- The Supreme Court gave a ruling in favour of offering of freebies stating that freebies are not corrupt practice as it is mentioned in election manifesto.
- In *S. Subramaniam Balaji v. Govt. of Tamil Nadu* (2013), the court said that "Although, promises in the election manifesto cannot be construed as 'corrupt practice' under Section 123 of Representation of People Act, the distribution of freebies influences the people shaking the root of free and fair elections."
- In 2021, The Madras High Court expressed its strong displeasure over the way in which political parties were competing with each other to garner votes by offering freebies.

2.5 MGNREGA Tracker Report

Why in news?

A report tracking the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was recently brought by the People's Action for Employment Guarantee (or PAEG) and LibTech India.

What is the rationale behind MGNREGA?

- The MGNREGA was enacted in 2005 by the Congress-led UPA government.
- Farming was proving to be increasingly unremunerative even as cities failed to create adequate job opportunities.
- Thus, MGNREGA was a response to the deep economic distress that existed in rural India.

- It provided 100 days of “guaranteed” employment in a year to any rural household (or family) at minimum wages.
- It was believed that fast economic growth will eventually reduce poverty and bring prosperity.
- Alongside the employment, safety net in the form such as subsidised food grains under NFSA were ensured to make the growth process more “inclusive” than before.

Why is tracking NREGA significant?

- MGNREGA’s performance is possibly the most important proxy for the health of the informal economy (80-90% of all employment in India).
- If the Indian economy is booming and creating new jobs, one should expect less demand for jobs under the MGNREGA.
- Conversely, if the economy is struggling, MGNREGA would see exalted levels of activity.
- Be it the aftermath of demonetisation or the Covid-induced disruption, MGNREGA and NFSA continue to play crucial roles.

Counter-arguments

- MGNREGA payouts are making Indians lazy and taking away the incentive to migrate and work hard.
- It is also raising the cost of doing business for business firms.

What are the key findings of the latest MGNREGA ‘tracker’?

Inadequate Allocation

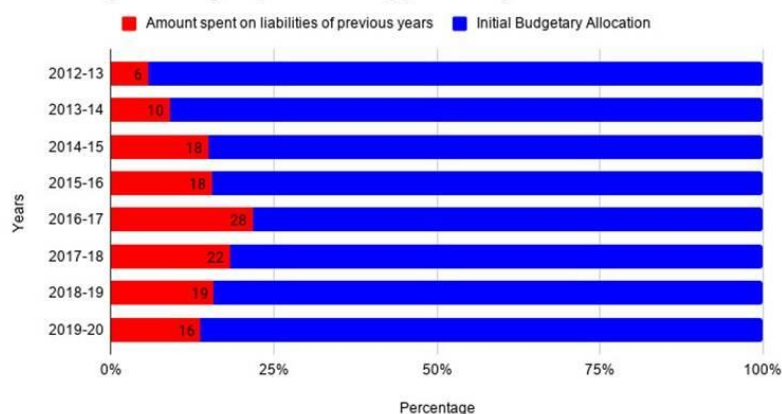
- The total budget allocation for MGNREGA for the current financial year (2021-2022) was 34% less than the revised budget of 2020-2021 financial year. Click [here](#) to know more.
- As of September 2021 end, the government had already spent 90% of its MGNREGA budget.
- Many states such as West Bengal, Andhra Pradesh, and Tamil Nadu have a negative net balance of funds remaining.
- There is little clarity on how MGNREGA budgets are decided.

Arrears and delayed payments

- The inadequate budget allocation being an annual occurrence, each year’s Budget allocation also has to contend with the previous year’s arrears or unpaid dues.
- E.g., In the current year, of the total allocation of Rs 73,000 crore, over Rs 17,000 crore will be used just to pay off last year’s arrears.

Percentage of budget spent clearing previous years liabilities

express explained



Under MGNREGA, work should be provided within 15 days of demanding work failing which the workers are entitled to an unemployment allowance.

Workers should be paid within 15 days of completion of work, failing which they are entitled to compensation for the delays.

The wages due to the worker must be transferred immediately failing which the prescribed compensation would have to be paid.

As per the Act, all the labour wages are to be paid by the central government.

Demand suppression

- Being a “demand-driven” scheme, if there is greater demand, a higher allocation can be made in time.
- But, on the ground, the initial allocation is of critical importance; if it is low, it delays payments and eventually suppresses demand.
- The inadequate allocation thus has a detrimental impact on people asking for a job, because people seeking MGNREGA work cannot afford to not be paid for so long.

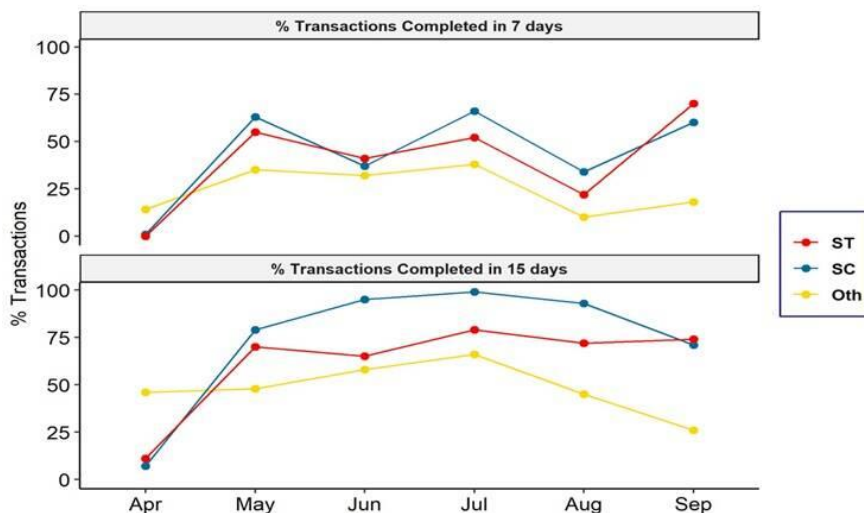
- Low budgets discourage the officials from even registering all the demand for jobs.
- Reportedly, the scale of such unmet demand is around 33%.

Caste-based payment delays

- A March 2021 central government circular asked the state governments to send three bills, officially called Funds Transfer Orders (FTOs), instead of just one for MGNREGA payments.
- So, instead of a single FTO, states are to give 3 FTOs - one each for MGNREGA workers belonging to Scheduled Castes, Scheduled Tribes and "Other" categories.
- The recent study has found that after the Caste-based circular, workers belonging to the "others" categories (over 87% of all MGNREGA workers) ended up facing much longer delays in payments.
- Jharkhand, Odisha, and Madhya Pradesh saw a particularly poor record of payments for non-SC, non-ST workers.
- The caste-based wage payments go against the universal nature of the programme, lead to more bureaucratic work at the lower levels and delays.
- Over time, such differences may discourage non-SC, non-ST workers from demanding work at the MGNREGA work sites and may lead to other social discrepancies.

Delays by Caste over Time

EXPRESS explained.



What lies ahead?

- The NREGA can play a critical role in reviving rural mass consumption that is much needed for the economic recovery, given its multiplier effects.
- The tracker report underlines the importance for the Indian government to redouble its efforts towards MGNREGA and NFSA.

2.6 MGNREGA Fund Crunch

Why in news?

The Centre's flagship employment scheme, the MGNREGA, has run out of funds halfway through the financial year 2021-22.

What is the MGNREGA's present financial state?

- The MGNREGA is a demand-driven scheme, guaranteeing 100 days of unskilled work to any rural household that wants it.
- The scheme currently (October 2021-end) shows a negative net balance of ₹8,686 crore.
- During 2020 COVID-19 lockdown, the scheme was given its highest budget of ₹1.11 lakh crore and provided a critical lifeline for a record 11 crore workers.
- However, the scheme's 2021-22 budget was set at just ₹73,000 crore.
- This amounted only to 2.1% of the Budget expenditure, the lowest outlay in those terms in the last 6 years.
- The Centre assured that supplementary budgetary allocations would be available if money ran out.
- As on October 2021 end, the total expenditure including payments due had already reached ₹79,810 crore, pushing the scheme into the red.
- Already, 21 States show a negative net balance with Andhra Pradesh, Tamil Nadu and West Bengal faring the worst.

- The negative balance means that the payments for MGNREGA workers as well as material costs will be delayed, unless States provide temporary funds out of their own kitty.

What is the contention in this regard?

- **Centre's stance** - Centre is accusing many States of “artificially creating demand” for work on the ground.
- The nature of the scheme is that once people turn up and demand jobs, the demand is provided.
- But the States are using it not as a demand-driven scheme, but as a supply-led scheme.
- **Ground reality** - Activists say the exact opposite is happening on the ground.
- MGNREGA data shows that 13% of households who demanded work under the scheme were not provided work.
- Even these are underestimates, as many workers are simply turned away by officials when they demand work, without their demand being registered at all.
- The Centre is condemning workers to “forced labour” by delaying wage payments at a time of economic distress.
- And now, when there is no money, State governments tend to stop generating work, thereby artificially squeezing demand.
- Delays in wage payments could also result in a decline in rural consumption, which plays a vital role in stimulating the economy.

How significant is the MGNREGS?

- An effective substitute in the absence of crop and weather insurance in aiding poor farm households; provides wages during agrarian crises.
- An avenue for rural employment during the economic crisis induced by the pandemic and a life-saver for the poor, especially migrant labourers.
- Helps improve rural infrastructure and rural development in the long-term.
- By October 2021-end, Kerala, Tamil Nadu, AP and HP had utilised more than 130% of their respective allocations for the scheme. This indicates the extent to which rural workers depend on the scheme even in relatively better-off States.

What should be done?

- The Union Government must ensure that the allocation for the scheme is adequate.
- This is crucial for wage payments to be done and for demand to be met in the remaining months of this financial year.

2.7 Global Hunger Index (GHI) - India's Position

What is the issue?

India's low rank on the Global Hunger Index (GHI) calls for a relook and revision of the policies and interventions made in this regard.

What is the GHI?

- The GHI has been brought out every year by Welthungerhilfe (lately in partnerships with Concern Worldwide) since 2000.
- A low score gives a country a higher ranking which implies a better performance (low hunger).
- The reason for mapping hunger is to ensure that the world achieves “Zero Hunger by 2030” - a Sustainable Development Goal of the UN.
- This is why GHI is not calculated for certain high-income countries.

Where does Indian stand in the GHI 2021?

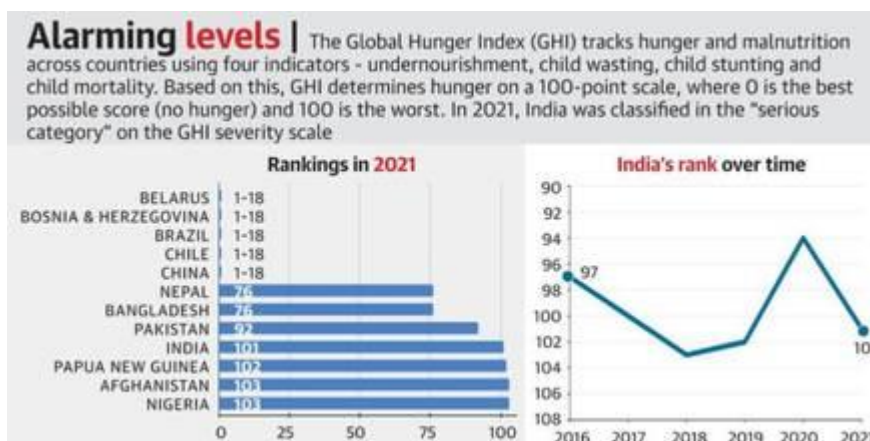
- India ranks 101 out of 116 countries for which reliable and comparable data exist.
- India is also far below some of its neighbouring countries. Pakistan was placed at rank 92, Nepal and Bangladesh both at 76.
- Barring 2020's rank of 94 out of 107 countries, India's rank has been between 100 and 103 since 2017.
- This year's slide in the rank assumes significance especially in the context of COVID-19.

- The Indian government has questioned the methodology and claimed that the ranking did not represent the ground reality.

How is the GHI arrived at?

Four components

- Undernourishment** - Share of the population that is undernourished i.e., whose caloric intake is insufficient
- Child wasting** - Share of children under the age of 5 who are wasted (low weight for their height), reflecting acute under-nutrition
- Child stunting** - Share of children under the age of 5 who are stunted (low height for their age), reflecting chronic under-nutrition
- Child mortality** - Mortality rate of children under the age of 5 (partly, a reflection of mix of inadequate nutrition and unhealthy environments)



Sources of data

- Deficiency in calorie intake (33% weight) - Food and Agriculture Organization's Suite of Food Security Indicators (2021).
- Child wasting and stunting (2016-2020) (each accounting for 16.6% of weight) - WHO, UNICEF and World Bank, complemented with the latest data from the Demographic and Health Surveys.
- Child mortality data are for 2019 from the UN Inter-Agency Group for Child Mortality Estimation.

What are the inadequacies?

- Using a uniform calorie norm to arrive at deficiency prevalence for a diverse country as India fails to recognise the regional imbalances.
- There is higher emphasis on undernutrition than on hunger and its hidden forms, including micronutrient deficiencies.
- Recent analysis establishes that 'physical disease environment' at the State level also significantly influences the calorie intake.
- So, the lower calorie intake may also stem from reduced physical activity, better social infrastructure and access to energy-saving appliances, among others and not necessarily mean only deficiency.
- Most in Kerala and Tamil Nadu may get counted as calorie deficient despite them being better in nutritional outcome indicators.
- Conversely, there are States that have a higher average level of calorie intake, such as Bihar and Uttar Pradesh.
- But, their needs may even be higher than the earmarked level of required calories for India as a whole.
- Because these States have high prevalence of communicable diseases and low level of mechanisation in the economy.
- So, it is likely that the existing methodology might underestimate the prevalence of calorie deficiency in these States.
- All this raises questions on the appropriateness of the calorie component of the index.

How about wasting and stunting?

- India's wasting prevalence (17.3%) is one among the highest in the world.
- Child stunting in India declined from 54.2% in 1998-2002 to 34.7% in 2016-2020.
- But child wasting remains around 17% throughout the two decades of the 21st century.
- Child wasting is an acute, short-term measure. It can manifest as a result of an immediate lack of nutritional intake and sudden exposure to an infectious atmosphere.
- Possibly, several episodes of wasting without much time to recoup can translate into stunting.

- But, more focus was given to stunting, both in research and policy, as it is a chronic, long-term measure of undernutrition and is a stable indicator.
- However, addressing the episodes of wasting is crucial and it should guide the relative emphasis of policy attention.

What is the picture with child mortality?

- Generally, child undernutrition plays an important facilitating role in child mortality.
- But despite under-nutrition, with the availability of and access to better health facilities, India has kept the mortality rates lower.
- India's child mortality rate has been lower compared to Sub-Saharan African countries despite it having higher levels of stunting.

What is to be done?

- Addressing wasting is inevitable to addressing stunting.
- To this, India should adopt a regional approach by effectively monitoring regions that are more vulnerable to socioeconomic and environmental crises.
- The ranking should guide the policy focus and interventions, especially against the pandemic-induced nutrition insecurity.

2.8 Global Hunger Index & India

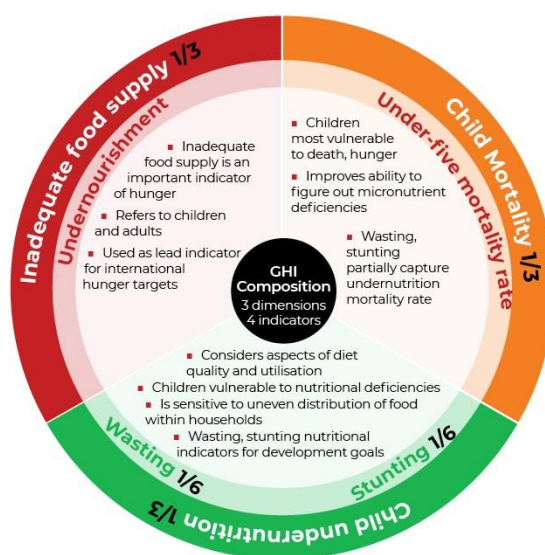
What is the issue?

- The Global Hunger Index (GHI) has ranked India at 101 out of 116 countries in the category of having a 'serious' hunger situation.
- The Government has objected to the methodology of the Global Hunger Index stating that it is not based on facts.

How are GHI rankings calculated?

- The GHI is a tool that measures and tracks hunger globally as well as by country and is prepared by European NGOs of Concern Worldwide and Welthungerhilfe.
- GHI rankings are based on Hunger Index Scores, which are a weighted normalised average of four indicators.
 1. Percentage of undernourished in the population - PoU
 2. Percentage of children under five years who suffer from wasting – CWA (low weight-for-height)
 3. Percentage of children under five years who suffer from stunting – CST (low height-for-age)
 4. Percentage of children who die before the age of five – CM (child mortality)
- The respective thresholds for PoU, CWA, CST and CM are 80, 30, 70 and 35, respectively.
- The standardized scores take a value from zero to 100, where zero is the lowest level of a given measure of undernourishment and 100 the highest.
- The aggregate GHI score is a weighted average of the four indicators where PoU and CM have a weight of one-third and CWA and CST have a weight of one-sixth each.
- Looking at each of these indicators separately, India shows a worsening in PoU and CWA in comparison with 2012.

Composition of Global Hunger Index



Why has the Indian government objected the methodology?

- The assessment has been made based on the results of an opinion poll which was conducted telephonically by Gallup and not based on facts.
- All the data used are from official data sources of respective national governments.

- In the absence of food consumption data in most countries, this indicator is estimated based on a modelling exercise using available data and therefore subjected to some margin of error.
- Most of the criticism of the FAO's PoU data has been about how it underestimates hunger.

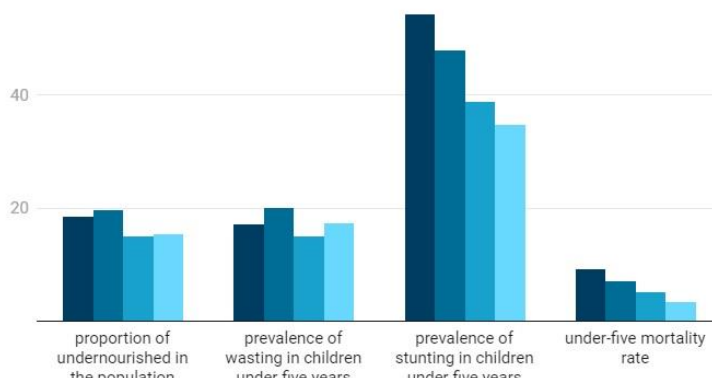
What do the national reports say on India's status of hunger?

- The partial result of the National Family Health Survey-5 (2019-20) shows that stunting and wasting indicators have stagnated or declined for most States.
- The leaked report of the consumption expenditure survey (2017-18) showed that rural consumption had fallen between 2012-18.
- All these data are for the period before the COVID-19 pandemic.
- Many of the surveys find that over 60% of the respondents are eating less than before the national lockdown in 2020.
- Disruption of services such as Integrated Child Development Scheme (ICDS) and school mid-day meals would further slowdown in improvement in malnutrition.

Trends in components of India's Global Hunger Index Score

all figures are in percent

2000-02 2005-07 2011-13 2018-20



Source: Global Hunger Index, 2021 • Get the data • Created with Datawrapper

What aggravated the situation of hunger?

- Provision of additional free foodgrains through the Public Distribution System (PDS) is the only substantial measure taken.
- And even this leaves out about 40% of the population and includes only cereals.
- Higher food Inflation, especially edible oils is also affecting people's ability to afford healthy diets.
- Budget 2021 saw cuts in real terms for schemes such as the ICDS and the mid-day meal.
- The distant dream of diverse nutritious diets for all Indians has to be met.
- Focus has to be on the big states, where both the population of children and prevalence of undernutrition among them is big.

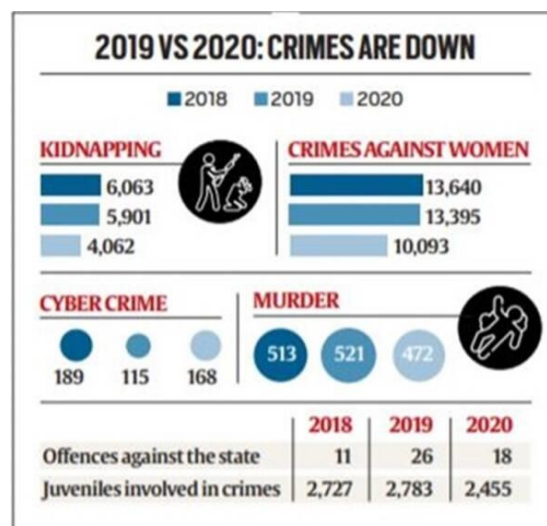
2.9 Crime in India Report

What is the issue?

The annual report, 'Crime in India' was released by NCRB to provide insights on the patterns of crimes that were registered in 2020.

What does the report say?

- **Crime rate** - States/UTs such as Tamil Nadu (1808.8), Kerala (1568.4) and Delhi (1309.6) recorded the highest crime rate (crimes per one lakh people) overall.
- **Crime against women** - There was an 8.3% decline and out of the total registered cases, 30.2% were of the category "cruelty by husband or his relatives".
- **Crime against Children**- A decline of 13.2% has been reported in cases registered for committing crimes against children.
- **Crime against SCs and STs** - An increase of 9.4% and 9.3% respectively have been reported in 2020.
- **Economic offences** - There was a reduction in the registered number of economic offences (by 12% since 2019) but cybercrimes recorded an increase of 11.8%.



- **Sedition** - Cases related to sedition declined from 93 in 2019 to 73 last year having Manipur and Assam with leading cases.
- **Communal riots** - communal riots registered an increase of 96% in 2020 over the previous year and caste riots saw an increase of close to 50%.
- **Violent crimes** - violent crimes decreased by 0.5% but murder has registered a marginal increase of 1%.
- **Offences against the State** – It include cases related to sedition, waging war against the nation, provisions of Unlawful Activities Prevention Act (UAPA), Official Secrets Act and Damage to Public Property Act.
- 2020 saw a 27% drop in cases over 2019 related to offences against the state.
- **Agrarian riots** - It saw a 38% increase over 2019 due to unprecedented protests against the three farm laws passed by the Centre.

A JUMP IN NUMBERS

OFFENCES	2019	2020	% increase
Communal riots	438	857	96%
Caste riots	492	736	50%
Agrarian riots	1,579	2,188	38%
Andolan/Morcha riots	1,442	1,905	33%
Promoting Enmity Between Groups	1,058	1,804	70%
TOTAL RIOTS (including other causes)	45,985	51,606	12%

Offences Against The State decreased by 27%, but UP only major state where they increased
Source: NCRB

What is the impact of pandemic on the pattern of crimes?

- The year 2020 saw prolonged lockdowns which coincided with a high number of complaints of domestic violence.
- The lockdown also led to an overall fall in crime related to theft, burglary and dacoity.
- The COVID-19 related disruption led to a greater registration of cases due to disobedience to government order and violations of other State local laws.
- As lockdown has led to increase in digital transactions, cybercrimes also saw a rise.

2.10 SBM-U 2.0 and AMRUT 2.0

Why in news?

Prime Minister has announced the second phase of Swachh Bharat Mission-Urban (SBM-U) and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with a fresh promise to make India's cities clean.

What is the state of affairs of Municipal Solid Waste (MSW) in India?

- Urban India alone generates nearly 0.15 million tonnes per day of MSW, with per capita generation ranging between 0.30–0.45 kg per day.
- Of the 62 million tonnes of waste generated annually in India only 68 per cent is collected, of which only 28 per cent is treated by municipal corporations.
- Lower recycling in India is attributed to reasons such as lack of social awareness, socio-political hindrances, inefficient segregation and lack of appropriate infrastructure and technology.
- The informal sector is often not officially approved or recognised besides the fact that they potentially contribute to waste recycling practices of cities.

What is the second phase of scheme about?

- SBM-U 2.0 aims to make Indian cities **garbage free** and all urban local bodies (ULBs) **open defecation free**.
- It will focus on source segregation of solid waste, utilising the principles of 3Rs (reduce, reuse, recycle), scientific processing of municipal solid waste and remediation of legacy dumpsites.
- The scheme has an outlay of Rs. 1.41 lakh crore.
- It focuses to transition to a **circular economy** that treats solid and liquid waste as a resource.
- It also aims 100% tap water supply in about 4,700 urban local bodies and sewerage and septage in 500 AMRUT cities.



What are the concerns of the scheme?

- The current model of issuing mega contracts to big corporations has left segregation of waste at source a non-starter.
- In the absence of a scaling up of operations which can provide large-scale employment, SBM-U 2.0 cannot keep pace with the tide of waste in a growing economy.
- On sanitation, many of the toilets are without water and are unusable.

How to address these concerns?

- State and municipal governments, which do the heavy lifting on waste and sanitation issues, should work to increase **community ownership** of the system.
- The high ambition of achieving 100% tap water supply in 500 AMRUT cities depends crucially on making good public rental housing accessible to millions of people.

3. BILLS, ACTS AND POLICIES

3.1 Khasi Inheritance of Property Bill, 2021

What is the issue?

- A district autonomous council in Meghalaya recently announced that it would introduce the 'Khasi Inheritance of Property Bill, 2021.
- The Bill has brought into focus the practice of matriliney in Meghalaya.

What does matriliney in Meghalaya entail?

- The three tribes of Meghalaya - Khasis, Jaintias, and Garos - practise a matrilineal system of inheritance.
- Lineage and descent are traced through the mother's clan.
- Children take the mother's surname.
- The husband moves into his wife's house.
- The youngest daughter (khatduh) of the family is bequeathed the full share of the ancestral (or the clan's) property.
- The khatduh becomes the "custodian" of the land and assumes all responsibility associated with the land.

Property

- The khatduh cannot sell the property, without permission of her mother's brother (maternal uncle) - since he technically belongs to the mother's clan, through which descent is traced.
- This inheritance tradition applies only to ancestral or clan/community property, which has been with the family for years.
- The self-acquired property can be distributed equally among siblings.

- In this traditional set-up, if a couple does not have any daughters, then the property goes to the wife's elder sister, and her daughters.
- If the wife does not have sisters, then the clan usually takes over the property.

Does matriliney really empower women?

- [Matrilineal is not to be confused with matriarchal, where women function as heads.]
- The matrilineal system in Meghalaya rarely empowers women.
- The custodianship is often misconstrued as ownership vested in just one person, the khatduh.
- But this custodianship comes with the responsibility to care for aged parents, unmarried or destitute siblings and other clan members.
- Also, the custodian cannot buy or sell the land, without taking permission from her maternal uncle.
- While women may have freedom of mobility and easier access to education, they are not decision makers in Meghalaya.
- There are barely any women in positions of power, in politics, or heading institutions.
- The Dorbar Shnong (traditional Khasi village governing bodies) debar women from contesting elections.

What are the implications of the system?

- The system "disinherits" men, and denies equitable property distribution between all children in the family.
- Many times, boys are not able to take loans because there is no collateral to show.
- When a couple has no children, and there is no genuine heir, the clan takes over the property, as per custom.
- It leads to a number of litigations by children against their parents.
- Only about 35-38% of women own property in the state; because most of the property is clan property or community property.

What does the Bill envisage?

- "Equitable distribution" of parental property among siblings in the Khasi community - both male and female.
- Let parents decide who they want to will their property to.
- Prevent a sibling from getting parental property if they marry a non-Khasi and accept the spouse's customs and culture.
- If implemented, this would modify an age-old customary practice of inheritance of the matrilineal Khasi tribe.

How likely is the Bill to be passed?

- The Bill is yet to be introduced in the Khasi Hills Autonomous District Council (KHADC).
- Passing it into a legislation is a long-drawn process and may draw opposition.
- Since KHADC is a body under the Sixth Schedule of the Constitution, it does not have the power to legislate.
- Paragraph 12 A of the Sixth Schedule gives the final right of passing a law to the state legislature.
- Also, while some groups have been campaigning for such a legislation, they do not quite agree with the manner the KHADC has introduced the Bill.
- That 70% of Khasi families are property-less needs to be acknowledged when discussing property rights and this Bill.

3.2 The Electricity (Amendment) Bill, 2020

What is the issue?

With increasing problems in India's energy sector, the Electricity (Amendment) Bill, 2020 aims to drive the long pending reforms in the power sector.

What are the problems in the power sector?

- Weak distribution sector with aggregate technical and commercial losses (AT&C) hovering around 20%
- Inefficiency of Regulatory Commissions in many states

- Expensive long-term power purchase agreements
- Poor infrastructure
- Leakages
- Weaknesses in State-level tariff policies

What is the Electricity (Amendment) Bill, 2020 about and how will it address the problems?

- The bill is an amendment to the earlier 2003 version of the Act that aims to transform the power sector.
- **Delicensing the power distribution** - It aims to de-license power distribution and increase competition, thereby unleashing next-generation power sector reforms in India.
- It will provide the consumers with an option of choosing the service provider and to switch their power supplier.
- **Dismantling state monopoly** - Union Finance Minister has proposed to open up the distribution sector to end the monopoly of state-run distribution companies.
- **Tariffs** - Cost reflective tariffs are to be provided that will facilitate reduction in cross subsidies.
- Electrical energy should be covered under GST, with a lower rate of GST, as this will make it possible for power generator/transmission/distribution utilities to get a refund of input credit, which in turn will reduce the cost of power.
- **Technological upgrades** - Smart metering and infrastructure advancements will reduce the huge AT&C losses the industry is currently suffering from.
- **DBT of power subsidies** - Introduction of DBT of power subsidies will ensure greater transparency and accountability and ensure that the subsidy reaches people who are entitled to it.
- **Promotion of indigenisation** - The reduction in power costs through higher indigenisation will give a boost to the government's Aatmanirbhar Bharat campaign.
- **Strengthening the regulatory regime** - Appointing a member with a legal background in every electricity regulatory commission and strengthening the Appellate Tribunal for Electricity will ensure faster resolution of long-pending issues.
- **Renewable Energy** - The bill encourages roof-top solar plants and imposes penalty for not meeting renewable energy purchase obligations thus stressing the importance of green energy adoption in mitigating climate change.
- **Enforcement Authority** - Creation of an Electricity Contract Enforcement Authority ensures the supervision of the fulfillment of contractual obligations.
- The Electricity (Amendment) Bill will be a game-changer and its early passage is critical to unleash a path-breaking reform for bringing efficiency and profitability to the distribution sector.

4. INDIA AND ITS NEIGHBOURHOOD

4.1 Engaging the Taliban: The Moscow Format

What is the issue?

Indian delegation and Taliban officials will come face-to-face for the first time at the Moscow Format meeting in Russia.

What is the Moscow Format?

- The Moscow format was introduced in 2017 on the basis of the six-party mechanism for consultations between special representatives from Russia, Afghanistan, China, Pakistan, Iran and India.
- The present meeting includes a group of 10 nations including India, China, Pakistan, Iran and the Central Asian republics with Taliban officials.
- Russia had previously convened a new meeting of the '**Extended Troika**' on Afghanistan which included Russia, the United States, China and Pakistan. The U.S. pulled out of the last meeting.

Why is the meeting significant for India?

- The meeting is significant because of the recognition of new reality in Afghanistan.

- India had previously established contacts with the Taliban's political office in Doha, Qatar.
- But this is the first time India met a top Taliban delegation, which included Deputy Prime Minister Abdul Salam Hanafi.
- Over the 20 years, India has been one of the largest regional donors to the country investing billions of dollars which it wants to be protected.
- Taliban has acknowledged that they will not allow Afghan soil to be used by any terrorist organisation and this is crucial for India regarding anti-India terrorist groups such as LeT and the JeM.
- Taliban, if isolated, may serve the interests of Pakistan and hence India's engagement is a necessary.

To know more about Taliban takeover of Afghanistan, click [here](#)

What was the agenda of the meeting?

- Terrorism
- Humanitarian assistance to Afghans
- Inclusive government
- However, the matter of recognising the outfit as the legitimate government in Afghanistan is not on the current agenda.

What is the need of the hour?

- **In this current situation of a near collapse economy in Afghanistan, India must pursue more through regional diplomacy than bilateral engagement.**
- The Taliban should be urged to open up their government and share power with other political and ethnic communities.
- The Taliban needs to respect the fundamental rights of Afghans.
- Countries must stress the Taliban to form an inclusive government and ensure that their territory is not being used by terrorist groups.
- While India and other regional countries should help Afghans during this period of economic miseries, they should also use their collective economic and political clout to mount pressure on the Taliban to make political concessions.

4.2 Delhi Regional Security Dialogue: NSAs' Agenda on Afghanistan

Why in news?

India is hosting the Delhi Regional Security Dialogue that will explore firming up a common approach for dealing with the changed realities in Afghanistan.

What is the meeting about?

- The idea of such as dialogue was first mooted in 2018, when the US decided to withdraw troops from Afghanistan.
- The first and second meetings were hosted by Iran in 2018 and 2019 to shore up multilateral cooperation on security among the key players in the global 'East'.
- The current meeting will be chaired by India's National security Adviser (NSA) Ajit Doval.
- Invitations were sent to Afghanistan's neighbours such as Pakistan, Iran, Tajikistan, and Uzbekistan, and other key players including Russia, and China.
- But Pakistan has announced that it would not attend the meeting while China has cited scheduling issues to convey that it will not participate.

Why is this meeting significant?

- The meeting that is being hosted by the National Security Council Secretariat would be the first time that all Central Asian countries, would be participating in this format.
- With security concerns pertaining to Afghanistan weighing heavily on New Delhi's mind, it is important to discuss on the Afghanistan's current situation and the future outlook.

- Since stability in Afghanistan is essential for a balanced regional approach, the discussions on Afghanistan is a necessity.
- India is hosting this regional summit as it regards itself as a neighbour of Afghanistan, given its legal and Parliament-mandated claim on Pakistan-occupied Kashmir.
- It is different from other processes on Afghanistan such as the **Heart of Asia process or the Moscow format** as it is among the heads of the security establishments in these countries.

The Heart of Asia-Istanbul Process (HoA-IP) ministerial conference is part of the Istanbul Process (2011) - a regional initiative on security and cooperation for a stable and peaceful Afghanistan that was launched in Turkey. The Moscow Format was established in 2017 as a six-party mechanism involving Russia, Afghanistan, India, Iran, China and Pakistan which later expanded with the inclusion of more countries.

What is the agenda of this meeting?

- The Eurasian allies will explore in finding a common approach for cooperation against increasing threats of terrorism, radicalization and drug trafficking following the Taliban's takeover of Kabul.
- The meeting is in the direction of calling for a unified international response to address the security and humanitarian challenges facing Afghanistan.
- It is expected to deliberate on cross-border movement of people from Afghanistan as well as the threat emerging from the military equipment and weapons left behind by the US forces in that country.
- Issues relating to humanitarian aid will definitely be a part of the discussions.

What are the challenges on the table?

- **Challenges for New Delhi**
 - Terrorism within Afghanistan and its spilling beyond its borders
 - Radicalisation and extremism in the population in Afghanistan, and in each of these countries
 - Cross-border movement of people, including ordinary Afghans and Taliban fighters
 - Drug production and trafficking
 - Vast amount of weapons and equipment left behind by the US and its allies in Afghanistan
- **Absence of Pakistan** - New Delhi notes that a credibility gap exists between Pakistan's intentions and actions and without its presence in the table would not address this issue.
- **Absence of China** - Although China had attended both previous meetings, its absence now sends out a signal that it doesn't want to associate with any process led by India.
- **Taliban not invited** - India chose not to invite the Taliban, since none of the participating countries have so far officially recognised the Taliban regime yet.
- **Security interests** - The challenge for India is to protect its national interests and security interests and to frame an approach to deal with an uncertain present and future in Afghanistan.

What are the expected outcomes of this meeting?

- India feels that the high-level participation at the meeting reflects the widespread concern of regional countries about the situation in Afghanistan and their desire to coordinate with each other.
- India wants Afghanistan not to allow itself as a safe haven for terror, an inclusive administration and to protect the rights of minorities, women and children.
- New Delhi is hoping to emerge as the location for future dialogue processes with the expansion of the grouping by including other influential players such as the US.
- It is anticipated that this might enhance the pressure on the Afghan government to adhere to basic global norms of respect for human beings whether they be minorities or women.

4.3 Aiding Afghans

What is the issue?

The Prime Minister has called for the international community to provide Afghanistan with immediate and unhindered access to humanitarian assistance.

What is the current crisis in Afghanistan?

- In Afghanistan, banks are running out of money, civil servants have not been paid and food prices have soared, leaving millions at risk of severe hunger.
- The country is struggling with drought and severe poverty following the decades of war.
- The U.S. has frozen the reserves of Afghanistan making the situation vulnerable.
- The Taliban government's refusal to allow women to work and stopping girls from schooling have complicated the issue.



What does UNHCR report say?

- UNHCR has published a report that states that half the population in Afghanistan (more than 20 million people) are in need of lifesaving humanitarian assistance.
- An estimated 270,000 Afghans have been newly displaced inside the country since January 2021.
- The number of civilian casualties has risen 29 per cent during the first quarter of this year compared to 2020.
- The UN has received only 35% of the funds needed for its relief operations.

How can the situation be eased?

- EU has already committed \$1.15 billion for Afghanistan and neighbouring countries where refugees have fled.
- The U.S. and China pledged \$1.1 billion at a donor conference in Geneva last month.
- G20 leaders have also pledged to help for Afghan humanitarian crisis at special summit.
- Maintaining links with terror groups including those that target India leaves little space for government to increase its engagement or to send aid directly to the new regime.
- Coordinating with the Taliban did not mean recognising their administration and hence India could contribute to international agencies that are working with displaced Afghans.
- The government could also consider liberalising its visa regime for Afghans.
- As a goodwill gesture, India could send food aid, including wheat, grain, fortified biscuits and other packaged food directly to Kabul.
- Regional leader like India have to play a key role in unfolding the humanitarian crisis because not only Afghans but also the rest of the world will pay a heavy price.

4.4 China's New Land Border Law and Indian Concerns

What is the issue?

China passes a new border law for the "protection and exploitation of the country's land border areas" amid a continuing stalemate in negotiations with India.

What is the new law about?

- The law which will take effect on January 1 designates the responsibilities of various agencies in China, from the military to local authorities, in guarding the frontiers.
- It states that the sovereignty and territorial integrity of the People's Republic of China are sacred and inviolable.
- The law asks the state to take measures to safeguard territorial integrity and land boundaries.
- The law says that the Chinese military shall carry out border duties to prevent, stop and combat invasion, encroachment, provocation and other acts.
- It suggests a push to settle civilians in the border areas.

- It also asks the state to follow the principles of equality, mutual trust, and friendly consultation and handle land border related-affairs with neighbouring countries through negotiations.

What is the status of China's land border dispute?

- China shares its 22,457-km land boundary with 14 countries including India, the third longest after the borders with Mongolia and Russia.
- Unlike the Indian border China's borders with these two countries are not disputed.
- The only other country with which China has disputed land borders is Bhutan (477 km).



What does China's action signal India?

- The announcement of new law at this time sends a clear signal to New Delhi that Beijing is in no mood to quickly end the 18-month-long crisis along the LAC.
- India has reacted sharply, telling China that it must not use legislation as a pretext to formalise the PLA's actions to unilaterally alter the LAC.
- The Chinese Foreign Ministry said the law would not affect the implementation of existing agreements.
- It makes the negotiations more difficult and the Chinese are clearly indicating that they will resolve the boundary through use of force.
- China has been building border defence villages across the LAC in all sectors to use the civil population to reinforce their claims.
- The law is the latest signal that the continuing deployments by both sides in forward areas and a build-up of infrastructure is likely to continue over the longer term.

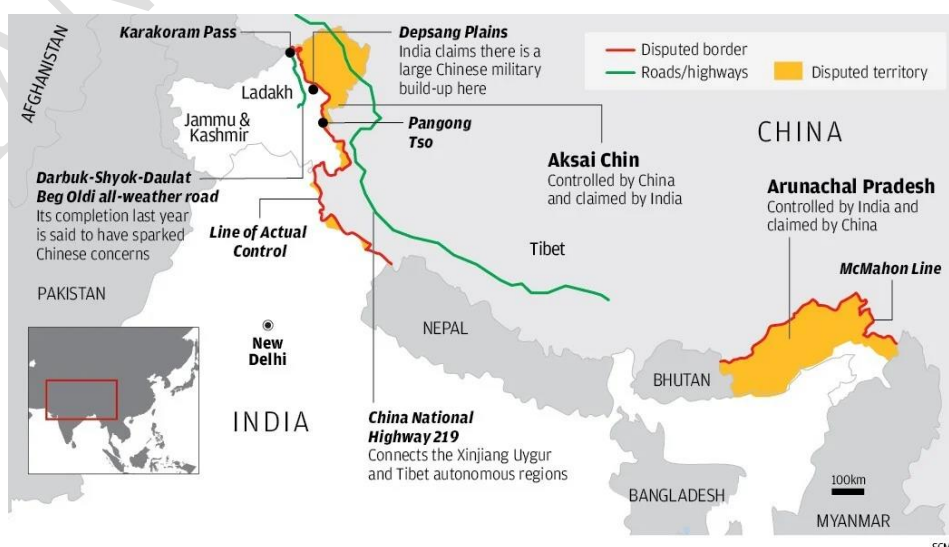
4.5 Squaring off again in the Himalayan Heights: India China Deadlock

What is the issue?

The Indian and Chinese soldiers will remain to be deployed against each other in the icy cold deserts of Ladakh this winter.

What is the reason behind China's aggressive focus on India?

- The PLA incursion into Barahoti, a demilitarised zone in Uttarakhand in August was a significant pointer to the renewed Chinese aggression against India.
- The incursion of Chinese patrols in Arunachal Pradesh have also increased in frequency and duration.
- The major reason for China's aggressiveness is to further the institutional interest as the army of the revolution which is currently losing its pre-eminence in Taiwan and South China Sea.



- PLA's view that the Indian military has been exerting a greater presence on Chinese territory in the border areas in the last 10-12 years is also a reason.
- The Doklam stand-off of 2017, when Indian soldiers walked onto Bhutanese territory claimed by China, was a turning point in the PLA's approach.
- Beijing's unilateral action of changing the status quo resulted in the [Ladakh crisis](#).

What was New Delhi's response to Chinese aggressions?

- The Indian military has inducted more modern military platforms backed by infrastructure construction in the China border.
- The Indian military always maintained a defensive deterrence against the PLA.
- India's advantage in dissuading a major military conflict with China is that as a lesser power, it has to only deny an outright military victory to the PLA.
- Also, India's primacy of Air Force is an added advantage.

What are the challenges?

- **Military modernisation** - The sharp decline in the Indian economy after demonetisation and the coronavirus pandemic made it difficult to generate enough resources for military modernisation.
- The parliamentary standing committee on defence has repeatedly warned about the increasing technological asymmetry with PLA.
- **Divisive majoritarian politics** - India's foreign policy in the neighbourhood is adversely affecting the Indian interests.
- The UAE brokered backchannel deal with Pakistan fell through because of New Delhi's policies in Kashmir.
- The treatment of religious minorities and the issues over the influx of Myanmar refugees in Mizoram has made India-Bangladesh relation weaker.
- Power competition in the Indo-Pacific – Groupings like Quad (India, the United States, Australia, Japan) does not have a 'hard power' agenda yet unlike the trilateral security pact, AUKUS.
- **Executive's shadow** - The lack of institutional checks and balances on the political executive imposes a bigger cost in decision-making on national security issues.
- The removal of an official report about Chinese presence across the LAC from the Defence Ministry's website and non-acknowledgement of Indian soldiers in Chinese captivity after the Galwan clash have been done to evade political accountability.
- Neither the Parliament has been allowed to ask questions nor the parliamentary standing committee deliberated upon the issue.

What is the future ahead?

- The Indian government's aim is to restore the *status quo* on the LAC in Ladakh that existed before May 2020 has not happened so far.
- A new *status quo* has been created which curtails Indian patrolling rights while the PLA remains to be settled in the Indian territories of Depsang, Hot Springs and Demchok.
- India now has no choice but to be prepared for all eventualities on the Sino-India border.

4.6 Ladakh Standoff - India, China talks at an impasse

What is the issue?

Talks between senior military commanders of India and China to find a solution to the 17-month long Ladakh standoff have run into rough weather.

What is the past history of border point issue?

- Until 1960, China used to have a company stationed at Kongka La and Hot Springs which they increased to a regiment in the Hot Springs area by 1962.
- In 1962, China attacked India's position in Hot Springs and Galwan Valley.
- In June 2020, 20 Indian and at least four Chinese soldiers died in Galwan valley clashes.

- This is the first time after the 1962 War that soldiers have died in clashes on the India-China border in Ladakh.
- Hot Springs is the last of the friction points that the Army came up last year when China moved its troops across the LAC.
- Disengagement has been completed in other places like PP14 in Galwan Valley, PP17A in Gogra Post, and the north and south banks of Pangong Tso.

Kongka La pass marks the border between two of China's most sensitive provinces — Xinjiang to the north and Tibet to the south.



Why did the talks end in stalemate?

- The 13th round of talks held on the Chinese side of Line of Actual Control (LAC) on Sunday were aimed at discussing disengagement of troops at Hot Springs area of eastern Ladakh.
- However, the two sides blamed each other for the deadlock.
- India pointed out that the situation has been caused by unilateral attempts of Chinese side to alter the status quo in violation of bilateral agreements.
- New Delhi says that the Chinese delegation made no constructive proposals while Beijing says that the Indian side made unreasonable demands.

What does the deadlock mean?

- It means that Indian soldiers will spend a second winter in the icy heights of Ladakh Mountains where temperatures plummet to minus 30 degree Celsius.
- It is set to deepen the chill in India-China ties, given Beijing's refusal to move its troops back from their current positions.
- Concerns are mounting over the military build-up and new infrastructure development along the disputed border by China.
- It creates a major hurdle in eventual de-escalation from the region where both sides have around 50,000 troops each, along with tanks, artillery guns, air defence assets.

4.7 Trouble in Bangladesh

What is the issue?

Incidents of majoritarian violence against Bangladesh's Hindu minority community during Durga Puja has been condemned by the UN, the U.S. and India.

What is the recent communal tension in Bangladesh ?

- The minority Hindu community accounts for nearly 10% of the country's 160 million people.

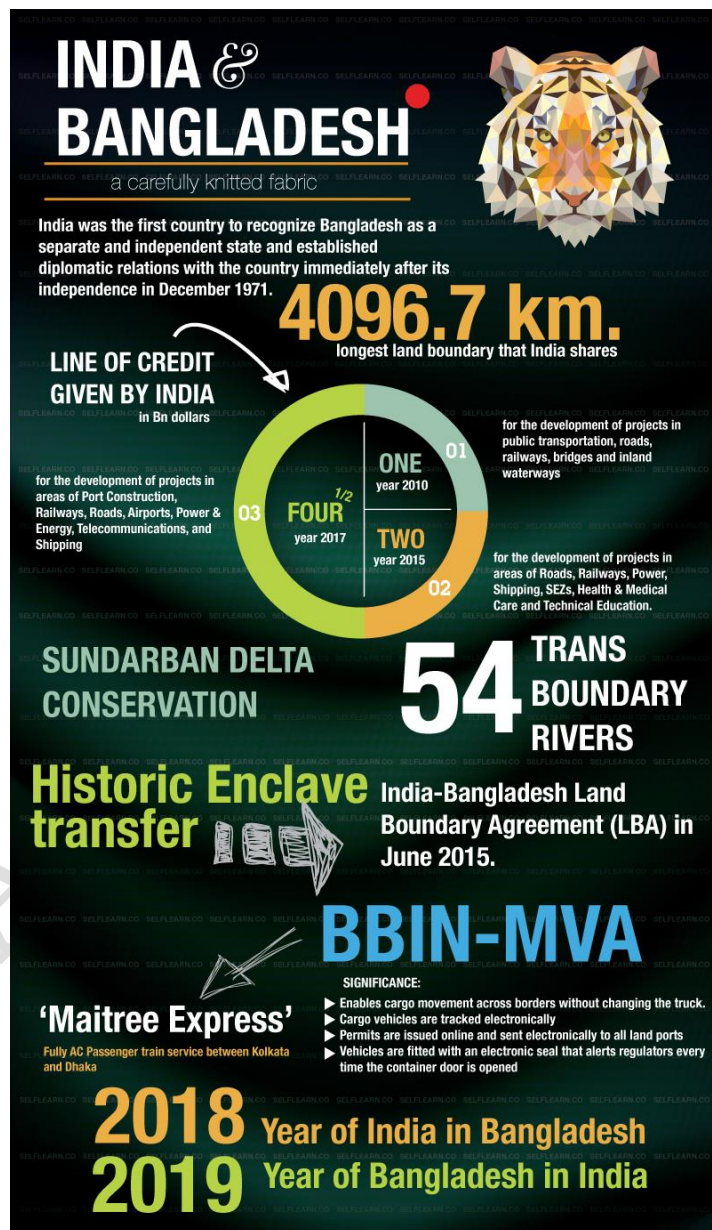
- The mob violence appears to have begun in Comilla, in Chittagong district, where an image allegedly showing disrespect to the Koran was circulated in social media.
- It resulted in incidents of vandalism of Hindu temples and homes belonging to the minority community.
- According to the police, more than 450 people have been arrested and more than 70 cases filed in different parts of Bangladesh.

What is India's response to the violence?

- The Indian High Commission in Dhaka was in touch with law and order officials at the Centre.
- It has stepped in to meet the members of Bangladeshi Hindu community, including representatives from the ISKCON group that was attacked.
- India has raised its voice against the majoritarian violence against Bangladesh's Hindu minority community.
- The Indian government has also praised the authorities for moving quickly to take control of the situation.

What must be India cautious about?

- The Citizenship (Amendment) Act in 2019 had a widespread effect in Bangladesh and at least 12 people were killed in protests against Mr. Modi's visit to Dhaka earlier this year.
- There are chances that the Indian High Commission's act of meeting local minorities to be interpreted as an act of interference rather than an act of compassion.
- As a regional leader, India has every right to be concerned about the plight of communities in the subcontinent.
- But, India must ensure that the foreign relations are not affected.
- A non-partisan religious approach is needed to stabilise the relations between the two countries which have a shared history of cooperation over much of the past 50 years.



4.8 Exclusion of Myanmar's Military Junta

What is the issue?

ASEAN has decided to exclude Myanmar's military junta from its annual summit which is a major setback for the Generals' attempt to gain regional legitimacy for their brutal regime.

Why did the coup occur?

- The Military had a tight grip on Myanmar as the constitution guarantees it a quarter of all seats in parliament and control of its most powerful ministries.
- In the last November's general election, military-backed party- USDP-performed poorly whereas the NLD did even better than in 2015.
- This created tensions between the armed forces and the government.
- The opposition raised allegations of widespread fraud in the election which was not backed by the electoral commission.

- Later, Myanmar's military seized power after detaining Aung San Suu Kyi and other democratically elected leaders.

What was the followup of the power siege?

- The junta has unleashed a reign of terror claiming an estimated 1,000 lives.
- Ms. Suu Kyi who had been the State Councillor for five years from 2015 heading the quasi-democratic government has been in detention.
- Thousands of others were arrested by the military for their democratic protests.
- In cities, protests turned into armed fighting between pro-democracy protesters and security personnel, while in the jungles, anti-junta groups joined hands with rebels for military training.
- The situation was so grave that the UN Special Envoy warned that Myanmar had descended into a civil war.
- Recently, Myanmar's military sentenced a close aide of ousted civilian leader Aung San Suu Kyi to 20 years in prison.

What has been the international reaction to the coup?

- US Secretary of State Antony Blinken has accused the security forces of a "reign of terror".
- The US, UK and European Union have all responded with sanctions on military officials.
- South East Asian countries have been pursuing diplomatic efforts to end the crisis.
- China blocked a UNSC statement condemning the coup, but has backed calls for the release of Ms Suu Kyi and a return to democratic norms.

What led to the exclusion of the junta by ASEAN?

- In April, Gen. Min Aung Hlaing was invited to Jakarta for emergency talks with ASEAN members which led to the **ASEAN's Five-Point Consensus**.
- The Consensus that includes immediately ending violence, starting the reconciliation process and allowing a regional special envoy to meet all stakeholders has not been met by the military regime.
- There have been reports of the junta torturing political prisoners.
- Regime violence, political crises and strikes and counter-attacks by protesters have all led to the exclusion of Myanmar.
- According to the UN, around 3 million people are in need of life-saving assistance because of conflict, food insecurity, natural disasters and COVID-19.
- The international community should continue to put pressure on the junta and urgently start a reconciliation process.

TIMELINE: MYANMAR COUP



2010

9 Nov

Military-backed Union Solidarity and Development Party (USDP) wins election by landslide.
Aung San Suu Kyi's National League for Democracy (NLD) boycotts election.

13 Nov

Aung San Suu Kyi is freed after 7 years of house arrest.

2011

31 Jan

Elected parliament convenes for first time in half a century, charged with choosing first civilian president since 1962 coup.

2015

8 Nov

NLD wins by landslide in Myanmar's first openly contested general election since 1990; Aung San Suu Kyi becomes de facto leader.

2020

8 Nov

NLD captures 396 of 476 seats in lower and upper houses of parliament in general election.*
USDP alleges voter fraud, challenges results.

2021

26 Jan

Military ramps up demands for investigation into alleged voter fraud, doesn't rule out coup possibility.

30 Jan

Military says it will protect the constitution and act according to the law amid coup fears.

Early morning

Military detains Aung San Suu Kyi, other leaders from ruling NLD party.

1 Feb

About 10:30am

Military declares state of emergency for a year, hands power to Senior General Min Aung Hlaing.

*Myanmar has a constitutional arrangement for 25% of parliament seats to be reserved for the military.

5. BILATERAL ISSUES

5.1 India and U.S.'s Tariff and Visa Issues

What is the issue?

In the U.S.-India Trade Policy Forum which was reconvened after a gap of 4 years, both countries exchanged views on 'potential targeted tariff reductions' and decided to activate the forum's working groups.

What is the U.S.-India Trade Policy Forum about?

- The India-US Trade policy Forum (TPF) was established in July 2005 to discuss about trade and investment issues.
- The Minister of Commerce and Industry for India and the United States Trade Representative of the USA are the co-chairs of the Trade Policy Forum.
- The India-US Trade Policy Forum has five focus groups.
 1. Agriculture
 2. Investment
 3. Innovation and Creativity (intellectual property rights)
 4. Services
 5. Tariff and Non-tariff barriers
- **Agreement on digital services** - Both countries had reached an agreement on a transition from the existing Indian equalisation levy on digital services as part of the new multilateral tax solution under the **OECD/G20 Inclusive Framework**
- This would allow the U.S. to terminate measures adopted in response to the Indian equalisation levy.

To know more about U.S.-India Trade Policy Forum, click [here](#)

What are the major issues dogging the ties?

- **Trade deficit** - The size of the trade deficit (23.5 billion dollars in 2019) that the U.S. faces in its trade relationship with India is a central element of U.S.'s approach towards overall trade policy.
- This led to the U.S. imposing new tariffs on steel and aluminium imports on India in 2018 and the Indian Government, in turn, imposed retaliatory tariffs.
- The U.S. removed India from the list of developing countries eligible for favoured access under its Generalized System of Preferences (GSP).
- **Agricultural products** - The U.S. demands for market access for its dairy products and intellectual property rights which is again one of the oldest sources of friction.
- The U.S. had already put India on its 'priority watch list' of countries with serious deficiencies in protecting IPR under its Special 301 report.
- **Other barriers** - Other issues are investment barriers, Indian price controls on medical devices, the digital economy and its related taxation issues, visa issues for Indians, etc.

The Special 301 Report released by United States Trade Representative (USTR) identifies trade barriers to US companies due to IP laws of other countries. Currently 9 countries- Argentina, Chile, China, Russia, Indonesia, Saudi Arabia, Ukraine, Venezuela and India are in the list.

How have the two sides sought to reduce friction?

- India decided to join the OECD/G20 Inclusive Framework on adopting a common multilateral approach to taxation to solve issues like imposition of equalisation levies, etc.
- The government's decision to transition the equalisation levy it imposed on e-commerce transactions over time gives room for the U.S. to withdraw or slow some of the tariffs.
- The ministerial-level talks also led to some decisions to ease access for some select agricultural products from both sides.
- India has adopted the Trade Margin Rationalization approach for price regulation on certain medical device products to protect both consumer and supplier interests and this was acknowledged by the U.S.

5.2 The India-US Trade Policy Forum

Why in news?

The Trade Policy Forum (TPF), a premier forum to resolve trade and investment issues between India and the United States has been re-launched after four long years.

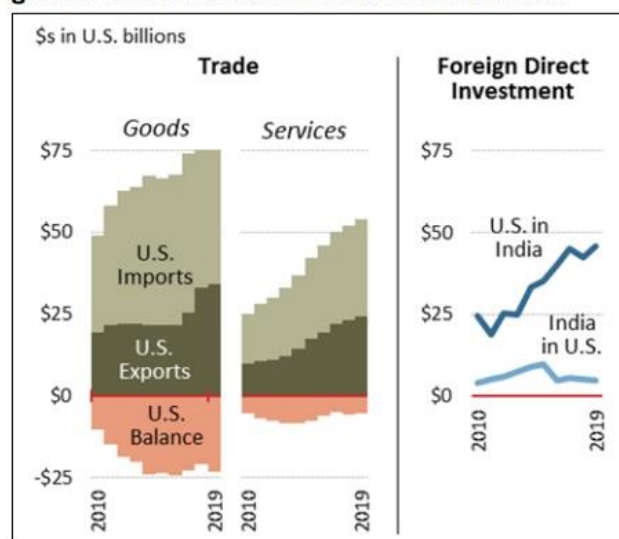
What is the status of India-US bilateral trade?

- The US remained India's **biggest trading partner and largest export market** and the bilateral trade exploded from approximately 20 billion dollars in 2001 to over 145 billion dollars in 2019.
- The US investment in India amounts to 46 billion dollars.
- Over 2,000 US companies are located in India, including every major Fortune 500 companies.
- Over 200 Indian companies created about 125,000 jobs in United States across all states.
- The US is one of the few countries with which India has a **trade surplus** with India's exports exceeding the imports.
- The top traded goods include pearls and precious stones, pharmaceuticals, machinery, electronics, clothing, vehicles, chemicals and fish products, optical, photo, medical apparatus and aluminium.

What are the key issues in the bilateral trade relations?

- **Issues for the US**
 - Tariff barriers such as high import duties
 - Market access restrictions
 - Unpredictable regulatory norms
 - Intellectual Property Rights issue
 - The trade deficit with India
 - India's digital tax
 - Restricted digital trade
- **Issues for India**
 - Withdrawal of Generalized System of Preferences (GSP)
 - Removal of India from the "**developing countries**" list
 - High import tariffs on steel and aluminium
 - Visa restrictions

Figure 1. U.S. Trade and Investment with India



Source: CRS analysis, Bureau of Economic Analysis (BEA) data.

The GSP is the largest and oldest United States trade preference programme intended to promote economic development by eliminating duties on some products it imports from the 120 countries designated as beneficiaries.

What is the US-India Trade Policy Forum?

- The India-US Trade policy Forum (TPF) was established in July 2005 to discuss about trade and investment issues.
- The objective of the forum is to
 - Facilitate trade and investment flows between the two countries
 - Develop and implement trade policies through transparent procedures that comply with international obligations
 - Foster a conducive environment for technological collaboration and innovation
 - Promote inclusive economic growth and job creation in India and the US.
- The Minister of Commerce and Industry for India and the United States Trade Representative of the USA are the co-chairs of the Trade Policy Forum.

- The India-US Trade Policy Forum has five focus groups.
 - Agriculture
 - Investment
 - Innovation and Creativity (intellectual property rights)
 - Services
 - Tariff and Non-tariff barriers

What is the significance of the relaunch of this forum?

- The relaunch is a fresh reset chance back from the Donald Trump administration days indicating US's interest in engaging with India in significant spheres.
- The TPF statement also outlines the sectors and goods and services that need quick attention.
- India should look into its trade posture and work for a more open approach towards a market that will remain the most critical, irrespective of the trade deals it is seeking with other nations.
- India must seize this fresh initiative with the U.S. to cement its place in the new supply chains being envisaged.
- For starters, it must pro-actively move away from the protectionism that is leading the globalised world adrift.

5.3 India's Central Asian Outreach

What is the issue?

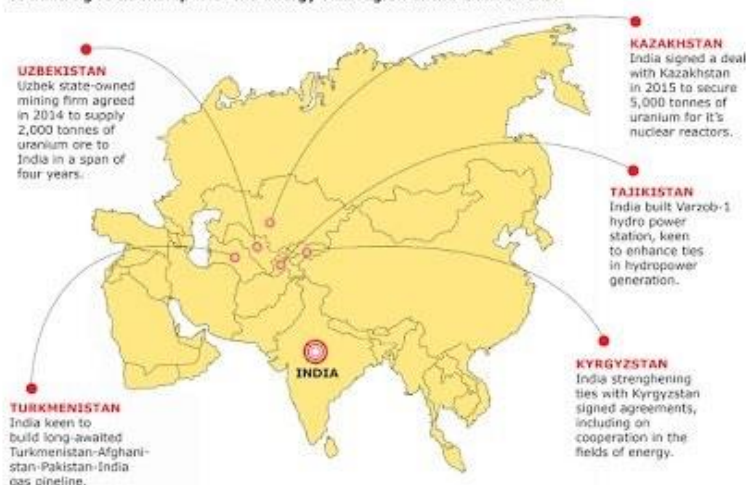
The dramatic developments in Afghanistan have thrown up renewed challenges for India's regional and bilateral ties with Central Asia.

Why is Central Asia significant to India?

- The Central Asian region is considered to be the part of India's "**extended neighborhood.**"
- Over the past decade, the region has become the site of great power tussles over energy resources.
- At the same time, the world witnessed India's rise as an economic power and a regional power.
- China's deep inroads in the Central Asian republics in terms of investment is also a concern.
- Central Asia is geostrategic position as an access point between Europe and Asia is of greater significance in terms of trade.

INDIA'S FOOTPRINT IN THE CENTRAL ASIA

India has a special focus on the importance of energy diplomacy, specifically with reference to building relationship with the energy-rich region of the Central Asia.



Source: The MEA, Government of India

What interventions were made by India in Central Asia?

- After the breakup of the Soviet Union and the formation of the independent republics in Central Asia, India reset its ties with the strategically critical region.
- New Delhi signed the **Strategic Partnership Agreements (SPA)** with Kazakhstan, Tajikistan and Uzbekistan to stimulate defence cooperation and deepen trade relations.
- India formulated its **Connect Central Asia Policy** which is a broad-based approach including political, security, economic, and cultural connections
- India signed MoUs with Iran in 2015 to develop the **Chabahar port** in the Sistan-Baluchistan province to diversify the export markets and control China's ambitions.
- The government has also proposed to include the strategic Chabahar Port in the International North-South Transport Corridor (INSTC).
- The Central Asian countries have admitted New Delhi into the **Ashgabat Agreement** allowing India to facilitate trade and commercial interactions with Central Asia and Eurasia.

- India has extended a credit line of \$200 million for the support of development projects in Kyrgyzstan.
- It has signed an memorandum of understanding (MoU) on High-Impact Community Development Projects (HICDP).
- Mr. Jaishankar has become the first Indian External Affairs Minister to visit Armenia.
- India has supported efforts for a peaceful solution of the Nagorno-Karabakh conflict between Azerbaijan and Armenia.



INSTC

What are the present challenges in the relation?

- **Re-establishment of Taliban** - The Taliban re-gaining its supremacy over Afghanistan has exposed the weakness of coalitions such as Shanghai Cooperation Organization whose major aim is to counter terrorism.
- **Chinese presence** – There are growing geostrategic and security concerns regarding the BRI's China-Pakistan Economic Corridor (CPEC) and its violation of India's sovereignty.
- India needs clear recalibration of its regional engagement with Central Asian countries.

6. INTERNATIONAL ISSUES

6.1 Russia-Ukraine Border Conflict

What is the issue?

The massive mobilisation of Russian troops on the Ukraine border and occasional outbreak of violence in the contested Donbass region has pushed both countries to the brink of an open conflict.

What is the history of conflict between Ukraine and Russia?

- **Annexation of Crimea** - Ukraine was one of the republics within the USSR during the cold war days, and has remained a strong ally of Russia till 2013.
- While it was planning to sign an association agreement with the European Union in 2013, Russia sternly objected to it leading to tensions.
- Russia subsequently annexed "Crimea" (Russian speaking province in Ukraine) by force and declared its sovereignty over it with people's support.
- The resultant conflict has so far claimed about 10,000 lives and displaced millions with no lasting resolution in sight.
- **Naval skirmish over the Sea of Azov** - After Crimea's annexation in 2014, Russia gained control over both sides of the Kerch Strait.
- In May 2018, Russian opened a 12-mile-long bridge over the Kerch Strait, which has also become the physical gateway to the Sea of Azov.
- To prevent the Ukrainian boats from passing under the bridge, Russia placed a cargo ship below it.
- Later, the Ukrainian vessels' attempt to travel from the Black Sea to the Sea of Azov was denied by the Russian coast guard.
- However, Ukraine insists that the patrol of the Kerch Strait was authorised under a bilateral agreement with Moscow.
- Thus the naval skirmish over the Sea of Azov proves again the Russia's irreversibility of its annexation of Crimea.
- **Russian backed rebels** - Russia has been criticised for its involvement in the Donetsk and Luhansk regions in eastern Ukraine.
- There, Russian-backed separatists have been fighting with Ukrainian troops.

- In May 2021, Moscow has allegedly deployed thousands of troops as well as tanks and artillery near Ukraine's eastern border and has mobilised troops in the annexed Black Sea region of Crimea.
- **Current conflict** - Belarus, a Russian ally was blamed for the migration crisis in the EU's Polish border.
- Russia flew bombers near Poland's borders earlier this month.
- In the Black Sea, Russian President Vladimir Putin dispatched vessels to shadow U.S. warships.

Why is the current conflict more aggressive than the earlier ones?

- There were similar scenes earlier this year but after U.S. diplomatic intervention, Moscow pulled back.
- This time, the Russian moves appear to be part of a larger strategy of force-projection across Russia's western perimeter, from the Baltic Sea to the Black Sea.
- Russia views Ukraine as a Western aircraft carrier parked just across southern Russia because of the U.S. influence on Ukraine.
- Russia's aggressiveness could have partly been driven by the assessment that the U.S. has strategically weakened after its Afghan withdrawal and its preoccupation with China's rise.
- Ukraine says an estimated 90,000 Russian troops have massed near the border which could be a prelude to another Russian invasion.



What are the Minsk Agreements?

- **The Minsk Protocol (Minsk-1)** with the **Minsk Memorandum** was signed in 2014 to prevent war in the eastern Ukrainian region of Donbas.
- The representatives of the Trilateral Contact Group on Ukraine (TCG – Russia, Ukraine, and the OSCE) and the representatives of Donetsk and Luhansk People's Republics (DNR, LNR) signed the agreement.
- The Protocol was followed by an additional Memorandum, which detailed the conditions of a ceasefire.
- The agreement failed to stop fighting, however, it significantly reduced fighting in the conflict zone for months.
- **The Minsk-2 (Package of measures for the Implementation of the Minsk agreements)** was signed in 2015 under the mediation of France and Germany to prevent an open conflict.
- It was designed to end the fighting in the rebel regions and hand over the border to Ukraine's national troops.
- Ukraine was required to delegate more power to the breakaway regions and introduce constitutional reforms, codifying their special status.

What are the practical ways to ease the tension?

- Ukraine's reluctance to implement the agreement and its growing military, economic and political ties with the West seem to have prompted Russia to put Ukraine under direct military pressure.
- Ukraine lacks the military resources to deter its giant neighbour and there is no guarantee that the West would come to its help in the event of a Russian invasion.
- Russia might make tactical gains from an invasion but such a move could further deteriorate its already ruptured ties with the West.
- The practical solution is to revive the Minsk peace process.
- The West should push both sides to resume talks and live up to their commitments as per the Minsk agreement to restore relative peace on the border.

6.2 Coup in Sudan

Why in news?

Sudan military's recent moves and the tensions with the civilian government has backtracked the country's transition to democracy.

What is Sudan's present governance state?

- Omar al-Bashir had presided over Sudan for nearly three decades.
- A popular uprising and the ouster of President Bashir in April 2019 led to Sudan's transition from dictatorship to democracy.
- Soon, under an August 2019 agreement, the military and leaders of the civilian movement came together to form a transitional government.
- They work in a ruling body known as the Sovereign Council, which is meant to lead the country to elections by the end of 2023.

What is the current tension in Sudan about?

- Under the agreement, the acting Prime Minister would run the day-to-day affairs.
- And the military chief would remain the leader of the Sovereignty Council for 2 years.
- Lt. Gen. Abdel Fattah al-Burhan, the military chief, was scheduled to hand over the leadership of the transitional government to the civilian leadership in a few weeks.
- But he disbanded the government, and proclaimed himself the new leader.
- He also declared a state of emergency and imprisoned the civilian leaders, including Prime Minister Abdalla Hamdok.
- Thus, the move by Sudan's military to dissolve the Sovereignty Council has put the country back into chaos.

What were the earlier tensions in Sudan?

- The military's role is supposed to be largely honorary.
- But civilians have repeatedly complained of military overreach in foreign policy and peace negotiations.
- On the other hand, the military has accused civilian parties of mismanagement and monopolising power.

What are the contentious issues?

War crimes

- The International Criminal Court (ICC) is seeking trials for Bashir and other Sudanese suspects.
- This is on the allegations of war crimes by the military and its allies in the conflict in Darfur from 2003.
- The cabinet has signed off on handing over suspects, but the Sovereign Council has not.

Investigation into killings

- There is conflict over investigation into the killings of pro-democracy protesters on June 3, 2019, in which military forces are implicated.
- Activists and civilian groups have been angered by delays in making the investigation's findings public.
- Civilians also call for oversight and restructuring of the military, particularly through the integration of the powerful, paramilitary Rapid Support Forces.
- But the military leaders have resisted.

How has the economy been?

- A worsening economic crisis sent the currency plunging and created frequent shortages of bread and fuel.
- This was the trigger for Bashir's downfall.
- The transitional government has implemented harsh, rapid reforms monitored by the IMF in a successful bid for debt relief and to attract foreign financing.
- In the wake of the reforms, inflation rose to historic highs of more than 400%.
- There have been occasional protests over economic conditions.

- Port Sudan, the country's largest port, on the Red Sea, had been blockaded by a tribal group, with help from the military.
- This led to worsening economic situation, including acute food shortage, currency and fuel.

How are Sudan's relations with the neighbours?

- Sudan is in a volatile region, bordering the Red Sea, the Sahel, and the Horn of Africa.
- Most of its neighbours, including Ethiopia, Chad and South Sudan have been affected by political upheavals and conflict.
- Since late 2020, conflict in Ethiopia's Tigray region has pushed tens of thousands of refugees into eastern Sudan.
- This has caused military tensions in disputed agricultural lands along the border.
- Sudan is pushing, with Egypt, for a binding deal over the operation of a giant hydropower dam that Ethiopia is building near the Sudanese border.
- Talks have stalled but Ethiopia has started filling the reservoir behind the dam.
- Sudan says that this could put its citizens, dams and water facilities at risk.



What should be done?

- Gen. Burhan should desist from more violence.
- The military should release all the arrested leaders.
- It should restore the transition government and allow free elections.

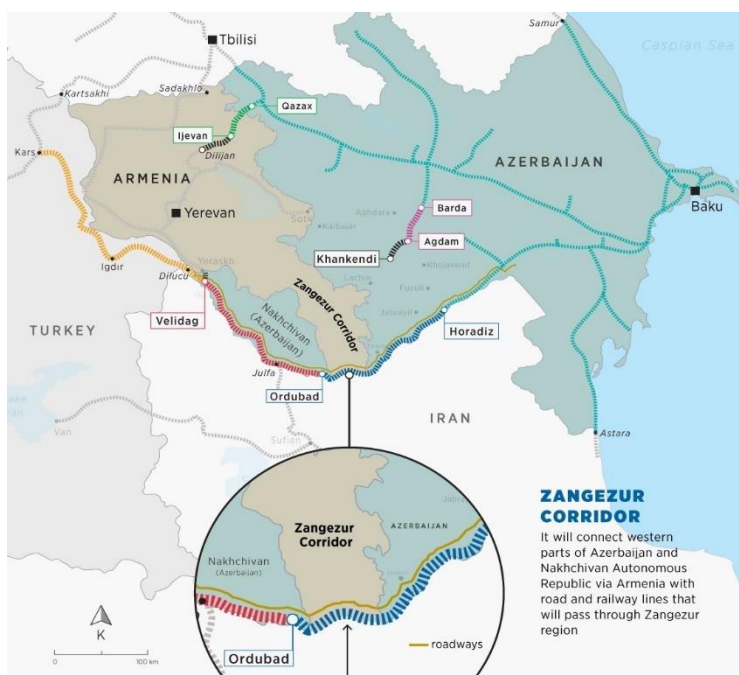
6.3 A Turkish Foreign Policy Treading on Ottoman Footprints

What is the issue?

Turkish presence across the former Ottoman realm seeks to reshape the modern nation with the imprint of its earlier Islamic and military glory.

What interventions by Turkey stirred regional chaos?

- **Azerbaijan** - Turkey supported Azerbaijan against its arch-rival, Armenia and secured a victory that gave Azerbaijan a large part of the territory from its neighbour.
- **Iran** – Azerbaijan's demand over the **Zangezur corridor**, if conceded, would cut off Iran's direct link with Armenia, while giving Turkey a direct route to Azerbaijan and Central Asian republics, bypassing Iran.
- This has divided the region with Turkey, Georgia and Azerbaijan on one side and Iran and Armenia on the other side.
- **Mediterranean** - Turkey's plans to obtain a naval presence on the Libyan coast and in the Red Sea has led to a new defence agreement between France and Greece.
- **Russia**- Turkey's rejects Russia's illegal occupation of Crimea and is providing Ukraine with military drones.
- Turkey has begun the construction of "**Canal Istanbul**", a new link from the Black Sea to the



the Sea of Marmara, raising concerns about Russia's free movement.

How is Turkey's relation with the global powers?

- Turkey violated its status as a **NATO member** by purchasing the Russian S-400 missile defence system in 2017.
- Turkey was expelled by the U.S. from the development of America's F-35 jet fighter project and was put into sanctions.
- Turkey and Russia are on opposite sides in Syria, Libya, Ukraine and in the Azerbaijan-Armenia conflict, the bilateral relation is in ease.
- Russia has adopted 'strategic patience' in order to detach Turkey from NATO.
- Russia has even promised Sukhoi Su-57 aircraft and a second battery of the S-400 defence system to Turkey.



What is the status on resetting of relationships?

- Turkey has reached out to both Egypt and Saudi Arabia to improve their relations.
- Turkey has also signalled a new approach in Libya that would accommodate its rivals — Egypt, the UAE and Russia.
- Turkey is pursuing a dual-track approach with Iran by confronting it in the Caucasus while building substantial bilateral energy and economic ties.
- Turkey insists on asserting its strategic autonomy and independence of action, and enjoys sitting at the global high table.
- The domestic divisions and economic fragility such as unemployment, inflation, currency collapse, and capital flight will finally determine the regional influence of Turkey.

6.4 China-Taiwan Tussle

What is the issue?

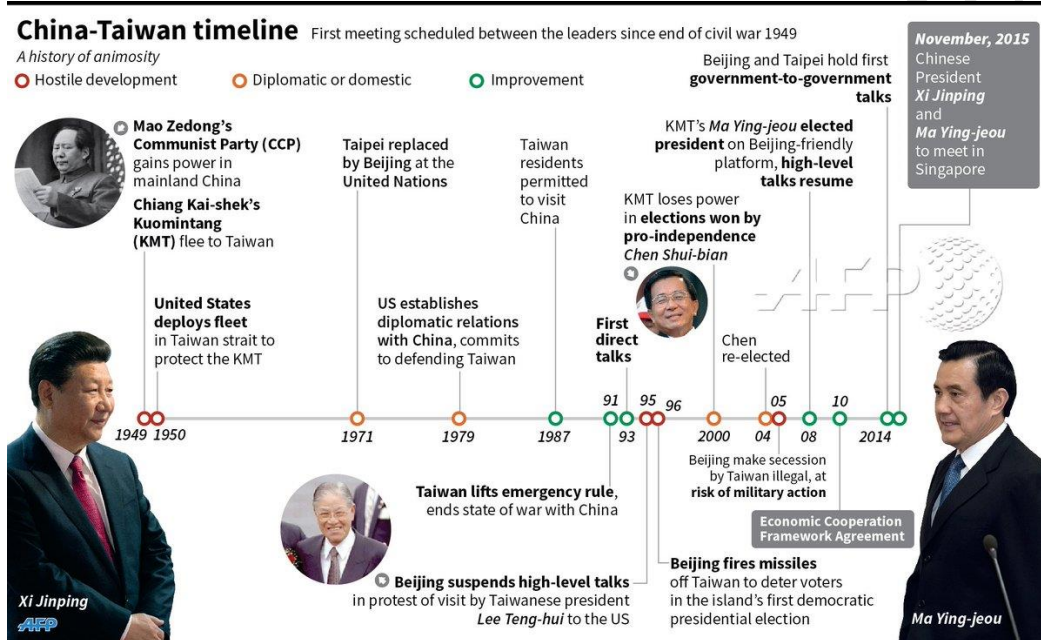
Coinciding with the 72nd anniversary celebrations, China flew over 100 fighter jets into Taiwan's air defence identification zone setting off alarm around the world that it was prepping to take over the island by force.

What is the history of China-Taiwan relation?

- Taiwan earlier known as Formosa and formally as the Republic of China (ROC) is a self-ruled island that lies about 161 kilometres off the coast of mainland China. It is a democracy with a separate government and a military.
- The Republic of China (ROC) was founded in 1912 in China.
- At that time, Taiwan was under Japanese colonial rule as a result of the 1895 Treaty of Shimonoseki, by which the Qing ceded Taiwan to Japan.
- The ROC government began exercising jurisdiction over Taiwan in 1945 after Japan surrendered at the end of World War II.
- The ROC government relocated to Taiwan in 1949 while fighting a civil war with the Chinese Communist Party.
- The ROC, the non-communist frontier against China was the only China recognised at the UN until 1971.
- In 1971, the UNGA recognised the People's Republic of China (PRC) as the only legitimate representative of China to the global body which led to the withdrawal of ROC from the U.N.



- The PRC believed that Taiwan must be reunified with the mainland while the ROC has held out as an independent country.
- The US backs Taiwan's independence, maintains ties with Taipei, and sells weapons to it but officially subscribes to PRC's **"One China Policy"**.
- The "One-China policy" is a policy asserting that there is only one sovereign state under the name China, as opposed to the idea that there are two states, the PRC and the ROC.
- As the British prepared to exit Hong Kong in 1999 the **"One Country, Two Systems"** solution was offered to Taiwan but it was rejected by the Taiwanese.
- The One Country Two Systems policy was originally proposed by Deng Xiaoping in the late 1970s. Currently Hong Kong and Macau Special Administrative Regions have been placed under this system.
- In 2004, China started drafting an anti-secession law aimed at Taiwan.
- In 2009, Taiwan attended the World Health Assembly as an observer, marking its first participation in an activity of the U.N. since its withdrawal in 1971.



What is the current tension about?

- The 2016 election of President Tsai marked the onset of a sharp pro-independence phase in Taiwan and the current tensions coincided with her re-election in 2020.
- Last year, Chinese conducted a military exercise in the Taiwan Strait, which separates Taiwan from mainland China.
- In October 2020, President Xi Jinping asked the Chinese army to prepare for war triggering alarm in Taiwan.
- Taiwan reported repeated incursions of Chinese jets in its air defence zone.
- In October 10, Xi spoke about peaceful reunification of the motherland.

What is the challenge for the U.S.?

- President Joe Biden has so far walked a thin line between pledging support for Taiwan and keeping the lid on tensions with Beijing.
- Recently, the U.S. and China had agreed to abide by the **"Taiwan Agreement"**, under which it supports for the "One China Policy".
- Taiwan agreement allows Washington to maintain a robust unofficial relationship with Taiwan.
- **The AUKUS pact** among the US, UK, and Australia which has imparted a new dimension to the security dynamics of the Indo-Pacific was criticised by China.

What will be the implications for India?

- India and Taiwan currently maintain "trade and cultural exchange" offices in each other's capitals.

- Talks with Taipei are ongoing to bring a \$7.5-billion semiconductor or chip manufacturing plant to India.
- India should review its One China Policy and develop more robust relations with Taiwan to send a message to Beijing.

6.5 Pandora Papers: How US states help rich foreigners shield assets

What is the issue?

The release of the Pandora Papers report by **International Consortium of Investigative Journalists** has shed light on the financial dealings of the elite and the corrupt.

What is the report about?

- The report mentions how the elite and the corrupt have used offshore accounts and tax havens to shield trillions of dollars in assets.
- It has disclosed secret accounts in trusts scattered throughout the United States, including 81 in South Dakota, 37 in Florida and 35 in Delaware.
- Among those who have used South Dakota trusts as tax havens are Guillermo Lasso, president of Ecuador, and family members of Carlos Morales Troncoso, former vice president of Dominican Republic.

A tax haven is a country that offers foreign businesses and individuals minimal or no tax liability for their bank deposits in a politically and economically stable environment.

What attracts money to these states?

- Elimination of **rule against perpetuities** by tax havens allow the establishment of so-called dynasty trusts in which wealth can be passed across generations while avoiding federal estate taxes.
- Rule against perpetuity limits the maximum time period beyond which property cannot be transferred.
- Laws in South Dakota and Delaware allow **asset protection trusts** which aid wealthy lawyers and doctors to shield their assets from malpractice claims.
- They can be used to protect assets from ex-spouses, future spouses, disgruntled business partners or angry clients.
- They also provide wealthy people with considerable flexibility in establishing, controlling and modifying trusts as they see fit.
- Trusts established in Delaware are not subject to state income tax if the beneficiaries are not Delaware residents.
- South Dakota does not tax personal income, corporate income or capital gains.
- South Dakota provides extensive privacy protections for assets held in trusts while Delaware registers limited liability companies, including shell companies to hide assets or financial transactions.

How do the states benefit?

- Delaware collected almost \$81 million in franchise taxes from banks and trust companies in fiscal 2020.
- A 2011 report estimated that out-of-state trusts had contributed between \$600 million and \$1.1 billion per year to Delaware's economy.

What have been done about it?

- Tighter scrutiny of trust companies working with foreign clients has been called.
- **The Corporate Transparency Act** requires many businesses to identify their beneficial owners who exercise substantial control or who own or control at least 25% of the ownership interests.
- The law also aims at banning anonymous shell companies that have been used to hide financial dealings and launder money, but it includes several exemptions.

6.6 Implications of US-China Trade War

What is the issue?

The trade-and-technology war between the US and China that began in 2018 has hardly made a reduction in US trade deficit.

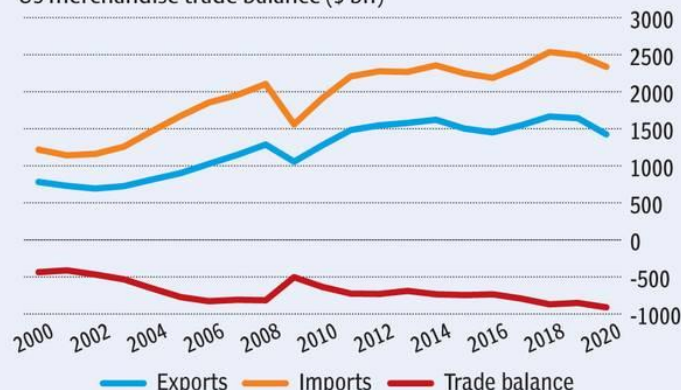
How the trade war started?

- In 2018, US President Donald Trump unilaterally imposed a 25 per cent tariff on Chinese imports of around \$34 billion and further tariffs in 2018 and 2019.
- He accused China for “**unfair trade practices**” and “**technology theft**”.
- The trade war was continued by the administration of President Joe Biden and was morphed into a technology war.
- The US has denied China both the knowledge and inputs for producing frontier goods and services as well as access to markets, affecting semiconductor production and 5G technology.

Chart 1

Stubborn US deficit

US merchandise trade balance (\$ bn)



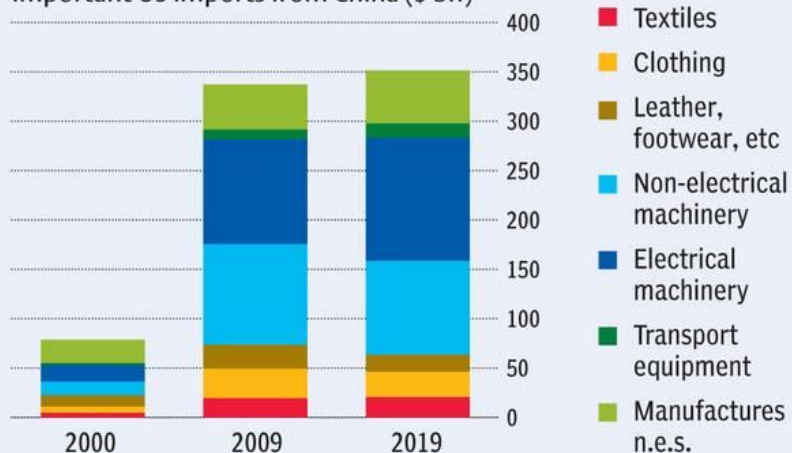
What are the concerns of U.S.?

- **Trade deficit** - The broader context of the trade war was the growing merchandise trade deficit of the US which was \$735 billion in 2016.
- **Pandemic reliance** - Imports into the US from China in the first half of 2021 were on average 46% higher than in the first half of 2020.
- **Hi-Tech imports** - One of the more obvious concerns of US trade policy with regard to China is the growing significance of high-technology imports.
- **Security fears** – U.S has recently restricted China’s access to semiconductor chips that are essential for new 5G-enabled smartphones.
- Sanctions have been imposed on Chinese telecom giants ZTE and Huawei for alleged espionage and ties to the “techno-authoritarianism” of the Chinese state.

Chart 4

Tech dominance

Important US imports from China (\$ bn)



What will be the implications of the U.S. policy towards China?

- The aggressive strategy by the US is putting the economic territory of the future (whether in the form of communication technologies like 5G or renewable energy solutions) at risk.
- The trade war has hardly made any reduction on US trade deficit.
- The macroeconomic processes within the US that were likely to generate trade deficits have to be looked upon rather putting the blame on China.

6.7 Nord Stream 2 Pipeline

Why in news?

The Nord Stream 2 (NS2) running from Russia to Germany across the Baltic Sea has been completed.

What is Nord Stream 2 (NS2)?

- NS 2 is an expansion of Russia’s existing Nord Stream gas pipeline to Germany across the Baltic Sea.
- The total capacity of two strings of Nord Stream 2 is 55 billion cubic meters of gas per year.
- NS2’s manufacture began in 2016 and construction in 2018.
- The 1,224 km, \$11-billion underwater link is the shortest, most economical and environment-friendly route to double Russia’s gas export to Germany.

What is the significance of the project?

- European gas prices have broken records this year, edging close to an unprecedented \$1,000 per thousand cubic meters.
- Due to lack of viable alternatives to gas, low storage levels because of a severe winter and the post-COVID-19 economic surge, NS-2 is of greater significance.
- It provides Russia with more direct access to the European gas market.
- National governments and local authorities are set to benefit economically from investment and employment in the pipeline.

Why is the project controversial?

- **Ukraine's concerns** - Ukraine offered extra transit capacity for Russian gas to Europe but Russia booked only 4.3% of it, citing domestic demand.
- It believes the pipeline is a Russian **geopolitical weapon** aimed at depriving Ukraine of crucial revenue.
- If Russia cuts its transportation of gas through Ukraine, it would lose billions of dollars in transit fees.
- Ukraine whose viability is dependent on Russian fossil fuels through its territory, fears that Russia could reduce energy supplies by cutting those needed for Ukraine's consumption.
- Fears that this project would give Russia a freer hand for military actions in Ukraine is another concern.
- **Poland's stand** - Poland says that that gasline project is anti-competitive.
- It alleges that NS2 is Russia's most daring attempt to break up the EU.
- **USA's Concerns** - USA opposes the pipeline, arguing that it would increase Moscow's leverage over European countries.
- The United States has just strengthened the Western Alliance by sanctioning NS2.
- **Germany's stand** – Germany supports the project as dozens of German businesses have invested in this project.
- But Germany is yet to issue an operating licence in order to expedite the start of NS2.
- **EU energy policy** – In NS2, Gazprom is the gas producer and supplier and this violates the market-oriented EU energy policy that mandates auctioning the transportation to third parties.



Does the project seem viable?

- To enable a consensus on NS2, Germany has promised assistance to Ukraine for development of hydrogen energy.
- This environmentally friendly hydrogen option presents scope for accommodating the requirements of German coalition politics and support for the Ukraine turning NS2 into a win-win proposition.

7. INTERNATIONAL ORGANISATION

7.1 NAM at 60 Marks an Age of Indian Alignment

Why in news?

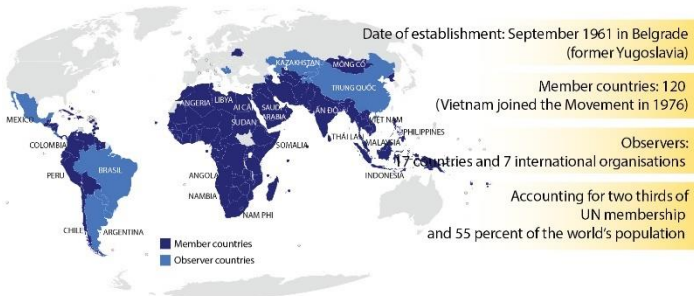
The birth anniversary of Jawaharlal Nehru this month and the 60th anniversary of the Non-Aligned Movement prompt reflection on Nehru's major contribution to the field of international relations.

How did NAM evolve?

- The concept of not aligning a country's policy with others can be traced to the Congress of Vienna (1814-15) when the neutrality of Switzerland was recognised.
- The NAM was founded during the collapse of the colonial system and the independence struggles of the peoples of Africa, Asia, Latin America and other regions and at the height of the Cold War.
- While some meetings with a third-world perspective were held before 1955, historians consider that the **Bandung Asian-African Conference** is the most immediate antecedent to the creation of NAM.
- This Conference was held in Bandung in **1955** with the aim of identifying and assessing world issues at the time and pursuing out joint policies in international relations.
- The principles that would govern relations among large and small nations, known as the **"Ten Principles of Bandung"** were proclaimed at that Conference.
- The NAM was formed during the Cold War to create an independent path in world politics that would not result in member States becoming pawns in the struggles between the major powers.
- The First Summit of the Movement of Non-Aligned Countries was held in **Cairo, Egypt in 1961**.
- Abdel Nasser of Egypt, Kwame Nkrumah of Ghana, Shri Jawaharlal Nehru of India, Ahmed Sukarno of Indonesia and Josip Broz Tito of Yugoslavia later became the founding fathers of the movement.

Operation principles of the Non-Aligned Movement (NAM)

NAM is an inter-governmental and inter-regional organisation that mainly focuses on self-mastery, national independence and territorial integrity of its member countries.



Five guiding principles



Organisation structure comprises three levels



Source: Vietnam News Agency, Foreign Ministry
<http://infographics.vn>

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What led to the adoption of NAM by India?

- Nehru saw world problems as interlinked but considers India's interests first even before the merits of the case.
- Nehru was opposed to the conformity required by both sides in the Cold War.
- His opposition to alliances was justified by American weapons to Pakistan from 1954 and the creation of western-led military blocs in Asia.
- Non-alignment was the least costly policy for promoting India's diplomatic presence, a sensible approach when India was weak and the best means of securing economic assistance from abroad.

What were the challenges?

- The difficulty was always to find a definition of this policy, which caused a credibility gap between theory and practice.
- In the early years, there was economic dependence on donor countries who were nearly all members of western military pacts.
- Indian equidistance to both Koreas and both Vietnams was shown by India recognising neither but it recognised one party in the two Chinas and two Germanies.
- The **Treaty of peace, friendship and cooperation** between India and the USSR of 1971 due to the Liberation war of Bangladesh came dangerously to a military alliance.

What were the failures of NAM?

- Nehru was hesitant earlier because in theory a coalition or movement of non-aligned nations was a contradiction in terms.
- According to then Defence Minister Krishna Menon, true non-alignment was to be non-aligned towards the non-aligned.
- Among the members there were varying alignments, non-internalising of their own concepts of human rights and peaceful settlement of disputes without violating the principle of sovereign domestic jurisdiction.

- Lack of collective action and collective self-reliance, and the non-establishment of an equitable international economic or information order were other failures.
- The years following Nehru's death, the non-alignment has undergone considerable changes by inclining to **greater alignment with the United States** at present.

7.2 Rome's G20 Summit

Why in news?

The leaders of the world's twenty major economies gathered in Italy's Rome on Saturday for a two-day summit centred on the issues of climate change, Covid-19 and economic recovery.

What is G20?

- The G20 is an international forum that brings together the world's 20 leading industrialised and emerging economies including **India**.
- Its members account for more than 80% of world GDP, 75% of global trade and 60% of the population of the planet.
- The forum has met every year since 1999 and includes, since 2008, a yearly Summit, with the participation of the respective Heads of State and Government.
- Ministerial meetings, Sherpa meetings (in charge of carrying out negotiations and building consensus among Leaders), working groups and special events are organized throughout the year.

How the G20 works?

- The G20 does not have a permanent secretariat.
- Its agenda and activities are established by the rotating Presidencies, in cooperation with the membership.
- A "Troika", represented by the country that holds the Presidency, its predecessor and its successor, works to ensure continuity within the G20.
- The Troika countries are currently Saudi Arabia, Italy and Indonesia.

What is the current Rome summit about?

- The activity of the Italian Presidency has been based on three interconnected pillars of action – **People, Planet and Prosperity**
- The agenda included the biggest issues facing the global community, including the COVID-19 pandemic, climate change, a major tax agreement, and steps to address concerns regarding global economic growth and stability.
- At the end of two days of working sessions and side events, the G20 Leaders adopted the **Rome Declaration**.
- **Health** - To mitigate the pandemic, the focus was on vaccine production and distribution.
- The members assures support to WHO's target of inoculating 40% or more of the global population against COVID-19 by 2021, and at least 70% by mid-2022.
- The G20 leaders were committed to boost the supply of vaccines in developing countries to overcome supply and financing constraint.
- **Climate Change** - The Group leaders recommitted their nations to providing \$100 billion a year toward adaptation, mitigation, and green technologies, focusing on the needs of developing countries.
- Leaders for the first time acknowledged the use of carbon pricing mechanisms and incentives" as a possible tool against climate change.
- **Global finance** -The G20 leadership agreed to impose multinationals with a minimum 15% tax to create a more stable and fairer international tax system.
- This OECD-led reform enjoys the support of 136 countries, which account for more than 90% of global GDP, and is likely to enter into force in 2023 or after.
- Nations such as the U.S. are divided as it would impact the tech titans of Silicon Valley and it might face implementation delays.
- **Global economy** – Rising inflation, increased energy prices, and supply chain bottlenecks are affecting the world economy which is still reeling from Covid-related disruptions.
- G20 leaders ensured not to withdraw the national support measures.

- They also pledged to remain vigilant to the global challenges such as disruptions in supply chains.
- **Development aid** - Leaders set a new target of channelling \$100bn towards poorest nations, coming from the \$650bn pot made available by IMF.
- The timely, effective and coordinated action across major nations will be a ray of hope for global recovery.

7.3 WTO's Joint Initiatives

What is the issue?

Several countries, including India, have so far stayed out of the JI negotiations that these initiatives lack a multilateral negotiating mandate and are an attack on the fabric of multilateralism underlying WTO.

What is WTO?

- The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations.
- It came into being in 1995 as the successor to the General Agreement on Tariffs and Trade (GATT).
- Virtually all decisions in the WTO are taken by consensus among all member countries and they are ratified by members' parliaments.
- Trade friction is channeled into the WTO's dispute settlement process where the focus is on interpreting agreements and commitments.

What are the major concerns in WTO?

- **Appellate Body** – The legally binding dispute settlement process comprises of a two-tier structure of “panel” and “appellate body”.
- It is now two years since the US blocked the appointment of Appellate Body members which has undermined the functioning of the enforcement.
- There are currently 21 appeals pending before the presently defunct Appellate Body.
- **Compromise on WTO's role** - The WTO's role as the arbiter of rules has been compromised and there is increasing pressure for new rules and new agreements.
- The multilateral format for rule-making that the WTO provided is also under threat.
- **Lack of consensus** – WTO has faced severe criticism for its inability to conclude any major negotiations in over two decades.
- There has been lack of consensus among its diverse membership, who differ considerably in terms of their economic, socio-political structures, and interests.

What are the joint initiatives?

- Some like-minded Members proposed an innovative approach called Joint Initiatives (JIs), during the 11th Ministerial Conference held in Buenos Aires in December 2017.
- JSIs can be broadly defined as a plurilateral negotiating tool initiated by a group of WTO Members who start negotiations on certain issues without adhering to the rule of consensus decision-making.
- The initiatives were on
 - E-commerce
 - Investment facilitation for development
 - Services domestic regulation
 - Micro, small, and medium-sized enterprises (MSMEs)
- Of the 164 WTO members, 136 are participating in the JI on investment facilitation, 86 in e-commerce, 65 in services domestic regulation and 70 in MSMEs.

What are the options for inserting JIs into the WTO system?

- Given the divide in how the membership views JSIs, there appear to be two most feasible options on how to include JSIs into the WTO system.
- **Through Regional Trade Agreements (RTAs)** – It is preferred by some developing countries and least developing countries.

- In order to form an RTA, members would have to meet the legal condition of liberalising “substantially all the trade” under GATT Art. XXIV and the “substantial sectoral coverage” condition under GATS Art. V.
- **Through an amendment to the Members’ schedules** – It is preferred by developed countries.
- With regards to JIs on trade in services, GATS schedules can be amended under GATS Art. XXI to include conditions of market access and national treatment.

What are the issues in incorporating JIs into the WTO system?

- The negotiated disciplines on “Services domestic regulation” have been incorporated into WTO commitments on a Most favoured nation (MFN) basis.
- But, the JIs on e-commerce and investment facilitation are still exploring the issue of possible legal architecture.
- Other than Services domestic regulation, none of the other JIs have been comprehensively blended into existing WTO commitments.
- They also can’t be incorporated into the WTO fold as new plurilateral agreements that create rights and obligations only among participating members because consensus of all members is necessary for this to happen.
- Several countries, including India, have so far stayed out of the JI negotiations that these initiatives lack a multilateral negotiating mandate and are an attack on the fabric of multilateralism underlying WTO.

How can the issues be addressed?

- JIs are likely to form the basis in any future bilateral or even multilateral negotiations and staying out minimises the ability to influence the shape of new rules.
- The thrust of JI discussions is facilitation for MSMEs by establishing a new **Trade4MSMEs** platform that is expected to provide trade-related information to small businesses.
- There has to be a clarity on this as any multilateral rules for MSMEs would first need to grapple with how size of an economy influences the perception of what is a MSME.
- It has to be ensured that any new rules are based on WTO’s core principle of multilateral decision-making and the very principles of multilateralism can be used to insist that JIs need to be negotiated at the multilateral level.

7.4 The Other Quad

Why in news?

India, Israel, UAE and the US sat down for their first quadrilateral meeting opening the way to new West Asian geopolitics.

Why is this partnership significant to India?

- The partnership will aid India’s strategic desire to adopt a regional foreign policy strategy towards West Asia.
- Israel is one of India’s top defence suppliers with defence trade between the two countries valued at about \$1 billion annually.
- The UAE is vital for India’s energy security and is also home to more than three million Indians.
- The UAE has been an interlocutor for India when it comes to Pakistan.
- India, Israel and the UAE have earlier concluded the first trilateral partnership regarding robotic solar cleaning technology.
- It can deepen engagement in sectors such as trade, energy ties, fighting climate change and enhancing maritime security.
- The partners had agreed to launch talks for a free trade agreement which is crucial for India to tap the markets of West Asia.
- The Abraham Accords narrowed the rift between the Sunni kingdoms and Israel paving easier way for India to find common ground with these countries.
- The Abraham Accords was signed by the UAE, Bahrain and Israel under U.S. President Donald Trump’s mediation in 2020. Under the agreement, the UAE and Bahrain would normalise ties with Israel.

What are the challenges in the regionalist approach?

- **Iran factor** - New Delhi so far has been able to balance ties with Iran which is an arch rival of the Sunni Gulf monarchies.
- Indian foreign minister S Jaishankar was the first to call on Ebrahim Raisi as president elect and also attended his inauguration.
- **China's rise** - The U.S. is clearly seeking to reduce its footprint in the West Asian region as evident in the recent withdrawal of troops from Afghanistan.
- With the withdrawal of the U.S., China has been attempting to redraw the West Asia's traditional equations.
- **Taliban regime** – India has also challenges emanating from a post-American Afghanistan due to Taliban.
- India should seek to build a stronger regional partnership with the U.S.-Israel-UAE bloc without getting sucked into the conflicts of West Asia.

Regional totals
56% Sunni | 36% Shia | 8% Other
191 million | 121 million | 28 million

Iran - Iran stands accused of interfering in Iraq, Lebanon and Bahrain, where there are large numbers of Shia. Tehran is a key backer of the Syrian president, Bashar al-Assad, of Hezbollah, and Iraqi militias

Iraq - The aftermath of the 2003 US-led invasion led to sectarian strife that claimed tens of thousands of lives. Iran and its allies are now playing a key role fighting the jihadis of the Islamic State in Iraq

Syria - Syria's four-year war, the bloodiest crisis of the Arab spring, has already cost an estimated 220,000 dead with no sign of a political settlement in the offing

Egypt - The most populous of Arab states is still adjusting to the aftermath of the 2011 revolution, with the military-backed President Abdel-Fatah al-Sisi cracking down on Islamists and consolidating power

Yemen - Yemen's deepening domestic crisis is marked by a Saudi-led effort to reassert the power of the conservative Sunni Arab states in the face of perceived Iranian influence with Shia across the region

Guardian graphic Source: Gulf/2000 Project, Sponsor School of International and Public Affairs, Columbia University, New York

7.5 AUKUS could rock China's Boat in the Indo-Pacific

What is the issue?

The ruffle over the AUKUS agreement continues to prevail as France has expressed its resentment at the Australian action at the G20 press conference.

What is AUKUS?

- AUKUS is a new trilateral security partnership among The United States, United Kingdom, and Australia for enduring freedom and openness in the Indo-Pacific region.
- Under the agreement, America and Britain proposed to transfer technology to build a fleet of nuclear-powered submarines for Australia within 18 months.

To know more about AUKUS agreement, click [here](#)

What are the concerns over the emergence of AUKUS?

- **The ASEAN factor** - There is a matter of ASEAN disunity over the emergence of AUKUS.
- Even though AUKUS is not a defence alliance, issues such as the strategic threats posed by China are a matter of concern for AUKUS.
- Australia has clearly assured its commitment to ASEAN centrality and its continued support for the South Pacific Nuclear-Free Zone Treaty and the Treaty of Southeast Asia Nuclear Weapon-Free Zone.
- **The China factor** – The rise of China, particularly its rapid militarisation and aggressive behaviour, is undoubtedly the trigger for the emergence of the agreement.
- The China has criticised AUKUS as an "exclusive bloc" that gravely undermines regional peace and security and reflects a Cold War mentality.



What is the significance of this decades old partnership?

- The U.S. and the U.K. have enjoyed a special defence partnership for decades and have fought together as allies, together with Australia, in the Second World War.
- The U.S. shared nuclear weapons technology with the U.K. following the merging of the latter's nuclear weapons programme with the American Manhattan Project as early as in 1943.
- The first U.K. test was conducted in 1952 in the Montebello Islands in Australia.
- The transfer of sensitive submarine technology by the U.S. to the U.K. is an arrangement based on their long-standing Mutual Defence Agreement of 1958.
- The other areas covered are cyber capabilities, artificial intelligence and quantum technologies, apart from undersea capabilities.
- All three nations will also play a major role in U.S.-led programmes such as Build Back Better World, Blue Dot Network and Clean Network to meet the challenge of China's Belt and Road Initiative.

What is the status of their engagement with China?

- Australia had subordinated its strategic assessment of China to transactional commercial interests.
- China's naval expansion and incursions into the Indo-Pacific has compelled Australia to revisit its defence and security policies.
- In 2017 and 2019, China's *Dongdiao*-class Type 815 auxiliary general intelligence (AGI) vessel tagged the Talisman Sabre exercises (a biennial exercise that is led by either Australia or the U.S.).
- China also used the same type of vessel to monitor the multilateral Rim of the Pacific (RIMPAC) exercise in 2018.
- AUKUS provides an opportunity to the U.S. to place proxy submarine forces to limit China's forays, especially in the Pacific Ocean.

7.6 Turkey in FATF Grey List

Why in news?

The global terror financing watchdog, Financial Action Task Force (FATF), has added Turkey, along with Jordan and Mali, in its revised list of "jurisdictions under increased monitoring".

What is the FATF?

- Headquartered in Paris, the FATF was set up in 1989 by the G7 countries.
- **Objective** - FATF acts as an international watchdog on issues of money laundering and financing of terrorism.
- It is empowered to curtail financing of UN-designated terrorist groups.
- It can limit the concerned countries from sourcing financial flows internationally and thereby constraining them economically.
- **Members** - FATF has 39 members, which comprise 37 member jurisdictions and 2 regional organisations.
- India became a full member in 2010.
- **FATF has 2 types of lists**
 - **Black List** - Countries known as Non-Cooperative Countries or Territories (NCCTs) are put in the blacklist. These countries support terror funding and money laundering activities.
 - **Grey List** - Countries that are considered safe haven for supporting terror funding and money laundering are put in the FATF grey list. This inclusion serves as a warning to the country that it may enter the blacklist.

What does 'increased monitoring' mean?

- Being placed under this means these countries have failed to prevent international money laundering and terrorist financing, and so, are on a global watchlist.
- Such countries are committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and are subject to extra checks.
- They actively work with the FATF to address the gaps.

- This list of jurisdictions is commonly referred to as the “**grey list**”.
- There are now 23 countries in the FATF grey list, officially referred to as “**jurisdictions with strategic deficiencies**”.
- The FATF grey list includes Pakistan, Myanmar and now, Turkey.
- Some of the other countries in the updated grey list - Philippines, Syria, Yemen, Zimbabwe, Uganda, Morocco, Jamaica, Cambodia, Burkina Faso, and South Sudan, and the tax havens of Barbados, Cayman Islands, and Panama.
- The FATF also took Botswana and Mauritius out of the grey list, having shown significant progress in addressing the strategic AML/CFT deficiencies.
- AML/CFT refers to “Anti-Money Laundering/Combating the Financing of Terrorism”.

What does Turkey's listing mean?

- Turkey needs to address “serious issues of supervision” in its banking and real estate sectors, and with gold and precious stones dealers.
- Turkey needs to show it is -
 1. effectively tackling complex money laundering cases
 2. pursuing terrorist financing prosecutions
 3. prioritising cases of UN- designated terrorist organisations such as ISIL and al Qaeda
- The FATF has given **eight specific tasks** to Turkey, including, in broad terms:
 1. dedicating more resources to the supervision of AML/CFT compliance by high-risk sectors and increasing on-site inspections
 2. applying “dissuasive sanctions” for breaches of AML/CFT, including unregistered money transfers
 3. enhancing use of financial intelligence to support money laundering investigations
 4. undertaking more complex money laundering investigations and prosecutions
 5. fixing responsibilities and measurable performance objectives for anti-terror finance authorities
 6. conducting more financial investigations in terrorism cases
 7. concerning targeted financial sanctions under the UN's anti-terror resolutions, and pursuing actions against UN-designated groups
 8. implementing a risk-based approach to supervision of non-profit organisations to prevent their abuse for terrorist financing
- Notably, FATF had warned Turkey in 2019 about “serious shortcomings” and called for measures to freeze assets linked to terrorism and weapons of mass destruction proliferation.

What are the likely implications?

- Negatively impacts Turkey's relationship with international funders including banks and financial institutions as well as its investors.
- Cuts capital inflow by an estimated 7.6% of GDP, while FDI and portfolio flows are also hit.
- Could further weigh on Turkey's currency lira, which touched a record low recently.