

DATE: 05/06/2021



# GENERAL Knowledge

## TOPICS

- February, 2021 Important Current Events
- Monthly Compendium
- Important Current Affairs Event in Detail

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## AGREEMENTS BETWEEN INDIA & AFGHANISTAN

**Prime Minister Narendra Modi** conducted summit-level talks with **Afghanistan President Ashraf Ghani** via video conferencing on February 9, 2021. During the meeting, PM Modi expressed concerns over the **rising violence in Afghanistan** and termed targeting of the civilians, journalists and workers by the terrorists a "cowardice act" and asserted that both India and Afghanistan want to see the region



free of terrorism. PM Modi while stressing on the friendship between the two countries, said that India has always supported **Afghan-led, Afghan-owned and Afghan-supported initiatives**. He further stressed that unified Afghanistan can fight any calamities and success of the nation is the all-around success of India. **Afghanistan President Ashraf Ghani** thanked India and PM Modi for India's gift of water through the signing of an **Shahtoot dam agreement** and delivery of **5,00,000 doses of the COVID-19 vaccine**. The Afghan President stated that India's attention to Afghanistan and its offer of the gift of life to Kabul and the people of Afghanistan symbolise the value of decency, democracy, humanity, mutual interest, mutual respect, mutual trust and our interdependent world.

Further, the Afghan President said that India's decision to **provide them with 5,00,000 doses of the vaccine** at this critical time when Indians themselves are looking for every single vaccine could not be a greater gift. He stated that the vaccines will be administered to their frontline health workers and heroic security forces and vulnerable people. With **Shahtoot reservoir, we will be able to implement our vision of restoring natural beauty** that captivated the imagination of Babur.

## INDIA-AFGHANISTAN SIGNED MOU ON 'SHATOOT DAM'

The MoU was signed by **Union External Affairs Minister Dr. Jaishankar** and **Foreign Minister Mr. Hanif Atmar**, in the presence of PM Modi and the Afghan President. The Shahtoot dam is proposed to be constructed on the Kabul river basin, which is one of the five river basins of Afghanistan. **Shahtoot Dam will provide clean drinking water to two million**

**citizens of Kabul** and will also be used to provide irrigation water to nearby areas, rehabilitate the existing irrigation and drainage network, aid in flood protection and management efforts in the area, and also provide electricity to the region. **The project is a part of the New Development Partnership between India and Afghanistan.** The Shahtoot dam is the second major dam being built by India in Afghanistan, after the **India- Afghanistan Friendship Dam [Salma Dam]**, which was inaugurated by the Prime Minister and the President in June 2016. The signing of the **Shahtoot Dam agreement** is a reflection of India's strong and long-term commitment towards the socio-economic development of Afghanistan. PM Modi during the talks highlighted the civilisational relationship between India and Afghanistan and gave an assurance of India's continued support for a peaceful, united, stable, prosperous and inclusive Afghanistan.

It is the moment for **regional consensus and international consensus** and for a guarantee of a stable and prosperous Afghanistan. He further urged the world and all stakeholders to respect the **rules of sovereignty and international relations** and stop giving sanctuaries and stop interfering in the affairs of their neighbours.

## INDIA & AFGHANISTAN RELATIONSHIP

**India's Current Assistance** : India will launch phase-IV of high-impact community development projects, which include around **150 projects worth USD 80 million**. It has signed an agreement for building the Shahtoot dam, which would provide safe drinking water to 2 million residents of Kabul city. It builds on the **202 km Pul-e-Khumri transmission line of 2009**, through which India provides power to the city.



**Earlier Assistance:** India's development programmes in Afghanistan are focused around five pillars: Large infrastructure projects, Human resource development and capacity building, Humanitarian assistance, **High-impact community development projects**, Enhancing trade and investment through air and land connectivity. Since 2001, India has committed USD 3 billion towards rebuilding and reconstruction of Afghanistan. During the **Taliban years from 1996 to**

**2001**, India did not invest in Afghanistan. Chabahar Port in Iran, which provides alternate connectivity to Afghanistan. Afghanistan's growth has been **constrained by its landlocked geography and Pakistan** blocking transit access made the situation even worse.

*Pandemic Support:* India sent **more than 20 tonnes of medicines**, other equipment and transported 75,000 tonnes of wheat to Afghanistan to address the Covid-19 challenge. The Indian government's decision to invest in **Afghanistan's future, where the Taliban is set to play a dominant role**, is being seen as a major departure from the past. India also participated in the commencement ceremony of the **intra-Afghan talks in Doha in September 2020**, where a 21-member Taliban team was also present. It reflects India's realisation of ground realities and shifting sands in **Kabul's power structure**.

## REDUCTION OF TROOPS BY USA

In February 2020, the **USA and the Taliban signed an agreement in Doha, (Qatar's capital)**. According to it, the USA would withdraw all of its troops from Afghanistan in 14 months and would also release Taliban prisoners, held captive by the Afghan government. In return, the Taliban assured that they would **not allow transnational jihadist organisations such as al-Qaeda and the Islamic State** to use Afghanistan as their base and also committed to start direct talks with the Afghan government, which began in September 2020.



With the USA leaving at such a crucial point, it not only deprives Afghan forces of the support they need, particularly the airpower, but also affects their morale. **The North Atlantic Treaty Organization (NATO)** has committed to funding Afghan troops for four more years. However, this decision will leave Afghanistan with an uncertain future as the Taliban is expected to take over after the troops' withdrawal. The Taliban, who were **ousted from power in 2001 after the USA invasion**, have since been fighting both foreign troops and the Afghan government. It now controls more than half of the country and contests the whole of it. Since the agreement was signed, the Taliban have conducted more than 13,000 attacks nationwide. According to a **UN**

**Assistance Mission in Afghanistan (UMAMA) report** in October 2020, nearly 6,000 Afghan civilians were killed in the first nine months of the year and 45% of the deaths were by the Taliban.

## BACKGROUND

**Union External Affairs Minister Dr. S Jaishankar** had announced at the **Geneva Donors Conference** in November 2020 that India will be constructing the **Shahtoot Dam** on the Kabul river in Afghanistan. Along with this dam, India has pledged to rebuild Afghanistan committing to USD 80 million worth of projects. Around **150 projects have been announced by India in the conflict-ridden country**. Overall, India has completed a large number of infrastructure projects in Afghanistan, **including the construction of the Salma Dam**, the Afghan parliament building, which was inaugurated in 2015 and a 218-km road from **Delaram to Zaranj along the Iranian border** to provide alternative connectivity for Afghanistan through Iran.

## AUSTRALIAN GOVT. V. FACEBOOK CONTROVERSY

Australia has reached out to India among several countries, including **Canada, France and the UK**, in a move to stitch a global coalition **against tech giants Google and Facebook** amid a faceoff over compensation for sharing news content from media companies on their platforms.



**Australia's proposed law, News Media and Digital Platforms Mandatory Bargaining Code Bill 2020**, mandates a bargaining code that aims to force Google and Facebook to compensate media companies for using their content. The Bill is expected to **set a precedent in regulating social media across geographies**.

## BACKGROUND OF THE ISSUE

The **Australian Competition and Consumer Commission (ACCC)**, in its **2019 report**, Digital Platforms Inquiry, noted that there was a fundamental imbalance in the power between news media and internet platforms. Specifically mentioning **Google and Facebook**, the report said these platforms had “**substantial bargaining power in relation to many news media businesses**.” It highlighted that media regulation hardly applied to platforms, though they have been increasingly playing much the same role as the media. The last two decades have also seen the tremendous rise of the platforms and sharp decline of the traditional news media. The Australian government, reportedly sensing how important it was to have a strong and independent media environment in a democracy, asked the ACCC to come up with a draft code, which it did in July 2020. After some changes, the **Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill** was introduced in **December 2020**.





## AUSTRALIA'S MEDIA PLATFORM BILL

*Payment to News Outlets:* Big tech and social media giants like **Facebook and Google will have to pay local news outlets** for using their content. Big Tech firms will have to negotiate how much they pay local publishers and broadcasters for content that appears on their platforms.

*Provision of Arbitration and Fine:* An arbiter is mandated to adjudicate if no agreement is reached and there are also **provisions of heavy fines if agreements are not done.**

*The Issue Involved:* The media industry is already benefiting from traffic routed to them by the digital platforms, and that the proposed rules would expose the Internet companies to **“unmanageable levels of financial and operational risk”**. Journalism is a public good and a pillar of democracy. **Digital platforms piggyback** on its content without sharing the associated costs. The subsequent diversion of advertising revenue has undermined traditional media, particularly regional newspapers. **Paying for news feed** in itself appears to be less of an issue for the tech giants, given that Google agreed to pay news publications in France. **Google signed a deal with a group of French publishers** to make digital copyright payments for online news content. The fight in Australia is in fact, centred on how much control these companies would be able to retain on their payout process - operational aspects such as deciding the **quantum of payments for news feed sources**, and having to reveal changes in their algorithms. France has specifically linked payments to copyright, without putting a forcing device into the agreements. Australia's code, on the other hand, is almost entirely focused on the bargaining power of **news outlets vis-à-vis the tech majors**, and has some coercive features as well.

**Paying for news feed in itself** appears to be less of an issue for the tech giants, given that **Google agreed to pay news publications** in France just hours before threatening to remove its search functions in Australia. The fight in Australia is in fact, centred on how much control these companies would be able to retain on their payout process — operational aspects such as deciding the quantum of payments for news feed sources, and having to reveal changes in their algorithms.

**European authorities** have specifically linked payments to copyright, without putting a forcing device into the agreements. Australia's code, on the other hand, is almost entirely focused on the bargaining power of **news outlets vis-à-vis the tech majors, and has some coercive features as well**. It is more of a competition issue in Australia, of power equations between traditional news outlets and tech platforms, with the question of abuse of dominance by the latter hanging in the balance.

## THE CASE OF INDIA

**Policymakers have so far focused** on the dominance of intermediaries such as Google and Facebook, which are positioned in a way that service providers cannot reach customers except through these platforms. A substantial discussion on the impact of intermediary platforms on the health of news media outlets is yet to begin in any meaningful way. According to a **FICCI-EY report for 2020**, there are 300 million users of online news sites, portals and aggregators in the country.



It makes up approximately **46% of Internet users and 77%** of smartphone users in India at the end of 2019. With 282 million unique visitors, India is the second largest online news consuming nation after China. In India, digital advertising spends in 2019 grew 24% year-on-year to **Rs. 27,900 crore, according to EY estimates**, and are expected to grow to Rs. 51,340 crore by 2022. In India, the news aggregators are not mandated to make payments to publishers. News aggregator is an online platform or a software device that collects news stories and other information as that information is published and organizes the information in a specific manner.

## CONCLUSION

**India presents a unique media market which reflects the country's diversity.** For example, media platforms span multiple languages. Therefore, while the Australian development is of special importance to India, it need not provide an ideal template for the way forward. **Digital platforms** have brought about huge **social gains by democratising access**. However, their

growing size and revenue models have also had adverse effects, such as spread of fake news. It is this fallout that governments should try to mitigate, **to safeguard democracy.**

## CEASEFIRE B/W INDIA & PAKISTAN ALONG LOC

**India and Pakistan** have agreed to observe the 2003 ceasefire agreements **along the Line of Control (LoC)** and all other sectors. The agreement comes in the wake of over 5000 instances of **Cross Fire Violations (CFVs) along the Line of Control (LoC)** and other areas in Jammu and Kashmir, resulting in 46 fatal casualties in 2020. The decision was taken after discussion between the **two Director Generals of Military Operations (DGsMO)**.



## 2003 CEASEFIRE AGREEMENT

The original ceasefire agreement was reached in November 2003, **four years after the Kargil War (1999)**. The 2003 ceasefire agreement remains a milestone as it brought peace along the LoC until 2006. **Between 2003 and 2006**, not a single bullet was fired by the jawans of India and Pakistan. But since 2006, **ceasefire violations have become the norm with increasing frequency**.



**Backchannel Diplomacy:** Several signs indicate that back channel diplomacy led up to the talks and helped produce a joint statement between the two sides, **beginning with Pakistan Army chief General's call for resolving the Kashmir issue “peacefully”** earlier in the month of February 2021. Pakistan supported **India’s five proposals for collaboration at the South Asian level on containing Covid-19**. India allowed the aircraft carrying Pakistan Prime Minister a clear passage to Sri Lanka, where the Pakistani leader declared a USD 50 million defence line of credit for Colombo. However, during these apparent signs of back channel negotiations, both sides have maintained their respective positions on the Kashmir issue. After the Pakistan government moved to provide **provisional provincial status for Gilgit Baltistan in November 2020**, India hit out saying **Gilgit Baltistan was an “integral part of India”**.

**Significance of the Latest Re-commitment to the 2003 Agreement:** The agreement may contribute to an improvement of the **security situation on the ground in Kashmir**. India has often alleged that many of the ceasefire violations were aimed at providing cover to infiltrating militants. Infiltration attempts may now drop, and go some way in meeting a key Indian demand on cross-border terrorism.

## INDIA-PAKISTAN RECENT DEVELOPMENTS

The **two sides last connected at the highest level during the Christmas day of 2015**, when Indian Prime Minister landed in Lahore for an unannounced visit to meet **Pakistani Prime Minister**. Dialogue broke down soon thereafter because of the Pathankot airbase attack of 2nd January, 2016, which was followed by the **attack at the garrison in Uri and the Indian response with a surgical strike along the border**. Bilateral ties continued to nosedive because of the Pulwama terror attack of 14th February, 2019, and the Balakot operation by India.

## DIFFERENCE B/W LOC & LAC

**Line of Control:** LOC or **Line of Control** is a live line with a lot of activities like firing and face to face interaction. It is clearly demarcated by the militaries. It denotes a kind of boundary separating parts of Indian UT i.e. **Jammu & Kashmir**; controlled by India and illegally occupied by Pakistan. **The length of LOC is around 776-kilometers**. Indian part (southern and eastern parts of the region) of LOC is known as Jammu and Kashmir which constitutes about 45 percent of Kashmir. **The Line of Control (LoC)** emerged from the **1948 ceasefire line negotiated by the United Nations (UN)** after the Kashmir War. It was designated as the LoC in 1972, following the Shimla Agreement between the two countries. LoC is **demarcated upto the Siachen Glacier (Point NJ9842)**- the world's highest battlefield. LoC is delineated on a map signed by the Director General of Military Operations (DGMO) of both armies and has the international sanctity of a legal agreement.



**Line of Actual Control:** LAC stands for Line of Actual Control. It is a **boundary between China and India**. The concept of “**Line of Actual Control**” (LAC) came in a bilateral agreement in 1993, although there was no concrete settlement on ground positions between these two countries. The LAC separates Indian-controlled territory from Chinese-controlled territory. **It is a big empty region and nearly 50 to 100 kms distance is maintained by the armies of India and China**. The Chinese government considers LAC to be around **2,000 km** while India considers the **LAC to be 3,488 km long**. LAC is divided into three regions: the western sector in Ladakh, the middle sector in **Uttarakhand and Himachal Pradesh**, and the eastern sector which spans **Arunachal Pradesh and Sikkim**.

## **BACK CHANNEL DIPLOMACY**

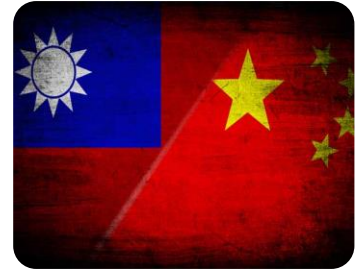
The **back channel diplomacy** is one of the diplomatic **tactics practiced by states to achieve the objectives of foreign policy** in solving international disputes outside official bureaucratic structures and formats. It takes place away from the eyes and lenses of the media in order to **ensure the confidentiality of information** and keep them away from official and media trading until they reach the target.

## **CONCLUSION**

**Confidence-building measures (CBM)** should be pursued to alleviate the “trust deficit” but should not be used as a substitute for the resolution of disputes. **Economic co-operation and trade should be facilitated to develop mutuality of interest**. The problems of terrorism and **Non-State Actors** need to be addressed jointly through institutionalised mechanisms. If the new resolve on the ceasefire holds, several low hanging fruits are available to further improve the atmosphere between the two countries, including the restoration of full strength **diplomatic missions on both sides**.

## CONFLICT BETWEEN CHINA & TAIWAN

The **USA has reaffirmed its support for Taiwan following China's** warplanes entering Taiwan's air defence identification zone. These overflights were part of a **long-standing pattern** of incursions by China aimed at pressuring the present democratically elected government of Taiwan to accept **China's demand to recognise Taiwan as a part of Chinese territory.**



## HISTORICAL BACKGROUND OF THE CONFLICT

**China and Taiwan separated amid civil war in 1949** and China considers Taiwan part of its territory to be taken control of by force if necessary. But Taiwan's leaders say that Taiwan is a sovereign state. After decades of hostile intentions and angry rhetoric, relations between China and Taiwan started improving in the 1980s. China put forward a formula, **known as "one country, two systems"**, under which Taiwan would be given significant autonomy if it accepted Chinese reunification. In Taiwan, the offer was rejected, but the government did relax rules on visits to and investment in China. There were also limited talks between the two sides' unofficial representatives, though **Beijing's insistence that Taiwan's Republic of China (ROC) government is illegitimate** prevented government-to-government contact. China's implementation of a **national security law in Hong Kong in 2020** was seen by many as a yet another sign that Beijing was becoming significantly more assertive in the region.

## USA VIS-A-VIS CHINA OVER TAIWAN

The **Chinese government passed an Anti-Secession Law in 2005** that provides conditions under which China might employ non-peaceful means to prevent the permanent separation of Taiwan from mainland China. The **USA as part of the Taiwan Relations Act (TRA) 1979**, is required to assist Taiwan if coerced or attacked by



China. Thus, the recent Chinese incursions and USA's opposition to it are manifestations of this **contradicting stand of the USA and China on Taiwan.**

*USA's Stand:* The USA criticised the pattern of ongoing attempts by China to intimidate its neighbours, including Taiwan. It has **urged China to cease its military, diplomatic, and economic pressure against Taiwan** and instead engage in meaningful dialogue with Taiwan's democratically elected representatives.

## CHINESE CONCERN OVER THE ISSUE

*USA's Strategic and Defense Support to Taiwan:* Taiwan has sought to improve its defenses with the purchase of USA weapons, **including upgraded F-16 fighter jets, armed drones, rocket systems and Harpoon missiles.** The Taiwanese government has also boosted USA's support for Taiwan's indigenous arms industry, including launching a program to build new submarines to counter China's ever-growing naval capabilities.

*Presence of the USA forces in Neighboring Waters:* A USA aircraft carrier group led by the warship **Theodore Roosevelt** has entered the South China Sea to ensure freedom of the seas, and build partnerships that foster maritime security.

*One China Policy Challenged:* This means that countries seeking diplomatic relations with the **People's Republic of China (PRC, Mainland China)** must break official relations with the **Republic of China (ROC, Taiwan)** and vice versa. The existent diplomatic relationship of the Taiwan and its membership in intergovernmental organizations challenges this policy: The ROC, Taiwan has diplomatic relations with 15 countries and substantive ties with many others such as **Australia, Canada, EU nations, Japan and New Zealand.** Besides, Taiwan has full membership in 38 intergovernmental organizations and their subsidiary bodies, including the **World Trade Organization, Asia-Pacific Economic Cooperation, Asian Development Bank and Central American Bank for Economic Integration.**



**India's Stand on the Issue:** Since 1949, India has accepted the “**One China**” policy that accepts Taiwan and Tibet as part of China. However, India uses the policy to make a diplomatic point, i.e., if India believes in “**One China**” policy, China should also believe in a “**One India**” policy. Even though India has stopped mentioning its adherence to One China policy in joint statements and official documents since 2010, its engagement with Taiwan is still restricted due to the framework of ties with China. India and Taiwan do not have formal diplomatic relations but since 1995, both sides have maintained representative offices in each other's capitals that function as de facto embassies.

## INDIA & TAIWAN RELATIONSHIP

**India and Taiwan** do not maintain formal diplomatic relations. The areas of cooperation between India and Taiwan have been limited due to negligible political relations. From 1995 to 2014, the bilateral trade turnover has grown manifold from **just \$934 million to \$5.91 billion**. In the field of science and technology, there are more than thirty ongoing government-funded joint research projects. In August 2015, the **Taiwan-based Foxconn, one of the largest hardware manufacturers in the world**, announced an investment of \$5 billion in India. India and Taiwan in 2018 signed a bilateral investment agreement. India-Taiwan trade ties have been expanded and Taiwanese firms are prominent investors in India, Taiwan has for long been a world leader in high-tech hardware manufacturing, and can contribute much to the “**Make in India**”, “**Digital India**” and “**Smart Cities**” campaigns. Taiwan's agro-technology and food processing technology can also be very beneficial for India's agriculture sector. Both sides have also expanded educational exchanges after a mutual degree recognition agreement in higher education was signed in 2010.



## CONTROVERSY BETWEEN CENTRE & TWITTER

Recently, the **government of India reprimanded Twitter (micro-blogging website)** for not complying with its order to block more than a thousand accounts for alleged spread of provocative content and misinformation on the farmers' protest. The Centre has issued notice to the **micro-blogging site** after it restored more than 250 accounts that had been suspended earlier on the **government's 'legal demand'**. The government **wants the platform (Twitter) to comply with its earlier order** of 31st January, 2021 by which it was asked to block accounts and a controversial hashtag that spoke of an **impending 'genocide' of farmers for allegedly promoting misinformation** about the protests, adversely affecting public order. The micro-blogging site reinstated the accounts and tweets on its own and later refused to go back on the decision, contending that it found no violation of its policy.



## LAWS RELATED TO BLOCKING OF INTERNET CONTENT

**Information Technology Act, 2000:** In India, the Information Technology (IT) Act, 2000, as amended from time to time, governs all activities related to the use of computer resources. It covers all 'intermediaries' who play a role in the use of computer resources and electronic records. The role of the intermediaries has been spelt out in separate rules framed for the purpose in 2011- **The Information Technology (Intermediaries Guidelines) Rules, 2011.**

**Section 69 of the IT Act:** It confers on the Central and State governments the power to issue directions "to intercept, monitor or decrypt any information generated, transmitted, received or stored in any computer resource". The grounds on which these powers may be exercised are: In the interest of the sovereignty or integrity of India, defence of India, the security of the state. **Friendly relations with foreign states.** Public order, or for preventing incitement to the commission of any cognizable offence relating to these. For investigating any offence.

**Process of Blocking Internet Websites:** Section 69A, for similar reasons and grounds (as stated above), enables the Centre to ask any agency of the government, or any intermediary, **to block access to the public of any information generated, transmitted, received or stored or hosted on any computer resource.** Any such request for blocking access must be based on reasons given in writing.

**Intermediaries as per the IT Act 2000:** Intermediary is defined in Section 2(1) (w) of the IT Act 2000. The term ‘intermediaries’ includes providers of telecom service, network service, Internet service and web hosting, besides search engines, online payment and auction sites, online marketplaces and cyber cafes. It includes any person who, on behalf of another, “**receives, stores or transmits**” any electronic record. Social media platforms would fall under this definition.

## OBLIGATION OF INTERMEDIARIES UNDER THE LAW

**Intermediaries are required to preserve** and retain specified information in a manner and format prescribed by the Centre for a specified duration. Contravention of this provision may attract a prison term that **may go up to three years, besides a fine.** When a direction is given for monitoring, the intermediary and any person in charge of a computer resource should extend technical assistance in the form of **giving access or securing access to the resource involved.** Failure to extend such assistance may entail a prison term of up to seven years, besides a fine. **Failure to comply with a direction** to block access to the public on a government’s written request also attracts a prison term of up to seven years, besides a fine.



**Liability of Intermediaries:** Section 79 of the IT Act 2000 makes it clear that “an intermediary shall not be liable for any third-party information, data, or communication link made available or hosted by him”. **Third party information means any information** dealt with by a network service provider in his capacity as an intermediary. This protects intermediaries such as Internet and data service providers and those hosting websites from being made liable for content that

users may post or generate. **Sections 79** also introduced the concept of “**notice and take down**” provision. It provides that an intermediary would lose its immunity if upon receiving actual knowledge or on being notified that any information, data or communication link residing in or connected to a computer resource controlled by it is being used to commit an unlawful act and it fails to **expeditiously remove or disable access to that material**.

## SC'S STAND ON INTERMEDIARIES IN IT ACT, 2000

In **Shreya Singhal vs Union of India (2015)**, the Supreme Court read down the provision to mean that the intermediaries ought to act only upon receiving actual knowledge that a court order has been passed, asking [them] to expeditiously remove or disable access to certain material.



**International Requirement:** Most nations have framed laws mandating cooperation by **Internet service providers or web hosting service providers and other intermediaries** to cooperate with law and order authorities in certain circumstances.

**To Fight Cybercrime:** Cooperation between technology services companies and law enforcement agencies is now deemed a vital part of fighting cybercrime and various other crimes that are committed using computer resources. These **cover hacking, digital impersonation and theft of data**.

**To Prevent Misuse of the Internet:** The potential of the misuse has led to law enforcement officials constantly seeking to **curb the ill-effects of using the medium**.

## CORRUPTION PERCEPTION INDEX (CPI) 2020

India's rank has slipped six places to **86th among 180 countries in Corruption Perception Index (CPI)** released by **Transparency International**. India was ranked 80th out of 180 countries in 2019. The **index ranks 180 countries** and territories by the perceived level of public sector corruption according to experts and business people. It uses a **scale of zero**



**(highly corrupt) to 100 (very clean)**. CPI 2020 paints a grim picture of the state of corruption worldwide. While most countries have made little to no progress in tackling corruption in nearly a decade, **more than two-thirds of countries score below 50**, with an average score of just 43. Moreover, corruption not only undermines the **global health response to Cover-19** but contributes to a **continuing crisis of democracy**.

## BACKGROUND OF THE INDEX

The **Corruption Perceptions Index (CPI)** is an index published annually by **Berlin-based Transparency International** since 1995 which ranks countries "by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys. The **CPI generally defines corruption as "the misuse of public power for private benefit"**. The 2020 CPI, published in January of 2021, currently ranks 180 countries "**on a scale from 100 (very clean) to 0 (highly corrupt)**" based on the situation between May 2019 and May 2020. In the list, **Denmark, Finland, New Zealand, Sweden, Singapore and Switzerland** are perceived as the top 6 least corrupt nations in the world, ranking consistently high among international financial transparency, while the most perceived corrupt country in the world is Somalia, **scoring 8–10 out of 100 since 2012**. South Sudan is also perceived as one of the most corrupt countries in the world due to constant social and economic crises, ranking an average score of 13 out of 100 in 2018.

## PERFORMANCE IN THE INDEX

- **Top Performers:** The top countries on the Corruption Perception Index (CPI) are **Denmark and New Zealand**, with scores of 88, followed by Finland, Singapore, Sweden and Switzerland, with scores of 85 each.
- **Poor Performers:** **South Sudan and Somalia** are the bottom Countries with scores of 12 each, followed by **Syria (14), Yemen (15) and Venezuela (15)**.
- **Regional Specific:** The highest scoring region is Western Europe and the European Union with an average score of 66. **The lowest scoring regions are Sub-Saharan Africa (32) and Eastern Europe and Central Asia (36)**.
- **India Specific:** In 2020, India's score is 40 (41 in 2019). India experienced slow progress in **anti-corruption efforts**, with several government commitments to reform not yet materialising effectively.

## CORRUPTION, HEALTH & COVID-19

**Corruption shifts public spending** away from essential public services. Countries with higher levels of **corruption, regardless of economic development**, tend to spend less on health. Higher levels of corruption are associated with lower universal health care coverage and higher rates of **infant and maternal mortality and deaths from cancer**, diabetes, respiratory and cardiovascular diseases. Corruption is one of the key barriers to achieving the **United Nations' Sustainable Development Goals (SDGs)**, and the covid-19 pandemic is making those goals even more difficult to attain. **Covid-19 is not just a health and economic crisis**, but a corruption crisis as well, with countless lives lost due to the insidious effects of corruption undermining a fair and equitable global response. The Covid-19 response **exposed**



**vulnerabilities of weak oversight and inadequate transparency.** Countries with higher levels of corruption tend to be the worst perpetrators of democratic and rule-of-law breaches **while managing the COVID-19 crisis.** Governments exploiting the pandemic to suspend parliaments, renounce public accountability mechanisms, and incite violence against dissidents.

## RECOMMENDATIONS:

**Strengthen oversight institutions to ensure resources** reach those most in need. **Anti-corruption authorities** and oversight institutions must have sufficient funds, resources and **independence to perform their duties.** Ensure open and transparent contracting to combat wrong doing, identify conflicts of interest and ensure fair pricing. **Defend Democracy, Promote Civic Space** by enabling civil society groups and the media to hold governments accountable. Publish relevant data and guarantee access to information to ensure the public receives **easy, accessible, timely and meaningful information.**

## ABOUT TRANSPARENCY INTERNATIONAL

**Transparency International is a German non-governmental organization** founded in 1993. Based in Berlin, its nonprofit purpose is to take action to combat global corruption with civil societal anti-corruption measures and to prevent criminal activities arising from corruption. Its most notable publications include the **Global Corruption Barometer and the Corruption Perceptions Index.** Transparency International has the legal status of a **German registered voluntary association (Eingetragener Verein)** and serves as an umbrella organization. Its members have grown from a few individuals to more than 100 national chapters which engage in fighting corruption in their home countries. **TI is a member of G20 Think Tanks,** UNESCO Consultative Status, United Nations Global Compact, Sustainable Development Solutions Network and shares the goals of peace, justice, strong institutions and partnerships of the **United Nations Sustainable Development Group (UNSDG).** TI confirmed the dis-accreditation of the national chapter of the United States of America in 2017. According



to the **2016 Global Go To Think Tank Index Report**, Transparency International was number 9 of 100 in the Top Think Tanks Worldwide (non-U.S.) category and number 27 of 150 in the **Top Think Tanks Worldwide (U.S. and non-U.S.) category**.



## FINANCE MINISTER PRESENTED BUDGET 2020-21 (PART-1)

**Finance Minister Nirmala Sitharaman** presented the **Union Budget 2021** on February 1, 2021. This was the first paperless budget. The Finance Minister read out the document from a Made-in-India tablet. This was the third Budget presentation for **FM Nirmala Sitharaman** since she took over the mantle of **Finance Ministry and the first one to be presented after the COVID-19 pandemic**. The Union Budget 2020-21 was focused on the **centre's Atmanirbhar Bharat vision**. It



did not propose any changes in personal income tax slabs. The Union Cabinet approved the Union Budget 2021-22 prior to its presentation in the Parliament. The Budget 2021 has proposed several new schemes and announcements including the launch of PM **Atmanirbhar Swasth Bharat Yojana, Mission Poshan 2.0, Urban Jal Jeevan Mission, Urban Swacch Bharat Mission**, Voluntary Vehicle Scrapping Policy, National Railway Plan, National Hydrogen Mission, First Digital Census, Investor Charter and first central university in Leh.

**The Budget 2021-22 PART-A** mainly rests on six pillars: Health & Well-Being, Physical & Financial Capital & Infrastructure, Inclusive development for aspirational India, Reinvigorating human capital, Innovation & R&D and Minimum Govt & Maximum Governance and **Part-B was on Taxation**.

**Part A- Vision for Atmanirbhar Bharat - Six Pillars.** The Budget 2021-22 rests on six pillars:

- Health & Well-Being
- Physical & Financial Capital & Infrastructure
- Inclusive development for aspirational India
- Reinvigorating human capital
- Innovation & R&D
- Minimum Govt & Maximum Governance.

## HEALTH AND WELL BEING

**PM Atmanirbhar Swasth Bharat Yojana:** PM Atmanirbhar Swasth Bharat Yojana to be launched to develop primary, secondary and tertiary healthcare systems, strengthen existing health systems and support future health interventions with an outlay of about 64,180 crores over 6 years. This will be in addition to the National Health mission and will support 17,000 rural and 11,000 urban health care centres. Mission Poshan 2.0 to be launched to improve nutritional outcomes across 112 aspirational districts.



**Jal Jivan Urban Mission:** Urban Jal Jeevan Mission to be launched and implemented over five years with an outlay of Rs 2.87 lakh crore.

**Urban Swacch Bharat Mission** to implemented over five years with an outlay of Rs 2.87 lakh crore. **Clean Air Programme:** Proposal to allocate Rs. 2,217 crore for 32 urban centres to tackle the burgeoning air pollution problem.

## PHYSICAL & FINANCIAL CAPITAL AND INFRASTRUCTURE

- **The Finance Minister** stated that to realise five trillion dollar economy, India's manufacturing sector has to grow in double digits for a sustained period. A **PLI scheme has been announced for 13 sectors** to achieve the same with an outlay of Rs 1.97 lakh crore over the next 5 years. Mega Investment **Textile Parks- 7 textile parks** will be added in the next three years.
- **National Infrastructure Pipeline:** The **National Infrastructure Pipeline (NIP)** was launched with 6835 projects, which has now expanded to 7400 projects. The **NIP will require major funding** from both centre and financial sector.

- ***Proposal to set up Development Finance*** Institution at a cost of Rs 20,000 crore. A **national monetising pipeline** will be launched and a dashboard will be created to overlook the progress.
- ***Propose sharp increase in Capital expenditure:*** The Finance Minister has proposed a sharp increase in Capital Expenditure & thus have provided Rs 5.54 lakh crores which is 34.5% more than the BE 2020-21.
- ***Roads & Highways:*** Over 13,000 km length of roads at a cost of Rs 3.3 lakh cr has already been awarded under Rs 5.35 lakh cr **Bharatmala project of which 3,800 kms** have been constructed. By March 2022 another 8,500 km and an additional 11,000 kms of **National Highway Corridor will be awarded.** 3900 km of national highway work will be undertaken in Tamil Nadu. The construction will start next year. 1100 km of national highway work will be undertaken in Kerala including 600 km stretch of **Mumbai-Kanyakumari corridor.** 600km corridor to be developed in West Bengal at a cost of Rs 25000 crore. **National highway** work of more than 34000 crore covering upto 1000 km will be taken up in Assam. The Finance Minister also provided an enhanced outlay of Rs 1,18,101 crore for ports and highways. A lot of airports will be monetised for operation and management.
- ***Railway Infrastructure - National Railway Plan:*** The **Indian Railways** has prepared a National Rail Plan for India 2030. The plan is to create a future-ready railways system by 2030. The government aims to bring down the logistic cost for industry to enable Make in India. **The Finance Minister proposed to provide** a record sum of Rs 1,10,055 crores for Railways of which Rs 1,07,100 crores is for **Capital Expenditure only.** 100% electrification will be completed by 2023.
- ***Urban Infrastructure:*** New scheme to be launched to support augmentation of public bus service. it will boost automobile sector and create employment opportunities for the youth and enable smooth mobility to citizens. MetroLite and MetroNeo to be introduced in Tier 2 cities and peripheral areas of Tier 1 cities. Additional central funding will be

provided to **Kochi Metro Phase II, Chennai Metro Phase 2, Bengaluru Phase 2A and B, Nashik and Nagpur Metros.**

## INCLUSIVE DEVELOPMENT FOR ASPIRATIONAL INDIA

**Operation Green Scheme** to be enlarged to cover 22 perishable crops. 1000 more mandis to be integrated with **E-NAM market place**. Agricultural Infrastructure funds will be made available to **APMCs for augmenting their infrastructure**. MSP increased to 1.5 times



**Wheat Procurement** - A total of Rs 33,874 crore was paid to farmers in 2013-14 and this was increased to Rs 62,804 crore in 2019 -20 and Rs 75,050 crore in 2020-21.

**Paddy Procurement**- The amount paid for paddy was Rs 53,928 crore in 2013-2014 and in 2019-20, this increased to Rs 1.41 lakh crore and it is further estimated to increase to Rs. 1,72,752 crore in 2020-21.

**Fisheries: Five major fishing harbours** to be developed into fishing hubs for economic activity including **Chennai, Kochi, Paradip, Petuaghat and Visakhapatnam**. Seaweed farming to be promoted. Multipurpose seaweed park to be established in Tamil Nadu

## REINVIGORATING HUMAN CAPITAL

**Setting up of Higher Education Commission.** 1,00 **Sainik Schools** will be set up in partnership with NGOs, private schools, and states. Proposal to set up central university in Leh. 750 Eklavya schools will be set up in tribal areas. Propose to increase cost of **Eklavya schools for schedule caste and schedule tribe students**. More than 15,000 schools A be strengthened under NEP 2020. An '**umbrella**' structure will be created for central higher education institutions in various cities such as Hyderabad.

## INNOVATION R & D

*Gaganyaan Mission:* The first unmanned launch of the **Gaganyaan Mission** is slated for december 2021. Deep ocean mission to be launched for the conservation of deep sea biodiversity.

## MINIMUM GOVT. AND MAXIMUM GOVERNANCE

**First Digital Census** to be launched. The centre has allocated Rs 3,758 crore for the same this year. **Rs.1000 crore proposed for welfare of tea workers**, especially women and children, in Assam and West Bengal. Rs 300 crore to be granted to Goa government **to celebrate 50 years of liberation from the Portuguese.**

*Migrant workers and labourers:* One nation one ration card scheme implemented by 32 states and union territories- covering 86 percent of beneficiaries. The **remaining four states/ UTs to be integrated soon. New proposal for portal for migrant workers.** The portal will maintain information on gig workers and construction workers, which will help provide benefits to migrant workers. It will help formulate health, housing, skill, insurance credit & food schemes for migrant workers.

## FINANCE MINISTER PRESENTED BUDGET 2020-21 (PART-2)

### FIRST EVER PAPERLESS BUDGET 2021

The **Union Budget 2021** will go **paperless this year** for the first time since India's Independence. The Budget will be like never before and will be **delivered in a paperless format**. No hard copies of the Budget 2021 will be printed due to the **COVID-19 pandemic**. The Finance Ministry has launched the **'Union Budget app' to enable smooth access to Budget-related documents**. The app can be easily



downloaded from the app store in both Android and Apple smart phones. All documents will be available for download after the **Finance Minister's speech at the Parliament**. The Union Budget is printed every year in the finance ministry's in-house press, involving around 100 employees of the ministry who have to stay together for **almost 15 days till the papers are printed, sealed and delivered** on the day of the Budget. The tradition will not be followed this year for the first time, taking into consideration the Covid-19 pandemic and the peak in the number of cases again.

The **government has decided to share soft copies of the Budget instead**. The Budget papers including both the Union Budget and Economic Survey will not be printed and soft copies will be provided. All members of the Parliament will receive the soft copies of the Union Budget. In a significant development, the Finance Ministry launched the **'Union Budget' app during the symbolic 'Halwa Ceremony** to enable users to easily download and access budget documents. This is not the first time that there would be a change in tradition in the budget presentation under **Finance Minister Nirmala Sitharaman**. She had previously done away with the colonial-era tradition of carrying Budget papers in a briefcase and **introduced the Budget 'Bahi Khata' or a ledger**, enclosed in a red cloth folder and tied with a string.

## INCOME TAX BUDGET 2021

The **Union Budget 2021** has been presented by **Finance Minister Nirmala Sitharaman** on February 1, 2021, at 11 am. Amid the high expectations from the '**budget like no other**', as promised by the **Finance Minister**, the budget doesn't see any change in the income tax structure. After the economic destruction caused by the COVID-19 pandemic in 2020 which greatly impacted almost every sector, the salaried individuals were of the hope that the government might **bring some tax advantages with Budget 2021**. However, the government has bought some relief for the senior citizens above the age of 75 years as well as has decided to introduce National Faceless Income Tax Tribunal. Read below to know more about the announcements made by the Finance Minister regarding the tax structure.



## MAJOR ANNOUNCEMENTS BY FINANCE MINISTER

**Senior Citizens of 75 age and above:** Exemption from **filing the Income Tax Return**. The citizens above the age of 75 years with a pension income have been exempted from filing the Income Tax Return. There will be **new rules for the removal of double taxation for NRIs**. They will also be allowed to operate One Person Companies in India.

**National Faceless Income Tax Tribunal:** A faceless dispute redressal will be set up for the small taxpayers. Increase in **the tax audit limit from 5 crores to 10 crores**, announced Finance Minister. While announcing the incentives, Finance Minister Nirmala Sitharaman has announced that the affordable housing projects will be able to avail tax holiday till March 31, 2022. For further easing the filing of Income Tax Returns, details of capital gains and interest from banks, post offices, etc. **will be pre-filled**.

**Late deposit of employee's contribution** to the Provident Fund by the employer will not be allowed as the deduction to the employer. The **Finance Minister** has also announced the

**advanced tax liability** on the dividend income will arise after the declaration of payment of dividends.

## TAX EXEMPTION EXTENDED ON AFFORDABLE HOUSING

In order to **boost consumption and growth**, Finance Minister Nirmala Sitharaman in Budget 2021 announced the extension of tax exemption on **affordable housing** for a year. Highlighting 'affordable housing' and 'Housing for all' as a priority area, the government extended the eligibility of tax deduction till March 31, 2021. In the **Budget of July 2019**, the government had provided an additional income tax deduction of up to Rs. 1.5 lakhs for home loans to purchase affordable housing. In order to **ensure affordable housing for the migrant workers**, the finance minister also announced the tax holiday extension for one more year for affordable rental housing projects. Under serious tax evasion cases, only if there is evidence of concealment of income of **Rs. 50 lakh or more in a year**, the reassessment can be opened for 10 years. For others, the reopening of the assessment will only be for 3 years.

## CHANGES IN CUSTOM DUTY

The **custom duty on copper** has been reduced to 2.5%. For encouraging domestic value addition of the chemicals, the **customs duty on Naptha has been reduced to 2.5%**. Custom Duty on silver and gold will be rationalized. The custom duties on the imported solar inverters have been increased from **5% to 20% and on solar lanterns;** it has been increased from 5% to 15%. There will be **5% customs duty on all the nylon products**. There will be a customs duty of 7% on Tunnel Boring Machines. To benefit farmers, the government has decided to raise the customs duty on cotton from 0 to 10%





## FINANCE MINISTER PRESENTED ECONOMIC SURVEY 2020-21

Recently, the **Union Minister of Finance presented the Economic Survey** that details the state of the economy ahead of the government's budget for the fiscal year beginning 1st April, 2021. The **Economic Survey of India** is an annual document released by the Ministry of Finance, Government of India. It contains the most authoritative and updated source of data on India's economy. It is a report that the government presents on the state of the economy in the past one year, the key challenges it anticipates, and their possible solutions.



The **Economic Survey document** is prepared by the **Economics Division of the Department of Economic Affairs (DEA)** under the guidance of the **Chief Economic Advisor**. It is usually presented a day before the Union Budget is presented in the Parliament. The first **Economic Survey in India was presented in the year 1950-51**. Up to 1964, it was presented along with the Union Budget. From 1964 onwards, it has been delinked from the Budget.

## INDIAN ECONOMY AND COVID-19 PANDEMIC

- **Strategy to face the pandemic:** Human lives lost cannot be brought back. **Gross Domestic Product (GDP) growth** will recover from the temporary shock caused by the Covid-19 pandemic. India's policy response also derived from extensive research on epidemiology, especially that looked at Spanish Flu of 1918. One of the key insights was that pandemic spreads faster in higher and denser population and intensity of lockdown matters most at the beginning of the pandemic.
- **Four Pillar Strategy:** India adopted a unique four-pillar strategy of containment, fiscal, financial, and long-term structural reforms. Calibrated fiscal and **monetary support was provided given the evolving economic situation**. A favorable monetary policy ensured

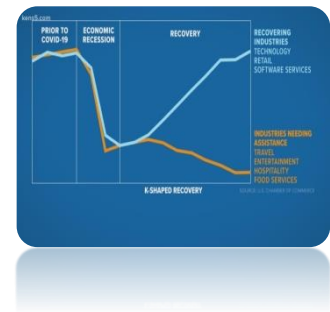


abundant liquidity and immediate relief to debtors via temporary moratoria, while facilitating monetary policy transmission. Cushioning the vulnerable in the lockdown and boosting consumption and investment while unlocking, mindful of fiscal repercussions and entailing debt sustainability.

- **Covid pandemic affected both demand and supply:** India was the only country to announce structural reforms to expand supply in the medium-long term and avoid long-term damage to productive capacities. The Rs. 1.46-lakh crore **Production Linked Incentive (PLI) scheme** is expected to make India an integral part of the global supply chain and create huge employment opportunities. **Demand-side measures** have been announced in a calibrated manner. A public investment programme centered around the National Infrastructure Pipeline to accelerate the demand push and further the recovery.

## ECONOMIC RECOVERY AFTER LOCKDOWN

**V-shaped Economic Recovery after Lockdown:** Starting July 2020, a resilient V-shaped recovery is underway. V-shaped recovery is a type of economic recession and recovery that resembles a "V" shape in charting. Specifically, a V-shaped recovery represents the shape of a chart of economic measures economists create when examining recessions and recoveries. **A V-shaped recovery is characterized by a quick and sustained recovery** in measures of economic performance after a sharp economic decline.



**Significance:** This path would entail a growth in real **Gross Domestic Product (GDP) by 2.4%** over the absolute level of 2019-20 - implying that the economy would take two years to reach and go past the pre-pandemic level.

**GDP's Estimation:** India's real GDP to record a growth of **11% in 2021-22 and nominal GDP by 15.4% - the highest since independence**. These projections are in line with International Monetary Fund estimates. **India's GDP is estimated to contract by 7.7%** in the Financial Year

(FY) 2020-21, composed of a sharp 15.7% decline in the first half and a modest 0.1% fall in the second half. Desirable to use counter-cyclical fiscal policy to enable growth during economic downturns. **Counter-cyclical fiscal policy** refers to the steps taken by the government that go against the direction of the economic or business cycle. Thus, in a recession or slowdown, the government increases expenditure and reduces taxes to create a demand that can drive an economic boom.

## PRIMARY AND THE ALLIED SECTOR

- The services sector accounts for over 54% of **India's Gross Value Added (GVA)** and nearly four-fifths of total **Foreign Direct Investments (FDI)** inflow into India. Services sector accounts for 48% of total exports, outperforming goods exports in recent years. Key indicators such as Services **Purchasing Managers' Index, rail freight traffic, and port traffic, are all displaying a V-shaped recovery** after a sharp decline during the lockdown. The Indian start-up ecosystem has been progressing well amidst the Covid-19 pandemic, being home to 38 unicorns - adding a record number of 12 start-ups to the unicorn list last year
- **Agriculture:** The Agriculture and Allied activities clocked a growth of 3.4%. As per the Provisional Estimates of National Income released by **Central Statistical Organization** in May, 2020, the share of Agriculture and Allied Sectors in **Gross Value Added (GVA)** of the country at current prices is 17.8% for the year 2019-20.
- **Export:** In 2019-20, the major agricultural and allied export destinations were the **USA, Saudi Arabia, Iran, Nepal and Bangladesh**. The top agriculture and related products exported from India were marine products, basmati rice, buffalo meat, spices, non-basmati rice, cotton raw, oil meals, sugar, castor oil and tea.
- **Farm Laws:** It strongly defended new farm laws, saying they herald a new era of market freedom which can go a long way in improving lives of small and marginal farmers in India. These legislations were **designed "primarily" for the benefit of "small and**

**marginal farmers"**, which constitute around 85% of the total number of farmers and are the biggest sufferer of the "regressive" **Agricultural Produce Market Committee (APMC) -regulated market regime.**

- **Defence Sector:** The allocated capital budget for defence has been fully utilised since 2016-17, reversing the previous trends of surrender of funds.
- **Healthcare: Pradhan Mantri Jan Arogya Yojana (PM-JAY):** PM-JAY contributed to improvement in many health outcomes in States that implemented the ambitious programme the Centre had launched more than two years ago to provide healthcare access to most vulnerable sections. **National Health Mission (NHM)** played a critical role in mitigating inequity as the access of the poorest to pre-natal/post-natal care and institutional deliveries increased significantly. The scheme should be given prominence under
- **Ayushman Bharat:** An increase in government spending on the healthcare sector – from the current **1% to 2.5-3% of GDP** – as envisaged in the National Health Policy 2017 could reduce out-of-pocket expenditures.
- **Education:** India has attained a literacy level of almost 96% at the elementary school level.
- As per **National Sample Survey (NSS)**, the literacy rate of persons of age 7 years and above at the All India level stood at 77.7% but the differences in literacy rate attainment among social-religious groups, as well as gender still persists. Female literacy remained below the national **average among social groups of SC, ST, OBC**, including religious groups of Hinduism and Islam. The percentage of enrolled children from government and private schools owning a smart phone increased enormously from 36.5% in 2018 to 61.8% in 2020 in rural India. PM eVIDYA is a comprehensive initiative to unify all efforts related to digital/online/on-air education to enable multi-mode and equitable access to education for students and teachers. Around 92 courses have started and 1.5

crore students are enrolled under **Swayam Massive Open Online Courses (MOOCs)** which are online courses relating to the National Institute of Open Schooling.

- **Localization of SDGs** is crucial to any strategy aimed at achieving the goals under the 2030 Agenda. Sustainable development remains core to the development strategy despite the unprecedented **Covid-19 pandemic crisis**. Eight **National Missions** under the **National Action Plan on Climate Change (NAPCC)** focused on the objectives of adaptation, mitigation and preparedness on climate risks. **Nationally Determined Contributions (NDC)** states that finance is a critical enabler of climate change action.
- The **International Solar Alliance (ISA)** launched two new initiatives – ‘**World Solar Bank**’ and ‘**One Sun One World One Grid Initiative**’ – poised to bring about a solar energy revolution globally.
- ***Social Infrastructure, Employment and Human Development***: The combined (Centre and States) **social sector expenditure as % of GDP** has increased in 2020-21 compared to last year. India’s rank in **Human development Index (HDI)** 2019 was recorded at 131, out of a total 189 countries. Government’s incentive to boost employment through **Aatmanirbhar Bharat Rozgar Yojana** and rationalization and simplification of **existing labour codes into 4 codes**.

## FIRST-EVER AFRICAN & WOMAN CHIEF OF WTO

Nigeria's **Ngozi Okonjo-Iweala** was appointed as Director-General of the **World Trade Organisation (WTO)**, the leading international trade body. **Ngozi Okonjo-Iweala is the first African official and the first woman** to hold the position.



## ORIGIN OF WORLD TRADE ORGANISATION

The **WTO is the successor to the General Agreement on Tariffs and Trade (GATT)**, which was created in 1947. The **Uruguay Round (1986-94)** of the GATT led to the WTO's creation. WTO began operations on 1st January, 1995. The Agreement Establishing the WTO, commonly known as the “**Marrakesh Agreement**”, was **signed in Marrakesh, Morocco in 1994**. WTO is an international organization dealing with the rules of trade between nations. Main difference between **GATT and WTO** was that GATT mostly dealt with trade in goods, the WTO and its agreements could not only cover goods but also trade in services and other intellectual properties like trade creations, designs, and inventions. **It has its Headquarters in Geneva, Switzerland.**

Members: The **WTO has 164 members (including European Union)** and 23 observer governments (like **Iran, Iraq, Bhutan, Libya etc**). India is a founder member of the **1947 GATT and its successor, the WTO.**

## GOVERNING STRUCTURE OF WTO

**Ministerial Conference:** of the **WTO is dominated by its highest authority**, the Ministerial Conference, composed of representatives of all WTO members, which is required to meet at least every two years and which can take decisions on all matters under any of the multilateral trade agreements.

**General Council:** It is **composed of all WTO members** and is required to report to the Ministerial Conference. General Council convenes in two particular forms: **Dispute Settlement Body:** To oversee the dispute settlement procedures. **Trade Policy Review Body:** To conduct regular reviews of the trade policies of individual WTO members.

## OBJECTIVES/AIMS AND ACHIEVEMENTS OF WTO

- **To set and enforce rules for international trade.** To provide a forum for negotiating and monitoring further trade liberalization. To resolve trade disputes. To increase the **transparency of decision-making processes.** To cooperate with other major international economic institutions involved in global economic management. To help developing countries benefit fully from the global trading system.
- **Global Facilitation of Trade:** By building binding rules for global trade in goods and services, WTO has facilitated dramatic growth in cross-border business activity. **The WTO has not only enhanced the value and quantity of trade** but has also helped in eradicating trade and non-trade barriers.
- **Improved Economic Growth:** Since 1995, the value of world trade has nearly quadrupled, while the real volume of world trade has expanded by 2.7 times. **Domestic reforms and market-opening** commitments have resulted in the lasting boost to national income of nations.
- **Increased Global Value Chains:** The predictable market conditions fostered by the WTO, have combined with improved communications to **enable the rise of global value chains**, trade within these value chains today accounts for almost **70% of total merchandise trade.**



- **Upliftment of Poor Countries:** The least-developed countries receive extra attention in the WTO. All the **WTO agreements recognize** that they must benefit from the greatest possible flexibility, and better-off members must make extra efforts to lower import barriers on least-developed countries' exports.

## RECENT CHALLENGES ASSOCIATED WITH WTO

- **China's State Capitalism:** China's state-owned enterprises present a major challenge to the free-market global trading system and the rulebook of the WTO is inadequate for addressing these challenges. It is due to this that **USA-China are also engaged in Trade war.**
- **Institutional Issues:** The Appellate Body's operations have effectively been suspended since December 2019, as the USA's blocking of appointments has left the body without a quorum of adjudicators needed to hear appeals. The crisis with the dispute settlement function of the **WTO is closely linked to the breakdown in its negotiation function.**
- **Lack of Transparency:** There is a problem in WTO negotiations as there is no agreed definition of what constitutes a developed or developing country at the WTO. Members can currently self-designate as developing countries to receive '**special and differential treatment**' – a practice that is the subject of much contention.
- **E-commerce & Digital Trade:** While the global trade landscape has changed significantly over the past 25 years, WTO rules have not kept pace. In 1998, realizing that e-commerce would play a growing role in the global economy, WTO members established a **WTO e-commerce moratorium** to examine all trade-related issues relating to global electronic commerce. Recently, however, the moratorium has been called into question by developing countries because of its implications for collecting revenue.





- **Agriculture and Development:** Agreement on agriculture is facing issues due to **food security and development requirements for** developing countries like India.

## CONCLUSION

**Modernizing the WTO** will necessitate the development of a new set of rules for dealing with digital trade and e-commerce. **WTO members will also have to deal more effectively** with China's trade policies and practices, including how to better handle **state-owned enterprises** and industrial subsidies. Given the pressing issues around climate change, increased efforts to align trade and environmental sustainability could help to both **tackle climate change and reinvigorate the WTO.**

## HEALTH SECTOR AND BUDGET 2021

Today, **India is amidst this global pandemic**, a black swan event which has re-emphasized that our biggest resource is our people and hence, has brought to the forefront an urgent need for stronger health systems to ensure the well being of its people. The **Budget for FY 2021-22 has come up with a holistic approach to health**, incorporating ‘preventive’, ‘curative’, and ‘well-being’ aspects **with an increase of 137%** as compared to the previous fiscal.



However, the numbers often seem high until evaluated carefully. The outlay on the health sector has been lowered to **approximately 10% as compared to the estimates for the FY 2020-21**.

## CURRENT SITUATION IN HEALTH SECTOR

**India’s health infrastructure** came under considerable strain in 2020, **with 11 million Covid cases** and perhaps over a million requiring hospitalisation. India currently has one doctor over the population of 1,445 against the WHO norm of 1:1000. India spent 1.8% of its GDP on health in FY 2020-21 and 1-1.5% in the previous years. As compared with the OECD countries’ **average of 7.6% and other BRICS countries’ average of 3.6% on their health sector**, this is considerably low. As a result, India is among the top nations with the highest **Out Of Pocket Expenditure (OOPE)**. According to estimates, out of pocket expenses in healthcare in India hover close to 62%, nearly thrice the global average of 18%. A report released by the **Johns Hopkins Bloomberg School of Public Health in 2019** suggested that nearly one out of every 100 Indian children does not live to celebrate their fifth birthday on account of either diarrhoea or pneumonia. Suboptimal access to clean water and sanitation is directly linked to diseases such as diarrhoea, polio and malaria.



## HEALTH BUDGET 2021

The Budget has committed to an outlay of ₹2,23,846 crore in health and well-being for 2021-22, a 137% increase over previous year's Budget Estimate of ₹94,452 crores. This includes a ₹60,030 crore outlay on drinking water and sanitation, a ₹2,700 crore outlay on nutrition, nearly ₹49,000 crore as Finance Commission grants and **₹35,000 crore toward vaccination**. Water and sanitation sector have received a 179% increase over the previous year's allocation from Rs 21,518 crore to Rs 60,030 crore. This is also in **line with the Economic Survey's recommendation of increasing public health spending to about 2.5-3% of GDP**. Another important public health-related announcement in Budget 2021 was the government's decision to expand the coverage of the pneumococcal vaccine across the country. The launch of **Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PMANSBY)** was also announced under the budget. It laid emphasis on the expansion of health and wellness centres along with a ₹13,192 crore Finance Commission grant for strengthening the primary health system through local government bodies.

## ASSOCIATED ISSUES WITH IT

**Reduced budgetary allocation:** The Union Budget 2021-22 allocated Rs 71,268.77 crore to the **Union Health and Family Welfare Ministry**. However, the revised estimates for last year were Rs 78,866 crores. This implies the budgetary allocation to the Union health ministry came down by nearly 10%.



**Allocation for vaccination:** Apart from the health outlay, ₹35,000 crore was allocated for COVID-19 vaccination in FY 2021-22. Even assuming the cheapest prices of vaccines for all the citizens, India will be able to vaccinate only **65% of its total population with this amount**. Moreover, this Finance Commission grant for COVID-19 vaccination is a one-time allocation and, therefore, does not strengthen the overall system at all.

***Combined health and water & sanitation sector:*** There is an increased allocation for water & sanitation but allocation for nutrition has decreased by 27%. Added together, health, water and sanitation and nutrition make up the claimed 137% increase in allocation to “**health**” services **with a real decline in healthcare and nutrition.** The misses: The budget has clearly missed mentioning any reduction in **GST on active pharmaceutical ingredients (API).** Reduction of import duty on medical devices that could have helped reduce the cost of healthcare services for citizens is another aspect missing in the budget.

## CONCLUSION

**To bring down costs:** Beyond a few islands of excellence such as the AIIMS, investments in other medical colleges shall be encouraged to possibly bring down costs and ramp up quality of health services. The government may focus on **medical education, infrastructure and research in an expanded health Budget.**

***Public Private Partnerships:*** Emphasising on **Public Private Partnerships (PPP)** in other clinical procedures and hospitals and leveraging private sector expertise in the vaccination drive for a quicker and successful achievement of the target.

***Incentivised R&D and reduced GST:*** Incentivising R&D by additional tax deductions to further support greater investments in new drug developments and **reducing GST on life-saving and essential drugs.**

***Skill enhancement of healthcare workers:*** To prepare the existing healthcare workforce to provide the people the proposed healthcare facilities, it is important to give significant attention to their **training, re-skilling, and knowledge upgradation.** To cater to this need, the government can take into account public-private collaborations. The health sector has found a prominent place in the government’s agenda over the last few years, and it has increased even more amid the pandemic.

**Although much remains to be done, the Union Budget 2021–22** has laid a strong foundation to increase the resilience of the sector in the **post-COVID-19** era and achieving **Universal Health Coverage by 2030** as part of the **Sustainable Development Goals agenda**.

## IEA RELEASED INDIA ENERGY OUTLOOK 2021

Recently, the **International Energy Agency (IEA)** has released the **India Energy Outlook 2021** Report which explores the opportunities and challenges ahead for India as it seeks to ensure reliable, affordable and sustainable energy for a growing population. The **India Energy Outlook 2021** is a new special report from the **IEA's World Energy Outlook series**.



## THIRD LARGEST ENERGY CONSUMER BY 2030

India will make up the **biggest share of energy demand growth at 25%** over the next two decades, as it **overtakes the European Union as the world's third-biggest energy consumer** by 2030. Presently, India is the fourth-largest global energy consumer behind China, the United States and the European Union. **India's energy consumption** is expected to nearly double as the **nation's Gross Domestic Product (GDP)** expands to an **estimated USD 8.6 trillion by 2040** under its current national policy scenario. Prior to the global pandemic, India's energy demand was projected to increase **by almost 50% between 2019 and 2030**, but growth over this period is now closer to 35%.

***Industrialization is a Major Driving Force:*** Over the last three decades, India accounted for about **10% of World Growth in Industrial Value-added** [in Purchasing Power Parity (PPP) terms]. By 2040, India is set to account for almost **20% of Global Growth in Industrial value-added**, and to lead global growth in industrial final energy consumption, especially in steelmaking.

***Reliance on Imports:*** India's growing energy needs will make it more reliant on fossil fuel imports as its domestic oil and gas production has been stagnant for years despite government policies to promote petroleum exploration and production and renewable energy. Rising oil demand could **double India's oil import bill to about USD 181 billion by 2030** and nearly treble it to **USD 255 billion by 2040 compared with 2019**.

**Oil Demand:** India's oil demand is **seen rising by 74% to 8.7 million barrels per day by 2040** under the existing policies scenario. A five-fold increase in per capita car ownership will result in India leading the oil demand growth in the world. Its net dependence on oil imports - taking into account both the import of crude oil and the export of oil products - **increases to more than 90% by 2040 from the current 75%** as domestic consumption rises much more than production.

**Gas Demand:** India will become the fastest-growing market for Natural gas, **with demand more than tripling by 2040**. Natural gas import dependency increased from 20% in 2010 to almost 50% in 2019 and is set to grow further to more than 60% in 2040.

**Coal Demand:** Coal currently dominates India's electricity sector, **accounting for over 70% of overall generation**. Coal demand is seen rising to **772 million tonnes in 2040 from the current 590**.

## SIGNIFICANCE OF RENEWABLE ENERGY

- **Renewables Energy Resources Demand:** India's share in the growth in renewable energy is the **second-largest in the world, after China**.
- **Sustainable:** Energy generated from renewable sources will be cleaner and greener and more sustainable.
- **Employment opportunities:** Inclusion of a newer technology simply means more employment opportunities for the **working population of the country**.
- **Market assurance:** From the economy point of view, renewable sources provide the **market and revenue assurance which no other resources can provide**.



- **Power supply: Providing 24\*7 power supply to 100% of the households**, sustainable form of transports are some of the goals that can only be achieved through sustainable power that comes from renewables.

## INTERNATIONAL ENERGY AGENCY

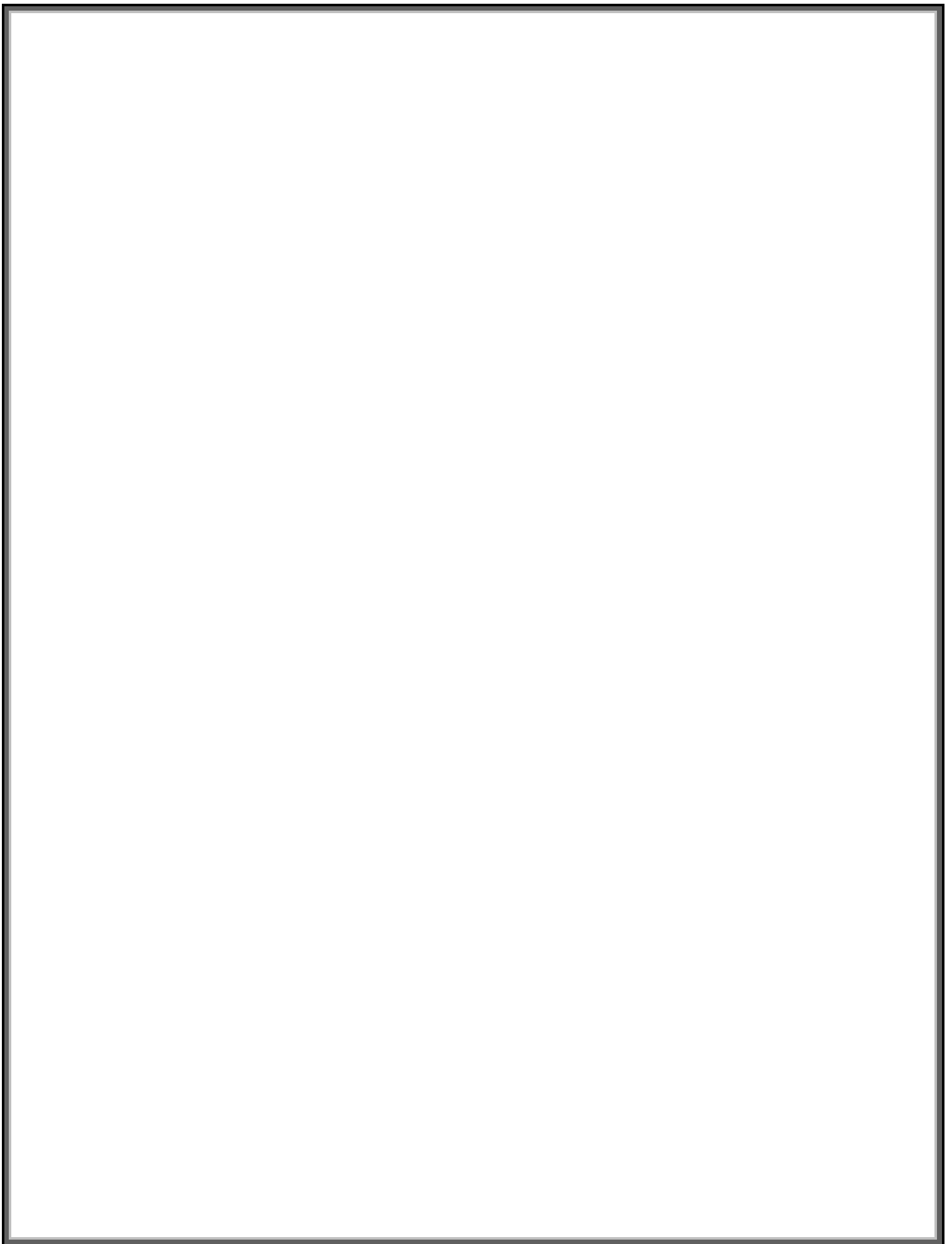
The **International Energy Agency** is an autonomous **Intergovernmental Organisation established in 1974 in Paris, France**. IEA mainly focuses on its energy policies which include economic development, energy security and environmental protection. **These policies are also known as the 3 E's of IEA**. India became an Associate member of IEA in March 2017 but it was in engagement with IEA long before its association with the organization. Recently, India has inked a **Strategic Partnership Agreement with the IEA to strengthen cooperation** in global energy security, stability and sustainability. The **World Energy Outlook Report** is released by the IEA annually. **IEA Clean Coal Centre** is dedicated to providing independent information and analysis on how coal can become a cleaner source of energy, compatible with the **UN Sustainable Development Goals**.



## CONCLUSION

As the **world seeks ways to accelerate the pace of transformation** in the energy sector, India is in a unique position to pioneer a new model for **low-carbon, inclusive growth**. If this can be done, it will show the way for **a whole group of energy-hungry** developing economies, by demonstrating that robust economic expansion is fully compatible with an increasing pace of emissions reductions and the achievement of other development goals. India is already a global leader in solar power, and solar combined with batteries will play a massive part in India's energy future. But **India will need a whole host of technologies and policies to chart this new path**. As new industrial sectors emerge and clean energy jobs grow, India will also need to ensure that no one is left behind, including in those regions that are **heavily dependent on coal today**.





## INDIA & BANGLADESH BILATERAL RELATIONSHIP

Commemorating 50 years of the 1971 India-Pakistan war that led to the liberation of Bangladesh, a 122-member contingent of the Bangladesh Armed Forces has recently participated in the 72nd Republic Day parade. This year, India and Bangladesh are also celebrating 50 years of the establishment of their ties. This



year's Republic Day ceremony was different from past events due to the COVID-19 pandemic. The parade was held while following all necessary COVID-19 preventive protocols. The parade route was shortened this time due to the COVID-19 pandemic. Though it began from the usual starting point at Vijay Chowk, it culminated at the National Stadium instead of the Red Fort. The security was also tightened across the national capital due to the farmers' tractor rally protest against the three farm laws.

## ABOUT THE REPUBLIC DAY PARADE 2021

This is the third time the Republic Day parade in India has witnessed the participation of a military contingent from abroad. Previously French troops marched in 2016 and UAE troops in 2017.

**Bangladesh War of Independence:** Vijay Diwas is observed on 16th December every year to mark India's victory over Pakistan in the 1971 war. The Government of India, on 3rd December 1971, declared that it would go for war with Pakistan to save Bengali Muslims and Hindus. This war was fought between India and Pakistan for 13 days. On 16th December 1971, the chief of the Pakistani forces with 93,000 soldiers had surrendered unconditionally to the allied forces consisting of Indian Army and Mukti Bahini in Dhaka. Mukti Bahini refers to the armed organizations that fought against the Pakistan Army during the Bangladesh Liberation War. It was a guerrilla resistance movement. Bangladesh was born on this day. Hence, Bangladesh celebrates its independence day (Bijoy Dibos) on 16th December every year.

## INDIA-BANGLADESH RELATIONSHIP

India was one of the **first countries to recognize Bangladesh and establish diplomatic relations immediately** after its independence in December 1971.



**Defence Cooperation:** Various Joint exercises of Army (**Exercise Sampriti**) and Navy (**Exercise Milan**) take place between the two countries. India and Bangladesh share **4096.7 km. of border**, which is the longest land boundary that India shares with any of its neighbours. The **India-Bangladesh Land Boundary Agreement (LBA)** came into force following the exchange of instruments of ratification in June 2015.

**Cooperation over Rivers:** India and Bangladesh share 54 common rivers. A **bilateral Joint Rivers Commission (JRC)** has been working since June 1972 to maintain liaison between the two countries to maximize benefits from common river systems.

**Economic Relations:** Bangladesh is India's biggest trade partner in South Asia. India's exports to Bangladesh for financial year 2018-19 (**April-March**) stood at US 9.21 billion USD and imports from Bangladesh for the same period stood at US 1.22 Billion USD. Bangladesh has appreciated the Duty-Free and Quota Free access given to **Bangladeshi exports to India under South Asian Free Trade Area (SAFTA)** since 2011.

**Cooperation in Connectivity:** Both countries jointly inaugurated the newly restored railway link between Haldibari (India) and Chilahati (Bangladesh). Welcomed the signing of the second addendum to the **Protocol on Inland Water Transit and Trade (PIWTT)**. Agreed to an early operationalization of the **Bangladesh-Bhutan-India-Nepal (BBIN) initiative** Motor Vehicles Agreement through the expeditious signing of the Enabling MoU for Bangladesh, India and Nepal to commence the movement of goods and passengers, with **provision for Bhutan to join at a later date.**

**Partnership on Multilateral forums:** India thanked Bangladesh for supporting India in its election to the **United Nations Security Council**. Both countries agreed to continue working together towards achieving early reforms of the UN Security Council, combating climate change, attainment of the **Sustainable Development Goals (SDGs)** and protection of the rights of migrants. Highlighted that regional organizations such as the **South Asian Association for Regional Cooperation (SAARC)** and the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** have an important role to play. Bangladesh thanked India for convening the SAARC leaders Video Conference in March 2020 and for creation of the **SAARC Emergency Response Fund** to counter effects of the global pandemic in the South Asian region. Bangladesh will assume chairmanship of the **Indian Ocean Rim Association (IORA)** in 2021 and requested the support of India for working towards greater maritime safety and security.

**Recent Development:** Recently, India and Bangladesh signed seven agreements and also inaugurated three projects to deepen their partnership. The use of the **Chattogram and Mongla ports in Bangladesh** for movement of goods to and from India, particularly from Northeastern India. Use of Bangladesh's Feni river for drinking water supply in Tripura.

**Further areas of Cooperation:** The two countries need to focus on priority areas, such as investments, security connectivity development, cross border energy cooperation, blue economy, cultural economy, environment and disaster management etc.

**During Covid 19:** Reiterating the highest priority India attaches to Bangladesh under **India's Neighbourhood First policy**, India assured that vaccines for Covid-19 would be made available to Bangladesh as and when produced in India.

India also offered collaboration in therapeutics and partnership in vaccine production.

**Emerging Disputes:** There should be efforts to resolve pending issues concerning sharing of waters, resolving continental shelf issues in the Bay of Bengal, bringing down border incidents to zero, and managing the media. Bangladesh has already **raised concerns over roll out of the National Register of Citizens (NRC) in Assam**, an exercise carried out to identify genuine

Indian citizens living in Assam and weed out illegal Bangladeshis. Currently, Bangladesh is an **active partner of the Belt and Road Initiative (BRI)** that Delhi has not signed up to. In the security sector, Bangladesh is also a major recipient of Chinese military inventory, including submarines.

## INDIA & MALDIVES SIGNED LINES OF CREDIT

Recently, **India and the Maldives** have signed a **defence Line of Credit agreement worth USD 50 million**. The agreement was signed during the visit by the **External Affairs Minister of India to Maldives**.

## HIGHLIGHTS OF PACTS & LINE OF CREDIT

Defence Line of Credit: It was signed pursuant to the request by the **Government of Maldives** in April 2013 for India's support and cooperation in enhancing the capability of the Maldives **Defence Forces in maritime surveillance**, and subsequent requests in October 2015 and March 2016. It is seen as key to India's and Maldives' strategic interests, particularly given **China's increasing footprint in the Indian Ocean Region**.



Assistance to Build Dockyards: A dockyard will be developed at the **Uthuru Thila Falhu (UTF) Naval Base** with Indian assistance, a few miles northwest of Male, which will strengthen the Maldivian defence capabilities. The agreement is part of the defence action plan signed in 2016 by then **Maldivian President Abdulla Yameen Abdul Gayoom** during a visit to India. Indicating deepening security cooperation, an agreement to develop, support and maintain a **Maldives National Defence Force Coast Guard Harbour at Sifavaru was also signed**. India will also support development of other infrastructure needed for the harbour, support the development of communications resources and radar services, and provide training.

Countering Terrorism: Agreed to convene the first meeting of the Joint Working Group on Counter Terrorism, countering Violent Extremism and De-radicalisation at the the earliest.

Review of Infrastructure Projects: A number of India-backed infrastructure projects including the **National College of Policing and Law Enforcement Studies**.

Collaboration at Multilateral Bodies: Discussed collaboration at **multilateral bodies like the General Assembly and Security Council of the United Nations Organisation**. The Maldivian side assured India of its support for permanent membership of India at the “expanded and reformed” UN Security Council. India has also extended support for the candidature of the Maldives for the Presidency of the 76th session of the General Assembly.

**Cooperation for Police Reforms:** Noted progress **on institutionalising** linkages between the police organisations to support collaboration and cooperation in training management and exchange of trainers and trainees.

## **INDIA & MALDIVES BILATERAL RELATIONSHIP**

- Geo-Strategic Importance of Maldives to India: Maldives, a Toll Gate in Indian Ocean: **Located at the southern and northern parts of this island chain lies the two important sea lanes of communication (SLOCs)**. These SLOCs are critical for maritime trade flow between the **Gulf of Aden and Gulf of Hormuz in West Asia and the Strait of Malacca in Southeast Asia**. Nearly 50% of India’s external trade and 80% of its energy imports transit these SLOCs in the Arabian Sea.
- Part of Important Groupings: Besides, Maldives is a member of the **South Asian Association for Regional Cooperation (SAARC)** and the **South Asia Subregional Economic Cooperation (SASEC)**.
- Security Cooperation: Through the decades, India has rushed emergency assistance to the Maldives, whenever sought. In 1988, when armed mercenaries attempted a coup against **President Maumoon Abdul Gayoom**, India sent paratroopers and Navy vessels and restored the legitimate leadership under **Operation Cactus**. **India and Maldives conduct the joint military exercise ‘Ekuverin’**.
- Disaster Management: The 2004 tsunami and the drinking water crisis in Male a decade later were other occasions when India rushed assistance.

- The Maldives has been one of the biggest beneficiaries of the Covid-19 assistance and vaccines delivered by India among India's all of neighbouring countries. When the world supply chains were blocked because of the pandemic, **India continued to provide crucial commodities to the Maldives under Mission SAGAR.**
- People To People Contact: Maldivian students attend educational institutions in India and patients fly here for superspeciality healthcare, aided by a liberal visa-free regime extended by India.
- Economic Cooperation: Tourism is the mainstay of Maldivian economy. The country is now a major tourist destination for some Indians and a job destination for others. Given the geographical limitations imposed on the Maldives, India has exempted the nation from export curbs on essential commodities.

## IRRITANTS IN RELATIONS OF THE COUNTRIES

- Political Instability: India's major concern has been the impact of political instability in the neighbourhood on its security and development. The February 2015 **arrest of Maldives' opposition leader Mohamed Nasheed on terrorism charges** and the consequent political crisis have posed a real diplomatic test for India's neighbourhood policy.



- Radicalisation: In the past decade or so, the number of Maldivians drawn towards terrorist groups like the **Islamic State (IS) and Pakistan-based madrassas and jihadist groups** has been increasing. Political instability and socio-economic uncertainty are the main drivers fuelling the rise of Islamist radicalism in the island nation. This gives rise to the possibility of Pakistan based terror groups using remote Maldivian islands as a launch pad for terror attacks against India and Indian interests.



- **China Angle:** China's strategic footprint in India's neighbourhood has increased. The Maldives has emerged as an important **'pearl' in China's "String of Pearls" construct in South Asia**. Given the uncertain dynamics of Sino-Indian relation, China's strategic presence in the Maldives remains a concern. Also, the Maldives have started using the China card to bargain with India.

## CONCLUSION

India-Maldives defense cooperation will enhance India's capability to monitor Chinese maritime and naval movements along vital sea lanes of communication that run alongside the Maldives.

In accordance with the **"Neighbourhood First Policy" of the government**, India remains a committed development partner for a stable, prosperous and peaceful Maldives.

## MAHARASHTRA & KARNATAKA BORDER DISPUTE

Recently, **Maharashtra CM** released a book titled **Maharashtra-Karnataka Boundary Dispute: Struggle and Pledge**. The book is a collection of articles, news, and other material on the demand that **Marathi-speaking areas in Karnataka should be integrated into Maharashtra**.



**Maharashtra Chief Minister Uddhav Thackeray** saying his government is committed to incorporating areas of Karnataka where **Marathi-speaking people** are in majority into his state has added fuel to a controversy that has been simmering for the last six decades. Belgaum or Belagavi, which has a large **Marathi-speaking population**, is currently **part of Karnataka and is claimed by Maharashtra**. While Maharashtra has gone to the Supreme Court over this land dispute, Karnataka has declared **Belagavi its second capital**.

## ORIGIN & BACKGROUND OF THE ISSUE

- **Multi-lingual Population in border district: Belgaum**, which was later **renamed Belagavi**, is located in the northern part of today's Karnataka and shares a border with Maharashtra's Kohlapur district. **Belgavi district** has both **Kannada and Marathi speakers**.



- **Colonial Times:** During the British Raj, the Belgaum region was part of the Bombay Presidency, which included Karnataka districts such as **Vijayapura, Belagavi, Dharwad and Uttara-Kannada**.
- **1881 Census data:** As per 1881 census, Belgaum had 864,014 people of which 556,397 were **Kannada-speaking (64.39%)**, while **225,008 were Marathi-speaking (26.04%)**. However, in 1948, the **Belgaum Municipality** that was dominated by Marathi speaking

politicians requested the Centre that the district be incorporated into the proposed Maharashtra state.

- **Post-Independence Reorganisation:** The States Reorganisation Act of 1956 made Belgaum and 10 talukas of Bombay State a part of the then Mysore State (**which was renamed Karnataka in 1973**). While demarcating borders, the Reorganisation of States Commission sought to include talukas with a **Kannada-speaking population of more than 50 per cent in Mysore**.
- **Objection Raised by Maharashtra:** Maharashtra objected to this by claiming that that in 1956, **Marathi-speakers outnumbered Kannada-speakers in those areas**. It submitted a memorandum to the Ministry of Home Affairs, demanding 7,000 sq km that included 814 villages, and three urban settlements of **Belagavi, Karwar and Nippani** (all were part of Bombay Presidency in British Raj), to be added to Maharashtra.
- **Demands by Karnataka:** On the other hand, Karnataka has sought areas in **Kolhapur, Sholapur and Sangli districts from Maharashtra**, and Kasargod from Kerala to be included in its state.

## TALKS TO RESOLVE THE DISPUTE

**Committee Formation:** As the dispute was raging on, both states decided to resolve the matter through talks. In 1960, **both states decided to set up a four-member committee** with two members from each state, to study and submit a report.

**Offer to exchange of areas:** During this process, **Maharashtra offered to transfer 260 Kannada-speaking villages** in return for its demand for 814 villages and three urban settlements.

*Lack of Consensus:* However, both states could not come to any consensus following the findings of the committee. In the years that followed, several talks were held between the two governments, **which ended without a resolution.**

## COMMISSION FORMED BY THE UNION GOVERNMENT

Following the **protest from the Maharashtra government, in 1966**, the central government formed the Commission **under former chief justice Mehr Chand Mahajan** to look into the issue. It was also asked to look into Karnataka's demand for integration of **Kannada-speaking areas in Kasargod in Kerala**. The Commission submitted its report to the Union government in 1967 and was placed in Parliament in 1972. The commission rejected **Maharashtra's claim over Belagavi city** while recommending the transfer of about 260 villages in the border to Maharashtra and about 250 villages in Maharashtra to Karnataka. The **Mahajan Commission** also upheld Mysore's claims for the areas in Kerala and recommended the transfer of the **entire Kasargod taluk in Kerala, minus eight villages** lying south of the **Chandragiri river to Mysore.**

## RESPONSE TO MAHAJAN COMMISSION REPORT

The **Maharashtra government rejected the report and termed** the findings of the reports as biased and self-contradictory because the "formula" **applied for Kasaragod was not applied for Belgaum.** Maharashtra Government insisted that the report is against the "wish of people" of Belgaum. The Kerala government refuted the recommendations of the report and refused to **hand over Kasaragod to Karnataka.** The Karnataka government welcomed the report and continued to press for the **implementation of the report or maintaining status quo.** Despite demands from Karnataka, the Centre never implemented the recommendations of the report. Rather it has been **non-committal on resolving the border dispute.**

## PETITION IN THE SUPREME COURT

In 2004, the Maharashtra government moved the Supreme Court under Article 131(b) of the Constitution. In its petition, the Maharashtra government claimed that the Marathi-speaking population in Karnataka was being sidelined and that there was a **feeling of 'insecurity among them.'** Maharashtra asked that 814 villages in **Belgaum, Karwar, Bidar and Gulbarga districts in Karnataka** be moved under their jurisdiction since it had a majority of Marathi-speaking people. That case is still being heard by the Supreme Court.



**Maharashtra's Arguments:** Maharashtra's claim to seek the readjustment of its border was on the basis of contiguity, relative linguistic majority and wishes of the people. If the claim over Belagavi and surrounding areas was based on **Marathi-speaking people and linguistic homogeneity**, it laid its claim over **Karwar and Supa** where Konkani is spoken by citing Konkani as a dialect of Marathi. Its argument was based on the theory of village being the unit for **calculation and enumerated linguistic population in each village**. Maharashtra also points out the historical fact that the revenue records in these Marathi-speaking areas are also kept in Marathi.

**Karnataka's Arguments:** Karnataka points out that when Congress, which redrew its circles on linguistic basis in 1920, included **Belagavi in the Karnataka Provincial Congress Committee**. Besides, the **States Reorganisation Commission vested Belagavi with Karnataka**. Karnataka holds the view that the settlement of boundaries as per the **States Reorganisation Act is final**. It has argued that the boundary of the State was neither tentative nor flexible. The State argues that the issue would reopen border issues that have not been contemplated under the Act, and that such a demand should not be permitted. As the legal battle continues, **Karnataka declared Belagavi its second capital**, changed the name of Belgaum to Belagavi and also holds its winter session at the newly constructed **Vidhan Soudha in Belgavi**.

## MILITARY COUP IN MYANMAR

Recently, the Myanmar military has grabbed power in a coup - the third time in the nation's history since its independence from British rule in 1948. A one-year state of emergency has been imposed and democratically elected leader Aung San Suu Kyi has been detained. 'Coup' is generally described as a sudden, violent, and illegal seizure of power from a government.



## GEOGRAPHICAL LOCATION & POLITY OF MYANMAR

Myanmar, also known as Burma, is in South East Asia and neighbours Thailand, Laos, Bangladesh, China and India. It has a population of about 54 million, most of whom are Burmese speakers, although other languages are also spoken. The biggest city is Yangon (Rangoon) but the capital is Nay Pyi Taw. The main religion is Buddhism. There are many ethnic groups in the country, including Rohingya Muslims. The country gained independence from Britain in 1948. It was ruled by the armed forces from 1962 until 2011, when a new government began ushering in a return to civilian rule. In the 2010s, the military regime decided to transition the country towards democracy. Although the armed forces remained powerful, political opponents were freed and elections were allowed to be held. The NLD won the 2015 election, the country's first free and fair election participated by multiple parties, and formed the government, raising hopes that the country is on its way to full transition to democracy.

## ABOUT THE RECENT MILITARY COUP

In the November 2020 parliamentary election, Suu Kyi's party National League for Democracy (NLD) secured the majority of the seats. In the Myanmar's Parliament, the military holds 25% of the total seats according to the 2008 military-drafted constitution and several key ministerial positions are also reserved for military appointees. When the newly elected Myanmar lawmakers were to hold the first session of Parliament in 2021, the military

imposed a state of emergency for one year citing massive voting fraud in the parliamentary elections.

## GLOBAL REACTION OF THE SITUATION

- **China:** ‘All parties in Myanmar will properly handle their differences under the constitution and legal framework to **maintain political and social stability**’.
- **USA:** The **USA President threatened to reimpose sanctions on Myanmar** following a coup by the country’s military leaders and called for a concerted international response to press them to relinquish power.
- **ASEAN Countries:** ASEAN’s current chair, Brunei, called for ‘dialogue among parties, reconciliation and the return to normalcy’. **Singapore, Malaysia and Indonesia expressed concern**, while Thailand, Cambodia, and the Philippines noted that **this was Myanmar’s ‘internal affair**’.
- **India’s Reaction:** India supports the process of democratic transition in Myanmar. Though **India has expressed deep concern** over recent developments in Myanmar, cutting off from the Myanmar military is not a viable option as India has significant economic and strategic interests in Myanmar and its neighbourhood.



## INDIA'S RELATIONSHIP WITH MYANMAR MILITARY

**India’s military-diplomatic outreach** to Myanmar became a cornerstone of its **Act East policy**. On the eve of the recent visit of the Foreign Secretary **Chief of the Army Staff to Myanmar** in 2020, Myanmar handed over 22 Indian insurgents from across the border and it was decided to ramp up the sale of military hardware to Myanmar, including 105 mm light artillery guns, naval gunboats and more recently, lightweight torpedoes. **Recent example of cooperation is that**

**Myanmar** has begun to vaccinate itself with the 1.5 million doses of Covid vaccine sent by India, while putting **China's 3,00,000 doses on hold.**

## INDIA'S INTEREST IN MYANMAR

**Infrastructure and Connectivity:** India has cultivated several infrastructure and development projects with Myanmar, which it sees as the “**gateway to the East**” and **ASEAN countries.**

**Operationalisation of the crucial Sittwe port** in Myanmar's Rakhine state by 2021 is committed. India assists infrastructure projects such as the **India-Myanmar-Thailand trilateral highway**

and the **Kaladan Multi-Modal Transit Transport Project.** The Kaladan project will link Kolkata to Sittwe in Myanmar and then from Myanmar's Kaladan river to India's north-east. The two countries signed the Land Border Crossing Agreement in 2018, which allowed bona fide travellers with valid documents to cross the border at two international points of **entry/exit- Moreh-Tamu and Zokhawthar-Rih.**



**Security:** India has been concerned over some militant groups like the **United National Liberation Front (UNLF)** and **National Democratic Front of Bodoland (NDFB)** from the North-East region taking shelter in Myanmar. Indian needs perpetual support and coordination from Myanmar for the maintenance of security and stability along its **North East border areas.**

**Health and Pandemic:** As a part of **India's Medical or Drug Diplomacy** a package of 3,000 vials of the **antiviral Remdesivir** given to assist Myanmar in its fight against the pandemic. India has shown willingness to prioritise Myanmar in sharing **Covid -19 vaccines, when available.**

**Rohingya Issues:** India is committed to ensuring safe, sustainable and speedy return of Rohingya refugees from refugee camps of India and Bangladesh. Building on the progress made under the **Rakhine State Development Programme (RSDP),** India has recently proposed to finalise projects under phase-III of the programme, including setting up of a **skills training centre and upgrading of agricultural mechanisation.**



**Investment:** With Indian investments of over USD 1.2 billion, Myanmar holds considerable importance **than any other country in South Asia**. The two countries are also expanding partnership in the area of energy cooperation. Recently, India approved an investment of over **USD 120 million** in the **Shwe Oil and Gas project**.

## CONCLUSION

**India and Myanmar have shared cultural roots and historical relations**, apart from the strategic, economic, social and political ties. Myanmar is a member of both **Association of Southeast Asian Nations (ASEAN)**, which is an organization of East Asian nations as well as the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** which bridges South and South-East Asia. Connectivity projects through Myanmar help India overcome its **Chicken-neck dilemma (Siliguri Corridor)**. Myanmar is also necessary for the development of **North-Eastern India**. Myanmar stands at the confluence of India's Neighbourhood First and Act East Policy and India-Myanmar partnership is at the heart of **India's vision to create a connected and cooperative neighbourhood**. Recently, India and Myanmar had signed 10 agreements with a focus on socio-economic development of Myanmar, during **Myanmar President U Win Myint's visit to India**.

**Myanmar's growing closeness** with China and the recent proposal of **China Myanmar Economic Corridor** is a cause of concern for India amidst **growing India-China tension** India should continue to engage with the present regime in Myanmar working towards mutual development of people of both the countries while it should support sharing experiences in constitutionalism and federalism **to assist Myanmar in resolving the prevailing stalemate**.

## PM MODI ADDRESSED WORLD ECONOMIC FORUM

**PM Modi** addressed the **Davos Dialogue of World Economic Forum** virtually on January 28, 2021. The session was attended by **more than 400 top industry leaders** from across the globe where **PM Modi spoke about the Fourth Industrial Revolution-** using technology for the good of humanity. Prime Minister will also interact with the CEOs during the dialogue. **Prime Minister Modi** had informed about the session through his official Twitter account where he mentioned that he has been looking forward to speaking on a wide range of subjects related to the reform trajectory of India, **increased usage of technology, and other issues.**



## WORLD ECONOMIC FORUM (WEF)

The **World Economic Forum (WEF)**, based in **Cologny, Geneva Canton, Switzerland**, is an international NGO, founded on 24 January 1971. The WEF's mission is stated as "committed to improving the state of the world by engaging business, political, academic, and other leaders of **society to shape global, regional, and industry agendas**". The WEF hosts an annual meeting at the end of January in **Davos, a mountain resort in Graubünden, in the eastern Alps region of Switzerland**. The meeting brings together some 3,000 business leaders, international political leaders, economists, celebrities and journalists for up to five days to discuss global issues, across 500 sessions.

## PM MODI SPEECH AT THE FORUM

- **Prime Minister Modi** during his address at the **World Economic Forum** talked about the message of positivity, confidence, and hope for the world **on behalf of more than 1.3 billion Indian people**. While mentioning the **ongoing mega vaccination programme in India**, **PM Modi** informed that in just 12 days, India has vaccinated more



than 2.3 million healthcare workers. He added that in the next months, the country would achieve its target of vaccinating 300 million elderly people and people with comorbidities.

- PM Modi also highlighted **India's progress while mentioning that there are two Made in India COVID-19 vaccines** and WEF will be relieved to know that in time many vaccines will come from India. Prime Minister during this address highlighted India's role and how it undertook **global responsibility from the beginning**. He mentioned that at the time when airspace was closed in many nations, India took more than 1 lakh citizens to their countries and also delivered essential medicines to more than 150 nations. In its fight against the pandemic, **Prime Minister Modi talked about India's role in saving the lives of people in many other countries by sending COVID-19 vaccines** and also developing the required infrastructure for the vaccination. As India is making progress in its health infrastructure, Prime Minister at the global platform shared that the country will **start working on a Unique Health ID to provide easy healthcare to its 1.3 billion citizens**.
- While talking about **India's Atmanirbhar Bharat Abhiyan**, Prime Minister informed the world leaders that the abhiyan is committed towards global good and global supply chain. He added that India definitely has the capacity, reliability, and **capability to strengthen the global supply chain**. During his address, **PM Modi assured India has launched 'Atmanirbhar Bharat Abhiyan'** with the purpose of increasing the capacity of the country's economy. He added that the government has made one reform after another to provide high growth to the economy in this decade. These reforms by the government were long-awaited. Discussing the plan of infrastructure and economy, Prime Minister informed that it has been estimated that India's infrastructure needs **by 2040 will be around 4.5 tn dollars**. This goal will be achieved only if government and industry come together. The Indian government has also been working in providing a stable environment and other help.

## WELCOMING MORE INVESTMENT

With the **purpose of welcoming more investment**, PM Modi informed that India believes in opening all the sectors for market participation. While giving the example of UPI, he added that the transactions at the **UPI platform have crossed 2 billion per month** and the major portion of these transactions are taking place through the apps that are developed by private players. India has also been promoting the investment in frontier technologies such as **additive manufacturing, AI, and interdisciplinary cyber-physical systems**. On the issue of data theft, Prime Minister assured the world leaders that India has been working on the strict law on data protection in the country.



## SIGNIFICANCE OF THE FORUM

The World Economic Forum annual meeting in Davos will be **engaging the top leaders of the world to shape regional, global, and industry agendas at the beginning of 2021**. The Davos Dialogue Agenda will mark the launch of the **WEF's Great Reset Initiative** in the post-COVID-19 world.

## THE GREAT RESET INITIATIVE

It is the name of the June **2020 50th annual meeting of WEF**. It brought together the high profile political and business leaders convened by WEF and Prince of Wales with the theme of rebuilding the society and economy in a much more sustainable way post-COVID-19 pandemic. In June 2020, the **theme of the 51st WEF annual meeting to be held in January 2021 was announced as 'The Great Reset'**. It will be connecting both in-person and online world leaders in Davos with a network in 400 cities globally.

## PRESIDENT RULE IMPOSED IN PUDUCHERRY

**President's Rule** has been **imposed in the Union Territory of Puducherry**, on the recommendation of the **Lieutenant Governor**, after the established government lost power during a vote of confidence. The President was satisfied that a situation had arisen in which the administration of the Union Territory of Puducherry could not carry on in accordance with the provisions of the **Government of Union Territories Act, 1963**. The **Government of Union Territories Act, 1963** enacted by the Parliament in accordance with the provisions of **article 239A**.



## ADMINISTRATION OF THE UNION TERRITORIES

**Article 239 to 242 under Part VIII of the Indian Constitution** deals with the administration of Union Territories. Every union territory is administered by the **President acting through an administrator appointed by him**. An administrator of a union territory is an agent of the President and not head of state like a governor. The President can specify the designation of an administrator; it may be Lieutenant Governor or Chief Commissioner or Administrator. **The Union Territories of Puducherry (in 1963), Delhi (in 1992) and Jammu and Kashmir (in 2019)** are provided with a legislative assembly and a council of ministers headed by a chief minister. But, the establishment of such institutions in the union territories does not diminish the supreme control of the President and Parliament over them. The Parliament can make laws on **any subject of the three lists (including the State List) for the union territories**.

***Provision in Case of Failure of Constitutional Machinery (as per the 1963 Act):*** If the President, on receipt of a report from the Administrator of (the Union territory) or otherwise, is satisfied— that a situation has arisen in which the administration of the Union territory cannot be carried on in accordance with the provisions of this Act, or that for the proper administration of the Union territory it is necessary or expedient so to do, The **President may, by order, suspend the operation of all or any of the provisions of this Act** for such period as he thinks fit, and

Make such incidental and consequential provisions as may appear to him to be necessary or expedient for administering the Union territory in accordance with the **provisions of Article 239.**

## PRESIDENT'S RULE IMPOSED IN A STATE

**President's Rule implies the suspension of a state government** and the imposition of direct rule of the Centre. It is also known as 'State Emergency' or 'Constitutional Emergency'. The President's Rule is imposed through the invocation of **Article 356 of the Constitution** by the President on the advice of the Union Council of Ministers. **Under Article 356, President's Rule is imposed if** the President, upon receipt of the report from the Governor of the State or otherwise, is satisfied that a situation has arisen in which the government of the State cannot be carried on in accordance with the provisions of the Constitution.



**Parliamentary Approval and Duration:** A proclamation **imposing President's Rule** must be approved by both the Houses of Parliament within two months from the date of its issue. The approval takes place through simple majority in either House, that is, a majority of the members of the House present and voting. Initially valid for six months, the President's Rule can be extended for a maximum period of **three years with the approval of the Parliament, every six months.**

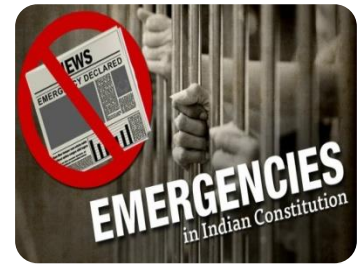
**Consequences of President's Rule:** The state governor, on **behalf of the President**, carries on the state administration with the help of the chief secretary of the state or the advisors appointed by the President. The President can declare that the powers of the state legislature are to be exercised by the Parliament. The **President either suspends or dissolves the state legislative assembly.**

**Revocation:** A proclamation of **President's Rule** may be revoked by the President at any time by a subsequent proclamation. Such a proclamation does not require parliamentary

approval. This happens, in case, the leader of a party produces letters of support from a majority of members of the Assembly, and stakes his claim to form a government.

## RECOMMENDATIONS & JUDGEMENTS ON PRESIDENT'S RULE

The **Administrative Reforms Commission (1968)** recommended that the report of the governor regarding the President's rule has to be objective and also the governor should exercise his own judgment in this regard. The **Rajamannar Committee (1971)** recommended the deletion of **Articles 356 and 357** from the Constitution of India. The necessary provisions for safeguards against arbitrary action of the ruling party at the Centre under Article 356 should be incorporated in the Constitution. The **Sarkaria Commission (1988)** recommended that Article 356 should be used in very rare cases when it becomes unavoidable to restore the breakdown of constitutional machinery in the State. The Supreme Court enlisted the situations where the **exercise of power under Article 356 could be proper**. One such situation is that of 'Hung Assembly', i.e. where after general elections to the assembly, no party secures a majority.



**Justice V.Chelliah Commission (2002)** recommended that **Article 356** must be used sparingly and only as a remedy of the last resort after exhausting all actions **under Articles 256, 257 and 355**. The **Punchhi commission (2007)** recommended that these **Articles 355 & 356 be amended**. It sought to protect the interests of the States by trying to curb their misuse by the Centre.

## PRIVATISATION OF THE PUBLIC SECTOR BANKS

The **Union Budget 2021** has announced the **privatisation of two public sector banks and one general insurance company** in the upcoming fiscal 2021-22. The move, coming after 51 years of nationalization of government-owned banks in 1969, will give the private sector a key role in the banking sector. Presently, **India has 22 private banks and 10 small finance banks.**

## BACKGROUND OF THE PRIVATISATION

Then **Prime Minister Indira Gandhi**, who was also Finance Minister, **decided to nationalise the 14 largest private banks** on July 19, 1969. The idea was to align the banking sector with the socialistic approach of the then government. **State Bank of India had been nationalised in 1955 itself**, and the insurance sector in 1956. Various governments in the last 20 years were for and **against privatisation of PSU banks.** In 2015, the government had suggested



privatisation but the then **RBI Governor did not favour the idea.** For over 50 years, successive governments have chosen not to bother beyond a point. **As former RBI Governor Dr Y V Reddy** once said, nationalisation was a political decision, so privatisation too will have to be one. Seen in this context, privatisation of two banks and the indication of carrying it further is a major reform signalling a changing political approach. These moves, along with **setting up an asset reconstruction company** entirely owned by banks, underline an approach of finding market-led solutions to challenges in the financial sector. The current steps of privatisation, along with setting up an **Asset Reconstruction Company (Bad Bank)** entirely owned by banks, underline an approach of finding market-led solutions to challenges in the financial sector.

## REASON FOR PRIVATISATION

*Degrading Financial Position of Public Sector Banks:* Years of capital injections and governance reforms have not been able to improve the **financial position of public sector banks**



**significantly.** Many of them have higher levels of stressed assets than private banks, and also lag the latter on profitability, **market capitalisation and dividend payment record.**

***Part of a Long-Term Project:*** Privatisation of **two public sector banks** will set the ball rolling for a long-term project that envisages only a handful of state-owned banks, with the rest either consolidated with **strong banks or privatised.** The initial plan of the government was to privatise four. **Depending on the success with the first two,** the government is likely to go for divestment in other two or three banks in the next financial year. This will free up the government, the majority owner, from continuing to provide equity support to the banks year after year. Through a series of moves over the last few years, the government is now left with **12 state-owned banks, from 28 earlier.**

***Strengthening Banks:*** The government is trying to strengthen the strong banks and also minimise their numbers through **privatisation to reduce its burden of support.**

***Recommendations of Different Committees:*** Many committees had proposed bringing down the government stake in public banks below 51%:

The **Narasimham Committee proposed 33%.** The **P J Nayak Committee suggested below 50%.** An RBI Working Group recently suggested the entry of business houses into the banking sector.

***Selection of Banks:*** The two banks that will be privatised will be selected through a process in which **NITI Aayog will make recommendations,** which will be considered by a core group of secretaries on disinvestment and then the **Alternative Mechanism (or Group of Ministers).**

## ISSUES WITH PSU BANKS

**High Non-Performing Assets (NPAs):** After a series of mergers and equity injections by the government, the performance of public sector banks has shown improvement over the last couple of years. However, compared with private banks, they continue to have **high NPAs and stressed assets** although this has started declining.

**Impact of Covid:** After the Covid-related regulatory relaxations are lifted, banks are expected to report higher NPAs and loan losses. As per the **RBI's recent Financial Stability Report**, gross **NPA ratio of all commercial banks** may increase from 7.5% in September 2020 to 13.5% by September 2021. This would mean the government would again need to inject equity into weak public sector banks.

**Rising Market Share:** Private banks' market share in loans has risen to 36% in 2020 from 21.26% in 2015, while **public sector banks' share has fallen to 59.8% from 74.28%**.

**Better Products and Services:** Competition heated up after the RBI allowed more private banks since the 1990s. They have expanded the market share through new products, technology, and better services, and also attracted better valuations in stock markets. **HDFC Bank (set up in 1994) has a market capitalisation of Rs. 8.80 lakh crore** while SBI commands just Rs. 3.50 lakh crore.

## ISSUES WITH PRIVATE BANKS

**Governance Issues:** **Industrial Credit and Investment Corporation of India (ICICI) Bank MD and CEO** was sacked for allegedly extending dubious loans. **Yes Bank CEO was not given extension by the RBI** and now faces investigations by various agencies. **Lakshmi Vilas Bank** faced operational issues and was recently merged with DBS Bank of Singapore.



**Under-reported NPAs:** When the RBI ordered an asset quality review of banks in 2015, many private sector banks, including **Yes Bank**, were found under-reporting NPAs.

In order to improve the governance and management of PSBs, there is a need to implement the **recommendations of the PJ Nayak committee**. Rather than blind privatisation, PSBs can be

made into a corporation like **Life Insurance Corporation (LIC)**. While maintaining government ownership, this will **give more autonomy to PSBs**.

**RECENT  
POLITICAL  
DEVELOPMENT IN  
WEST ASIAN  
COUNTRIES**

## #RECENT POLITICAL DEVELOPMENTS IN WEST ASIA

### \*ISRAEL & PALESTINE CONFLICT

- **The Israeli-Palestinian conflict** dates back to the end of the nineteenth century, primarily as a conflict over territory. After the **1948 Arab-Israeli war**, the Holy Land was divided into three parts: **the State of Israel, the West Bank (of the Jordan River), and the Gaza Strip**. Successive wars resulted in minor shifts of territory.
- In the **Six-Day War in June 1967**, Israel defeated Egypt, Jordan and Syria and occupied east Jerusalem, the West Bank, the Gaza Strip and the Golan Heights. The conflict was calmed by the **Camp David Accords in 1979**, which bound Egypt and Israel in a peace treaty.
- Yet once the wars over territory were over, a surge in violence and uprisings among the Palestinians began. The **first intifada, in 1987**, was an uprising comprising hundreds of thousands of Palestinians living in the West Bank and Gaza Strip. **The 1993 Oslo Accords mediated the conflict**.
- But **in 2000, inspired by continuing Palestinian grievances, the second intifada began** and was much bloodier than the first. After a wave of violence between Israelis and Palestinians in 2015, **Palestinian President Mahmoud Abbas** announced that Palestinians would no longer be bound by the Oslo Accords.
- Since taking office, **the Donald J. Trump** administration has made achieving an Israeli-Palestinian deal a priority, but has yet to release its long-awaited proposal for a peace process. **Trump's decision to relocate the U.S. embassy to Jerusalem**, reversing longstanding U.S. policy, was met with applause among the Israeli leadership but condemned by Palestinian leaders and others in the Middle East and Europe. **Israel** considers the **"complete and united Jerusalem"** its capital, but **Palestinians** claim **East Jerusalem** for the capital of their future state.



### ABRAHAM ACCORD: ISRAEL, UAE & BAHRAIN

- **The Abraham Accord between Israel, the United Arab Emirates and Bahrain** is mediated by the USA. It is the **first Arab-Israeli peace deal in 26 years**. There were the only two peace deals between Israel and the Arab States in more than a quarter of a century. **Egypt was the first Arab State** to sign a peace deal with Israel in **1979**. Jordan had also signed a peace pact in 1994.
- As per the Abraham Accord the **UAE and Bahrain will establish embassies and exchange ambassadors**. The Arab countries will be working together with Israel across a range of sectors, including tourism, trade, healthcare and security. The Abraham



Accords also open the door for Muslims around the world to visit the historic sites in Israel and to peacefully pray at **Al-Aqsa Mosque in Jerusalem**, the third holiest site in Islam.

- In the Islamic tradition, **the Kaaba in Mecca** is considered the holiest site, followed by **the Prophet's Mosque in Medina**, and **Al-Aqsa Mosque in Jerusalem**. Bringing Israel, the UAE and Bahrain together reflects their shared concern about Iran's rising influence in the region and development of ballistic missiles.
- Iran has been critical of both deals. Since Israeli independence in 1948, it has fought several wars with Arab neighbouring countries. The persecuted Jews saw Israel as their promised home while Arabs saw it as an occupation.

### SIGNIFICANCE OF THE ACCORD

- The agreement shows how **the Arab countries are gradually decoupling themselves from the Palestine question**. Palestine was among former Ottoman territories placed under UK administration by the League of Nations in 1922.
- All of these territories eventually became fully independent States, except Palestine. Full **diplomatic ties will be established between Israel, the United Arab Emirates and Bahrain** which will have a positive impact on the entire region. The deal buys UAE a lot of goodwill in the US, where its image has been tarnished by its involvement in the **Yemen war**.
- In South Asia, it will put **Pakistan in a bind, whether to follow UAE's steps** (will be seen as giving up Islamic cause of Palestine) **or not to follow the UAE** (since it is already in feud with the Saudis over not taking up the Kashmir case, Pakistan cannot afford another hostile Islamic Country).
- In the **upcoming presidential election in the USA**, the accord could help shore up support among **pro-Israel Christian** evangelical voters, an important part of current **President's political base**.

### PALESTINIAN'S AND OTHERS CONCERN

- **Palestinians** have condemned **the Abraham Accords as a betrayal**. The new agreement breaks a long-standing Arab consensus that the price of normal relations with Israel was independence for the Palestinians. **86% of Palestinians** believe the **normalization agreement** with the UAE serves only **Israel's interests and not their own**. There is a possibility that the Palestine quest is further ignored. Shia-Sunni rifts in the region may get wide and violent.

- Saudi Arabia (Sunni) and Iran (representing Shia) have a long history of enmity. The deal works on a number of levels for the US president. It is a big boost for his strategy of **"maximum pressure" on Iran**.
- It is also useful ammunition, especially in an election year, to back his boast that he is the world's best dealmaker. For decades, one of the main sources of instability in West Asia has been the cold war between Saudi Arabia and Iran. The **Sunni-Shiite schism** may also provoke violence between Muslims in such places as **Pakistan, Nigeria and Indonesia**.

## INDIA'S INTEREST IN WEST ASIA

- **West Asia** occupies an important position in international relations due to its geographical location and **proximity to continents and countries South Asia, China, Central Asia, Europe, and Africa**. It is **the world's largest oil-producing region** accounting for **34% of world production, 45% of crude oil exports and 48% of oil proven reserves**.
- **India should use this** unexpected opportunity to give itself a bigger role in a region which is its strategic backyard. The first step should be **to ramp up defence and security relations with UAE**. Israel is already a very close defence partner.
- While some work has already happened, India should leverage its economy for a bigger opening in this region. Importantly, India can use its good offices to ensure that any future deal on a regional security framework gives adequate space to Iran, which may be weak but not so weak that it cannot be a hugely disruptive power if it so chooses.

## POSSIBLE CONSEQUENCES

- A **balance between Shia and Sunni**, between Persian and Arab, **is key to any sustainable peace**. The US may be a pre-eminent power in the Middle East, but Russia has made a space for itself, spending a lot less money. In recent years, **China has indicated its willingness to play a larger role in this region**, and is **close to both UAE and Israel** and, increasingly, Saudi Arabia.
- India should make its moves before this market and this extended neighbourhood comes under the **Chinese sphere of influence**. A deal that could, if played right; open the doors for a changed geopolitical arrangement in the **Middle East** should have a stronger Indian footprint.

## #ISRAEL AND SUDAN NORMALISATION DEAL

Recently, in a **deal brokered by the USA, Sudan and Israel** have agreed to **normalise relations** to end decades of hostility.

- 
- **Sudan, which was technically at war with Israel since its foundation in 1948, has now become the third country to forge diplomatic relations with it, in recent times.**
  - **Earlier, the USA brokered diplomatic pacts between Israel and the UAE and Bahrain as well, to normalise their relations.**

### **Implications of the deal**

- The deal would **deepen Sudan's engagement with the West.**
- The deal follows USA's conditional agreement to **remove Sudan from its blacklist of countries accused of sponsoring terrorism.**
- Sudan was **added to the list in 1993** after it was accused of harbouring groups such as **Hezbollah** and **Palestinian militant outfits** which the USA deems as terrorists.
- As a result, Sudan was **cut off from the global economy** and was **starved of foreign investment** which faced another blow in **2011** when **South Sudan was formed** taking away its major oil resources.
- With its name removed from the list, Sudan will no longer stay deprived of foreign investments.
- Under the deal, **Sudan has agreed to pay USD 335 million in compensation** to victims of the **Al-Qaeda bombings** of USA embassies in Kenya and Tanzania in 1998.
- It delivers a **foreign policy achievement for Trump** just days before the USA election.
- It **boosts Israel's motive** which has made it a priority to **forge ties with formerly hostile countries in Africa and the Arab world** in the absence of any progress with the Palestinians.
- In the initial phase, there will be **no exchange of ambassadors or a mutual establishment of embassies.**
- After the **six-day war of 1967** war, Arab powers met in **Khartoum** (Sudan's capital) to **pledge three "noes"** viz. **no peace** with Israel, **no recognition** of Israel, and **no negotiations** with Israel. Therefore, the deal holds a symbolic significance for Israel.
- Unlike the UAE and Bahrain, which have never fought with Israel, **Sudan sent forces to fight in the war around Israel's creation in 1948** and during the **war of 1967**. In the **1970s, Israel backed Sudanese insurgents** fighting the Khartoum government.
- With this agreement, **Israel will complete the creation of a safety cordon in the Red Sea**, which currently includes Egypt, Jordan, South Sudan and Saudi Arabia.
- The deal is also **aimed at unifying Arab countries against their common adversary, Iran**. Though Sudan has been largely marginal to Middle Eastern politics in recent decades, the normalisation has significant symbolic value.

### **Global Reaction:**

- **Allies of the USA**, including Germany, Egypt, the UAE, Bahrain, have **welcomed the deal** as a boost to stability in West Asia.



- Meanwhile, **Palestinian leaders have strongly condemned** the deal, echoing their rejection of all of the Israel's normalisation accords.

## #ISRAEL-MOROCCO NORMALISATION DEAL

- Recently, **Morocco and Israel have agreed to normalize relations** in a deal **brokered by the USA**. It makes Morocco the **fourth Arab country**, after the **UAE, Bahrain (Abraham Accords) and Sudan**, to set aside hostilities with Israel in the past four months. US President Donald Trump announced the agreement through a post on Twitter.
- He tweeted saying, "**Another HISTORIC breakthrough today!** Our two GREAT friends Israel and the Kingdom of Morocco have agreed to full diplomatic relations - a massive breakthrough for peace in the Middle East!"

## MAJOR CONCERNS OF THE DEAL

- **Morocco will establish full diplomatic relations** and resume official contacts with Israel, reopen their liaison offices in **Rabat (capital of Morocco) and Tel Aviv (a city in Israel)** immediately with the intention to open embassies and promote economic cooperation between **Israeli and Moroccan companies**. Morocco intends to facilitate direct flights for Israeli tourists to and from Morocco.
- The USA has changed its **longstanding policy and recognised Morocco's sovereignty over Western Sahara**. Since 2007, the **UN Security Council**, of which the USA is a veto-capable permanent member, has called on **Morocco and the Polisario** to engage in negotiations without preconditions to reach a "**mutually acceptable political solution, which will provide for the self-determination of the people of Western Sahara.**"



## SIGNIFICANCE OF THE DEAL

- The **USA is putting in efforts to present a united front against Iran and minimise Tehran's regional influence**. This step is considered as a sovereign move and will contribute to strengthening the common quest for stability, prosperity and lasting peace in the region.
- The deal **would deepen Morocco's engagement** with the West and will also boost Israel's motive which has made it a priority to forge ties with **formerly hostile countries in Africa** and the **Arab world** in the absence of any progress with the Palestinians.

## REACTIONS OF PALESTINIANS AND OTHERS

- **Palestinian officials** condemned the agreement, saying it **would encourage Israel's denial of their rights**. They had also condemned the earlier agreements of the Arab states with Israel, calling it a **betrayal on their part to the Palestinian cause**. Palestinians have been critical of the **normalisation deals**, saying **Arab countries** have set back the cause of peace by abandoning a longstanding demand of Israel giving up land for a Palestinian state before it can receive recognition.
- **Egypt and the UAE have welcomed Morocco's decision**. Egypt and Israel signed a **peace treaty in 1979**. In an official statement, **Morocco's King agreed** to the peace deal with Israel with minimal delay. However, the royal statement clarified that these measures to **normalise relations with Israel** do not in any manner affect Morocco's ongoing and sustained commitment to the just Palestinian cause.
- The statement added that the King had spoken with **Palestinian Authority President Mahmoud Abbas** and assured him that he would not leave his position on defending the legitimate rights of the Palestinian people.
- The King reiterated his support for a two-state solution to the Israeli-Palestinian conflict. **Polisario Front's representative to the UN, Sidi Omar** said Western Sahara's legal status is determined by international law and UN resolutions.
- **The group's Europe representative, Oubi Bchraya**, said that the change in US policy will not change an inch of the reality of the conflict and the **right of the people of Western Sahara to self-determination**.

## WESTERN SAHARA DISPUTE

- As a part of the **Israel-Morocco Peace deal**, the **United States agreed to recognise Morocco's claim over Western Sahara**. US President Donald Trump reaffirmed his support for Morocco's serious, credible, and realistic autonomy proposal as the only basis for a just and lasting solution to the dispute over the Western Sahara territory.
- **Trump recognised Moroccan sovereignty over the entire Western Sahara territory**, as per a statement by the White House. **Western Sahara, a former Spanish colony, was claimed by Morocco in 1975**.
- Since then it has been a matter of **territorial dispute between Morocco and its indigenous Saharawi people**, led by the pro-**independence Polisario Front**, which seeks to establish an independent state in the region. While Morocco claims the territory to have always been a part of its region, the **African Union recognises it as an independent state**.
- The 16-year-long insurgency over the territory ended with an **UN-brokered truce in 1991**. A promise of an independence referendum was also made but it is yet to take place.



As per the official US statement, an independent **Sahrawi State** is not a realistic option for resolving the dispute and **Morocco's genuine autonomy over the region** is the only feasible solution. The United States will now open its consulate in **Western Sahara** as part of the **Israel-Morocco deal**.

## #RELATIONSHIP BETWEEN INDIA & BAHRAIN

In the recent **Agreement between India & Bahrain** the bilateral issues, as well as regional and global matters of mutual interest, included areas of **defence and maritime security, space technology**, trade and investment, infrastructure, IT, FinTech, health, hydrocarbon and renewable energy. Both sides affirmed to **further strengthen their Covid-19 related cooperation**.

### SIGNIFICANCE & POLITICS OF BAHRAIN

- **Bahrain's small size and central location among Persian Gulf countries** require it to play a delicate balancing act in foreign affairs among its larger neighbors. Facing declining oil reserves, **Bahrain** has turned to petroleum processing and refining and has transformed itself into an international banking center.
- **Sheikh Hamad Bin Isa Al Khalifa**, who came to power in 1999, has pushed economic and political reforms and has worked to **improve relations with the Shi'a community**. In February 2001, **Bahraini voters** approved a referendum on the **National Action Charter** - the centerpiece of **Sheikh Hamad's political liberalization program**.
- In February 2002, **Sheikh Hamad pronounced Bahrain a constitutional monarchy** and changed his status **from Amir to king**. In October 2002, Bahrainis elected members of the lower house of Bahrain's reconstituted bicameral legislature, the **National Assembly**.
- **Politics of Bahrain** has since 2002 taken place in a framework of a **constitutional monarchy** where the government is appointed by the **King of Bahrain, King Hamad bin Isa Al Khalifa**.
- The head of the government since 1971 has been **Prime Minister Prince Khalifa bin Salman Al Khalifa** and the **Crown Prince is Prince Salman bin Hamad Al Khalifa**, who also serves as Deputy Commander of the **Bahrain Defence Force**.
- The parliament is a bi-cameral legislature, with the Council of Representatives elected by universal suffrage, and the Consultative Council (also **called the Shura Council**) appointed directly by the king.



### KEY POINTS OF THE AGREEMENTS

- **Bahrain** appreciated the assistance provided by India during the pandemic through the supply of medicines, medical equipment and medical professionals. They expressed satisfaction on the **operationalisation of the Air Bubble arrangement** between the two countries.
- **Air bubbles** (travel corridors or travel bubbles) are systems established between two countries that perceive each other to be safe and allow carriers of both the countries to fly passengers either way without any restrictions.
- **India renewed invitation to Bahrain** for visiting India for the **3rd India-Bahrain High Joint Commission meeting** to be held in the upcoming months.
- In 2019, **India launched a USD 4.2 million redevelopment** project of the **Sri Krishna temple in the Bahraini capital, Manama**. The 200-year old temple stands as a testimony for the enduring **India-Bahrain friendship**. India also conveyed condolences on the demise of **late Prime Minister Prince Khalifa bin Salman Al Khalifa**, who significantly contributed to the strengthening of India-Bahrain relations and to the **welfare of the Indian community in Bahrain**.

## INDIA-BAHRAIN RELATIONS

- **Bahrain–India relations** are the political, socio-economic, military and cultural ties between **India and Bahrain**. India is a close ally of Bahrain. As per Indian officials, the Kingdom along with its **GCC partners** are amongst the **world's most prominent supporters of India's candidacy** for a **permanent seat on the UN Security Council**, and Bahraini officials have urged India to play a greater role in international affairs.



- For instance, over concerns about Iran's nuclear programme, Bahrain's Crown Prince requested India to play an active role in resolving the crisis.
- **Indian Prime Minister Narendra Modi** visited Bahrain on 24-25 August 2019, the **first ever visit by an Indian Prime Minister to the country**. India and Bahrain signed 3 MoUs on space, culture, the **International Solar Alliance** and the RuPay card.

- **King of Bahrain Hamad bin Isa Al Khalifa awarded Modi with the Member 1st Class of the King Hamad Order of the Renaissance, the country's third highest civilian award**, in recognition of his efforts to strengthen bilateral relations.

## HISTORICAL TIES

Their history goes back to about 5,000 years ago, to the period of **Dilmun Civilization** in Bahrain to the era of Indus valley civilization in India. **Ancient Bahraini traders** are believed to have carried out a **flourishing trade of Bahraini pearls with Indian spices**.

## BILATERAL AGREEMENTS AND MOUS

- **Extradition Treaty** (January 2004). MoU on cooperation in the **field of Information and Communication Technology** (May 2012). MoU on the **establishment of a Joint High Commission** (February 2014). MOU on **Water Resources Development and Management** (February 2015).
- Agreement on cooperation in combating international terrorism, transnational organised crime and trafficking in illicit drugs, narcotics and psychotropic substances and precursors chemicals (December 2015). MoU for **cooperation in the fields of Renewable Energy and Healthcare** and Agreement on **Exemption from Short Stay Visa for Holders of Diplomatic and Special/Official Passport** (July 2018).
- MoU on cooperation in the exploration and uses of Outer Space for Peaceful Purposes (March 2019)

## TRADE AND ECONOMIC RELATIONS

**Total bilateral trade** stands at **USD 1282.96 million** in 2018-19 and **USD 753.60 million** in **2019-20 (April-Dec)**.

- **Indian Exports to Bahrain:** Mineral fuels and oils, inorganic chemicals, organic or inorganic compounds of precious metals of rare earth, cereals, nuts, fruits, articles of apparel and clothing accessories etc.
- **Indian Imports from Bahrain:** Crude oils, mineral fuels and their bituminous substance, distillation, aluminium, fertilizers, ores/slugs/ashes of aluminium, iron and copper, pulp, etc.
- **Indian investment in Bahrain:** India's total capital investment into Bahrain between January 2003 and March 2018 has been **estimated at approximately USD 1.69 billion**. Financial services have the highest investment value (**40% of total projects**), followed by the real estate and hospitality sector.

## CONCLUSION

- The **Middle East** has **become more multipolar**, with power diffused among a variety of regional and extra-regional actors. Within this mix, the rise of modern values and **Khaleeji Capitalism** in the **gulf countries** make the case for India to discard outdated perceptions of the Gulf and seize the new strategic possibilities with the region.
- **Approximately 3,50,000 Indians** are living in **Bahrain currently and around 70% are in the category of unskilled labour**. In addition to the predominant blue-collar labour force, there is a sizable number of other professionals who play a vital role in Bahrain's socio-economic development. In November 2015, Bahrain launched '**Little India in Bahrain**' project to acknowledge and mark the **contribution of the Indian community to the history and progress of Bahrain**.

## #TENSIONS BETWEEN US AND IRAN

- **Iran is located in a strategically key place**, and a majority of the **world's oil supplies move along the Strait of Hormuz to the south of the country**.
- It traces how the **tensions built up between the two countries**, the politics of oil, and the stand of the European Union in this crisis.

### How did the tension started

- Last year, **Trump pulled out of the 2015 nuclear deal** that promised to relax **US economic sanctions on Iran in return for Tehran** accepting curbs on its nuclear activities. Under the new US sanctions, Iran's economy has collapsed, with its currency losing 60 per cent of its value and inflation ballooning to 50 per cent. Iranian Foreign Minister Javad Zarif had **called the US sanctions "economic terrorism"**.
- In April this year, Trump had designated Iran's Revolutionary Guard Corps (IRGC), the country's military, as a **foreign terrorist organisation**. This was the first time that the US labelled another nation's military as a terror outfit. Iran retaliated by declaring all **US forces in West Asia as terrorists**.
- US had blamed **Iran for explosions on two oil tankers in the Gulf of Oman**. And, earlier this week, Iran had threatened to breach the uranium stockpile limit set by the 2015 nuclear deal and the US announced the deployment of 1,000 more troops to the region.

### Is US going on a war with Iran

- Although Trump has called off the military strikes against Iranian radar and missile launch points, it is unclear whether the US will stick to its stand or not.

- Trump has publicly stated that he does not want war with Iran, but the statements of some of the US's top officials give contradictory indications.

- For instance, **US Secretary of State Mike Pompeo** had told a Senate Committee in April there was “no doubt there is a connection” **between Iran and Al-Qaeda**. A 2018 study conducted by Harvard professor **Nelly Lahound**, however, found no evidence of cooperation between Al-Qaeda and Iran, contrary to **Pompeo's assertions**.

- Last week, Pompeo had blamed Iran for an attack on a US convoy by a suicide bomber in Afghanistan, even though the Taliban claimed responsibility for the attack.

- It was **Pompeo and US National Security Advisor John Bolton** who had pushed through a decision to designate the IRGC as a terrorist group. The duo, considered Iran hawks, also favoured a military response against Iran, which top Pentagon officials have cautioned them against.

- Also, when Brian Hook, the **senior State Department official on Iran issues**, was asked if the administration could legally use the 9/11 war legislation to take military action against Iran, he said it would “comply with the law”. When asked whether Iran was responsible for the **deaths of Americans due to 9/11 attacks**, Hook had replied, “No”.

- If invoked, the war law passed in the wake of 9/11 would allow Trump to bypass Congress and order attacks on any group that he feels was involved in the 9/11 attacks or harboured organisations or persons involved in the attacks.

- The 9/11 law has been invoked over 30 times by multiple US Presidents to justify deployment of troops to **Afghanistan, Djibouti, Ethiopia, Eritrea, Georgia, Iraq, Kenya, Somalia, Philippines and Yemen**.

- The **US would need approval from the UN Security Council to strike against Iran**. But, if the US goes ahead with the strike unilaterally, it could open up an international legal challenge and sanctions from other countries.

## Oil & politics

- Iran might be hoping that it will receive more international support in countering US sanctions if other countries feel that US-Iran tensions are affecting their economies.
- Up to 90 per cent of all oil flowing out of the Persian Gulf must pass through the **Strait of Hormuz, and over 80 per cent of the oil goes to the Asia-Pacific region**.
- Attacks on oil tankers in this region primarily threaten the European and Asian economies that rely on this oil. China receives the highest proportion of oil, and last week

Chinese **President Xi Jinping** had said **China would promote steady ties with Iran “no matter how the situation changed”**.

- Iran’s oil exports have already been restricted by US sanctions, but threats to oil tankers in the region could affect Saudi Arabia and UAE’s exports as well. **The Saudi and UAE economies depend entirely on their own oil exports, and Iran** could be hoping that these US allies could convince Trump to roll back sanctions in order to protect their own economies.
- Iran has repeatedly asked for help from the European Union and has set a deadline of 7 July for it to find better terms for the 2015 deal. Iran has threatened further breach of the deal if the EU fails to do so.
- The **EU’s attempts to ease US sanctions on Iran and allow EU companies to trade with the country have been largely unsuccessful: A “special purpose vehicle” called INSTEX** was announced in January 2019 to facilitate this, but it is not yet operational.
- The EU has stated that it needs more time to assess **US claims that Iran was behind the oil tanker attacks, fearing a repeat of 2003**, when European forces had moved to support a US coalition in Iraq on unverified American claims that Saddam Hussein had weapons of mass destruction. However, earlier in the week, before the downing of the US drone, the EU was fairly critical of Trump’s role in the escalation of tensions between US and Iran.
- A special adviser to **Federica Mogherini, the European Union’s top official** for foreign affairs, blamed the US for the tensions between Washington and Tehran.
- “This is happening for one reason that has not been cited so far, which is the fact that the United States has violated the Joint Comprehensive Plan of Action, meaning the Iran deal,” adviser Nathalie Tocci said on *BBC* radio, telling the US: **“You’re not living up to your side of the bargain.”**

## #STRAIT OF HORMUZ

Iran has said that it could close the **strategic Strait of Hormuz shipping route** if it faces more “hostility,” from the United States. Recently, US tightened sanctions on Iran and lifted off Significant Reduction Exceptions (SREs) waivers. However, **Iran has said that it will continue to sell its oil and use the Strait of Hormuz**. But if Iran is prevented from doing that it will close the strait.

## Hormuz Strait

- Strait of Hormuz, also called Strait of Ormuz, **channel linking the Persian Gulf (west) with the Gulf of Oman and the Arabian Sea (southeast)**.



- The strait is **35 to 60 miles (55 to 95 km)** wide and **separates Iran (north) from the Arabian Peninsula (south)**.
- It contains the islands of **Qeshm (Qishm), Hormuz, and Hengām (Henjām)**. It is of **great strategic and economic importance**.

## Importance of Hormuz Strait

### Strategic Location

- Strait of Hormuz **connects the Indian Ocean with the Arabian/Persian Gulf**.
- Strait of Hormuz separates the **modern Iranian state from the countries of Oman and the United Arab Emirates**.
- The Strait of Hormuz is a **strategic artery linking the Middle East to the Asia Pacific, Europe, North America**.

### Commercial Shipping

- In the all recorded history, the seaway has **connected Arab and Persian civilizations with the Indian subcontinent, Pacific Asia and the Americas**. Porcelain from China and spices from the Indochina peninsula often passed through the strait on their way to Central Asia and Europe.
- **All shipping traffic from energy-rich Gulf countries converges in the strait**, including crude oil and liquefied natural gas exports from Iran, Iraq, Kuwait, Bahrain, Qatar, Saudi Arabia, and the United Arab Emirates.
- **Thirty percent of the world's crude oil trade passes through Strait of Hormuz**. It is also the route for **nearly all the liquefied natural gas (LNG) from lead exporter Qatar**.

## Impact of Closure

- Closure of Strait of Hormuz or even threatening can lead to a **rise in crude oil price due to supply concerns and unsettled stock markets**.
- It may also **disrupt trade between the middle east and the rest of the world** as commercial ships will not risk being confronted by the Iranian Navy.
- The closure may also have serious **geopolitical repercussions as United States Navy's Central Command is located in the Persian Gulf**. Any confrontation between the **US and Iran may escalate and will have larger security implication in the whole region**.

- Recently, **Iran's Port and Maritime Organization (PMO)** has conveyed to India a request for locomotives and signaling equipment for the **Chabahar-Zahedan railway line**. Iran has been facing difficulty in procuring them directly due to the **sanctions imposed by the USA**.



- In November 2018 the **United States imposed the toughest ever sanctions on Iran** aimed at altering the **Iranian regime's "behaviour"**. The sanctions cover Iran's banking and energy sectors and reinstate penalties for countries and companies in Europe, Asia and elsewhere that do not halt Iranian oil imports. However, 8 countries – **India, China, Italy, Greece, Japan, South Korea, Taiwan and Turkey** — were temporarily allowed to continue buying **Iranian oil** as they showed "significant reduction" in oil purchase from the **Persian Gulf country**.
- The United States has exempted India from imposition of certain sanctions for the development of the strategically-located **Chabahar Port in Iran**, along with the construction of the railway line connecting it with **Afghanistan**. Iran has also asked India to activate the **USD 150 million credit line** which was offered to it by India during the Iranian President's visit in 2018.

## CHABAHAR PORT OF IRAN

- It is located on the **Gulf of Oman** and is only 72 km away from the **Gwadar port in Pakistan** which has been **developed by China**. The port serves as the only oceanic port of Iran and consists of two separate ports named **Shahid Beheshti and Shahid Kalantari**. This port is very important for Iran as well as for India.
- If this route is opened then India will no longer need to seek help of the Pakistan to **reach Afghanistan via road and sea route**. This agreement was signed by Transportation Minister of India Mr. **Nitin Gadkari** and Iranian Minister **Abbas Ahamad**.
- **Trade:** It is being considered a **gateway to golden opportunities for trade** by the three countries with other **Central Asian countries** in the wake of Pakistan denying transit access to India.
- **Security:** China is aggressively pursuing its own **Belt and Road Initiative (BRI)** under the **One Belt One Road (OBOR) project**. The port can also act as a counter to **Pakistan's Gwadar Port**, which is being developed with Chinese investment.
- **Connectivity:** In future, the **Chabahar project** and the **International North South Transport Corridor (INSTC)** will complement each other by optimizing Indian connectivity with Russia and Eurasia.

## BACKGROUND OF THE CHABAHAR PORT

- India started interacting with **Iran on Chabahar Port** around the **year 2003**. However the major push was received in the **second half of 2014**, leading to the signing of an **MoU between Iran and India for the development of Chabahar Port** in May 2015. This MoU translated into a formal 10-year **Contract for Equipping and Operating the Chabahar Port**.
- A trilateral transit agreement was also signed in May 2016 **between India, Iran and Afghanistan** on Establishment of International Transport and Transit Corridor. India in October 2017 sent its first consignment of wheat to Afghanistan through **Iran's Chabahar port**.
- Since there were challenges in activation of the 10-year contract, the foundation of an interim period contract was laid during the visit of **President of Islamic Republic of Iran, Hassan Rouhani** to New Delhi in February 2018. Resultantly, a formal short term Contract was signed in May 2018.

### CHABAHAR RAIL PROJECT

- In the year 2016, **Prime Minister Modi visited Iran** for a bilateral summit between **India and Iran**. It was for the **first time since 15 years** that an Indian Prime Minister visited Iran. The Governments of Iran and India signed a series of agreements.
- The agreement gave rights to India to develop and operate 2 terminals and 5 berths with the multipurpose cargo handling capacities for a period of 10 years to construct and **alternative trade route between Central Asia and Afghanistan**.
- A **trilateral agreement** was signed between **India, Iran and Afghanistan**. Prime Minister **Modi**, Iranian President **Dr Hassan Rouhani** and the **President of Afghanistan** inked an agreement for Trilateral Transport and Transit Corridor.
- Under this agreement, **India's state-owned IRCON (Indian Railways Construction Ltd)** agreed to provide assistance to the railway line project and promised to finance the project worth \$1.6 billion.

### REASON FOR EXCLUDING INDIA

- **Iran's Stand:** In July 2020, Iran decided to **proceed with the rail line construction** on its **own**, citing **delays from the Indian side** in beginning and funding the project. However the reason seems to be that the **Iran and China** are close to **finalizing a 25-year strategic partnership**.
- As per a document on '**Comprehensive Plan for Cooperation between Iran and China**', both the countries will invest in infrastructure; manufacturing and upgrading energy and transport facilities; refurbishing ports, refineries and other installations; and will commit Iranian oil and gas supplies to China during that period.

- Also, Iran has proposed a tie-up between the **Chinese-run Pakistani port at Gwadar and Chabahar**. It has also offered interests to China in the **Bandar-e-Jask port** which is 350 km away from **Chabahar and its duty-free zone**.
- **India's Stand: IRCON completed** the site inspection and feasibility report, and had been waiting for the Iranian side to appoint a nodal authority.
- Although the project has secured a **special waiver from the USA**, India is hesitant to deal with the construction company which has links with the **Islamic Revolutionary Guard Corps (IRGC)** and is under the sanctions.
- The IRGC is a hard-line force which operates its own military infrastructure in parallel to Iran's regular armed forces. In April 2020, it launched **Iran's first military satellite Noor**. Fear of **sanctions by the USA** has also impacted Indian interest in the **Farzad-B gas field project of Iran**.

## CHANGING SCENARIOS IN IRAN-INDIA RELATIONSHIP

- With the **results of the USA elections**, both **India and Iran look for the possible ease of sanctions** allowing for increased engagements.
- India is also keeping an eye on the negotiations on a **25-year strategic cooperation agreement between China and Iran** (worth USD 400 billion) which could fund other parts of the **Chabahar development**, including a free trade zone along the **Makran coast**, and oil infrastructure projects, impinging on India's strategic ties with Iran.

## #OIC'S CRITICISM ON KASHMIR'S POLICIES

India has 'strongly' rejected the criticism of its Kashmir policy by the Organization of Islamic Cooperation (OIC). The 47th session of the OIC Council of Foreign Ministers, held at Niamey (Niger), had made a reference to India over its policies on **Jammu and Kashmir**.

## ORGANISATION OF ISLAMIC COOPERATION (OIC)

- The **Organisation of Islamic Cooperation (OIC)** is the **second largest intergovernmental organization** after the **United Nations** which has **membership of 57 states** spread over four continents. It is an **organisation of the collective voice of the Muslim world**.
- The main motive of the organisation is to the safeguard and protects the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world.



- The Organization was established upon a decision of the historical summit which took place in **Rabat, Kingdom of Morocco on 12th Rajab 1389 Hijra (25 September 1969)** as a result of criminal arson of **Al-Aqsa Mosque in occupied Jerusalem**.
- There are **total 57 members** from which **some were became member before 1990** and some **were after 1990**. The Purpose of OIC is to **enhance and consolidate the bonds of fraternity and solidarity among the Member States**. To safeguard and protect the common interests and support the legitimate causes of the Member States and coordinate and unify the efforts of the Member States in view of the **challenges faced by the Islamic world in particular and the international community in general**.
- Respect the right of **self-determination and non-interference** in the domestic affairs and to respect **sovereignty, independence and territorial integrity** of each Member State.

### 47TH SESSION OF OIC

- A report submitted at the **47th session referred** to the situation in **Jammu and Kashmir**. It said that the decision of the **Indian government to repeal special status** (in 2019) was aimed towards **changing the demographic and geographic composition of the territory**.
- The continuous blockade and restrictions together have led to **human rights abuses**. The statement acknowledged the **support that Pakistan** has been providing to **keep the Kashmir issue** on the agenda of the organisation.

### INDIA'S STAND OVER THE ISSUE

- **India strongly hit out at the OIC**, accusing it of making "**factually incorrect and unwarranted**" references to **Jammu and Kashmir** in resolutions adopted by the grouping at the session. India asserted that the union territory is an integral and inalienable part of the country.
- **India advised the OIC** to refrain from making such references in future and said it is regrettable that the grouping continues to allow itself to be used by a certain country "**which has an abominable record on religious tolerance, radicalism and persecution of minorities**" in a clear reference to Pakistan.
- After **India revoked special status in Kashmir**, Pakistan lobbied with the OIC for their condemnation of the move. Over the last one year, Pakistan has tried to rouse sentiments among the Islamic countries, but only a handful of them, **Turkey and Malaysia publicly criticised India**. **Saudi Arabia and the UAE**, both top leaders among the Muslim countries, **were not as critical of India** as Pakistan had hoped.



### SIGNIFICANCE OF INDIA'S LATEST STATEMENT

- India believes to **bust the double standard of OIC**, where it supports **the agenda of Pakistan** in the name of human rights. India now sees the duality of the OIC unjustifiable, since **many of the member countries of the OIC** have **good bilateral ties** and convey to India to ignore OIC statements but sign off on the joint statements which are **largely drafted by Pakistan**.
- India also wants to challenge this issue because of the possibility of the **Joe Biden administration in the US** which may have a strong view on **human rights in Kashmir** and may issue statements that may complicate India's image at the global stage.
- With India preparing to take over a **non-permanent member's seat at the UN Security Council**, it wants to use its diplomatic clout and goodwill to bury this issue at the global body in the next two years and bring up the Pakistan-sponsored cross-border terrorism high on agenda.

## RELATIONSHIP BETWEEN INDIA AND OIC

- **India's relationship with OIC as an organisation:** At the **45th session of the Foreign Ministers' Summit in 2018, Bangladesh**, the host, suggested that India, where **more than 10% of the world's Muslims live**, should be given Observer status, but Pakistan opposed the proposal. In 2019, India made its maiden appearance at the OIC Foreign Ministers' meeting, as a **"guest of honour"**. This first-time invitation was seen as a diplomatic victory for India, especially at a time of heightened tensions with **Pakistan following the Pulwama attack**.
- **Criticism of India's Policies by OIC:** It has been **generally supportive of Pakistan's** stand on Kashmir, and has issued statements **criticising the alleged Indian "atrocities"** in the state/Union Territory. In 2018, the OIC General Secretariat had **"expressed strong condemnation of the killing of innocent Kashmiris by Indian forces in Indian-occupied Kashmir"**. It described the "direct shooting at demonstrators" as a "terrorist act", and "called upon the international community to play its role in order to reach a just and lasting solution to the conflict in Kashmir". OIC has criticised the Government of India over the **Citizenship (Amendment) Act, 2019**, and the **Babri Masjid verdict** of the Supreme Court. OIC has also criticised the Indian government for what it called **"growing Islamophobia"** in India.
- **India's Response:** India has always maintained that **OIC has no locus standi in matters** strictly internal to India including that of **Union Territory of Jammu and Kashmir** which is an integral and inalienable part of India.

## INDIA'S RELATIONSHIP WITH OIC AND OTHER COUNTRIES

- Individually, **India has good relations with almost all member nations**. Ties with the **UAE and Saudi Arabia**, especially, have improved significantly in recent years.

- The **Crown Prince of Abu Dhabi (UAE)** was a special chief guest at the **68th Republic Day celebrations** in 2017. The OIC includes two of **India's close neighbours, Bangladesh and Maldives.**

## REVIEW OF 10TH SCHEDULE (ANTI-DEFECTION LAW)

Recently, the **resignation of MLAs in the Puducherry assembly**, yet again, highlighted the **absurdity of the anti-defection law**.

Resignations are done with the intent of lowering the numbers required for a **no-confidence motion to succeed**. This formula has been seen recently in other states such as **Madhya Pradesh and Karnataka**. In this way, no MLA has to face disqualification under



the anti-defection law. The anti-defection law was included in the Constitution as the **Tenth Schedule in 1985 to combat the “evil of political defections.”** The primary purpose was to preserve the stability of governments and insulate them from the defections of legislators. However, the law has reduced legislators to being accountable primarily to the party and failed to **preserve governments’ stability**.

## ISSUES RELATED TO ANTI DEFLECTION LAW

***Undermining Representative Democracy:*** There are two broadly accepted roles of a **representative, such as an MP in a democracy**. One, as agents of the voters, and the other is to exercise their judgment on various issues of public interest. After enacting the **Anti-defection law, the MP or MLA has to follow the party’s direction blindly**. This leaves them with absolutely no freedom to vote their judgment on any issue. It makes the MP neither a delegate of the constituency nor a national legislator but converts them to be just agents of the political party. Thus, this provision goes against the **concept of representative democracy**.

***Eroding Legislatures:*** An important consequence of the **anti-defection law is the hollowing out of our legislatures**. The core role of an MP to examine and decide on a policy, bills, and budgets is side-lined. Instead, the MP becomes just another number to be tallied by the party on any vote that it supports or opposes.

***Undermining Parliamentary Democracy:*** While introducing the **draft Constitution, Dr. B.R. Ambedkar** outlined the differences between the presidential and parliamentary forms of



government. According to him, the presidential form had higher stability, but lower accountability as the President is elected for four years, and cannot be removed except for proven misdemeanor. In the **parliamentary form, the government is accountable** daily through questions and motions and can be removed any time it loses the support of the majority of members of the Lok Sabha. In India, this chain of accountability has been broken by making legislators accountable primarily to the political party. Thus, **anti-defection law is acting against the concept of parliamentary democracy.**

**No Longer Provides Political Stability:** The Anti-defection law envisages political stability by ensuring that any person disqualified for defecting cannot get a ministerial position unless they are re-elected. **However, Puducherry's example shows that the political system** has found ways to topple governments by resigning rather than vote against the party.

**Controversial Role of Speaker:** Resigning from the membership of the House is every member's right. However, **according to Article 190 of the Constitution,** the resignation should be voluntary or genuine. If the Speaker has information to the contrary, they are not obliged to accept the resignation. In many instances, the **Speaker (usually from the ruling party)** has delayed deciding on the disqualification. The Supreme Court has tried to plug this by ruling that the Speaker has to decide in three months, but it is not clear what would happen if a **Speaker does not do so.**

## 91ST CONSTITUTIONAL AMENDMENT ACT, 2003

It aimed at limiting the size of the Council of Ministers to debar defectors from holding public offices, and to strengthen the anti-defection law. Earlier, a defection by one-third of the elected members of a political party was **considered a 'merger'**. The amendment changed it to **at least two-thirds.**



**Kihota Hollohon vs. Zachilhu (1992):** In the judgment, the Supreme Court clarified that the 10th schedule is constitutionally valid. It neither impinges upon the freedom of speech and

expression nor subverts the democratic rights of elected members. It also upheld the sweeping discretion available to the **Speaker in deciding cases of disqualification of MLAs**. However, it also held that **Presiding Officer's decisions of disqualification** shall be open to judicial review.

## SOLUTIONS & STEPS TO BE TAKEN

- **Strengthening Intra-Party Democracy:** If government stability is an issue due to people defecting from their parties, the answer is for parties to strengthen their internal part of democracy. If people rise within the party hierarchy on their **capabilities (rather than inheritance)**, there would be a greater exit barrier.
- **Regulating Political Parties:** There is an ardent need for legislation that governs political parties in India. Such a law should **bring political parties under RTI, strengthen intra-party democracy, etc.**
- **Final Authority of Election Commission: Chairman/Speaker of the house,** being the final authority in terms of defection, affects the doctrine of separation of powers. Designating the Election Commission as the final authority in dealing with matters of defections may curb the menace of defection.
- **Restricting the Scope of Anti-defection Law:** In order to shield the detrimental effect of the anti-defection law on representative democracy, the **scope of the law can be restricted to only those laws**, where the defeat of government can lead to loss of confidence.



## CONCLUSION

To sum up, the **anti-defection law** has been detrimental to **legislatures' functioning as deliberative bodies** that hold the executive to account on behalf of citizens. It has turned them

into fora to endorse the decision of the government on Bills and budgets. In this context, it is time to review the **Tenth Schedule to the Constitution**.

## RIGHT TO PRIVACY IN LEGITIMATE STATE'S INTEREST

Recently, the **Central government** has stated that though the **right to privacy** is held to be a sacred **fundamental right**, the veil of privacy can be lifted for legitimate **State interest**. The government was responding to a petition seeking permanent halting of the Centre's surveillance projects- **Centralized Monitoring System (CMS)**, **Network Traffic Analysis (NETRA)** and **National Intelligence Grid (NATGRID)**.



## CENTRE'S SURVEILLANCE PROJECT

- **Centralized Monitoring System:** The government has set up a **Centralised Monitoring System (CMS)** for lawful interception and monitoring of mobile phones, landlines and internet traffic through mobile networks.
- **Network Traffic Analysis:** NETRA (or Network Traffic Analysis) is one such effort being taken by the **Indian Government** to filter suspicious keywords from messages in the network.
- **National Intelligence Grid:** **First conceptualised in 2009**, NATGRID (National intelligence Grid) seeks to become the one-stop destination for security and intelligence agencies to access databases related to **immigration entry and exit**, banking and telephone details of a suspect on a “secured platform”.
- **Petitioner's Arguments:** The government's surveillance projects enable government authorities to intercept, store, analyse and retain telephone and internet communications data in bulk in violation of the **fundamental right to privacy**. These systems allow the government a 360 degree surveillance of all citizens, **including judges**. It sought creation of a permanent and independent oversight authority - **judicial or parliamentary** - for

authorising and reviewing interception and monitoring orders or warrants issued under the **Telegraph Act, 1885 and the IT Act, 2000.**

- Government's Arguments: Lawful interception, monitoring or decryption of any messages or information stored in any computer resources is done by **authorised agencies** after due approval in each case by the competent authority. There is no blanket permission to any agency for interception or monitoring or decryption; and permission from the competent authority (Union Home Secretary) is required. It contended there is sufficient mechanism of oversight in place in the form of a **Review Committee, headed by the Cabinet Secretary at the centre and chief secretary at the state level**, which examines if the approval has been given in accordance with the law. When the Review Committee is of the opinion that the directions are not in accordance with the provisions, it may set aside the directions and order for destruction of the copies of the intercepted message or class of messages. The grave threats to the country from **terrorism, radicalization, cross-border terrorism, cybercrime, organized crime, drug cartels** cannot be understated or ignored and a strong and robust mechanism for timely and speedy collection of actionable intelligence including **digital intelligence**, is imperative to counter threats to the **national security.**

## ABOUT RIGHT TO PRIVACY

Generally understood that privacy is synonymous with the right to be let alone. The Supreme Court described privacy and its importance in the landmark decision of **K.S. Puttaswamy v. Union of India** in 2017 that - Right to Privacy is a **fundamental and inalienable right** and attaches to the person covering all information about that person and the choices that he/ she makes. The right to privacy is protected as an intrinsic part of the **right to life and personal liberty under Article 21** and as a part of the freedoms guaranteed by **Part III of the Constitution.**

Restrictions (as stated in the Judgement): The right may be restricted only by state action that passes each of the three tests: First, such state action must have a **legislative mandate**; Second, it

must be pursuing a legitimate state purpose; and Third, it must be proportionate i.e., such state action- both in its nature and extent, must be necessary in a democratic society and the action ought to be the least intrusive of the available alternatives to accomplish the ends.

## GOVERNMENT STEPS TO PROTECT PRIVACY

- Draft Personal Data Protection Bill 2019: The Bill regulates the processing of personal data of individuals (data principals) by **government** and private entities (data fiduciaries) incorporated in India and abroad. Processing is allowed if the **individual gives consent**, or in a medical emergency, or by the State for providing benefits.
- B N Srikrishna Committee: Government appointed a committee of experts on data protection under the chairmanship of **Justice B N Srikrishna** that submitted its report in July 2018.
- Information Technology Act, 2000: The IT Act provides for safeguard against certain breaches in relation to data from computer systems. It contains provisions to **prevent the unauthorized use of computers**, computer systems and data stored therein.



## UTTARAKHAND GLACIER OUTBURST TRAGEDY

Another massive tragedy struck Uttarakhand on February 7, 2020 when a glacier burst took place in **Chamoli district of the state**. A large piece of **Nanda Devi glacier** broke off on a chilly winter morning of February and fell into a river, triggering an avalanche and **glacial lake outburst flood (GLOF)** in Dhaul Ganga, Rishi Ganga and Alaknanda rivers. Over 150 people are feared missing after the flash flood. This is a second massive blow for the Himalayan state after the **2013 Kedarnath Tragedy**. Two hydroelectric power projects, namely, **NTPC's Tapovan-Vishnugad hydel project** and **Rishi Ganga Hydel Project** got completely washed away along with five bridges and scores of houses after the waters came rushing in.



## WHAT IS GLACIER OUTBURST

**Glaciers are a bulk of ice moving** under its weight. It forms in areas where the amassing of snow goes beyond its ablation over many years. They are generally seen in the snow-fields. This **largest freshwater basin** covers around 10% of the land surface of the Earth. According to the topography and the location of the glacier, it can be categorized as per **Continental Glacier (Ice Sheets)**. The Continental Glacier moves outward in all directions whereas the **Mountain Glacier moves from a higher to a lower altitude**.



**Glacial Lakes:** Retreating glaciers, like several in the Himalayas, usually result in the formation of lakes at their tips, called **proglacial lakes, often bound only by sediments and boulders**.

**Flood:** If the boundaries of these lakes are breached, it can lead to large amounts of water rushing down to **nearby streams and rivers, gathering momentum** on the way by picking up sediments, rocks and other material, and resulting in flooding downstream.

**Impact of Climate Change:** Climate change has driven erratic weather patterns like **increased snowfall and rainfall, warmer winters has led to the melting of a lot of snow**. According to the latest assessment reports of the **UN Intergovernmental Panel on Climate Change**, glacier retreat and permafrost thaw are projected to decrease the stability of mountain slopes and increase the number and area of glacier lakes. When glaciers break off, the space underneath them develops into a glacial lake filled with water. The breaking off of the glacial lake is termed as **Glacial Lake Outburst Flood (GLOF) or glacial outburst**. The glacial outburst occur when the water level of lake rises or when the glacier retreats. The occurrence of GLOF is very rare. Some experts are calling the **Uttarakhand glacier burst as the GLOF**. However, the researchers and scientists are yet to investigate the real reason behind the incident.

**Cause of Glacier Outburst:** Earthquakes, erosion, volcanic eruptions, build of water pressure or an avalanche of heavy snow can cause the glaciers to burst. The **glacier outburst can also happen** after the displacement of massive water pocket in a glacial lake when an **adjacent glacier retreats into it**.

## UTTARAKHAND GLACIER BURST

In case of **Uttarakhand glacier burst tragedy**, it is not yet clearly known that what caused the **outburst of Nanda Devi glacier**. As per the experts, the breaking off of this huge chunk of **Nanda Devi glacier into the Dhaul Ganga river** is a rare incident as the **Google Earth images and satellite** did not show any glacial lake underneath the glacier that broke off. Usually, **Glacial Lakes** are

formed beneath the big glaciers and flow **within these massive ice sheets**. At times, these lakes create enough pressure causing the glacier chunks to break off. The glacial lakes are not like usual lakes; they comprise ice boulders that have potential of bursting the glacier banks. In **Uttarakhand glacier burst case**, it is believed that the **water pockets might have developed within the Nanda Devi glacier** that led to this incident. Some experts also link this tragedy to climate change and global warming. **High temperatures and less of snowfall** can lead to increase in melting of glaciers, causing glacial lake water to rise beyond the levels. **A 2019 study**





**published in the Science Advances journal** had warned that the Himalayan glaciers are melting at an alarming speed and **the 2013 Kedarnath-like tragedy may occur again**. The study had warned that glaciers of the Himalayas have been melting twice as fast since the beginning of this century due to the climate change. The study was based on satellite observations of 40 years **across India, Nepal, Bhutan and China**. The study showed that glaciers have been losing half of their ice every year and the formation of glacial lakes had increased by 50% since 2000. The formation of increased number of glacial lakes pose an existential threat to Himalayan glaciers and the rivers flowing from near them. **The 2013 Kedarnath tragedy was caused by the cloudbursts that led to severe floods and landslides**. In case of **Uttarakhand Glacier Burst**, it is yet to know what actually triggered the glacier burst at Chamoli district of Uttarakhand.

## OTHER RELATED INFORMATION

- **Dhauliganga:** It originates from **Vasudhara Tal, perhaps the largest glacial lake in Uttarakhand**. Dhauliganga is one of the important tributaries of Alaknanda, the other being the **Nandakini, Pindar, Mandakini and Bhagirathi**. Dhauliganga is joined by the Rishiganga river at Raini. It merges with the **Alaknanda at Vishnuprayag**. There it loses its identity and the Alaknanda flows southwest through **Chamoli, Maithana, Nandaprayag, Karnaprayag** until it meets the Mandakini river, coming from the north at Rudraprayag. After subsuming Mandakini, the Alaknanda carries on past Srinagar, before joining the Ganga at Devprayag. Alaknanda then disappears and the mighty **Ganga carries on its journey**, first flowing south then west through important pilgrimage centres such as Rishikesh and finally descending into the **Indo-Gangetic plains at Haridwar**.
- **Nanda Devi National Park:** It is situated around the **peak of Nanda Devi (7816 m)** in the state of Uttarakhand in northern India. The park encompasses the **Nanda Devi Sanctuary, a glacial basin** surrounded by a ring of peaks, and drained by the Rishi Ganga through the **Rishi Ganga Gorge**. The Park was established as Sanjay Gandhi National Park by Notification in 1982 but was later renamed Nanda Devi National Park.

It was inscribed a World Heritage Site by the **United Nations Educational, Scientific and Cultural Organization (UNESCO)** in 1988.

- ***Flora & Fauna:*** Some **312 floral species that include 17 rare species** have been found here. Fir, birch, rhododendron, and juniper are the main flora. **Himalayan black bear, Snow leopard , Himalayan Musk Deer** etc are main fauna

## WEST ASIA PEACE CONFERENCE

Recently, **Russia backed a Palestinian proposal for a West Asia Peace Conference**. The Conference is intended to focus on a **two-state solution**, under which Israel and a future Palestinian state would coexist. The support for the **Conference came as the USA**, which had sided with Israel under the administration of Donald Trump, intends to “**restore credible USA engagement with Palestinians as well as Israelis.**”



**Participants in the Conference:** The **10 participants** would include **Israel, the Palestinians, the four members of the West Asia diplomatic quartet** (Russia, the United Nation, the USA and the European Union), along with four Arab states — **Bahrain, Egypt, Jordan and the UAE**. Russia suggested that the West Asia Peace Conference could be held at the ministerial level.

**Other Related Developments:** The **Abraham Accord between Israel, the United Arab Emirates and Bahrain** is mediated by the USA. It was the first Arab-Israeli peace deal in 26 years. **Palestinians** are worried about the impact of the Accords.

## ISRAEL PALESTINIAN CONFLICT (BACKGROUND)

- **British Phase:** Britain took control of the area known as Palestine after the ruler of that part of the **Middle East, the Ottoman Empire**, was defeated in World War I. The land was inhabited by a Jewish minority and Arab majority. Tensions between the two peoples grew when the international community gave Britain the **task of establishing a "national home" in Palestine for Jewish people**. For



Jews, it was their ancestral home, but Palestinian Arabs also claimed the land and opposed the move. In **1948, unable to solve the problem**, British rulers left and Jewish leaders declared the creation of the state of Israel.

- **Post British Phase:** In another war in 1967, **Israel occupied East Jerusalem and the West Bank, as well as most of the Syrian Golan Heights, and Gaza and the Egyptian Sinai peninsula.** Most Palestinian refugees and their descendants live in Gaza and the West Bank, as well as in **neighbouring Jordan, Syria and Lebanon.** Neither they nor their descendants have been allowed by Israel to return to their homes - Israel says this would overwhelm the country and threaten its existence as a **Jewish state.** Israel still occupies the West Bank, and **although it pulled out of Gaza the United Nations (UN)** still regards that piece of land as part of occupied territory. Israel claims the whole of Jerusalem as its capital, while the Palestinians claim East Jerusalem as the capital of a future **Palestinian state.** In the past 50 years Israel has built settlements in these areas, where more than 6,00,000 Jews now live. **Palestinians** say these are **illegal under international law** and are obstacles to peace, but Israel denies this.

## SHIFT IN THE STAND OF THE USA

The **USA has played a partisan role in the Israeli-Palestinian conflict.** In the last few years, developments in the **USA mark a clear shift from the Oslo Accords** in favor of support for Israeli plans to annex a large fraction of the West Bank and design a new settlement of the conflict according to its interests.

**USA's peace plan (Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People)** would have guaranteed that Israel would control a unified Jerusalem as its capital and not require it to uproot any of the settlements in the West Bank. The plan was drawn without any meaningful Palestinian participation and was loaded in **Israel's favour.** In 1993 under the Oslo Accords, Israel and the **Palestine Liberation Organisation (PLO)** agreed to officially recognize each other and renounce the use of violence. The **Oslo Accords** also established the **Palestinian Authority**, which received limited autonomy in the **Gaza Strip and parts of the**

**West Bank.** However, recently after the change in administration, the USA said it would move towards renewing ties with the Palestinians.

## INDIA'S STAND OVER THE ISSUE

**India was one of the few countries to oppose the UN's partition plan** in November 1947, echoing its own experience during independence a few months earlier. In the decades that followed, the Indian political leadership actively supported the Palestinian cause and withheld **full diplomatic relations with Israel.** India recognised Israel in 1950 but it is also the first non-Arab country to **recognise PLO** as the sole representative of the



Palestinian. India is also one of the first countries to recognise the statehood of Palestine in 1988. In 2014, India favored the **United Nations Human Rights Council's (UNHRC)** resolution to probe Israel's human rights violations in Gaza. Despite supporting the probe, India abstained from **voting against Israel in UNHRC IN 2015.** As a part of Link West Policy, India has de-hyphenated its relationship with Israel and Palestine in 2018 to treat both the countries mutually independent and exclusive. In June 2019, India voted in favor of a decision introduced by Israel in the **UN Economic and Social Council (ECOSOC)** that objected to granting consultative status to a Palestinian non-governmental organization. So far India has tried to maintain the image of its historical moral supporter for Palestinian self-determination, and at the same time to engage in the military, economic, and other strategic relations with Israel.

## CONCLUSION

The world at large needs to come together for a peaceful solution but the reluctance of the Israeli government and other involved parties have aggravated the issue more. Thus a balanced approach towards the **Israel-Palestine issue** would help to maintain favorable relations with **Arab countries as well as Israel.**

## WORLD SUSTAINABLE DEVELOPMENT SUMMIT 2021

Recently, the **World Sustainable Development Summit**, the annual flagship event of **The Energy and Resources Institute (TERI)** was held. The theme of the 2021 Summit was **‘Redefining our common future: Safe and secure environment for all’**. TERI is a non-profit research institute, established in 1974. It conducts research work in the **fields of energy, environment and sustainable development for India and the**



**Global South**. The event was attended by the Union Minister of Environment, Forest and Climate Change Prakash Javadekar; President of the Cooperative Republic of Guyana H.E. Dr. Mohamed Irfaan Ali; Prime Minister of Papua New Guinea Honourable James Marape; Speaker of the People’s Majlis, Republic of Maldives Mohamed Nasheed and Deputy Secretary-General, United Nations Amina J Mohammed. The **World Sustainable Development Summit** will bring together a wide number of business leaders, governments, climate scientists, academicians, youth, and civil society in the fight against climate change. The **Ministry of New and Renewable Energy, the Ministry of Environment, Forests and Climate Change, and the Ministry of Earth Sciences** are the key partners of the Sustainable Development Summit.

## PM MODI AT THE INAUGURATION OF THE SUMMIT

**Prime Minister Modi** at the inauguration of the **World Sustainable Development Summit 2021** highlighted that global platforms like this are significant for our present and for the future. He added that two things that will define how the progress journey of humanity will unfold. First will be the health of the people and second will be the health of the planet. Global platforms like this are important for our present & our future. 2 things will **define how progress journey of humanity** will unfold in times to come. **1st, health of our people. 2nd, health of our planet.** Both are inter-linked. While highlighting the health of the planet, **Prime Minister** mentioned that there have already been many discussions on the health of the people but today we have gathered here to talk and discuss the health of the planet.

There are already many ongoing discussions on improving people's health. We have gathered here to talk about the health of the planet. **PM Modi** in his address talked about climate change and mentioned that the road to fight this is **only through Climate Justice** and at the root of climate justice is the principle of being large-hearted. He added that **Climate Justice is thinking about the bigger and long-term picture.**

The road to **fighting climate change is through climate justice.** At the root of climate justice is the principle of being large-hearted. Climate justice is also about thinking of the bigger and long-term picture. Mentioning the impact of environmental changes and natural disasters on the poor, **PM Modi explained that Climate Justice** is inspired by the vision of trusteeship where the growth will come only with the greater compassion to the poorest. The sad reality is, changes in the environment & natural disasters impact the poor the most. **Climate justice is inspired by a vision of trusteeship** where growth comes with greater compassion to the poorest. According to **PM Modi, Climate Justice** also means giving developing countries enough space to grow. When each and every one of us will understand our **collective and individual duties, Climate Justice will be achieved.** Climate justice also means giving developing countries enough space to grow. When each and every one of us understand our individual and collective duties, climate justice will be achieved: **PM Narendra Modi at World Sustainable Development Summit 2021**

## KEY HIGHLIGHTS OF THE SUMMIT

**Emphasis on Climate Justice:** “Climate justice” is a term and more than that a movement that acknowledges climate change can have differing social, economic, public health, and other adverse impacts on underprivileged populations. As per **India**, ‘climate justice’ is inspired by a vision of trusteeship - where growth comes with greater compassion to the poorest. It also means giving the developing countries enough space to grow.



**Reassurance to Climate Mitigation Efforts:** India reassured commitments to its targets under the Paris deal to reduce emissions intensity of **GDP by 33 to 35 percent from 2005 levels**. India's steady progress on its commitment to Land Degradation Neutrality and setting up of **450 gigawatts of Renewable Energy** generating **capacity till 2030** was also highlighted. Initiatives of India under International Solar Alliance were also discussed.

**Commitment to Enhancing Disaster Resilience:** To enhance India's disaster management capabilities, commitments to **Coalition for Disaster Resilient Infrastructure (CDRI)** were assured.

**CDRI:** A multi-stakeholder global partnership of country governments, **UN agencies, multilateral banks, private sector** and knowledge institutions that aims to build resilience into infrastructure systems to **ensure sustainable development**.

**India's Efforts Towards Sustainable Development:** In March 2019, India achieved nearly **100% electrification** through sustainable technologies and innovative models. Through the **Ujala Programme, 367 million LED bulbs** were distributed which reduced over 38 million tonnes carbon dioxide per year. Through the **PM Ujjwala Yojna**, more than 80 million households below the poverty line have access to clean cooking fuel. India is working to increase the share of natural gas in **India's energy basket from 6% to 15%**.

**The Jal Jeevan Mission** has connected over 34 million households with tap connections in 18 months. Through conservation efforts, the population of lions, tigers, leopards and Gangetic river dolphins has gone up.

## BACKGROUND OF THE SUMMIT

The **World Sustainable Development Summit (WSDS)** is the annual flagship event of The Energy and Resources Institute (TERI).

It was earlier known as **Delhi Sustainable Development Summit**. It has been conceptualized as a single platform to accelerate action towards sustainable development and climate change. It





aims to bring together global leaders and thinkers in the fields of sustainable development, energy and environment sectors on a common platform.

**Post the signing of the Paris Agreement** and the adoption of the **Sustainable Development Goals**, the summit aims at providing long-term solutions for the benefits of the global community by bringing together various stakeholders on a single platform and taking a step in a direction of achieving constructive action in **combating issues that are significant to the future of humanity**.

*Sustainable Development:* "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". This most widely accepted definition of **Sustainable Development** was given by the Brundtland Commission in its report '**Our Common Future**' (1987).

*Climate Change:* It is a long-term change in the average weather patterns that have come to define **Earth's local, regional and global climates**.

Climate data records provide evidence of climate change key indicators, such as global land and ocean temperature increases; rising sea levels; ice loss at Earth's poles and in mountain glaciers; frequency and severity changes in extreme weather such as **hurricanes, heatwaves, wildfires, droughts**, floods and precipitation; and cloud and vegetation cover changes, **to name but a few**.

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