

# CURRENT AFFAIRS FOR UPSC

31ST JANUARY TO 6TH FEBRUARY, 2021



## INTERNATIONAL

### WHO ARE THE FAR-RIGHT GROUP OATH KEEPERS, MEMBERS OF WHICH WERE INVOLVED IN THE CAPITOL HILL SIEGE?

Last week, a federal court in the District of Columbia indicted three individuals associated with *the far-right paramilitary organisation called Oath Keepers who describe themselves as the "Guardian of the Republic" for conspiring to obstruct Congress on January 6*. The three are Jessica Marie Watkins and Donovan Ray Crowl who belong to Champaign County in Ohio and Thomas Caldwell who is from Clarke County in Virginia. Most other arrests associated with the Capitol Hill siege have been of individuals and, therefore, the case of these three is the first indication of the involvement of a known organisation.

#### Who are the Oath Keepers?

In the book titled, "Oath Keepers: Patriotism and the Edge of Violence in a Right-Wing Anti-government Group", author Sam Jackson notes that *the organisation was formed in 2009 and is one of the most visible and vocal among far-right organisations in the US. The founding member Stewart Rhodes is a Yale Law School graduate and a former Army paratrooper*. By 2016, the organisation claimed to have over 30,000 members across the US. According to the Anti-Defamation League (ADL), the organisation garnered media attention after their presence was noted in protests and unrest that followed the shooting of a young African-American by a Ferguson police officer in 2014. *ADL says that Oath Keepers are anti-government extremists who are a part of a broader anti-government "Patriot" movement that includes the militia and the "three percenter" groups, sovereign citizens and tax protestors*. Former US president Donald Trump who incited the mob that marched towards the Capitol on January 6 referred to the rioters as "patriots" and called them "special". *One of the distinguishing features of the Oath Keepers is that they focus on recruiting current and former military members, police officers and firefighters. These members have vowed to support the oaths they took before their respective services commenced in the military or police forces, which is to support the Constitution of the US and defend it against all "enemies, foreign and domestic."* *The Southern Poverty Law Center (SPLC) says that, "While it (Oath Keepers) claims only to be defending the Constitution, the entire organisation is based on a set of baseless conspiracy theories about the federal government working to destroy the liberties of Americans."* The center released its report on hate crime and extremism for the year 2020 on Monday for which it tracked 838 "hate groups". The report notes two trends in 2020 that impacted the number of hate groups and will affect it in the future. One is that COVID-19 minimised overt hate group activity and secondly, while hate groups are being booted from social media platforms, they are moving their communications to encrypted chat rooms, which is making tracking the groups more difficult.

#### Who are the three individuals who have been indicted and what are the charges against them?

The three members of the organisation were indicted on charges of conspiracy, obstructing an official proceeding, destruction of government property, and unlawful entry on restricted building or grounds. According to the criminal complaint filed on January 19, on the day of the Capitol Hill Siege on January 6, the three documented their participation and whereabouts in or around the



US Capitol on social media. For instance, one of the three indicted posted on Facebook and said, “We are surging forward. Doors breached” and at 3:05 pm on the same day posted, “Inside.” According to a report in The New York Times, visual evidence from the day of the siege indicates that Watkins and Crowl entered the Capitol building in close coordination with at least ten other people who had been seen wearing the Oath Keepers insignia. But their identities are not yet known. In 2010, one Oath Keeper Daniel Knight Hayden was indicted and sentenced to eight months in prison after he threatened to attack Oklahoma state government officials on Twitter. Another Oath Keeper, Charles Dyer, an ex-Marine was sentenced to 30 years in prison for raping his seven-year-old daughter. But Rhodes later said that Dyer wasn’t a member of the organisation.

**WEIGHING IN ON THE BIDEN PRESIDENCY (M.K. NARAYANAN - FORMER NATIONAL SECURITY ADVISER AND A FORMER GOVERNOR OF WEST BENGAL)**

Dispelling very real concerns that existed about disruption of the Inauguration ceremony, Joseph R. Biden Jr was sworn in as *the 46th President of the United States on January 20*. Memories of the unprecedented events a fortnight earlier, when unruly mobs ran amuck in the Capitol building, seemed to haunt not only those present at the ceremony but also the world at large; Washington had been turned into a fortress for the event. Ultimately, democracy triumphed.

**Celebration of democracy**

In his Inaugural Address, President Biden struck the right note, delivering a message of *unity and hope, while not ignoring the enormous challenges the nation faced*. His declaration that the nation was celebrating the triumph of a cause — the cause of democracy was most timely. Among Mr. Biden’s strengths are that he detests bigotry, and abhors identity politics. *He tends to be idealistic, and is deeply committed to democratic values. He is a multilateralist, unlike his predecessor, Donald Trump*. As the ultimate Beltway insider, he knows better than most, that opposition to many of his ideas and views exist just beyond the horizon. Also, that in seeking to restore the prestige of America’s democracy and revive its economy, he would face many obstacles. He has, however, chosen to gamble on the throw of the dice by issuing a spate of Executive Orders, almost immediately intended to give expression to his initiatives, and also by announcing a series of initial measures which are, as likely as not, to provoke a great deal of opposition. Among these are his *proposed \$1.9 trillion relief plan to stem the novel coronavirus pandemic, his proposed expansive unemployment benefits package, and raising of the minimum wage, etc.*

**Policy reset and China**

The new President would very soon come to realise that the global environment today is very different from the one that he knew as Vice-President. A return to erstwhile Obama-era policies may, hence, prove inadequate. The world has moved on and several policies will need a reset. The changed scenario, notwithstanding, under *President Biden, one can expect the U.S. to rescind the ‘militarisation’ of foreign policy reverting to erstwhile traditional diplomacy*. Opportunities for a fresh look at many contentious foreign policy issues could well open up as a result, incorporating elements of both competition and cooperation. The acid test of this would be on how to deal with China. *Rising China is not merely the single most serious challenge the U.S. faces at present, but it poses a diplomatic, economic and technological threat to U.S. pre-eminence*. Persisting with old-time remedies such as devising an inclusive security architecture in Asia to check an expanding



China threat in East Asia could prove counterproductive. Few countries in Asia are willing to line up against neighbouring China. This would, thereafter, beg the question as to whether the U.S. should persist with confrontation or attempt conciliation. If the latter, it would require the U.S. to soft-pedal its present antagonistic posture towards China. This could well have global implications. Next, would be on how best to deal with Russia. The depth of antagonism between the two countries, the U.S. and Russia, remains unchanged, aggravated further by the growing strategic congruence between Russia and China. Initial reactions seem to point to U.S. relations with Russia continuing to remain cold, but as Russia flexes its muscles in Eurasia, the U.S. will need to come up with new policy directives, rather than surrender the initiative to the former.

#### **Ties with Europe, West Asia**

*President Biden faces an uphill task when it comes to repairing America's ties with Europe. The days when Europe and the U.S. were tied literally to the same policy cart are over, and Europe is no longer likely to give in to U.S. diktats. Germany is possibly emerging as Europe's new centre of gravity, dictating Europe's relations with countries such as China and Russia. Germany, while being highly critical of Russia's human rights record, including the most recent incident of Kremlin critic Alexei Navalny, is not hesitating to go ahead with Nord Stream 2, the Russia-led gas pipeline project, despite the U.S.'s objections. The EU-China Comprehensive Agreement on Investment, again despite the U.S.'s objections, is another indication of Europe's new independent thinking. European leaders seem more inclined to heed Chinese President Xi Jinping's warning to global leaders — at the virtual World Economic Forum at Davos, in late January — against 'starting a new Cold War', than listen to the U.S.'s Biden. Problems abound for the new U.S. Administration in West Asia as well. With the civil wars in Syria and Yemen not having ended, the U.S.'s efforts to find a political settlement here will prove difficult. How to deal with a Saudi Arabia that is on a Biden 'watch-list', adds to the complexity of dealing with West Asia. The 'Abraham Accords', forged during the dying days of the Trump Administration, have further complicated the situation for the incoming Biden government. Dwarfing this would be finding ways and means to deal with the Iran problem, including Iran's capacity and potential for nuclear mischief. Return to the Joint Comprehensive Plan of Action (JCPOA), or the Iran nuclear deal framework, may not be a realistic option in the wake of the 'Abraham Accords', which have imparted a new dynamic and given a sharper edge to the existing Israel-Iran divide.*

#### **The outlook for India**

India's pious hope is that the Biden Administration will prove even more favourable to it than the preceding Republican Administration. This may, however, turn out to be like the proverbial curate's egg — good in parts. Mr. Biden as Vice-President was well known to some of us, as having played a critical role as Chairman of the Senate Foreign Relations Committee in pushing through the iconic U.S.-India civil nuclear agreement, and also as a firm proponent of the India-U.S. strategic partnership. Hence, under a Biden Administration, defence and security cooperation between India and the U.S. are likely to be further stepped up. Regional security cooperation is also likely to be further enhanced, at least till such time as U.S.-China relations improve. However, a Biden Administration will be far less supportive of India on several issues. India must brace itself to heed concerns being expressed about issues such as Kashmir, the so-called travails of the Muslim minority in India, treatment of non-governmental organisations and the like. This may take place behind closed doors, so as not to embarrass the Indian government, but Biden's



commitment to human rights is, by far, much stronger than that of many recent U.S. Presidents. He can be expected to satisfy his traditional constituency even at the risk of upsetting partners such as India. What may, however, be far more disconcerting for India, if one were to analyse the statements and views of U.S. Secretary of State Antony John Blinken and U.S. National Security Advisor Jake Sullivan is that while the emphasis on a free and open Indo-Pacific region will continue, countries such as Japan, South Korea and Taiwan are likely to have a far more critical role to play than India in achieving security in the Indo-Pacific. The U.S. could also be less forthcoming in its open support to India and in its ongoing confrontation with China in Eastern Ladakh.

### The Afghan plan

Unsatisfactory again from an Indian standpoint are the implications of Mr. Biden's Afghanistan policy. From positions taken by Mr. Sullivan, it would appear that while some rethinking from the positions taken by the Trump Administration is possible, there is little room for India in the latest plans on the table. Mr. Biden is an ardent advocate of ending the war in Afghanistan — dating back to his years as Vice-President — and he is likely to implement this with vigour, not excluding a deal with the Taliban, the possible exit of elected President Ashraf Ghani, and giving Pakistan an even bigger role in acting as the mid-wife of any new arrangement. Not only would this mean that India's efforts of the past two decades to restore democracy in Afghanistan would come unstuck, but Pakistan would also gain a degree of legitimacy that had been denied to it by the Trump Administration, encouraging it to act with still greater impunity in carrying out terror strikes on India. From a restricted standpoint, if India were to balance the positive with the negative, and compare the incoming Biden Administration with the previous Trump Administration, the balance sheet could be marginally negative.

## THE U.S. AND INDIA: A TALE OF TWO SIEGES

The world's oldest and largest democracies were punctuated by two dramatic sieges at the start of 2021, each of which provides an insightful glimpse into the troubled politics of two countries. On January 6, 2021, the U.S. Capitol building was partially taken over by a violent mob comprising supporters of former President Donald Trump. They attacked law enforcement officers, vandalised public property, and threatened lawmakers in Congress. One woman was killed at the site of the siege, and four others died during the course of the attack and its aftermath, including a police officer. Twenty days later, a rally planned on Republic Day in India led to violence after farmers protesting three new laws aimed at reforming agricultural markets broke off from the planned parade and entered Delhi, including the premises of the Red Fort by breaking the gates, only to be met by a police crackdown including arrests and lathi charges. There are both similarities and differences between the two episodes, each worth considering in turn.

### Similarities

The common thread between the sieges on two major public buildings — *the U.S. Capitol and the Red Fort* — is that a discontented collective vented its anger about a recent political development through a mass rally. In America, that anger was directed at the very heart of democracy itself, the 2020 presidential election that saw Joe Biden emerge victorious. The context for the surge of anger at this outcome was the fact that Mr. Trump sought to deliberately undermine the credibility of the



*vote tallying process by attacking, for many months on Twitter, mail-in voting as fraudulent.* Despite fact-checkers and mainstream U.S. media consistently emphasising that Mr. Trump's claims were empirically false and misleading, it was only when Twitter suspended his account that the volley of fake news from the Oval Office finally ended. Subsequently, *Mr. Trump faced the ignominy of being the first U.S. president in history to be impeached for a second time by the House of Representatives – this time for incitement of violence – although again it appears that Senate Republicans will not support the move to convict him and potentially deny him the right to hold public office again.* In India, anger has been rising steadily since Parliament passed three laws reforming the way the mandi, or marketplace, system works. This effectively cuts out middlemen and traders and empowers private entities to directly contract with agricultural producers, yet it also potentially endangers the historically entrenched minimum support price system that can be the economic backbone of small-scale farmers. *While farmers initially staged peaceful sit-ins in Delhi and its surrounding areas, braving the winter cold to demand that the government repeal the laws, the lack of forward movement on the negotiating table appears to have triggered the ugly Republic Day clashes. A second similarity across the two sieges is the emergence of disturbing images on social media, showing a darker side of the mass rallies – a propensity for targeted or planned violence. In the case of the Capitol building, one member of the invading mob was seen holding zip ties, implying a threat to the lives of lawmakers in the building, should they have been captured by the mob.* Law enforcement discovered a truck filled with guns and bombs near the site of the attack. In Delhi, social media was flooded with images of the Nishan Sahib, a religious flag of the Sikhs, being hoisted at the Red Fort, setting off a storm over whether the protests were less spontaneous than politically motivated. Yet, equally disturbing has been the move by law enforcement to crack down on the media in the aftermath of the protests — several senior journalists have been slapped with sedition and other criminal charges. At the heart of both incidents is contested democracy. In the U.S., Mr. Trump's clarion call for nativist populism and the dog whistles to white privilege reasserting its racist ethos into mainstream politics has found support with the 74 million-odd people who voted for him. Despite Mr. Biden's convincing victory, the U.S. remains deeply divided over the vision of its future, a fact that will continue to haunt its politics for decades to come, impacting everything from economic protectionism to women's reproductive rights. In India, contrarily, politics has tipped sharply over the past decade towards the saffron world view of the Bharatiya Janata Party, and its brute force majority in Parliament has empowered the government with the ability to refashion major policy paradigms as per this vision. Yet the farm laws protests shows that there is another India – the India of the poor, the lower castes and classes – which will not be silenced by majoritarian politics. Even if we grant that to an extent there might have been political motives behind the farm law protests, that still shows that pockets of resistance to the government's laissez faire or neoliberal economic policy leanings will continue to make their voices heard. The same could be said of those who are excluded from the BJP's homogenising view of Indian culture – the southern States with their distinctive political and ethnic histories are prominent examples of stand-out cases in this context.

### Undermining democracy

*In the widest arc of history, democracy has often been about the informal balance of power in societies — usually favouring a religious or racial majority — expressed through formal trappings of democratic practice, principally the institution of elections. As was seen during the rise of fascism in pre-World War Europe, democratic societies are inherently and perennially capable of tipping*



*towards power structures that undermine democracy itself. The institutions of a free press and free and fair elections typically get degraded and devalued by society in the process. The U.S. and India have been beacons of democracy in the modern world, but the political forces unleashed in the two countries during the past decade or more could eventually transform them into cautionary tales.*

**'SMART WALLS' FOR INDIAN BORDERS (SIDHARTH KAPOOR - ASSOCIATE AT SARVADA LEGAL. SHREYASHI - ADVOCATE AT THE DELHI HIGH COURT)**

*United States President Joe Biden stopped the construction of the much-publicised "border wall" between the U.S. and Mexico as part of a series of executive actions, in a development that was long-awaited. It was confirmed, however, that an alternative has been offered — a 'smart' wall that replaces the physical and armed patrolling with advanced surveillance tech is the proposed future of border security now. The 'smart wall' technology could solve border security issues without the need for a physical barrier. The wall would use sensors, radars, and surveillance technology to detect and track border break-ins, and technology capable of performing the most difficult tasks dedicated to border security.*

#### **Not a new concept**

The concept is not new and the novelty of it cannot be directly associated with Mr. Biden. Interestingly, the U.S.-Mexico border wall proposed by Donald Trump envisaged this concept. A technology firm was sought to be hired by the Trump administration, and it was indicated that artificial intelligence shall be used at a novel scale to complement the steel barrier (border wall) project of Mr. Trump. It was stated that hundreds of mobile surveillance towers would be deployed, and along with them, the complete system of a virtual wall would consist of a radar satellite, computer-equipped border-control vehicles, control sensors and underground sensors. Along with surveillance towers and cameras, thermal imaging would be used, which would help in the detection of objects. The system would even be capable of distinguishing between animals, humans, and vehicles, and then sending updates to handheld mobile devices of the U.S. patrol agents. A question that now arises is whether such a project can be undertaken to secure Indian borders. India has been struggling with the problem of terrorists and smugglers infiltrating into the country and efforts are ongoing to secure our borders and curb cross-border infiltration. Therefore, it is proposed that it is high time we start envisaging the use of technology to help India secure its borders.

#### **Other benefits**

A critical factor that must be considered to enable the usage of such a system along Indian borders is that the terrain in the region is rugged, and, furthermore, not even clearly defined. Hence, erecting fences, walls or any physical structures is extremely difficult. A "smart" wall, however, makes use of systems that would be designed in such a way that they can operate even in rugged areas. Imperatively, in the U.S., various other benefits, such as cost-effectiveness, less damage to the environment, fewer land seizures, and speedier deployment are being noted that give the "smart wall" concept an edge over traditional physical borders. Notably, such a system, even if not feasible for our long boundaries, may still be deployed to enhance critical security establishments of the country and complement the already-existing physical fencing and walls. The attack on the Pathankot Air Force base highlighted that often, it may become difficult to secure establishments

**3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR**



due to their vast size. Further, it is imperative for Indian armed forces to be well-equipped and simultaneously have the latest technological advantage over its enemies. Experts must explore this idea to effectively counter the problem of cross-border infiltration. Is it unfathomable to deploy a security system that clubs technology with traditional set-ups due to terrain and other problematic factors? This is a question for Digital India to answer.

#### BEIJING WARNS OFF U.S. WARSHIP IN S. CHINA SEA

China on Friday warned off a U.S. warship sailing near contested islands in the South China Sea, Beijing said, the first such encounter made public since the inauguration of President Joe Biden. The USS John S. McCain “broke into China’s Xisha territorial waters without the permission of the Chinese government,” Beijing’s military said in a statement, using its name for the disputed Parcel Islands. The People’s Liberation Army “organised Naval and Air Forces to track, monitor and warn off” the warship, the Chinese military said, blasting the U.S. for “seriously violating China’s sovereignty” and “harming regional peace.” The Arleigh Burke-class guided missile destroyer on Thursday also conducted a routine transit through the waterway separating the Chinese mainland and Taiwan, which Beijing says constitutes part of its territory. Washington has argued that such exercises are in line with international law and help defend right of passage through the region amid competing claims by China and other governments. China lays claim to nearly all of the South China Sea, including the Parcel Islands. Taiwan, the Philippines, Brunei, Malaysia and Vietnam also claim parts of the region, believed to hold valuable oil and gas deposits. The U.S. Navy in late January sent an aircraft carrier group into the South China Sea.

#### U.K. STRIPS CHINESE STATE TV CHANNEL OF LICENCE

U.K. regulators stripped China’s state TV channel of its national broadcasting license on Thursday, after an investigation cited lack of editorial control and links to China’s ruling Communist Party. The communications watchdog, Ofcom, said it revoked the licence for China Global Television Network, or CGTN, an international English language satellite news channel. CGTN had been available on free and pay TV in the U.K. Regulators started looking into the station after receiving a complaint from a human rights group, Safeguard Defenders, calling for an investigation into its ownership. Ofcom is also continuing to investigate a slew of other complaints that it violated rules on fairness and accuracy. One was from a former British Consulate employee in Hong Kong, who said he was detained and tortured by Chinese police for information on protesters. Another was by a British corporate investigator who said he was forced to confess while imprisoned in China. The watchdog said it found that the entity that held the station’s licence, Star China Media Limited, didn’t have editorial responsibility for CGTN’s output, which is a licencing requirement. Losing its broadcasting licence is a major setback for CGTN, which was part of the Chinese government’s push to expand its soft power and burnish its image abroad.

#### THE EU’S U-TURN ON VACCINE SUPPLIES TO NORTHERN IRELAND, UK

The EU on Saturday (January 30) said it would not, after all, invoke the recently adopted Brexit deal’s Article 16, which it wanted to do to control the export of vaccines from the bloc to Northern Ireland and the UK. Brussels had Friday said that it would trigger Article 16 of the Northern Ireland Protocol, giving it powers to erect checkpoints at the border between Northern Ireland

3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR





and the UK to restrict vaccines from crossing over. The EU's decision—which was based in part to stem a shortfall of vaccines at home— was reversed within hours, after an uproar in Britain, Northern Ireland and the Republic of Ireland.

#### **What is Article 16?**

Under the Brexit deal between the bloc and the UK, which went into force with the start of 2021, Northern Ireland— a constituent country of the UK— is to remain a part of the EU single market. This means that there is supposed to be an open border between the EU and Northern Ireland, with no restrictions on exported goods. Article 16 of the Northern Ireland Protocol, however, creates an exception to this principle. By invoking this legal measure, either the EU or the UK can unilaterally suspend any part of the Brexit deal which is causing “economic, societal or environmental difficulties”.

#### **So, why did the EU decide to invoke the measure?**

In the EU, an angry debate is on about delays in the production and distribution of Covid-19 vaccines to its member countries. Many member states have accused Brussels of being slow in finalising contracts with pharmaceutical companies to ensure the rollout of vaccines, as compared with other rich countries such as the UK and the US. This has placed great pressure on the EU leadership, as doubts have arisen whether the bloc can stick to its plan of vaccinating 70% of adults by the summer. Matters worsened after British-Swedish manufacturer AstraZeneca that it would cut down on vaccine deliveries due to problems at one of its facilities in the EU. Earlier last week, the EU accused AstraZeneca of not living up to its contract of supplying vaccines to the bloc, and blamed it for giving the UK preferential treatment—allegations the manufacturer denied. Then on Friday, the EU announced that it would trigger Article 16 to bring in controls on vaccines entering Northern Ireland from the EU, in order to prevent the UK region from becoming a backdoor from where the shots can be sent to the British mainland.

#### **Then why did Brussels backtrack?**

Although the bloc said that its Article 16 announcement was “justified”, it sparked concerns from Irish Prime Minister Micheál Martin as well as political parties in Northern Ireland, with its First Minister Arlene Foster calling the decision “an absolutely incredible act of hostility”. The World Health Organisation also signalled its displeasure. Then, European Commission President Ursula von der Leyen spoke with British Prime Minister Boris Johnson on Friday evening, and Johnson expressed “grave concerns” about the Article 16 decision. After this, Von der Leyen announced that the EU would be stepping back from its initial plan, announcing in a tweet that there would not be restriction “on the export of vaccines by companies where they are fulfilling contractual responsibilities”.

#### **Why the U-turn is embarrassing for the EU**

Ever since the UK chose to leave the EU during the Brexit referendum of 2016, the Irish backstop had remained a stumbling block in negotiations to decide the future of the EU-UK relationship. During this period, the EU had maintained a strong stance that any future Brexit deal would have to be least disruptive for the border between the Republic of Ireland and Northern Ireland. Yet on Friday, the EU appeared to be expressing disregard for its own long-held position on the Irish



question, and critics accused it of undermining the hard-negotiated Brexit agreement less than a month after it came into force. The EU was also criticised for not consulting member countries, or the UK, before announcing the Article 16 decision.

#### INSTABILITY IN ITALY

*The resignation of Italian Prime Minister Giuseppe Conte, amid infighting in the ruling coalition, has pushed the country, one of the worst-hit by the COVID-19 pandemic, into another phase of political instability. Mr. Conte, a former law professor who first formed the government in 2018, resigned after a small coalition partner, Italia Viva, led by former PM Matteo Renzi, left after differences over the way the government was tackling the outbreak and its plans to spend the \$243 billion EU virus fund.*

Italy, which has seen more than 65 governments in the last 70-odd years, is no stranger to political instability. But the difference now is the unfolding of the crisis amid the struggle to contain the virus infection that has claimed over 85,000 Italians; hundreds of people are dying every day. The vaccination programme, which the government rolled out in recent weeks, has been criticised for being too slow (the government has blamed drugmaker Pfizer for poor supply). *Parts of Italy are still under lockdown.* The economy, which was battling multiple crises even before COVID-19 struck, is estimated to have contracted by 8.9% last year. All these point to an unprecedented crisis which demands a bold response plan from the country's leaders. But its politicians, as the fall of the government shows, are busy fighting one another. *Mr. Conte, who has retained over 50% approval ratings as PM despite the health-care and economic crises, often struggled to navigate the treacherous waters of coalition politics.* He was picked by the populist Five Star Movement in 2018 to head the government which it formed with the far-right Lega Nord. After the Lega Nord exited the coalition in 2019 in the wake of a corruption scandal, Mr. Renzi, who was then leading the centre-left Democratic Party, supported Mr. Conte to form another government. Since then, Mr. Renzi, who left the Democratic Party and formed Viva Italia, grew critical of Mr. Conte's leadership. Their differences have led to the fall of Mr. Conte's second government in less than three years. The current crisis could be as much about Mr. Conte's handling of the COVID-19 crisis as it is about their power struggle. The ball is now in President Sergio Mattarella's court. He could ask Mr. Conte to form another government or entrust some other leader with enough support with the job. If no party manages to win a majority in Parliament, the President could call snap elections. That is the last thing Italy wants now, and its politicians should realise that their first priority should be to arrest the infection wave, step up the vaccination programme and lift the economy out of the deep contraction it is in. For that, the country needs a stable government with a plan of action.

#### INDONESIA BANS 'HIJAB' IN SCHOOLS

*Indonesia has banned schools from forcing girls to wear Islamic "hijab" headscarves after the case of a Christian pupil pressured to cover up sparked outrage in the world's most populous Muslim nation.*

The move was applauded on Friday by activists, who say non-Muslim girls have been forced for years to wear a hijab in parts of the country. State schools will face sanctions if they fail to comply with the edict from Education Minister Nadiem Makarim. Schools that violate the rules could see their government funding cut, he added.



## ECT FIASCO: INDIAN ENVOY MEETS GOTABAYA, MAHINDA

In a flurry of meetings a day after Sri Lanka backed out of an agreement with India and Japan to develop the *East Container Terminal (ECT) at the Colombo Port*, Indian High Commissioner Gopal Baglay met President Gotabaya Rajapaksa, Prime Minister Mahinda Rajapaksa and Foreign Minister Dinesh Gunawardena on Tuesday, official sources told The Hindu. The thrust of the Indian envoy's message to the Sri Lankan leadership, sources said, was that Colombo must adhere to its commitments in the tripartite agreement of May 2019, to jointly develop the strategic terminal with the Sri Lanka Ports Authority (SLPA) holding a 51% stake and India and Japan holding 49% together. The Adani Group from India, along with Japanese companies, was to invest in the project expected to cost up to \$700 million, as per official estimates.

### Mixed signals

The Indian side, it is learnt, conveyed that the signals emanating from Sri Lanka should boost the confidence of potential investors. President Gotabaya Rajapaksa has pledged to draw foreign direct investments to the country, rather than take loans. The three high-level meetings follow the Sri Lankan government's cabinet decision, in the wake of raging protests by port workers' unions opposed to foreign investment in the facility, that the operation of the ECT would be "100%" with the SLPA, while the *West Container Terminal would be offered to India instead, on a 35-year arrangement for development. This is the second instance of Sri Lanka reversing an agreement on a large infrastructure project involving Japan, after the government scrapped the \$1.5 billion, Japan-funded Light Rail Transit system last year.* The development has sparked alarm in India and Japan, according to diplomatic sources, who said Sri Lanka had neither conveyed its decision, nor offered the alternative proposal to either of the partners. Asked how Sri Lanka would mobilise funds to develop the SLPA, especially after the economic impact of the pandemic, Udaya Gammanpila, a Cabinet spokesman, on Tuesday said, "SLPA is going to use its own funds, as well as borrow money from local commercial banks." On whether Sri Lanka had discussed the option of developing the West Container Terminal with India, he said, "This is a sensitive diplomatic issue. Sri Lanka is always keen to maintain cordial diplomatic ties with India. Sri Lanka has commenced discussions with the Government of India, but I don't think this is the stage to disclose those details." While the ECT, which is in its first stage and awaits upgrade, has a 450-metre-long quay wall and water depth of 18 metres, equipping it to accommodate large vessels, the West Container Terminal (WCT) exists merely as a proposal, with no infrastructure yet.

## ICC CONVICTS UGANDAN REBEL COMMANDER FOR WAR CRIMES

*The International Criminal Court on Thursday convicted a Ugandan child soldier-turned-Lord's Resistance Army commander of war crimes and crimes against humanity.* Dominic Ongwen, 45, was found guilty of 61 charges over a reign of terror in the early 2000s, including the first conviction by the ICC for the crime of forced pregnancy. *The court said Ongwen ordered attacks on refugee camps as a senior commander in the LRA, which under its fugitive chief Joseph Kony waged a bloody campaign in four African nations to set up a state based on the Bible's Ten Commandments. "His guilt has been established beyond any reasonable doubt," presiding Judge Bertram Schmitt said as he read out the verdict in the tribunal in The Hague. Ongwen, nicknamed "White Ant", was convicted of charges including murder, rape, sexual enslavement and the conscription of child soldiers. He denied*



*all the charges.* Judges rejected defence arguments that Ongwen was himself a victim, as he had been abducted by the LRA at the age of around nine and suffered psychological damage as a result. “The chamber is aware that he suffered much,” Judge Schmitt said. “However, this case is about crimes committed by Dominic Ongwen as a responsible adult and a commander of the Lord’s Resistance Army. “The chamber did not find evidence for the claim by the defence that he suffered from any mental disease or that he committed the crimes under duress,” the judge said. Human Rights Watch said the case was a landmark in achieving justice for victims of the Lord’s Resistance Army. The LRA was founded three decades ago by former Catholic altar boy and self-styled prophet Kony, who launched a bloody rebellion in northern Uganda against President Yoweri Museveni. *The United Nations says the LRA killed more than 1,00,000 people and abducted 60,000 children in a campaign of violence that spread to three other African nations — Sudan, the Democratic Republic of Congo and the Central African Republic.*

## HOW BURMA BECAME MYANMAR AFTER A MILITARY COUP THREE DECADES AGO

*The Myanmar military grabbed power in a coup on Monday (February 1) – the third time in the nation’s history since its independence from British rule in 1948. After the last such takeover in 1988, the armed forces went on to make a decision that would remain controversial for decades: changing the country’s name.*

### How Burma became Myanmar

When British imperialists annexed what is today’s Myanmar during the 19th century, they called it Burma after the *dominant Burman (Bamar) ethnic group, and administered it as a province of colonial India. This arrangement continued until 1937, when Burma was separated from British India and made a separate colony.* Even after the country became independent in 1948, it retained the same name, becoming the ‘*Union of Burma*’. In 1962, *the military took over from a civilian government for the first time, and amended the official name in 1974 to the ‘Socialist Republic of the Union of Burma’.* Then in 1988, *Myanmar’s armed forces again took power in the country, after suppressing a popular uprising that led to the deaths of thousands, and reversed the official name to ‘Union of Burma’.* But a year later, *the junta adopted a law that replaced Burma with Myanmar, making the country the ‘Union of Myanmar’.* A number of other places in the country also saw their names changed, including the then-capital city, which went from Rangoon to Yangon (since 2005, the capital is Naypyidaw, 370 km away to the north).

### Why the name change was controversial

*While changing the country’s name, the military said that it was looking for a way to leave behind a name inherited from the colonial past, and adopt a new one which could unify all of its 135 officially recognised ethnic groups, and not just the Burman people. Critics decried the move, arguing that Myanmar and Burma mean the same thing in the Burmese language, only that the ‘Myanmar’ is a more formal way of saying ‘Burma’– a word used colloquially.* The other name changes too, such as Rangoon to Yangon, only reflected greater conformity with the *Burmese language*, and nothing else. Also, the name changes took place only in English. *Even in English, the adjective form remained (and continues to remain) Burmese, and not Myanmarese. Pro-democracy sympathisers said that the name changes were illegitimate, as they were not decided by the will of the people. As a result, many*



*governments around the world opposed to the junta decided to ignore the name changes, and continued to call the country Burma and its capital Rangoon.*

**So, when did 'Myanmar' start becoming acceptable?**

*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. In 2015, currently detained leader Aung San Suu Kyi's National League for Democracy party won a majority of seats in the national parliament, a feat it repeated in 2020. As the Myanmar-vs-Burma debate became less polarising, most foreign governments and international organisations decided to recognise Myanmar as the official name. Many governments, such as Australia's, decided to use both Burma and Myanmar, as means of signalling support for the democratic transition within the country and following diplomatic protocol at the same time. Suu Kyi, who became the country's civilian leader in 2016, also expressed support for using either Myanmar or Burma. Not all countries followed suit, however. The US remains among the few countries to not recognise the current legal name. This was highlighted after the latest coup took place on Monday, when President Joe Biden said in a statement, *"The United States removed sanctions on Burma over the past decade based on progress toward democracy. The reversal of that progress will necessitate an immediate review of our sanction laws."**

#### THE WAY FORWARD IN MYANMAR (LUV PURI - MEMBER OF THE UN SECRETARY-GENERAL'S GOOD OFFICES ON MYANMAR)

In May 2008, Cyclone Nargis struck Myanmar, causing at least 138,000 deaths and displacing 1.5 million people. Surprisingly, the government announced a pre-scheduled referendum on the military-scripted constitution around the same time. Amid limited communication channels available to reach out to Myanmar generals, there were calls for international military intervention to secure access to relief as the Myanmar military refused to allow foreign aid. It took several rounds of diplomacy from various members of the international community to gain access. This sums up the zeitgeist of Myanmar generals and the dilemma before the international community of isolating a country riven with mass-scale poverty and ethnic strife. There are indeed some common lessons for the international community to avoid making mistakes made in the past. One, the developments in Myanmar will invariably bring back the old debate around the prudence of sanctions. The coup in Myanmar coincided with the first month of the Biden administration in the U.S., which has promised to bring back the values of democracy and respect for human rights to the core of the U.S. foreign policy. Notwithstanding the western sanctions before 2010, China, Thailand and Singapore were the key trading partners of Myanmar. The present reality is no different. *Singapore was reportedly the largest foreign investor in Myanmar in 2020, accounting for 34% of the overall approved investment.* Given that the military has been able to economically withstand sanctions by striking deals with Asian countries in the past, sanctions are unlikely to bring any major political change. The limited European trade with Myanmar that started after 2010 benefits the poor — *the European Union's 'Everything But Arms' scheme targets the poor in Myanmar's garment industry. The scheme allows the world's least-developed countries, such as Myanmar, to export most goods to the EU free of duties.* Two, the old debate around the need for accountability for crimes against humanity will resurface. *As political changes got underway in 2010, many generals, such as Than Shwe, who was the de-facto head of Myanmar from*



*1992 to 2011 and was on the radar of the international community for perpetuating a regime of human rights abuses, quietly vanished from the scene.* This bred a culture of impunity. During the 2017 Rohingya crisis, senior military officials brazenly exploited social media to mobilise public support for brutality against Rohingyas.

### China's influence

*Three, a critical international player in Myanmar is China. China has appointed specific envoys for Asian affairs, who are de-facto working on Myanmar-related issues since 2013. The international community, particularly the West, has to factor in China's multi-layered influence on Myanmar. Four, many international mechanisms comprising Western and Asian countries that were formed to coordinate strategies on Myanmar were disbanded after the 2015 election. That the changes in Myanmar were irreversible was the standard thinking. Relevant actors should be brought on a common platform by reviving past mechanisms. Five, the expectation that Myanmar will see a nationwide protest against the Tatmadaw after the coup should be examined with the geographical extent of Bamar, Myanmar's largest ethnic group, who support the National League for Democracy.* The minorities in the country form around 35% of the population. In the current scenario, the military will continue to exploit ethnic and religious fault lines. Engagement with domestic stakeholders, including ethnic minorities, especially from the north, should be pursued by the international community. No one possesses a magic wand of solutions. But there is one consistent lesson, that no change is irreversible, particularly in a context where military leadership scripted the meaning of democracy, and domestic forces and geopolitics continuously fail to deter its actions and impulses to rule.

Myanmar's powerful military chief Min Aung Hlaing had raised doubts about last year's election results even before the polls were held. "We are in a situation where we need to be cautious," he told the local media before the November 8 elections. Daw Aung San Suu Kyi's National League for Democracy (NLD) swept the polls by winning almost 80% of the vote, while the Army-backed Union Solidarity and Development Party (USDP) suffered a humiliating defeat. The USDP did not accept the result. The military backed the USDP's allegations of fraud, without offering any evidence. Myanmar's Union Election Commission dismissed the allegations. On Monday, hours before the new Parliament was to convene, the Generals moved into action. They detained State Counsellor Suu Kyi, President Win Myint and other top leaders of the NLD; declared a state of emergency for a year; and took power in their hands. Myanmar, which started a fragile transition to democracy 10 years ago after decades of military dictatorship, is back in the hands of the Generals.

### Failed transition

The political climate in the junta-led Myanmar started changing around 2010. In 2008, the military had written a new Constitution that made sure the Generals' interests would be protected even if there is a transition. Than Shwe, who had been ruling the country since 1992, shook up the power structure, promoted young soldiers who were loyal to him and conducted elections under the new Constitution. The NLD, which had not recognised the Constitution, boycotted the 2010 election, which the USDP won. In the next five years, the Army loosened its grip on the government and society. Political prisoners, including Ms. Suu Kyi, were released. Media censorship was eased. Ms. Suu Kyi's party also changed its earlier position and accepted the Constitution. The NLD won the



2015 election, and formed the government, raising hopes that the country is on its way to full transition to democracy. But the 2008 Constitution has enough clauses to prevent such a change. According to the Constitution, the President must have military experience and he himself, his spouse or children “shall not be subject of a foreign power or citizen of a foreign country”. Ms. Suu Kyi, whose two sons are British citizens, cannot become President. The Constitution also mandates that the Defence and Interior Ministries be controlled by the military. Also, 25% of the total seats in Parliament (166 out of the 664-member house) are reserved for the military, giving it a veto over any move to change the Constitution. So even when the Army allowed power to be transferred to an elected government, it made sure that it would continue to drive defence and internal security policies, and that the USDP, its political vehicle, has an edge over other parties in elections with the reserved seats in Parliament. But the Generals wanted more.

### **What Army wants?**

The timing of the coup is self-explanatory. It unfolded hours before the new Parliament was scheduled to convene. Tensions have been rising between the NLD and the military ever since the November election. The 2015 and 2020 election results showed the growing popularity of Ms. Suu Kyi and the unpopularity of the military. The 2020 elections were held after the Army launched a brutal crackdown on Rohingya in Rakhine State, which forced over 7,00,000 Rohingya Muslims to flee Myanmar. The Army was also projecting Commander-in-Chief Gen. Min Aung Hlaing as a tough soldier dedicated to the security of the country. He went to social media to popularise his activities. But neither the war nor the public relations work helped the Army-backed politicians win elections. With 166 seats reserved for the military, the USDP wanted only 167 seats to form the government and appoint the next President (according to some reports, Gen. Min Aung Hlaing has presidential ambitions), whereas the NLD needed 333 seats for an outright victory. The voters gave the NLD 396 seats, while the USDP ended up with just 33. This set the alarm bells ringing in the headquarters of Tatmadaw, as the Myanmar military is called. The Generals may have sensed that even the limited democratic experiment was threatening the military’s entrenched interests with Ms. Suu Kyi remaining immensely popular. Ms. Suu Kyi had tried to buy peace with the Generals in her first term, especially on the Rohingya issue. She defended the Army crackdown on the Rohingya. But the Generals were still not pleased.

### **What’s next?**

The Army says it has declared the emergency as the NLD government failed to act on its complaints on voter fraud. The NLD has called for protests against the coup. The U.S. has reacted harshly. India has expressed “deep concerns”. But if China’s response is any indication, the Generals won’t face any heat from Beijing. This means, they could circumvent pressure from the U.S., even economic sanctions, by moving closer to China, which is already making huge investments in Myanmar. But Ms. Suu Kyi’s popularity and an energised NLD that was in power for five years would be an impediment for them. And their own unpopularity, a burden.

On February 1, the Myanmar army seized power, turning a partial democracy into a full-fledged military rule, yet again. This creates a perception of déjà vu as one recalls 1962, 1988 and 1990, the milestone years when the generals took similar drastic actions to overthrow a democratic government or derail people’s expressed preferences. Between March 2016 and January 2021, the National League for Democracy (NLD) led by Aung San Suu Kyi shared power with the military.



This was a bold experiment to govern an intensely complex nation in Southeast Asia. Myanmar thus became a car driven by two drivers. On Monday, one driver ejected the other to take charge fully, with implications that will become clearer only with time.

### Emergency or coup?

*To explain the military's actions, its spokesman pointed out that there was "terrible fraud in the voter list" in the parliamentary elections held in November 2020, and that the Election Commission "failed to settle the matter." Claiming that this development would "obstruct the path to democracy", the army declared an emergency, transferring all powers to Commander-in-Chief Min Aung Hlaing. The decision seems questionable on legal and constitutional grounds. First, electoral issues need to be addressed and resolved by relevant authorities, not the military leadership. Second, Article 417 of the Constitution empowers the President to proclaim emergency, in consultation with the National Defence and Security Council. It does not seem that the Council met or presidential consent was obtained. In fact, President Win Myint and the de facto head of the government, Ms. Suu Kyi, have been detained. Therefore, the conclusion is inescapable: it is a coup d'état staged by the army in a fashion familiar to the people. But it is a coup with a difference: the party wielding half of the power decided to help itself with the other half too, regardless of the law or consequences.*

Deeper reflection raises a fundamental question: what troubled the NLD-military equation in the past five years, making it an uneasy relationship which collapsed completely this week? The fact that the generals swung into action hours before the newly elected Parliament was due to hold its first session shows that discussions to resolve differences may have continued until the last minute. As they failed, the break-up became inevitable. In this context, three fault lines may be pinpointed. First, ideologically the two segments of the political elite have been at war with each other. The army has a sense of entitlement to power on the grounds that it secured independence, defended the country against secession, and ensured stability and development. It views itself as the guardian of the state. NLD leader Ms. Suu Kyi, the other protagonist, has always expressed admiration for the army (especially because it was established and nurtured by her father), but she has been a staunch advocate of democracy, a system in which the army should be completely apolitical. Specifically, the two sides have had modest to serious differences over ethnic reconciliation, constitutional reform, the Rohingya issue, and the China policy. Second, in political terms the fight is for power. The army has been used to exercising power for long, which yields it immense economic dividends too. Playing second fiddle to democratically elected leaders was a difficult role for it. Third, presidential ambitions and the future of Senior General Min Aung Hlaing's career constitute a relevant issue. Back in 2016, and even now, argue well-informed sources, he nurtured the dream to be Myanmar's President. Ms. Suu Kyi was opposed to it. Besides, she was perhaps unwilling even to extend his tenure. He is due to retire from the army in July. Presumably the coup guarantees an indefinite extension. The military leadership understands the people's psyche well. The divide between the Burmans, the majority group, and the ethnic minorities remains wide. The latter are generally opposed to a strong Central government. As to the former, they are no doubt supportive of 'Mother Suu', but only up to a point. They are largely Buddhists and peace-loving. Hence, they might accept the grabbing of a half loaf of power from elected representatives, by the army. In areas where palpable discontent arises, the army possesses enough tools to manage situations. And Burmese jails are not short of space. Externally, calls for an early restoration of democracy were issued predictably. This is unlikely to impress the Commander-in-Chief. The





diminished international halo of Ms. Suu Kyi is an open secret. Besides, he banks on the support of only one constituency: his fellow ranking generals.

#### Policy of non-interference

Many worry how India, the world's largest democracy, should cope with the forcible overthrow of democracy in a neighbouring country. This is unnecessary. Our Mandarins know how to navigate the tricky path. Institutional memories and experiences are helpful. Whenever democracy suffers, India feels concerned, even anguished. But the government is committed to the policy of non-interference in another state's internal affairs. It is also guided by the national interest. Therefore, in managing relations with Myanmar, India will astutely balance its principles, values, interests and geopolitical realities. The visit to Myanmar last October by Foreign Secretary Harsh Vardhan Shringla and Chief of Army Staff M.M. Naravane was an unmistakable sign that New Delhi fully understood where power lay in Naypyidaw. Those takeaways will be invaluable now.

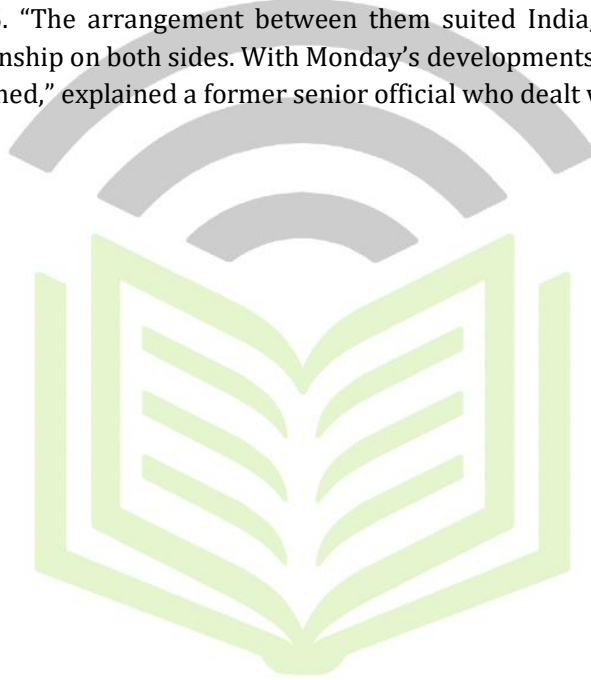
*For India, the return to military rule by Myanmar's Tatmadaw (Army) and the detention of Aung San Suu Kyi and the political leadership of the National League of Democracy (NLD) are a repeat of events 30 years ago, but the Modi government's reaction is likely to be starkly different to India's strong public criticism of the junta's actions in 1989-90. "India does care about democracy in Myanmar, but that's a luxury it knows it will not be able to afford for the time being. The only option will be to engage, building on its outreach in recent years via the security and defence establishment," said Constantino Xavier, an analyst of India's neighbourhood policy at the Centre for Social and Economic Progress, when asked about India's statement of "deep concern" over developments in Myanmar. One important reason for the change is that India's security relationship with the Myanmar military has become extremely close, and it would be difficult to "burn bridges" with them given their assistance in securing the North East frontiers from insurgent groups.* In a joint visit to Naypyidaw in October 2020, Foreign Secretary Harsh Shringla and Army Chief Gen. Manoj Mukund Naravane met with both State Councillor Suu Kyi and Gen. Min Aung Hlaing, making it clear that New Delhi saw both relationships at par. Another reason for the change is Ms. Suu Kyi herself, whose image as a democracy icon and Nobel peace laureate has been damaged by her time in office, where she failed to push back the military, and even defended the Army's pogrom against Rohingya in Rakhine State in 2015.

#### China factor

Officials also say a harsh reaction from India, on the lines of that from the U.S., which has threatened action against those responsible for the "coup" unless they revoke the military's takeover, would only benefit China. Apart from strategic concerns, *India has cultivated several infrastructure and development projects with Myanmar, which it sees as the "gateway to the East" and ASEAN countries. These include the India-Myanmar-Thailand trilateral highway and the Kaladan multi-modal transit transport network, as well as a plan for a Special Economic Zone at the Sittwe deep-water port. Finally, India still hopes to help resolve the issue of Rohingya refugees that fled to Bangladesh, while some still live in India, and will want to continue to engage the Myanmar government on that.* Another reason for the shift is the change within India, say diplomats. "In 1989, there was a public clamour for India to take a strong stand against the military's actions and to stand up for Aung San Suu Kyi. I don't see a loud pro-democracy discourse going out from India



this time around,” says former Ambassador to Myanmar, Gautam Mukhopadhyaya, referring to street protests and fierce speeches in Parliament that took place in India at the time, calling on then Prime Minister Rajiv Gandhi, who had visited Myanmar in 1987, to deal strictly with the junta. In 1989, after the SPDC military government arrested Ms. Suu Kyi, then External Affairs Minister Narasimha Rao had reportedly told a parliamentary panel that not only would the government provide financial support to the democracy movement, no Burmese (Myanmarese) refugees seeking shelter in India would be turned away. Subsequently, however, the government took a more pragmatic approach, engaging the military, while pushing for more freedoms in Myanmar. In the past decade, the balance between engaging Myanmar’s civil and military establishment became easier, once Ms. Suu Kyi was released and the NLD was allowed to form the government in 2015. “The arrangement between them suited India, as our approach was to smoothen the relationship on both sides. With Monday’s developments, our capacity to play both sides in now diminished,” explained a former senior official who dealt with the bilateral ties.



# DreamIAS



NATIONAL

NIA TO PROBE BLAST NEAR ISRAEL EMBASSY

The Ministry of Home Affairs (MHA) has said the probe into the January 29 explosion near the Israel Embassy in Delhi was handed over to the National Investigation Agency (NIA) due to the *“gravity of offence and its international implication.”* The order does not mention any country. An Improvised Explosion Device (IED) was set off at a pavement near the embassy damaging a few cars. No one was injured. Earlier, the Special Cell of the Delhi Police was investigating the case. A handwritten note found near the explosion site and addressed to Israeli Ambassador Ron Malka mentioned revenge. The note had eight spelling mistakes in it. *The letter, in English, written by someone who identified himself as Sarallah India Hezbollah said the explosion was a trailer to avenge the killing of Iranian military commander Qasim Soleimani and others.* The MHA said, “Owing to the impact of the explosion, windows of three cars which were parked on the opposite side of the road were found shattered and several components of IED were found scattered nearby.” The case was handed to the NIA on February 2. It said the Central government was of the opinion that a scheduled offence under the NIA Act, 2008 had been committed and having regard to the gravity of offence and its international implication, it was required to be investigated by the NIA. The First Information Report (FIR) filed by the Special Cell of the Delhi Police mentioned that the IED blast created a crater on the pavement near a palm tree. The site of explosion was near 5, A.P.J. Abdul Kalam Road, close to the Israel Embassy. It said an “envelope folded inside a closed poly pack was also found at the spot.”

ANDHRA PRADESH HC STAYS USE OF ‘E-WATCH’ APP TILL FEBRUARY 9

The Andhra Pradesh High Court on Friday imposed a stay on enabling and *use of State Election Commission’s ‘e-Watch’ mobile application till February 9, when the first phase of elections to gram panchayats are scheduled to be conducted. A Division Bench comprising Chief Justice Arup Kumar Goswami and Justice C. Praveen Kumar agreed with the petitioners’ view that the SEC could have used ‘c-Vigil’, the existing mobile app of the Election Commission of India, or ‘Nighaa’ app developed by the Panchayat Raj Department of the State, and posted the matter for further hearing on the above date.*

**No security certificate**

Government Pleader C. Sumon insisted that the citizens would not be able to make an effective use of ‘e-Watch’ as there was not much publicity for it. More importantly, he contended that *‘e-Watch’ did not have the security certificate required under the AP Cyber Security Policy 2017 and various GOs issued in its pursuance. Besides, it was not clear as to who developed the app and whether it had security features required to protect personal information of the citizens. He also pointed out that the AP Technology Services was the nodal agency for conducting a security audit and issuing the mandatory security certificate.* The court asked what purpose would be served by ‘e-Watch’ since the Model Code of Conduct had been in vogue since January 8 and the elections were due to begin in a few days’ time. It also asked the SEC why it had not used the app developed by the PRD, which was available from March 8, 2020.



## A PRISONER'S TRAGEDY, A NATION'S SHAME (ANUP SURENDRANATH AND TRISHA CHANDRAN ARE WITH PROJECT 39A AT NATIONAL LAW UNIVERSITY, DELHI)

Perarivalan has been in prison for almost 30 years for his role in the assassination of Rajiv Gandhi during the 1991 election campaign. At the heart of the injustice being inflicted on Perarivalan is that government agencies have continued to insist on his incarceration despite being unsure of his role. It really is a classic case of state agencies being unable to identify and arrest those at the heart of the conspiracy while sacrificing the lives of those who might have had a peripheral role at worst.

### Prolonged injustice

*The charges of the Central Bureau of Investigation (CBI) against Perarivalan for terrorist offences under the Terrorist and Disruptive Activities (Prevention) Act, or TADA, were upheld by the trial court along with the conspiracy to commit murder under the Indian Penal Code (IPC). Over the course of many rounds of litigation, his conviction only for the conspiracy to commit murder under the IPC has been sustained and he has served 30 years as part of his life imprisonment sentence (his death sentence was commuted in February 2014). But that procedural narration does not capture the profound injustice of Perarivalan's incarceration. At the core of his conviction is his confession to a police officer, a violent legacy of the TADA that was carried forward under the Prevention of Terrorism Act (POTA). While confessions to a police officer are inadmissible as evidence under the Indian Evidence Act (to protect people from coerced police confessions), terrorism legislations such as TADA and POTA made confessions to the police admissible as long as it was made to an officer not lower than the rank of Superintendent of Police.*

### A suspect 'confession'

*The CBI's main weapon against Perarivalan was his confession to V. Thiagarajan (SP, CBI) where he allegedly confessed to his role in procuring a car battery for the main conspirator and purchasing two 9-volt batteries that were used in making the bomb to assassinate Rajiv Gandhi. All of this was damning until Mr. Thiagarajan came out in November 2013 and made the startling revelation that he had not recorded Perarivalan's 'confession' accurately. In a sworn affidavit filed before the Supreme Court in December 2017, Mr. Thiagarajan stated that he had omitted to record Perarivalan's statement that he did not know the purpose for which the battery was being procured. It was a glaring omission that completely changed the nature of Perarivalan's involvement. In effect, Perarivalan was convicted based on a manipulated confession to a police officer. It is incredible that despite the Supreme Court dropping the TADA charges, his confession which was admissible only due to provisions of the TADA was then used to convict him for IPC offences.* Beyond the untenable legal basis of Perarivalan's conviction, details of the broader investigation into Rajiv Gandhi's assassination only exacerbates the injustice. Justice M.C. Jain's Report (Jain Commission Inquiry) to Parliament in March 1998 identified massive gaps in the CBI's investigation, including lack of clarity on the source and the making of the bomb. To address these concerns, the CBI constituted the *Multi-Disciplinary Monitoring Agency (MDMA)* in December 1998 to conduct further investigations into the larger conspiracy and the origins of the human belt bomb used in the assassination. Over two decades, the MDMA has been submitting reports in sealed covers to the TADA Court and Perarivalan has been denied access to these.



However, the MDMA has repeatedly stated that Perarivalan and the other accused are not part of these ongoing investigations. In essence, we have a situation where there is an acknowledgment at the highest levels that the origins and the making of the bomb remain unknown, and yet Perarivalan continues to be in prison for purchasing batteries whose use remains a mystery. Despite all these indications of tenuous connections to the larger conspiracy, Perarivalan and his mother, Arputham, have been on a tireless crusade to end his incarceration. Having served 30 years of life imprisonment for the conspiracy to murder, his effort to get a remission under the Code Of Criminal Procedure was rejected by the Central Government in April 2018. However, *Perarivalan continued to be entitled to have his pardon considered by the Governor of Tamil Nadu under Article 161 of the Constitution. His application for a pardon had been pending with the Governor since December 2015 and under the Constitution, the Governor is bound by the aid and advice of the State government in the exercise of pardon powers.* Meanwhile, the central government employed obfuscation as a strategy to prolong Perarivalan's incarceration. *Having initially maintained that the issue of pardon was solely between the Governor and Perarivalan, the Centre took a constitutionally untenable argument before the Supreme Court in December 2020 that it was the President of India who had the power to consider Perarivalan's pardon. Then on January 21, the Centre submitted to the Supreme Court that the Governor would take a decision on Perarivalan's pardon within a matter of days. On February 4, the Centre informed the Court that the Governor had finally considered Perarivalan's pardon and had decided that the President alone had the power to consider such an application. It is a shocking abdication of a constitutional duty and a blatantly unconstitutional manoeuvre to ignore the advice of the State government, which the Governor is constitutionally bound to follow.*

#### Life in jail

Perarivalan was 19 years old when he was imprisoned, and 30 years later is still fighting for his freedom. *In those 30 years, he has earned BCA and MCA degrees from the Indira Gandhi National Open University along with completing a whole host of certificate courses involving two wheeler mechanics, managerial skills, nutrition etc. In his book, An Appeal from the Death Row, Perarivalan says the MDMA will ultimately find that he had nothing to do with making the bomb.* He then asks us, who can ever give him back his life. We must ask ourselves why Perarivalan continues to be incarcerated when we know that his confession was manipulated, that the government agencies themselves admit not knowing the origins of the bomb, and that Perarivalan is not part of the investigations on the bomb. Is it our fear that releasing Perarivalan would be a collective admission of our failure to successfully investigate the assassination of a former Prime Minister? It is cruel to ask Perarivalan to pay for our failures with his own life.

#### MEDICAL BOARD ON ABORTION 'UNFEASIBLE'

A panel of doctors to decide on termination of pregnancy beyond 24 weeks as proposed in the Medical Termination of Pregnancy (MTP) Amendment Bill, 2020, is "unfeasible" as 82% of these posts are lying vacant in the country, finds a new study. The MTP Bill was passed in the Lok Sabha in March 2020, and is likely to be brought before the Rajya Sabha during the Budget Session. *The Bill proposes several amendments, including the constitution of a medical Board in every State and Union Territory, which will decide on pregnancies beyond 24 weeks in cases of foetal abnormalities. Each Board will have a gynaecologist, a radiologist or sonologist, a paediatrician, and other*



*members prescribed by the governments.* The report analysed district-wise availability of specialists, including surgeons, obstetricians and gynaecologists, physicians and paediatricians. It found that for each of the years between 2015 and 2019, the shortfall in these posts hovered between 71% and 81.8%. For 2019, for a total of 21,296 vacancies in the country, only 3,880 were filled, that is, there was a shortfall of 81.8%. *The data is based on the Ministry of Health and Family Welfare's Rural Health Survey, which provides details of vacancies filled at secondary healthcare centres. Similar data for urban areas were unavailable. The study has been brought out by the Centre for Justice, Law and Society at the O.P. Jindal Law Global School and its chief author is Professor Dipika Jain. The shortfall was starker in the northeast where Sikkim, Mizoram and Manipur had a total absence of obstetricians and gynaecologists, and a near total absence of paediatricians. Arunachal Pradesh and Meghalaya had a 100% shortage of paediatricians.*

#### REGISTERED UNRECOGNISED PARTIES DOUBLE IN LAST 10 YEARS

*The contribution reports of only 78 (3.39%) of the total 2,301 registered unrecognised political parties are available in the public domain for 2018-19, while the reports of only 82 such parties (3.56%) for 2017-18 are uploaded on the respective State Chief Electoral Officers' websites, according to the Association For Democratic Reforms (ADR).* The number of these parties increased two-fold in the last 10 years, from 1,112 in 2010 to 2,301 in 2019. The figure spiked disproportionately during the year of parliamentary election. "Between 2018 and 2019, it increased by over 9.8%, while between 2013 and 2014, it increased by 18%," said an ADR report. *There are 2,360 political parties registered with the Election Commission of India and 2,301 or 97.50% of them are unrecognised. "Either newly registered parties or those which have not secured enough percentage of votes in Assembly or General Elections to become a State party or those which have never contested in elections since being registered are considered unrecognised parties,"* it said. Such parties don't enjoy all the benefits extended to the recognised parties. The reports analysed by the ADR declared 6,860 donations worth ₹65.45 crore during 2018-19 and 6,138 donations of ₹24.6 crore for 2017-18. The Apna Desh Party of Uttar Pradesh declared the highest donations for both financial years, involving ₹65.63 crore. In 2017-18, only 39 registered such parties had submitted contribution reports before the due date and in 2018-19, only 38 did so. "Of the 138 parties analysed for the two-year period, the contribution reports for 2017- 18 are not available for 56 parties. In the case of 2018-19, the reports are not available on the CEO website for 60 parties at the time of making this report," said the ADR. State-wise, 653 parties or 28.38% belong to Uttar Pradesh, followed by 291 parties or 12.65% from Delhi and 184 or 8% from Tamil Nadu. Himachal Pradesh had the maximum share of submission in 2017-18, with five of the 6 registered unrecognised parties furnishing the contribution reports. In 2018-19, of the 132 parties from Bihar, reports of only 21, and that of only 20 of the 653 parties of Uttar Pradesh are available. "The contribution reports of none of the registered unrecognised political parties of 25 States/UTs including Madhya Pradesh, Karnataka, Kerala, Telangana, Himachal Pradesh etc. are available on the respective State CEO websites for 2018-19... for 2017-18, contribution reports of parties of 21 states/UTs are not available," said the ADR, terming it a violation of the ECI guidelines.

#### GOVT. LIKELY TO POSTPONE CENSUS TO 2022

*The Centre is on track to push the 2021 Census to 2022 on account of the country's continuing preoccupation with the COVID-19 pandemic, a senior government official told The Hindu. "Our hands*

3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



*are full dealing with the COVID-19 pandemic,” the official said, pointing out that first it was the measures taken to deal with the pandemic and now the massive vaccination programme under way across the country.*

#### **NPR update**

The Census exercise was to be conducted in two phases — *House Listing and Housing Census from April to September 2020 and Population Enumeration from February 9 to February 28, 2021*. The first phase of the Census and the updating of the National Population Register (NPR) were initially to be rolled out in some States on April 1, 2020, but were postponed due to the pandemic. The office of the Registrar General, in reply to a Right To Information query from The Hindu filed in November, said the schedule, or the questionnaire, of the NPR was “being finalised” and the information about the expected date of the first phase of the Census was “not available.” The entire process had become controversial after Parliament approved the Citizenship (Amendment) Act in December 2019 that sought to give citizenship to persecuted minorities from Bangladesh, Afghanistan and Pakistan who entered India on or before December 31, 2014. However, the rules required for implementing the CAA have not been framed so far — more than a year after the passage of this key legislation. Diplomatic sources believe that strong opposition from Bangladesh is one of the factors that led to the CAA remaining on hold. Tens of thousands of people had taken to the streets across the country protesting against the Centre’s decision to update the NPR, which is considered the basis for the preparation of a National Register of Citizens (NRC) that could potentially exclude millions of people born in India.

#### **SUB-CATEGORISATION OF OBCS: WHAT A COMMISSION HAS FOUND SO FAR**

On January 21, the Centre has extended the tenure of The Commission to Examine Sub-categorisation of Other Backward Classes (OBCs) headed by Justice G Rohini, former Chief Justice of Delhi High Court. The commission now has until July 31 to submit its report.

#### **What is sub-categorisation of OBCs?**

OBCs are granted 27% reservation in jobs and education under the central government. In September last year, a Constitution Bench of the Supreme Court reopened the legal debate on sub-categorisation of Scheduled Castes and Scheduled Tribes for reservations. The debate arises out of the perception that only a few affluent communities among the *over 2,600 included in the Central List of OBCs* have secured a major part of this 27% reservation. *The argument for sub-categorisation — or creating categories within OBCs for reservation — is that it would ensure “equitable distribution” of representation among all OBC communities. To examine this, the Rohini Commission was constituted on October 2, 2017.* At that time, it was given 12 weeks to submit its report, but has been given several extensions since, the latest one being the 10th. The other member in the Commission is former journalist Jitendra Bajaj, director of the Centre for Policy Studies. *Before the Rohini Commission was set up, the Centre had granted constitutional status to the National Commission for Backward Classes (NCBC).*

#### **What are the Commission’s terms of reference?**

It was originally set up with three terms of reference:



\* To examine the extent of inequitable distribution of benefits of reservation among the castes or communities included in the broad category of OBCs with reference to such classes included in the Central List;

\* To work out the mechanism, criteria, norms and parameters in a scientific approach for sub-categorisation within such OBCs;

\* To take up the exercise of identifying the respective castes or communities or sub-castes or synonyms in the Central List of OBCs and classifying them into their respective sub-categories.

A fourth term of reference was added on January 22, 2020, when the Cabinet granted it an extension:

\* To study the various entries in the Central List of OBCs and recommend correction of any repetitions, ambiguities, inconsistencies and errors of spelling or transcription.

This was added following a letter to the government from the Commission on July 30, 2019. "In process of preparing the sub-categorised central list of OBCs, the Commission has noted several ambiguities in the list as it stands now. The Commission is of the opinion that these have to be clarified/rectified before the sub-categorised central list is prepared," the Commission wrote.

#### **What progress has it made so far?**

In its letter to the government on July 30, 2019, the Commission wrote that it is ready with the draft report (on sub-categorisation). It is widely understood that the report could have huge political consequences and face a judicial review. Following the latest term of reference given (on January 22, 2020) to the Commission, it is studying the list of communities in the central list. In an RTI response to The Indian Express, the Ministry of Social Justice and Empowerment said on Wednesday that the Rohini Commission on September 29, 2020 asked for copies of advisories from NCBC regarding some OBC communities in the central list from Madhya Pradesh, Himachal Pradesh, Jammu and Kashmir, and Daman and Diu, and the Ministry forwarded this request to the NCBC in October.

#### **How smooth has its work been?**

A hurdle for the Commission has been the absence of data for the population of various communities to compare with their representation in jobs and admissions. On August 31, 2018, then Home Minister Rajnath Singh had announced that in Census 2021, data of OBCs will also be collected, but since then the government has been silent on this, whereas groups of OBCs have been demanding enumeration of OBCs in the Census. The Rohini Commission operates out of an office at Vigyan Bhawan Annexue and its expenses are borne by the NCBC. According to information provided by the NCBC under the RTI Act to The Indian Express on Tuesday, until December 2020, over Rs 1.92 crore have been spent on the Commission including salary, consultant fee and other expenses.

#### **What have its findings been so far?**

In 2018, the Commission analysed the data of 1.3 lakh central jobs given under OBC quota over the preceding five years and OBC admissions to central higher education institutions, including





universities, IITs, NITs, IIMs and AIIMS, over the preceding three years. *The findings were: 97% of all jobs and educational seats have gone to just 25% of all sub-castes classified as OBCs; 24.95% of these jobs and seats have gone to just 10 OBC communities; 983 OBC communities — 37% of the total — have zero representation in jobs and educational institutions; 994 OBC sub-castes have a total representation of only 2.68% in recruitment and admissions.*

#### **What is the extent of OBC recruitment in central jobs?**

*As per the report submitted to the NCBC by the Department of Personnel and Training on July 24, 2020, OBC representation is 16.51 % in group-A central government services, 13.38 % in group-B, 21.25 % in group-C (excluding safai karmacharis) and 17.72 % in group-C (safai karmacharis). This data was for only 42 ministries/departments of the central government.* In a meeting with the NCBC on July 21 last year, Home Minister Amit Shah was told that a number of posts reserved for OBCs were being filled by people of general category as OBC candidates were declared “NFS” (None Found Suitable). As reported in The Indian Express quoting sources, Shah has asked the NCBC to collect countrywide data. Sources say that NCBC is yet to collect and process the data of the “NFS”. This week, the government told Lok Sabha in response to a question from T R Baalu that revision of the income limit for the creamy layer for the OBCs is under consideration.

#### **THE TAMING OF RTI**

The very government that enacted the law was stunned at the way ordinary citizens took to it as a weapon of empowerment, and dismantled the government’s habit of secrecy, beginning with the Official Secrets Act of 1923, a British era relic carried forward enthusiastically. *In 2006, the Manmohan Singh government launched the first missile to dilute the Act. The Cabinet surreptitiously approved a set of proposed amendments to exclude file notings and add more exemptions to Section 8 to include cabinet papers. Activists, however, managed to procure a copy of the proposals and launched a massive ‘Save RTI’ campaign.* They sent postcards, signed petitions, and held street protests, demanding that the proposals be dropped as they were contrary to the UPA government’s promise of making the RTI Act more progressive, meaningful and participatory. Sensing the public mood, the government backtracked and did not table the amendments in the monsoon session. *In 2006, civil society could prevail upon the government. Fourteen years later, the government in power did not care. The Right to Information (Amendment) Act, 2019 was passed in both houses of Parliament without even a discussion and altering various key aspects of the law.*

#### **Late appointments**

Along with the changes this amendment brought, *there are at least five fundamental ways in which the Act is being undermined today.* First, of course, is the *disempowerment of information commissioners by the changed appointment rules.* The *tenures of the chief information commissioners (CICs) and information commissioners (ICs) at both the Centre and the State levels have been reduced to three years.* Besides, *their salaries are now set according to the whims of the government in power. ICs — who were earlier on par with the chief election commissioner and Supreme Court judges — have had their wings clipped.* This has been strategically accompanied by *long gaps in appointing Central and State information commissioners.* Even a Supreme Court ruling, as recently as 2019, to make the appointment process transparent and fill up vacancies on time and with diverse candidates, is being audaciously ignored. As is diversity. Section 12 (5) of the RTI



Act states that the commissioners be selected from among “persons of eminence in public life with wide knowledge and experience in law, science and technology, social service, management, journalism, mass media or administration and governance.” In reality, as the Report Card of Information Commissions 2019-20 by Satark Nagrik Sangathan and Centre for Equity Studies states, 84% of CICs are from bureaucratic backgrounds, including 65% retired IAS officers. *To give one example of the political manipulation involved, when the former chief secretary of Maharashtra, Ratnakar Gaikwad, was favoured for the post of State chief information commissioner in 2012, the position was kept vacant for nine months till he retired.* There are several examples of *politicians sky-dropping their preferred government officials for the post of information commissioner even if they have not applied or been shortlisted by the selection committee.*

The second major way in which the RTI is being undermined can be seen in the number of pending appeals and complaints. As on July 31, 2020, in the 23 information commissions countrywide from which data was obtained, *2,33,384 appeals were pending.* Not only are vacancies not filled by the State secretariat, qualified staff are withheld. One information commissioner from Maharashtra told me that rejected or incompetent staff from other departments are often sent to him.

*The third matter of concern is to do with the implementation of Section 4 of the RTI Act, which laid down the suo motu disclosures that public authorities must make in public.* Very few departments follow this law, despite a series of circulars by the Department of Personnel and Training (DoPT) since 2003. Experts have said over and over again that if such information is proactively displayed, the number of RTI applications will fall by over 90%. Another reason why Section 4 compliance is poor is because of the lack of accountability. The Report Card of Information Commissions 2019-20 notes that “one of the problems with ensuring implementation of Section 4 is that the RTI Act empowers the commission to impose penalties only on PIOs [public information officers], while the responsibility of ensuring compliance with Section 4 is actually with the public authority rather than with a specific PIO.” It goes on to recommend that perhaps “the most effective way of dealing with this problem is to make heads of departments personally responsible for ensuring compliance with provisions of Section 4.” No prizes for guessing that this has not been complied with.

*The next hurdle that RTI appellants face is the misuse of Section 8 of the RTI Act by PIOs who reject requests without due consideration.* Former CIC Sridhar Acharyulu says, “After 15 years of the RTI Act, we should be looking at the possibility of misuse not by petitioners but by officers. I have seen that most PIOs use exemption clauses without any application of mind. This is because they find it hard to define the exemptions. They don’t have the knowledge, experience or infrastructure to assess what constitutes disclosures and non-disclosures. This, in my view, is a very serious stumbling block in the implementation of the RTI Act.” The fifth and most chilling factor that dilutes the Act is the *killing of RTI activists across the country, with Maharashtra and Gujarat leading the way.* Activists are termed blackmailers and as people with ulterior motives. Such disdain comes from public authorities, law enforcing authorities, and sometimes the media too. So, is there hope? Yes, there is. As long as citizens continue to enthusiastically use the RTI Act and civil society continues to campaign to save the Act, it will survive. The Act needs to be talked about. Since 2005, the government has done hardly anything to create public awareness about the RTI Act, although this is prescribed in the Act itself. It has been left to NGOs to hold workshops, give public lectures, and guide RTI users through clinics, kattas and helplines. The latest, for example,



is the *RTI Advice App, developed by Moneylife Foundation, that can be downloaded on smartphones.* In a democracy, it's information that puts power in the hands of citizens — whether while voting a government in or voting one out. So it's in the citizen's interest to keep the RTI Act going.

## WHAT POLICE VERIFY DURING PASSPORT APPLICATION

*In recently issued orders and directions, Bihar and Uttarakhand police have said that they would take into account a person's social and political views and engagements before giving an all-clear for their passports during the police verification process. Bihar* police have warned that persons indulging in criminal activities during law and order incidents, protest demonstrations and sadak jaam (disruption of road traffic) would find it difficult to get passports — besides government jobs, financial grants by the state, or even bank loans — while *Uttarakhand* police have said they will maintain a record of people making “anti-national” or “anti-social” posts on social media and make it part of the police verification report for passports. The orders have come in for criticism for being anti-democratic.

### What is police verification for a passport?

After an application is made for a new passport, the police are required to make a verification of the details provided by the applicant. This process primarily includes physical verification of the address of the applicant, the duration of his or her stay at the place as mentioned in the application, and the applicant's criminal antecedents, if any. An applicant is in any case required to mention if he or she has any criminal case or court case pending against them. This is further verified by the police and a report is made and sent to the Regional Passport Office. *The report generally falls into any of three categories: Clear, Factual and Not Recommended.* The first is a thumbs-up, the second gives a factual account of the applicants status of address and criminal antecedents and leaves it for the RPO to decide whether to issue the passport, and the third clearly recommends that the passport should not be issued as either the address is wrong, or the documents are not proper, or the person's antecedents are such that his or her passport must not be issued. *Police verification is not done for re-issuance of a passport, unless the circumstances of the applicant have changed or the passport is being re-issued on account of it being lost or stolen.*

### What kind of criminal antecedents do police record?

Police are supposed to record only registered cases (FIRs) of criminal offence or court cases in their report. *Nowhere does the Passport Act, 1967 or the Passport Rules, 1980 mention that the police need to give an account of the applicant's social and political behaviour which do not fall in the category of a statutory offence. Motor vehicle offences, such jumping a traffic signal or speeding, are not accounted for either.*

### What if police give a “Not Recommended” report?

*Whether the police give a “Not Recommended” report based on actual criminal antecedents of a person, or based on their social media behaviour or participation in an anti-government protest, it is not their remit to decide who can be issued a passport. It is the exclusive privilege of the Union Government through the Ministry of External Affairs as to whether the police recommendation is to be considered at all.* “Police across the country send such reports to the RPO. They are rarely



entertained. In several instances where certain anti-social elements, with criminal cases against them, had clashed with the police during law and order situations, the police gave them a 'Not Recommended' report on verification. Yet they got the passport after a go-ahead from courts," a Mumbai police officer said.

#### **Under what circumstances can the government lawfully deny a passport?**

*According to the Passport Act, a person can be denied a passport for two set of reasons which respectively fall in the remit of the government and the courts. In the first set, an individual may be denied a passport if he or she is actually not a citizen of India; is likely to engage in activities prejudicial to the sovereignty and integrity of India abroad; his or her departure is likely to be detrimental to India's security; his or her presence abroad may prejudice India's friendly relations with any foreign country; or in the opinion of the Central Government the issue of a passport or travel document to the applicant will not be in the public interest. In the second set, an individual may be denied a passport if he or she has, at any time during the period of five years immediately preceding the date of the application, been convicted by a court in India for any offence involving moral turpitude and sentenced to imprisonment of not less than two years. An applicant may also be denied passport if proceedings in respect of an offence alleged to have been committed by the applicant are pending before a criminal court in India; or if a warrant or summons for the appearance, or a warrant for the arrest, of the applicant has been issued by a court with the court deeming it necessary to prevent his or her travel abroad.*

#### **What is the remedy on denial?**

Any decision by the government to deny a passport to anyone based even on an FIR—let alone social media behaviour or participation in a protest—can be challenged in the court. *Various court orders over the years have laid down that no person can be denied a passport merely on the basis of an FIR or a court case unless his or her travel abroad has been expressly barred by a court or is a threat to national security.* Even then, issuance of a passport is rarely barred and the applicant is asked to take the court's permission before travelling abroad. In fact, those who have criminal cases against them are asked by the government to take permission of the court following which the passport is issued.

### **WHOPPING 900% RISE IN REJECTION OF CROP INSURANCE CLAIMS**

*The number of farmers' crop insurance claims that were rejected by insurance companies under the Centre's flagship Pradhan Mantri Fasal Bima Yojana (PMFBY) multiplied 10 times in just two years, according to data provided by Agriculture Minister Narendra Singh Tomar in response to a question in the Rajya Sabha on Friday. In 2017-18, the number of rejected claims was 92,869. In the next year, 2018-19, the figure more than doubled to 2.04 lakh. By 2019-20, it was 9.28 lakh, a whopping 900% increase.* The question came from Manas Ranjan Bhunia, Trinamool Congress MP, who asked whether farmers were denied crop insurance claims by insurance companies, the details of cases reported from different States in those particular years, and the steps the government was taking in this regard. In response, Mr. Tomar said under the PMFBY, *there was actually no need to file crop loss claims in case of widespread natural calamities such as drought or flood, as claims were calculated on the basis of shortfall in yield of the whole unit.* At the end of the season, prevented sowing and midseason adversity claims were settled on the basis of an area



approach for which yield data and crop damage reports were provided by the State governments concerned. However, *there was a different process when it came to risks impacting smaller areas such as losses due to localised risks of hailstorms, landslips, inundation, cloud burst, or natural fire. Such losses were calculated on the basis of crop loss assessment at individual insured farm levels. Farmers informed such crop losses to the insurance company, the State government or financial institutions, and their claims were assessed by a joint committee with representatives from the State government and the insurance company.* “The companies can reject claims on various grounds,” he said.

## ON GANDHI

Gifted journalist Ved Mehta, who passed away last month, believed that *Gandhi was hard to copy. Writing about Martin Luther King’s struggle against racism in the United States, Mehta wondered if Gandhi could be replicated in that country. Mehta found Gandhi’s standards of ethical conduct far too high for emulation by others. He also thought that Gandhi was lucky not to have been born in Leopold’s Congo or Stalin’s Russia or Hitler’s Germany. Under such regimes, he would have met his death in a purge’, Mehta wrote.*

### A complex legacy

In the same article, Mehta recalls a dialogue between Gandhi and Nehru during the non-cooperation movement of the 1920s. On hearing about a violent incident in the Chauri Chaura village of Uttar Pradesh, Gandhi decided to withdraw the first all-India movement he had led. Jawaharlal Nehru asked him, ‘Must we train the 300 and odd millions of India in the theory and practice of non-violent action before we (can) move forward?’ Gandhi’s reply was short and unequivocal: ‘Yes.’ Gandhi’s rigour did mellow with age and experience, but some of his tall contemporaries remained sceptical of his strategy of mass mobilisation. *Tagore foresaw that Gandhi’s legacy might prove tough to follow in the absence of his leadership.*

However, Gandhi’s legacy is complex and evokes some fundamental issues embedded in the theory of peaceful settlement of conflicts. It is useful to visit these issues today when we are in the middle of a mass movement focused on a subject of Gandhi’s deep concern: rural economy. Those in the forefront of this movement are farmers. The questions their protest brings into public attention go well beyond the validity of their apprehensions and doubts. Gandhi is highly relevant to these questions.

The kind of protest the farmers have launched — and have done their best to sustain — carries unmistakable traces of Gandhi. Indeed, the very idea that a mass protest must remain peaceful is a legacy of Gandhi. His faith in non-violence has an unstated, hidden view of the adversary. While the one who protests is expected to shun violence, the other side must also fulfil an expectation. In Gandhi’s frame, the protester endures great suffering, and thereby arouses the deeper human instincts in the adversary’s heart. To see this as a strange, romantic idea is to miss its moral vision and where it comes from.



### Tradition to political use

Gandhi did not invent this vision; he spotted it in tradition and put it to a new, political use. The value system he used and modernised can still be witnessed in certain settings and contexts. For instance, when an irksome neighbour falls ill or meets with an accident, a few people do ask if the family needs help. A similar customary value covers hospitality. Teachers ask children not to take advantage of an injured member of the rival team. Internationally maintained modern norms for warring nations have their origins in similar old ethics sustained by tradition in several cultures. Gandhi used this old value system to develop his ethic of non-violence in oppositional politics. *It was rooted in the belief that an adversary has human instincts which can be activated by demonstration of self-inflicted suffering. Gandhi saw the protester's willingness to endure physical discomfort as a means of awakening the adversary's saner instincts.*

### The struggle versus values

The farmers' struggle and suffering have failed to achieve this psychological goal. Neither the government nor the privileged urban middle classes seem to have felt a sense of unease over the physical suffering the farmers have endured in Delhi's severe winter. Many among the protesters have lost their lives and their deaths have been ignored. Over the past few decades, a few lakh farmers have committed suicide. Their despair has not moved many in metropolitan centres and other cities. Apparently, India has gone through a sea change in values, both at personal and collective levels. The charade one routinely hears that education must inculcate moral values, overlooks the broader social context and direction of change. It is a romantic idea that education can compensate for psychological losses incurred in the pursuit of lopsided goals. It is hardly surprising that a farmers' movement is reminding us of the legacy we inherited from Gandhi's social experimentation.

## WHY DELHI POLICE IS INVESTIGATING A FARMER PROTEST 'TOOLKIT' TWEETED BY GRETA THUNBERG

The Delhi Police Cyber Crime Cell Thursday filed *an FIR on charges of sedition, criminal conspiracy and promoting hatred against the creators of a 'toolkit' on farmer protests, which was shared by climate activist Greta Thunberg.* The FIR does not name anyone, including Greta, but Special CP (Crime Branch) Praveer Ranjan said a preliminary enquiry showed the toolkit seems to have been created by the Poetic Justice Foundation, which he alleged was a pro-Khalistani organisation.

### What is a toolkit?

*A toolkit is essentially a set of adaptable guidelines or suggestions to get something done.* The contents differ depending on what the aim of the toolkit is. For example, the Department for Promotion of Industry and Internal Trade, Government of India, has a toolkit for the implementation of Intellectual Property Rights (IPR). This includes basics such as the guidelines to follow when investigating IPR violations, applicable laws, and definitions of terms such as counterfeit and piracy. The Young Adult Library Services Association, a division of the American Association, for example has several toolkits available online, such as those on efficient library systems and on working with teens. *In the context of protests, a toolkit usually includes reading*



*material on the context of the protest, news article links and methods of protest (including on social media).*

#### **Why have they gained prominence?**

While toolkits have been around for decades, the accessibility of social media have brought them into the spotlight over the past few years. References to toolkits for protesters can be found in the Occupy Wall Street protests of 2011, in the Hong Kong protests of 2019, several climate protests across the world, anti-CAA protests across India, and most recently in the anti-farm law protests centred in North India. *During the Hong Kong protests, toolkits advised participants to wear masks and helmets to avoid being recognised and ways to put out tear gas shells. During the anti-CAA protests, a toolkit suggesting twitter hashtags to use, places to hold protests, and a guide on what to do and carry with you if you are detained by the police were shared through personal messages on WhatsApp and on social media.*

#### **What did the toolkit tweeted by environment activist Greta Thunberg say?**

*The 18-year-old shared a toolkit on Twitter on Wednesday on the anti-farm law protests in India. This came on the heels of singer-businesswoman Rihanna tweeting a CNN news article on internet curbs near protest sites in and around Delhi. The toolkit tweeted by Thunberg was later deleted, with the activist saying it was being “updated by people on the ground in India”. The toolkit in the now-deleted tweet has subsections such as urgent action and prior actions, and a detailed section called ‘How you can help?’. In the Urgent actions section, the toolkit asks those interested to start a ‘Twitter storm’ on February 4 and 5; share a solidarity photo/video message by email to [scrapfarmacts@gmail.com](mailto:scrapfarmacts@gmail.com); call/email government representatives and ask them to take action; divest from “monopolists and oligopolists like Adani-Ambani”, and organise protests “on-ground” “near the closest Indian Embassy, Media House or your local government office on February 13 and 14”. The toolkit had five links, titled ‘More Information — Important Links’, which are still working. One leads to a website that talks about holding protests, donating, using social media to support the cause of farmers. The website’s ‘about’ section says: “We are a volunteer group of individuals in Canada, the USA and the UK, who are passionate about social justice issues affecting the Indian agricultural community. We feel distressed being far away from our Elders, Brothers and Sisters who are fighting for autonomy over their land.” Another link is for a website described as a “digital home to exploring geopolitics & ideas about freedom through data, writing, & technology”. The link provides leads to a page titled ‘Do I own products linked to Ambani?’, and mentions Mukesh Ambani and Gautam Adani. There is also a link to a newsletter on the anti-farm law protests, and a blog on the number of farmers who have allegedly died during the protests since late November. In the Prior Action section, the toolkit mentions sharing “solidarity photos and video messages with the above mentioned email id, “preferable by January 25; a “tweet storm” on January 23, and protesting “near Indian Embassies, Government offices, Media houses (or even Adani-Ambani offices) globally” on January 26. It is this section that the police say seems to indicate that the violence on January 26 was premeditated and part of a conspiracy. On late Wednesday night, Thunberg shared a second, shorter, toolkit via Twitter. The toolkit tags it as a “document meant to enable anyone unfamiliar with the ongoing farmers protests in India to better understand the situation and make decisions on how to support the farmers based on their own analysis.” It also asked those interested to tweet their support to farmers to use the hashtags #FarmersProtest and #StandWithFarmers. It does not mention Adani or Ambani but asks people to divest from fossil fuel industries. The new*



document only has one weblink at the end, leading to the website of a newsletter on the farmers' protests. The others have been removed.

#### What does the police say?

*The police have said that during inquiry it appears that the toolkit was created by Poetic Justice Foundation.* It says the prior action section delineated the action plan for January 26, when violence was seen at several areas as a group of farmers diverted from the set route and started marching towards the Red Fort. "The unfolding of events over the past few days, including the violence of 26th January, has revealed copycat execution of the 'action plan' detailed in the tool kit," Special CP Ranjan said Thursday. The police claim the intention of the creators of the tool kits appeared to be to "create disharmony among various social, religious and cultural groups and encourage disaffection and ill-will against the Government of India".

#### GOVT. NOTICE TO TWITTER ON 'FARMER GENOCIDE' HASHTAG

*The Union government has issued a notice to Twitter to comply with its order of removal of content related to 'farmer genocide'.* The Centre alleged that the material was designed to spread misinformation to inflame passions and hatred, and warned that refusal to do so may invite penal action. *On Tuesday evening, Twitter restored over 250 accounts, hours after blocking them due to "legal demand". The platform, in a meeting with government officials, contested the order, arguing that these accounts were not in violation of Twitter policy, and declined to abide by the order.* A source in the Ministry of Electronics and IT (MeitY), which sent the notice to the U.S.-headquartered firm, said Twitter was an intermediary and was obliged to follow the directions of the government and refusal to do so may invite penal action. "Twitter unilaterally unblocked accounts/tweets despite government order blocking... MeitY had passed an interim order on January 31, as a matter of emergency blocking 257 URLs and 1 Hashtag under section 69 A of the Information Technology Act, 2000...on the ground that these are spreading misinformation about protests and has the potential to lead to imminent violence affecting public order situation in the country," the source said. The Centre, in its notice, quoted more than half a dozen Supreme Court judgments, including of Constitution benches, as to what is public order and what are the rights of authorities. The MeitY pointed out that the "prevailing situation" resulted into a "major public order issue" on Republic Day.

"...under the scheme section 69A & the rule as applicable, only the subjective satisfaction of the Secretary, MeitY & the Committee is relevant and the satisfaction/judgement of the intermediary itself has no relevance. Further, there is no onus of proof on MeitY and Twitter being an intermediary cannot assume the role of a Court in contravention of the statutory rules as applicable," the notice said. *Section 69A[3] provided for specific penal consequences in case of non-compliance of the directions issued under section 69A of the Act.* It was "unfortunate" that though the order was received immediately, Twitter chose not to comply till nearly 3 pm on February 1 - the time fixed for the meeting of the committee, the MeitY said. The government noted that Twitter's assertion in its letter dated February 1 that stock phrases and exaggerations / crude emotional appeals did not constitute inflammatory speech in the light of the judgments of the Hon'ble Supreme Court, was "meritless as the content attached to the said hashtag has been found to be directly falling afoul of section 69A of the Act".





## 'SORRY MARIA': MALAYALIS HAVE CHANGE OF HEART

The former tennis player and multiple Grand Slam winner Maria Sharapova probably had no clue what hit her when the comments section of her Facebook page was flooded with Malayalam comments a few years ago. The Russian-born would have had a feeling of déjà vu if she happened to scroll through her social media page on Thursday. For, Malayalis are at it again. If in 2014, Ms. Sharapova was derided by them for being honest about not having ever heard about Indian cricket star Sachin Tendulkar, which they found disrespectful, they have gathered on her Facebook wall since Wednesday night apologising for their earlier act. *The trigger seems to be a tweet by the former cricketer, known as 'God of Cricket' among his legions of fans, as part of identical tweets on India's unity sent out by celebrities in response to international pop star Rihanna expressing solidarity with the ongoing farmers' strike in India.* The Malayalis who flocked to the ace tennis player's social media page obviously did not like the cricketer's latest stance, which they perceive to be pro-establishment. The comments in Malayalam range from outright funny to plain abusive of the cricketer, though the common thread running *through them all seems to be an apology to the tennis star for deriding her previously for the sake of a man who has let them down.* One user from Thrissur, while apologising, extends an invitation to her to attend the famed Thrissur Pooram. "Mea culpa mea culpa mea maxima culpa," went another comment while observing how the tennis star was right all along in not knowing a man who, he said, had no spine. Another user appreciates 'Little Maria' for her ability to separate good from bad while lamenting that the "God" had turned out to be a cheat. "I am the sorry," says another, who sought her forgiveness before offering her Shawarma and Kuzhimanthi, two Arabian delicacies.

## WITH PUBLIC LIBRARY MOVEMENT, JAMTARA TURNS A NEW PAGE

A library movement developed in a short span of time in Jharkhand's Jamtara district is receiving a steady flow of students and helping them turn a new page. The district's love for books assumes huge significance as it has the dubious distinction of being the *"phishing capital of India"*. Many youth, mostly drop-outs in the 15-35 age group, have been turning to cybercrime to earn a few quick bucks. *Police personnel from 22 out of 28 Indian States have visited the tiny district in search of cyber fraudsters in the past few years. It is said that the majority of online fraud calls received by people across the country emanate from the district. Netflix's 2020 crime drama, Jamtara, was based on this.* "Now we have taken initiative to change the identity of Jamtara, where educator and social reformer Pandit Ishwar Chandra Vidyasagar had once worked, through a community library movement," Faiz Aq Ahmed Mumtaz, Deputy Commissioner of Jamtara, told The Hindu. Mr. Mumtaz said the district now has 45 functional public libraries. Unused government buildings have been renovated and converted into public libraries. "Studies of students preparing for Class X and Class XII exams were disrupted during COVID-19. But the community library proved to be a boon for such students. The State government is conducting classes for mathematics and science at these campuses," he added. *As many as 93 cyber criminals are languishing in Jamtara's jails, while 156 online fraudsters were arrested in 74 different cases in 2020.*



ON THE ALERT, ALWAYS (M.P. NATHANAEL - INSPECTOR GENERAL OF POLICE (RETD), CRPF)

The sad incident of an Assistant Commandant of the elite and highly trained CoBRA (Commando Battalion for Resolute Action) unit, Nikhil P. Bhalerao, dying in an *improvised explosive device (IED)* blast in November 2020 has once again highlighted the need for us to enhance our intelligence system. The IED went off while an anti-Maoist operation was under way and also injured eight others.

#### Induction of CRPF

*Following the deaths of 80 personnel of the Central Reserve Police Force (CRPF) in Chhattisgarh due to land mine blasts in various incidents in 2008, the then Union Minister of Home Affairs, P. Chidambaram, ordered massive deployment of CRPF personnel in the left wing extremism (LWE)-affected States of Chhattisgarh, Jharkhand, Odisha, West Bengal, Madhya Pradesh and Uttar Pradesh.* With the law and order situation showing improvement in the Kashmir Valley then, the CRPF battalions were pulled out of there and inducted into the LWE-affected States, with major deployment being concentrated in Chhattisgarh. These newly inducted battalions underwent 12 weeks of induction training in Chhattisgarh so that they would be familiar with the terrain, the modus operandi of the Maoists, and the precautionary measures to be taken. They were also put through intensive firing practice. Soon the Border Security Force and the Indo Tibetan Border Police joined the CRPF and the State police forces in combating the Maoists. *Despite the training and precautionary measures adopted, security forces lost many personnel in 2009 and 2010, with 76 CRPF men killed in a terrible attack in Dantewada in April 2010. But the CRPF hit back with a vengeance and neutralised close to 200 Maoists between 2009 and 2011. The CRPF slowly gained the upper hand and is now largely on the offensive.* It has forced the Maoists to be on the run or surrender, which has brought down incidents of violence in LWE-affected States. As many as 55 Maoists were killed in operations in 2019, and 32 last year. The number of Maoists killed in the last decade has risen to 569. With the morale of the Maoists at its lowest ebb, 359 of them surrendered before the security forces in September 2018.

#### More needs to be done

However, as lives are still lost, the intelligence set-up in the LWE-affected States needs to be geared up not only to avert attacks on security forces but also so that they can be on the offensive against the extremists. *Extensive use of Belgian Malinois dogs could help in timely detection of IEDs. Drones, too, are being used as force multipliers though they have not been very effective in thwarting IED blasts.* Efforts are on to upgrade technical intelligence. Much more needs to be done for LWE to be completely wiped out. CRPF personnel should stay in pucca buildings as temporary huts are not only prone to attacks but also take a toll on the men due to the vagaries of the weather, though there can be no denying that there has been considerable improvement in recent years. There is the issue of funds too. Lately, against a projected demand of ₹114 crore for construction of accommodation, a meagre ₹33 crore was allotted. *The responsibility of providing suitable accommodation to the Central Armed Police Force (CAPFs) battalions devolves on the States where they are deployed, though the CRPF has now undertaken this task on its own to hasten the work.* According to K. Govindan Nampoothiry, a Right to Information campaigner, the Ministry of Home



Affairs has released ₹3,551.72 lakh to Chhattisgarh and another ₹2,857.89 lakh to Jharkhand for security-related expenditure for 2020-2021 among the LWE-affected States. Even after certain districts are declared free of LWE activities, CAPFs will have to be stationed for some years until the States rely completely on their own Commando outfits like the Greyhounds and the Jharkhand Jaguars to prevent Maoist elements from raising their heads again.

## INDIA READY TO SUPPLY WEAPON SYSTEMS TO INDIAN OCEAN NATIONS

Stating that “we have already seen the negative impact of conflicting claims in some maritime areas of the world”, Defence Minister Rajnath Singh made a strong pitch for collaboration among countries in the Indian Ocean Region (IOR) while offering to supply a range of weapon systems to them and also helping to build capacities of partner countries. *“We must, therefore, ensure that the maritime expanse of the Indian Ocean is peaceful and is optimally harnessed for the benefit of all nations in the region. Together, we have demonstrated our mutual respect for a rules-based order, setting an example of how abiding with international law will enable harnessing the global commons for the good of all,”* Mr. Singh said at the IOR Defence Ministers conclave at the ongoing Aero India attended by Ministers and representatives from 27 countries, some of them virtually.

### Wide range

Calling the recent order of 83 LCA Tejas jets to the Hindustan Aeronautics Limited (HAL) as a milestone in indigenisation of defence manufacturing capabilities, Mr. Singh said India is ready to supply various types of missile systems, Light Combat Aircraft (LCA), helicopters, multi-purpose light transport aircraft, warship and patrol vessels, artillery gun systems, tanks, radars, military vehicles, electronic warfare systems and other weapons systems to the IOR countries. *“We have also taken the initiative to develop a comprehensive maritime domain awareness picture in the IOR, which has resulted in the signing of technical agreements for sharing of ‘White Shipping Information’ with many countries.”* Stating that India had been the first responder during natural disasters, Mr. Singh said the country had always been ready to share expertise and capacity with all IOR countries for coordination in humanitarian assistance and disaster relief.

## HAL COMPLETES SUKHOI ORDER, LAST TWO JETS TO ROLL OUT SOON

*Hindustan Aeronautics Ltd. (HAL) has manufactured the last two of the 272 Su-30MKIs aircraft on contract from Russia and is all set to deliver them to the Indian Air Force. “One aircraft is certified and inducted for BrahMos modification. Another aircraft has been produced and planned to be certified by February-end,”* an HAL official said. *The delivery formalities for acceptance by the customer are being finalised. India had got the contract for the Su-30s from Russia in batches, and of them, 222 were assembled by HAL at its Nashik plant under transfer of technology (ToT) since 2004. Of the 272 fighters, 40 are being modified to carry the air-launched version of the supersonic cruise missile BrahMos. The IAF has started receiving the aircraft and has deployed some at the Thanjavur airbase last year.*

### Last of major projects

“This is the last of the major ToT projects of HAL,” R. Madhavan, Chairman and Managing Director, said. It has completed manufacturing the British Hawk advanced jet trainers. For the Dornier



aircraft, the full design and manufacturing licence is with India. Last July, the Defence Acquisition Council approved the procurement of 12 Su-30MKI aircraft from Russia to be licence-produced by HAL at an estimated ₹10,730 crore. These are meant to replace the Sukhois that had crashed over the years. On the progress on this, a defence official said the Russians had quoted a very high price and negotiations were under way. While the Sukhoi assembly line would largely wind down, the aircraft overhaul division at Nashik would continue the repair and overhaul of the MiG and Su-30 aircraft. Over the years, HAL has developed a vendor base of over 2,000 micro, small and medium enterprises for the Sukhoi project. HAL is currently in the process of ramping up capacity to overhaul the Su-30s from 15 a year to 25. A major upgrade for the entire fleet is under negotiation with Russia to give the aircraft better radar, avionics, weapons and so on. Initially, it was envisaged that all upgrades would be incorporated at one go in every aircraft, but given the cost and time it would take to cover the entire fleet, the IAF has decided to go for capability upgrades in phases.

#### 'Pressing upgrades first'

"Some of the most pressing upgrades will be taken up in the first phase," the defence official said. Some of the modifications being pursued locally are already under way. While manufacturing of Su-30s comes to an end, HAL is now gearing up for the order of 83 indigenous light combat aircraft (LCA) Tejas-MK-1A, the deal for which is expected to be signed at the Aero India show later this week at an estimated ₹47,000 crore.

#### INDIA DELIVERS 2 CRANES FOR CHABAHAHAR

In its latest push to develop Iran's Chabahar port project, India handed over two 140-tonne cranes for loading and unloading equipment to the Iranian government on Sunday. *The cranes, part of a full consignment of six Mobile Harbour Cranes (MHC) worth about \$25 million were sourced from Italy and formally released at a ceremony at Chabahar's Shahid Beheshti port after official talks between India and Iran.* India's plans to invest further in the port project are seen as an indicator that the government expects some easing up in U.S. sanctions in the upcoming months, once the new Biden administration begins to address its policy on re-entering the Iran nuclear deal. Sources told The Hindu that the *Ministry of External Affairs (MEA) will also hold a quadrilateral meeting in Delhi with officials from Afghanistan, Iran, Uzbekistan and "another Central Asian countries as observer" to discuss Chabahar connectivity and transit trade opportunities.* *"We are happy to supply the port of Chabahar with two cranes... This can solve some of the problems in loading and unloading cargos," MEA Joint Secretary for Iran-Pakistan-Afghanistan J.P. Singh* said, according to Iranian news agencies. He also pointed out that the port has handled 75,000 tonnes of wheat donated by India to Afghanistan so far, along with other products. The Iranian Ministry of Foreign Affairs (MFA) said the MEA delegation had also held "political consultations" with their Iranian counterparts. "Recent international and regional developments attach particular importance to this round of general political dialogue," tweeted MFA official Rasoul Mousavi, indicating that the possible shift in the U.S.'s Iran policy was discussed. Earlier this month, the *Ministry of Shipping and Ports had said the delivery of the cranes "shows India's commitment to the strategic connectivity of Chabahar port project that will provide access to markets in Central Asia,"* explaining that the consignment was part of a bilateral contract between India and Iran signed in May 2016 for \$85 million to equip and operationalise the port. The MEA delegation's visit comes



a month after transport officials of India, Iran and Uzbekistan held their first “Trilateral Working Group Meeting” on the joint use of Chabahar Port.

#### JAL JEEVAN MISSION TO HELP REVIVE URBAN WATERBODIES

The urban water supply mission announced in the Budget on Monday will include rejuvenation of waterbodies and 20% of supply from reused water, the Housing and Urban Affairs Ministry said on Tuesday. In a statement, the Ministry said there was an estimated gap of 2.68 crore urban household tap connections that the Jal Jeevan Mission (Urban) (JJMU) would seek to bridge in all 4,378 statutory towns. *The Mission would also aim to bridge the gap of 2.64 crore sewer connections in the 500 cities under the existing Atal Mission for Rejuvenation and Urban Transformation (AMRUT). The mission would include rejuvenation of water bodies to boost the sustainable freshwater supply and creation of green spaces. “JJM(U) will promote circular economy of water through development of city water balance plan for each city focusing on recycle/reuse of treated sewage, rejuvenation of water bodies and water conservation,”* it said. The Ministry said 20% of the water demand would be met with reused water. The total expenditure on the mission would be ₹2.87 lakh crore over five years.

#### Cheaper technologies

The Ministry said the MetroNeo and MetroLite technologies, which are cheaper than conventional Metros, mentioned in the Budget were already being considered by it. Apart from the Budget announcements, the Ministry said there had been an increase in the funds to urban local bodies as per the 15th Finance Commission’s report. There had been a 78% increase, from ₹87,143 crore in the 14th Finance Commission period to ₹1,55,628 crore in the 15th Finance Commission’s period. It said the Finance Commission had allocated ₹8,000 crore for incubation of eight new cities and that the selection of the cities would be done through a competition for States, for which guidelines would be prepared by it.

#### YOGA AND ‘RABINDRANATH’ IN CHILE, WHICH PM MODI SPOKE OF IN MANN KI BAAT

*In his Mann Ki Baat address on Sunday (January 31), Prime Minister Narendra Modi spoke about the popularity of Yoga in Chile and appreciated the Latin American nation’s love for Indian culture.* “My dear countrymen, thousands of kilometers from India, across many oceans and continents, lies a country — Chile. It takes a lot of time to reach Chile from India. However, the fragrance of Indian culture has been there for a long time. Another significant aspect is that Yoga is extremely popular there,” Modi said, “The Chilean Congress, that is their Parliament, has passed a proposal. There, the 4th of November has been declared as National Yoga Day.” Modi went on to say, “Now, you would be wondering, what is so special about 4th of November! *On 4th of November 1962, the first Yoga institution in Chile was established by José Rafael Estrada.* By proclaiming this day as National Yoga Day, a tribute has been paid to Estrada ji.” He also mentioned another personality – “By the way, there is another aspect about the Chilean Parliament, one which will interest you. The name of *the Vice President of the Chilean Senate is Rabindranath Quinteros.* He has been so named, inspired by Vishwa Kavi Gurudev Rabindranath Tagore.”



### Who is Chile's Rabindranath Quinteros?

Quinteros, 77, a member of Chile's Socialist Party, has been the Vice President of the country Senate (upper house of the legislature) since March 2020. A former dental surgeon, Quinteros started his political career in 1989, at a time when Chile was transitioning to democracy from the regime of Augusto Pinochet, the dictator who had ruled the country since 1973. In 1990, Quinteros became the Intendente (equivalent to chief minister) of the southern coastal Los Lagos Region, a part of which falls in South America's picturesque Patagonia region. After occupying this post until 2000, he served as the mayor of Puerto Montt for 12 years until 2012. In 2013, he was elected to the Chilean Senate from Los Lagos. Since March 2020, Quinteros has been serving as the Vice President of the Senate.

### José Rafael Estrada

Estrada, originally from Mexico, is credited for bringing Yoga to Chile. The Yoga centre he started in 1964 functioned until 1973, when Chile became a military dictatorship. It reopened in 1980 under the name Institute of Human Development, according to a study at the Pontifical Catholic University of Chile titled 'A Concise History of Hindu Religiousness in Chile'. An entry in the Encyclopaedia of Latin American Religions mentions Estrada as a member of the Great Universal Fraternity (GFU), an association founded in 1948 by French astrologer Serge Raynaud de La Ferrière in Venezuela. The entry reads, "... the GFU has played a fundamental role in the teaching, spreading, and revival of physical, mental, and esoteric disciplines associated with the alternative spirituality of the New Age in Latin American countries such as Venezuela itself, Peru, Chile, Colombia, and Mexico." Estrada wrote the book Enseñanzas de la Nueva Era (Teaching of the New Age), in which he has written about fraternity among Latin American people, and about the astrological Age of Aquarius, according to the Routledge Handbook of Yoga and Meditation Studies.

### MODI PRAISES SOLO EFFORT AT LAKE CLEAN-UP

*The untiring efforts of a 69-year-old man, paralysed below his knees, towards cleaning up Vembanad Lake, have earned recognition from the highest office of the country. In this month's edition of his radio programme, Mann Ki Baat, Prime Minister Narendra Modi on Sunday hailed the commitment of N.S. Rajappan, a differently abled man from Kaippuzhamuttu, near Kumarakom, Kottayam.* For several years, he has been earning a living by collecting plastic bottles floating on the lake and the streams linked to it. "He cannot walk, but this has not affected his commitment to cleanliness... Taking inspiration from Rajappan ji, we too should, wherever possible, contribute to cleanliness," Mr. Modi said in his speech. Mr. Rajappan said he was so happy that the Prime Minister had acknowledged his efforts. Mr. Rajappan, who was afflicted with polio at the age of five, lives alone in a partially damaged hut on a riverbank in Arpookkara panchayat.

### MUSHROOMING RESORTS THREATEN THE CALM IN WAYANAD

Mushrooming private resorts and homestays on the forest fringes in Wayanad in Kerala not only flout government rules, they also threaten the tranquillity of highly vulnerable tribal communities inside the forest. *Residents of the Chookalikkuni Kattunayakka hamlet and Kumizhy Paniya hamlet inside the Wayanad Wildlife Sanctuary complained that the increasing number of resorts and*

**3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR**



*homestays inside the hamlets were posing a threat to the tribal people and wildlife. Chandrika of Chookalikkuni said both the hamlets were surrounded by forests and 130 families — 110 tribal families and 20 families of Wayanadan Chetty families — lived there. “As many as 13 private resorts, including one owned by a former Deputy Superintendent of Police, are functioning in the hamlet, flouting all norms. They have not even obtained licences from the gram panchayat authorities,” Ms. Chandrika said. “Though we had submitted grievances against the resorts to the departments concerned, they are yet to take any steps to stop it,” Sheeba of the Kumizhi tribal settlement said. As per the Forest Rights Act, a road connecting the hamlets with outer world was permitted only for the use of residents. But resort owners are misusing it for private purposes, N. Badusha, president, Wayanad Prakriti Samrakshana Samiti, said. Often the tourists provoke elephants and spotted deer in the adjacent forest for taking photographs, he said. With tourists walking into tribal villages at all times, holding late night parties and camp fires, unrestricted consumption of alcohol which also finds its way to the tribal people, apart from diesel generators that function round the clock pose threat to the forest dwellers and the wildlife.*

THE PROBLEM OF AGEING DAMS (J. HARSHA - DIRECTOR, CENTRAL WATER COMMISSION, GOVERNMENT OF INDIA)

Dams and reservoirs are believed to secure our water needs for the future. However, data and studies show that they can threaten our water security. Here is how. It is not a secret anymore that India's dams are now ageing and concomitantly, reservoir water is being replaced by soil, technically known as silt or sediment.

**Becoming obsolete**

*India is ranked third in the world in terms of building large dams. Of the over 5,200 large dams built so far, about 1,100 large dams have already reached 50 years of age and some are older than 120 years. The number of such dams will increase to 4,400 by 2050. This means that 80% of the nation's large dams face the prospect of becoming obsolete as they will be 50 years to over 150 years old. The situation with hundreds of thousands of medium and minor dams is even more precarious as their shelf life is even lower than that of large dams. Krishna Raja Sagar dam was built in 1931 and is now 90 years old. Similarly, Mettur dam was constructed in 1934 and is now 87 years old. Both these reservoirs are located in the water-scarce Cauvery river basin. As dams age, soil replaces the water in the reservoirs. Therefore, the storage capacity cannot be claimed to be the same as it was in the 1900s and 1950s. To make matters worse, studies show that the design of many of our reservoirs is flawed. In a paper, ‘Supply-side Hydrology: Last gasp’, published in 2003 in Economic & Political Weekly, Rohan D’Souza writes that the observed siltation rate in India's iconic Bhakra dam is 139.86% higher than originally assumed. At this rate, he wrote, “the Bhakra dam is now expected to function for merely 47 years, virtually halved from the original estimate of 88 years”. Similarly, the actual siltation rate observed for the Hirakud, Maithan and Ghod dams are way higher at 141.67%, 808.64% and 426.59%, respectively. Studies in later years showed similar findings. Almost every scholarly study on reservoir sedimentation shows that Indian reservoirs are designed with a poor understanding of sedimentation science. The designs underestimate the rate of siltation and overestimate live storage capacity created. Therefore, the storage space in Indian reservoirs is receding at a rate faster than anticipated. Reservoirs are poised to become extinct in less than a few decades with untold consequences already under way.*



## Consequences

When soil replaces the water in reservoirs, supply gets choked. The cropped area begins receiving less and less water as time progresses. The net sown water area either shrinks in size or depends on rains or groundwater, which is over-exploited. Crop yield gets affected severely and disrupts the farmer's income. In fact, the farmer's income may get reduced as water is one of the crucial factors for crop yield along with credit, crop insurance and investment. It is important to note that no plan on climate change adaptation will succeed with sediment-packed dams. *The flawed siltation rates demonstrated by a number of scholarly studies reinforce the argument that the designed flood cushion within several reservoirs across many river basins may have already depleted substantially due to which floods have become more frequent downstream of dams.* The flooding of Bharuch in 2020, Kerala in 2018 and Chennai in 2015 are a few examples attributed to downstream releases from reservoirs. The nation will eventually be unable to find sufficient water in the 21st century to feed the rising population by 2050, grow abundant crops, create sustainable cities, or ensure growth. Therefore, it is imperative for all stakeholders to come together to address this situation urgently.

## IS IT A BUS, IS IT A TRAIN? IT'S METRONEO, THE NEWEST MASS TRANSPORT SYSTEM FOR NASHIK

*By making a sizeable budgetary allocation for MetroNeo in the Union Budget, the central government has paved the way for the innovative system of mass transport, which could soon be replicated across the country. To be adopted for the first time in the country in Maharashtra's Nashik, MetroNeo is a comfortable, rapid, energy-efficient and less noisy transport medium.* The central government recently urged all state governments to consider using MetroNeo technology in their tier-2 and tier-3 cities.

### Electric Bus Coaches

*The MetroNeo service consists of electric bus coaches – their lengths varying from 18 to 25 metres – with a carrying capacity of 200 to 300 passengers at a time. The buses will have rubber tyres and draw power from an overhead electric wire with 600-750 V DC supply, similar to railways or trams. The buses will be air-conditioned, with automatic door closing system, level boarding, comfortable seats, passenger announcement system, and an information system with electronic display.*

### Feeder Bus Service

A Feeder Bus of 12-metre length will be battery-powered and run on the existing road on the two feeder routes. The feeder bus batteries will get charged while operating on the main corridors that will enable seamless travel with a wider coverage. No separate charging facility will be required.

### Frequency of Service

The capacity of main corridors will be 15,000 PHPDT (peak hour peak direction traffic). The system has been designed in such a way that there will be a train service after every two minutes.





### MetroNeo stations

The stations will be similar to other Metro rail stations. They will have a staircase, lift and escalators with passenger information display. The station entry and exit will be provided on both sides of the road.

### MetroNeo in Nashik

*There is a plan to have two corridors initially. Corridor 1 will be of 100-km length with 10 stations, from Gangapur to Mumbai Naka.* It will start from Gangapur followed by, Jalapur, Ganpat Nagar, Kale Nagar, Jehan Circle, Thatte Nagar, Shivaji Nagar, Panchavati, CBS and end at Mumbai Naka. *Corridor 2 will be a 22-km long route with 15 stations, from Gangapur to Nashik Road.* It will start from Dhruvnagar, followed by Shramik Nagar, Mahindra, Shaneshwar Nagar, Satpur Colony, MIDC, ABB Circle, Parijat Nagar, MICO circle, CBS, Sharda Circle, Dwarka Circle, Gayatri Nagar, Samta Nagar, Gandhi Nagar, Nehru Nagar, Datta Mandir, and end at Nashik Road. CBS will be an interchange station where the two corridors will intersect. There will also be two feeder corridors – one will run between Satpur colony and Mumbai Naka via Garware and the other will run between Nashik Road to Shivajinagar via Nandur Naka.

### Project cost

The total cost of the project is estimated to be Rs 2,100.6 crore. The Maharashtra government, CIDCO and Nashik Municipal Corporation share will be Rs 552.19 crore, while the Union government will contribute Rs 387.56 crore for the project. The total government share will be Rs 939.3 crore and the remaining Rs 1,161.3 crore will be taken on loan. The Maharashtra Metro Rail Corporation Ltd (Maha-Metro) will implement the project.

## CHAURI CHAURA, FREEDOM STRUGGLE SIGNPOST FROM 100 YEARS AGO

Prime Minister Narendra Modi will inaugurate the *Chauri Chaura Centenary Celebrations by video link, and will release a postage stamp to mark the centenary of the event. The UP government has planned a year of celebrations through February 4, 2022 in all 75 districts of the state. Chauri Chaura — whose name derives from that of two villages — is a town in Gorakhpur district, about halfway between Gorakhpur and Deoria.* It has a small railway station, which initially put Chauri Chaura on the map. The town was the scene of a violent incident with far-reaching consequences during the freedom struggle a century ago.

### The incident

*On February 4, 1922, a large crowd of peasants set on fire the police station in Chauri Chaura, killing 22 policemen.* According to Shahid Amin's Event, Metaphor, Memory: *Chauri Chaura, 1922-1992, the best known historical reconstruction of the incident and its aftermath, this is what happened: On August 1, 1920, Gandhi had launched the Non-Cooperation (Asahayog) Movement against the government, which involved a boycott of foreign goods, especially machine-made cloth, and legal, educational and administrative institutions, "refusing to assist a ruler who misrules".* As the movement gathered momentum over the next year and a half, large numbers of volunteers became active across the country. In the winter of 1921-22, volunteers of the Congress and the Khilafat movement were organised into a national volunteer corps. In mid-January 1922, after a

3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



meeting addressed by a functionary of the Gorakhpur Congress and Khilafat Committees, peasant “officers” were appointed to fill out pledges of non-cooperation, collect subscriptions, and lead the picketing of shops selling foreign items. A few days before the February 4 incident, police cracked down on volunteers who were trying to stop trade in foreign cloth, and enforce a just price for meat and fish, and severely beat up *one Bhagwan Ahir*, a demobilised soldier from the British Indian Army. On February 4, volunteers congregated in the town, and after a meeting, proceeded in a procession to the local police station, and to picket the nearby Mundera bazaar. *They ignored warning shots fired in the air by police — “bullets have turned into water by the grace of Gandhiji’ was the construction put by the crowd”, Amin wrote — and pelted the police with stones. The police fired into the crowd, killing three people and injuring many others. A volcano of anger then erupted, there was heavy brickbattening, and the policemen were forced to flee inside the thana. The crowd proceeded to douse the building with kerosene and to set it on fire. Some of the policemen who tried to escape were caught and battered to death, some others managed to escape by throwing away their conspicuous red turbans, which the angry crowd tore to shreds. A lot of police property, including weapons, was destroyed. The volunteers saw the “abolition of the thana” as a sign of the arrival of “Gandhi raj”.*

### The fallout

The severely rattled establishment of the Raj prosecuted the accused aggressively. Raids and repression followed immediately, lists of volunteers were compiled, and large numbers of suspects were rounded up. A sessions court quickly sentenced as many as 172 of the 225 accused to death. Ultimately, 19 of those convicted were sent to the gallows. Gandhi, who was deeply disturbed by the incident, condemned the “crime” of the policemen’s killing. *The volunteer groups in the nearby villages were disbanded, and a Chauri Chaura Support Fund was set up to demonstrate “genuine sympathy” and seek prayashchit (atonement). Gandhi decided to stop the Non-Cooperation Movement, which he saw as having been tainted by unforgivable violence. He bent the Congress Working Committee to his will, and on February 12, 1922, the satyagraha was formally suspended.*

### The churn

*In his An Autobiography, first published in 1936, Jawaharlal Nehru wrote how he and other leaders of the national movement, then in prison, had heard “to our amazement and consternation, that Gandhiji had stopped the aggressive aspects of our struggle, that he had suspended civil resistance...when we seemed to be consolidating our position”. This made them “angry”, Nehru wrote, “but our disappointment and anger in prison could do little good to any one”. Other leaders like Motilal Nehru, C R Das, and Subhas Bose too, recorded their bewilderment at Gandhi’s decision. The Mahatma on his part, justified himself on grounds of his unshakeable faith in non-violence: “I would suffer every humiliation, every torture, absolute ostracism and death itself to prevent the movement from becoming violent.” (Young India, February 16, 1922, quoted in Sumit Sarkar, Modern India: 1885-1947) Historians such as Bipan Chandra have argued that Gandhi’s strategy of non-violence was based on the premise that the use of repressive force against non-violent protesters would expose and weaken the semi-hegemonic character of the colonial state, and incidents such as Chauri Chaura defeated that strategy; also, that “withdrawal or shift to a phase of non-confrontation is an inherent part of a strategy of political action that is based on the masses... (It) is not tantamount to betrayal; it is an inevitable part of the strategy itself”. The disillusionment resulting from the suspension of the Non-Cooperation Movement nudged many of the*



*younger Indian nationalists towards the conclusion that India would not be able to throw off the colonial yoke through non-violence.* It was from the ranks of these impatient patriots that some of India's most beloved revolutionaries were to arise in the years to come — Jogesh Chatterjee, Ramprasad Bismil, Sachin Sanyal, Ashfaqulla Khan, Jatin Das, Bhagat Singh, Bhagwati Charan Vohra, Masterda Surya Sen, and many others.

#### THE MYTH-BUSTER

*Historians are, in many ways, myth-busters. D N Jha, who passed away on Thursday aged 81, punctured many myths through his work. Jha saw his vocation as historian and teacher to be a truth-seeking mission, which was not to be swayed by populist beliefs or the demands of power politics. If the truths he found contradicted widely-held social notions, he was willing to risk the ire of the believers.* Jha was teaching and writing at a time when Indian history had turned into a site of political contestation. The Hindu right wanted history-writing to be in sync with its political exigencies and insisted that historians did not refute what it held to be its truths. *Jha's The Myth of the Holy Cow busted one such "truth" of the Hindu right concerning the place of the cow in Indian society. Just as the campaign against consumption of beef became a powerful political campaign, Jha provided evidence from texts, including the Rig Veda, that animal sacrifice was common in ancient India and the cow was among the animals sacrificed. The sacrificial meat, including beef, was distributed among believers and consumed,* he pointed out. And that, *contrary to the argument that beef-eating was introduced to India by Muslim rulers, bovine meat was consumed by many communities right from the Vedic age. Not surprisingly, a political attack was launched on the book, first published in 2001, which was then withdrawn from the stores for a while, until an international edition was launched in 2004.* The Myth of the Holy Cow was both the response of a historian sensitive to the sanctity of his discipline and the act of a citizen worried at the assault on India's plural heritage. Jha saw that as a scholar it was his responsibility to speak up against simplistic readings of the past, and the attempts to cast it as a mirror of the present. History, as his work brought out, can sometimes offer a cure to the blindness of the present. It's a different matter that the present may turn an unseeing gaze to it.

#### BUILDING A ROBUST HEALTHCARE SYSTEM (R. POORNALINGAM - FORMER HEALTH SECRETARY, TAMIL NADU)

In the wake of the COVID-19 pandemic, there have been vociferous demands to strengthen the country's public health system. Many erudite articles have stressed the need to revamp the system quickly so that we are better prepared to handle such emergencies in the future. Once the present crisis is over, however, public health will go into oblivion, as usual. Governments are already behaving as if things are fine and enough has been done on the health front. Not surprisingly, the efficacy of the public health system varies widely across the country since it is a State subject. How good a public health system is can easily be judged just by looking at certain health parameters such as Infant Mortality Rate, Maternal Mortality Ratio and Total Fertility Rate for which annual surveys are conducted through the Sample Registration System.

*It is doubtful whether India will be able to achieve Goal 3 (good health and well-being) of the Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015. India failed to achieve the earlier Millennium Development Goals because of the poor performance of the*



*northern States.* It is surprising that the Government of India does not hold them responsible and accountable for poor performance but is satisfied with the average. Equally surprising and disappointing is that these State governments themselves are indifferent to their poor performance. *Since health is a State subject, the primary onus lies with the State governments.* Each State government must focus on public health and aim to improve the health indicators mentioned above. *It is disappointing that some of the States have skewed priorities such as cow protection and 'love jihad'. More mothers are perhaps dying for want of care than cows.* Are these governments not concerned? Unless they give health the highest priority, rapid improvement is not possible. Instead of talking in generalities, they must start looking at numbers. To start with, the above parameters are good enough. Their close monitoring at the highest level may improve things. These data are revealing. *The northern States are performing very poorly in these vital health parameters. In Madhya Pradesh, the number of infant deaths for every 1,000 live births is as high as 48 compared to seven in Kerala. In U.P. the Maternal Mortality Ratio is 197 compared to Kerala's 42 and Tamil Nadu's 63. The percentage of deliveries by untrained personnel is very high in Bihar, 190 times that of Kerala. Another vital parameter that has an impact on poverty, Total Fertility Rate, is very high in Bihar (3.2) against the stabilisation rate of 2.1. Tamil Nadu and Kerala have done so well that their population will decline over the years.* This has been made possible thanks to the effective Maternal and Child Health and Family Welfare services provided by these States. Some of these States are performing so poorly that they are comparable to the poorest countries in the world, pulling down the average for India. *The Government of India is just looking at the averages which are somewhat reasonable thanks to the excellent performance of well-governed States.* Unless all the States perform well, there will be no dramatic improvement in the health system. It is sad this is the outcome despite Finance Commissions pouring non-Plan funds into these States in addition to substantial Plan allocation from the Ministry of Health and Family Welfare for the Empowered Action Group States. More money does not and cannot produce results. Only clear focus and better governance can.

*Unless we invest in human capital, FDI will not help. It will only increase the wealth of the already wealthy and accentuate income disparity. Investing in health and education is the primary responsibility of any government. It is time the governments — both at the Centre and States — gave health its due importance.* Announcing piecemeal schemes may help to get publicity but will not make a lasting improvement. Improving health of such a large population requires concerted efforts over years. The southern States started early and are enjoying the benefits, but they can still do more to reach the level of developed countries. The Empowered Action Group States must start in earnest at least now. There are no short cuts; only persistent and focused efforts at the highest level of government will improve preventive care and primary healthcare.

## NEW QUESTIONS

*The results of the ICMR's third serological survey to ascertain the spread of COVID-19 show that nearly one in five Indians — about 270 million — may have been infected.* The headline findings were publicised at a press conference and it will be a while before granular details of the course of the infection — as was known till December — will be made public in a peer-reviewed journal. *However, what is known so far is that compared to August — when data for the second serological survey was announced — there has been a three-fold rise in infections. There has also been a five-fold rise (in percentage terms) of the infection in those aged 10-17 years.* The third edition also



included a serological survey of doctors, nurses and paramedical staff, revealing that nearly 25% — significantly above the national average — had been infected. Compared to reports of city-focused serology surveys in Delhi and mathematical modelling estimates, the ICMR survey-results appear to be more conservative in estimating the true spread. *Experts of various hues point to the declining trend in infections since September, and the absence of multiple peaks in coronavirus cases as a pointer to the spread being far wider and speeding up 'herd immunity'— a state when a significant proportion of people in a locale have been infected, thereby retarding future spread. But it would be wrong to derive comfort from this situation. The ICMR emphasises that the results point to a significant number still potentially vulnerable, underscoring the need to be vaccinated and continuing with distancing and masking up. Also, neither this survey nor any city-wide survey has evaluated how long antibodies persist and if certain virus mutant variants can overcome the protection from antibodies.* Given that vaccines are round the corner for the general public and that no district has been immune from the virus, it is now no longer useful to know that 80% of India is still vulnerable. Rather, such surveys must shift focus to asking more granular questions: should the rise in spread among teenagers and children mean that they be considered for vaccination earlier than scheduled? Should companies accelerate trials to test protection in children? Should the rise in rural India — the survey is designed in a way to sample more villages than urban pockets — mean that they be given vaccines earlier? These and many more questions are no doubt already on the minds of specialist researchers but alongside the vaccination drives, the ICMR and the government health facilities must coordinate with a broader spectrum of specialists to investigate questions that can be used to guide and modify vaccination policy.

#### WHY HAS PFIZER'S VACCINE APPLICATION FOR INDIA BEEN TURNED DOWN FOR NOW?

*An expert body under India's apex drug regulator has recommended against granting approval to Pfizer's Covid-19 vaccine under emergency circumstances in the country, prompting the American drug giant to withdraw its request.*

##### **What is this Covid-19 vaccine?**

Pfizer developed this vaccine, '*BNT162b*', in collaboration with German biotech firm BioNTech. *The vaccine uses mRNA technology, which makes use of the messenger RNA molecules that tell cells what proteins to build. The mRNA, in this case, is coded to tell the cells to recreate the spike protein—the part of the SARS-CoV-2 virus that allows it to penetrate the cells and spread the Covid-19 infection in the body. Once injected into the body, the cells will use the mRNA's instructions, creating copies of the spike protein, which is in return expected to prompt the immune cells to create antibodies to fight it. Unlike several other vaccine candidates, mRNA vaccines are synthetically developed—they don't need the virus to be cultivated and replicated, just the code for the most crucial part that the body's immune system is to target. Another advantage is that they can be manufactured at a large scale in large vats called bioreactors.* Pfizer had received emergency use authorisation (EUA) from the UK by the time it had approached the Central Drugs Standard Control Organisation (CDSCO) in early December for a similar approval.

##### **What are the expert body's concerns?**

The Subject Expert Committee under CDSCO that looked into Pfizer's proposal and presentation did not recommend that the Drug Controller General of India (DCGI) approve the application at

**3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR**



present. This was due to concerns over *certain Serious Adverse Events (SAEs)* and the fact that additional safety information had not been generated from local trials in the country. “The committee noted that incidents of *palsy, anaphylaxis and other SAE’s have been reported* during post marketing and the causality of the events with the vaccine is being investigated. Further, *the firm has not proposed any plan to generate safety and immunogenicity data in Indian population,*” stated the minutes.

#### **What was Pfizer’s response?**

*Pfizer has decided to withdraw its application until it can generate the additional information required by the Indian regulator.*

#### **Does this mean Pfizer’s vaccine will not be available in India?**

At this stage, the vaccine will not be used in India. However, the company says it will “continue to engage” with the Indian regulatory authority and resubmit its approval request with additional information “as it becomes available in the near future.”

NO TO VACCINE NATIONALISM, YES TO GLOBAL COOPERATION (THANKOM ARUN - PROFESSOR OF GLOBAL DEVELOPMENT AND ACCOUNTABILITY AT THE UNIVERSITY OF ESSEX, U.K. REJI JOSEPH - ASSOCIATE PROFESSOR, INSTITUTE FOR STUDIES IN INDUSTRIAL DEVELOPMENT, NEW DELHI)

*While the leading and advanced countries have been mindlessly selfish in amassing approved vaccines, it is the **Global South** countries, India and China, which have provided a ray of hope to most countries.*

#### **Advance purchase contracts**

In their quest for ensuring vaccine security, a report by The New York Times, based on the data on vaccine contracts compiled by Duke University (<https://nyti.ms/3pKYm69>), shows that the advance purchase contracts made by some advanced countries for potential vaccines would vaccinate their population many times: the European Union, two times, the United States and the United Kingdom, four times, and Canada, six times. And, 82% of Pfizer’s production in 2021 and 78% of Moderna’s have already been advance purchased by rich countries. The expectation that an early vaccination will bring back normalcy and a required push to economic growth fuelled many advanced countries to engage in vaccine battles. The arguments of public good and global cooperation have gone out of the window now. *While advanced countries have turned their back on the need of poor countries to access COVID-19 vaccines, India has displayed empathy to their needs. India has taken a position that a significant percentage of the approved doses will be permitted for exports. While its exports to neighbouring countries will be under grant mode, initial shipment of vaccines to least developed countries will be free of cost.* And, shipments of vaccines from India have already started reaching different parts of the developing world. Brazil has received 2 million doses of vaccine from India (as of January 23). *While India is in its first phase of vaccination to cover health-care workers, exports from India are helping other countries also in initiating phase one of their vaccination programme — a gesture well-appreciated globally. In a democracy, one can expect the backlash of sending vaccines abroad without vaccinating its*



*population.* Nevertheless, India's approach only reinforces the need of having coordinated global efforts in bringing COVID-19 under control. This response manifests India's unstinted commitment to global development and has consolidated its name as the world's pharmacy. Although China has also been enthusiastic in promising vaccines and their delivery, the lukewarm response by countries such as Nepal has slowed down the ambition of China. The release of efficacy data in Brazil raises concerns about the effectiveness of the Sinovac vaccine.

#### Keep track of SDGs

The attitude of India towards vaccinating the populations in the poorer countries has generated discussion in the richer countries about the necessity for more proactive measures to roll out vaccines to the developing nations. The reversal of progress on many Sustainable Development Goals, or SDGs (<https://sdgs.un.org/goals>), such as SDG 3 ("Ensure healthy lives and promote well-being for all at all ages) could affect the health of the world population, and global growth itself. Even before COVID-19, projections have shown that 6% of the global population would be in extreme poverty, which has gone up by 71 million, thereby causing enormous challenges to SDG 1 ("End poverty in all its forms everywhere"). According to estimates by the International Monetary Fund, over 50% of emerging markets and developing economies that were converging toward advanced economies per capita income over the last decade are expected to diverge over the 2020-22 period.

#### COVAX as a pathway

The COVAX project is a global risk-sharing mechanism for pooled procurement and fair distribution of COVID-19 vaccines, an ambitious programme based on funding from high and middle-income countries. Although the funding was not enough for the project, *U.S. President Joe Biden's decision to join the project has now raised expectations significantly.* However, since high and middle-income countries are buying up large amounts of the vaccine directly from suppliers, *the promise by COVAX to deliver 2 billion doses by the end of 2021 (<https://bit.ly/3cAGSp8>) seems to face new challenges.* COVAX is a unique case of global cooperation and a strategic shift to enhance global development outcomes. Furthermore, since most of the vaccines are purchased from the global south for developing nations, the COVAX project can draw new pathways for global development. Most of these vaccines are cost-effective and affordable to the global south. For instance, Covishield, the Oxford University-AstraZeneca vaccine produced in India costs only \$3 per dose; Covaxin is priced at \$4.2. A recent study by The Lancet based on Covaxin's Phase 1 data (<https://bit.ly/3ty8wtc>) shows tolerable safety outcomes like any other vaccine. The intranasal version of Covaxin, which has been approved for phase I could further facilitate vaccinating the global population. The lower price of the vaccines is what has attracted many commercial buyers globally, including emerging economies such as Brazil and South Africa. The ability to produce large volumes of vaccine at an affordable cost underlines India's importance to developing countries when it comes to drug access. The development of vaccines is a classic story of global cooperation between the North and the South. Unfortunately, the increasing nationalist tendencies of the democratic World during the pandemic have challenged the positive narrative on global cooperation.

**BUSINESS & ECONOMICS****DISRUPTORS ON THE MONEY STREET**

*A week ago, not many outside the world of investing would have even heard of a Reddit community called WallStreetBets. In the last few days, however, the community's giant-killing act of almost toppling a successful hedge fund and subsequently disrupting normalcy in Wall Street has ensured that it can't be that obscure any more.* It is being talked about all over the Internet, and cheered by those who see it as a typical David Vs Goliath story, one in which the underdog takes on a strong and powerful rival and thrives. Others see true democracy in action. And those in the conventional investing world worry about the entry of a new complication in matters of money-making. Amid all this attention and adulation, *the community has added close to 5 million members in just a few days.* WallStreetBets' overnight leap to stardom cannot be explained without talking about who or what its brand new admirers consider to be the Goliath in this story: *a New York hedge fund called Melvin Capital.* What Melvin Capital did was *what hedge funds usually do — take short positions in stocks using a lot of borrowed money. A short position is essentially a bet on the price of a stock going down. Investors who take such positions do so by selling borrowed stock at the prevailing market price. The logic is: when the price falls, they can buy it at that lower price, thereby making a profit. They would then be able to return the stock to those who owned it in the first place.* But what if the price doesn't fall but, instead, climbs and keeps climbing? That means trouble. And *that's precisely the situation Melvin Capital was forced to face when a bunch of retail investors in WallStreetBets decided, for some reason, to go after its short positions in a company called GameStop, a video game and consumer electronics retailer based in Grapevine, Texas. Their heavy buying of the GameStop stock not just caused its price to rise, against Melvin Capital's expectations, but the latter found it difficult to cover its short positions, which it had to via the purchase of increasingly expensive stock, as the buying continued.* This retailer has certainly seen better times. That is more or less the import of analyst reports about GameStop in recent months. "As customer attitudes have shifted in buying digital media online, GameStop has suddenly found itself on the losing side of history," one analyst wrote in December 2020. For much of 2020, its stock was trading at well below \$10.

**Out of sync**

But as the WallStreetBets-Melvin Capital drama reached its climax in the latter half of January, the stock reached \$325 (the price at which it closed on January 29), which is completely out of sync with the fundamentals of the company, if the analysts are to be believed. But, as a Twitter user put it, GameStop is "just a piece of rope" in the tug of war between WallStreetBets and Melvin Capital. *The hedge fund, after suffering heavily, closed its position in GameStop. It also got a lifeline of \$2.75 billion from two other funds. It survives. There is no apparent reason to believe that the WallStreetBets had a specific dislike for Melvin Capital or, for that matter, affection for GameStop.* But many members have recalled their painful memories of dealing with the economic troubles in 2008, something that they blame Wall Street for. One such message, addressing Melvin Capital, said, "You stand for everything that I hated during that time." *WallStreetBets was started in 2012 by Jaime Rogozinski, a 39-year-old consultant in Mexico.* His idea was to have "a place where sophisticated investors could swap tips about high-risk, high-reward short-term trading strategies," says a 2018 article in Money.com. By this time, the investing ecosystem was starting

**3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR**





to hear about this unorthodox community of retail investors. Mr. Rogozinski himself had downplayed the role of his community as a source of business intelligence in an interview last year. He said, "Financial ideas? Perhaps. People look for them everywhere and WSJ (WallStreetBets) is an extremely entertaining forum, so it's entirely possible that people go for the entertainment and walk away with financial ideas." WallStreetBets has already given plenty of ideas to disruptors and plenty of worries to the establishment.

## CHINA IS STILL LARGEST SOURCE OF CRITICAL IMPORTS FOR INDIA

China still remains the largest source of critical imports for India, from mobile phone components to pharmaceutical ingredients, and India is working on a multi-pronged strategy to reduce this reliance, which is a bigger concern than the imbalance in trade. "The trade deficit is not in dollars, it is in overdependence," said Sanjay Chadha, Additional Secretary in the Ministry of Commerce and Industry, speaking at the All India Conference of China Studies (AICCS), organised by the Institute of Chinese Studies (ICS) Delhi and Indian Institute of Technology Madras (IIT-M). *"A mobile phone requires 85% content coming from one country. If China were to stop the active pharmaceutical ingredients (APIs) for penicillin, we would not be able to produce it in this country. When somebody controls your production, that is a sentiment which raises concern."*

### PLI scheme

Mr. Chadha said that India was working on a multi-pronged strategy to reduce this dependence, ranging from the Production Linked Incentive (PLI) scheme to boost domestic manufacturing, a global effort involving India's foreign missions to find alternatives to China, and the use of free trade agreements (FTAs) with other trading partners. COVID-19 had helped accelerate this change. When production in China was hit early in 2020, although its economy would recover by the summer and become the only major economy to avoid contraction last year, India shared with its foreign missions lists of items critically dependent on China, following which the missions linked up with suppliers in their countries.

What offered opportunities for India was the push from many countries to not necessarily relocate from China - which still remains integral to global supply chains - but to diversify, with future capacity expansion up for grabs. The PLI scheme is hoping to capture that diversification. "If 85% of my components [for mobile phones] is dependent on one country, should I not have a production linked incentive to have the big companies come here? We have seen Apple start manufacturing in India. The PLI is going to accelerate that investment." Mr. Chadha said this was "not so much a China obsession as it is to try and make supply chains resilient, either by way of adding or diversify sources". China still remained the biggest source of India's imports, but imports last year fell 10.8%, the lowest since 2016. Two-way trade in 2020 reached \$87.6 billion, down by 5.6%, while the trade deficit declined to a five year-low of \$45.8 billion. Mr. Chadha noted that steel imports had fallen from a high of \$2.8 billion to less than \$1 billion, with China replaced by South Korea in part because of an FTA. India in 2019 withdrew from the Regional Comprehensive Economic Partnership (RCEP), which would have put India and China in the same trading bloc. "The FTA," he said referring to the example of steel, "is resulting in diversification for free." On the trade front with China, he said India's exporters had struggled for years but made little headway because of a number of non-tariff barriers. In 2018, both sides signed a number of



protocols, including for rice and tobacco, but “none of this materialised in substantial trade”. India’s exports to China did, however, cross \$20 billion for the first time last year.

## GROWTH WITH INEQUALITY

The Economic Survey for 2020-21 is an expansive attempt at reviewing the developments in the Indian economy during the current financial year and providing an outlook for its near-term prospects. *Spread over 700 pages, the survey opts for a self-congratulatory tone while highlighting the policy achievements of the government in steering the economy through the treacherous shoals of “the most unfathomable global health emergency experienced in modern history”.*

While it may be debatable as to how much of the turn in the pandemic’s progress could be attributed wholly to proactive policy measures, the survey’s contention that India has turned the crisis into an opportunity to strengthen its long-term growth potential through ‘seminal reforms’ sounds off-key, especially given the ongoing farmers’ agitation against the new farm laws as well as the plight of the struggling small and medium-scale industries and informal sectors.

The survey goes on to forecast that the economy is currently experiencing a V-shaped recovery that would enable GDP to expand, *even by a ‘conservative estimate’, by 11% in real terms in 2021-22*. Still, to achieve that level of real growth, retail inflation must moderate substantially to average 4.4% or less over the 12-month period through March 2022, given that the *survey has projected nominal growth at 15.4%*. Also, while batting for a fiscal push to support the reviving economy, it posits an upside to the growth prognosis predicated on, among other factors, a rapid roll-out of the COVID-19 vaccines and a recovery in demand in the battered services sector. However, the document fails in providing an honest assessment of the on-ground economic situation by *overlooking key aspects including the extent of unemployment even as it hints at the level of rural joblessness*, which followed the return of millions of urban casual workers in the wake of last year’s hastily implemented lockdown. This it does by taking credit for a record 311.92 crore person-days of work generated over the last 10 months under MGNREGA. *And in contending that growth should be prioritised over inequality in tackling poverty, when the pandemic has exacerbated the gap between the rich and the poor and the Finance Minister is set to present her Budget, the survey seems to privilege wealth creation over all else.*

### Inequality glossed over

There is no mention of the stupendous rise in economic inequality during just the last year. While the poor lost their jobs and livelihoods in 2020, corporate India’s profits zoomed. The rank of the richest Indian is at the 12<sup>th</sup> spot on the Bloomberg Billionaires Index. Why could not the Budget consider a special tax on the super-rich — as many countries are now mooting? *The Budget does not seem to reckon with such a rise in inequality, let alone seek to redress it.*

## WHAT TOP BUDGET 2021 PROPOSALS ARE TRYING TO DO

Finance Minister Nirmala Sitharaman proposed many new measures in the Budget 2021 to prop up the flagging economy amid the Covid-19 pandemic and boost spending across sectors. Here is what the top proposals entail.



### Production-linked incentive (PLI) scheme push

The government aims to spend ₹1.97 lakh crore on various PLI schemes over the next five years, starting this fiscal. This is in addition to the ₹40,951 crore announced for the PLI for electronic manufacturing schemes.

**Why the move:** It is likely to attract global players in the Indian manufacturing sector as the government is planning to offer plug-and-play infrastructure to the companies willing to come to India.

### Health push

The government has announced a new central healthcare scheme to strengthen the country's healthcare infrastructure over the next six years. The *Pradhan Mantri Atma Nirbhar Swasthya Bharat Yojana*, which *will operate in addition to the existing National Health Mission*, has been allocated around ₹64,180 crore.

**Why the move:** This scheme is expected to be used to develop capacities of primary, secondary and tertiary healthcare systems as well as existing national institutions *over a period of six years*, according to Sitharaman. In addition to this, it would be used towards creating new institutions to cater to the detection and cure of new and emerging diseases. During her budget speech, the minister said that investment on health in this budget has increased "substantially", with a focus on strengthening preventive care, curative and well-being of the population.

If the announcement made represents a substantial annual fixed investment in improving urban sanitation, drinking water and sewage facilities, it is indeed a welcome step. There are lessons to be learnt from rural Swachh Bharat Abhiyan, however. *As the recent National Family Health Survey data for 2019-20 for select States showed, just constructing toilets in household premises is of little use without adequate access to water and sewage facilities, which are public goods in nature (best provided by local governments)*. Unless these complementary facilities are constructed in a coordinated manner, the effectiveness of such investments would be minimal.

### Divestment push and Bad bank proposal

Strategic disinvestment of companies, including, *to be completed in 2021-22*. The FM said it will take up *strategic sale of two public sector banks and one general insurance company* along with completing the sale of *BPCL, Air India, Pawan Hans, IDBI Bank, Container Corporation of India* and *BEML* among others in 2021-22. Government to ask Niti Aayog to start working on *identifying the next list of companies for strategic sale*. Announcing its version of the *bad bank* proposal, the government will set up an *Asset Reconstruction and Management Company for Stressed Assets* to take over bad loans. Alongside, a ₹20,000-crore equity infusion has been announced for public sector banks.

Openly announcing the privatisation of public sector banks and a public sector insurance company suggests at least two things. One, it shows that the rising pile of non-performing assets (NPAs) over the past decade made it difficult for the government to repeatedly recapitalise government-owned banks, especially when its overall finances are facing the most severe crunch. Two, the



government acknowledges that it has a limited role in India's banking system. The latter point holds true for the insurance sector too.

**Why it requires Govt involvement:** There are many mechanisms to proceed with how to realise value from the NARC. *Though India has over a dozen private ARCs, no state-owned banker in the current environment will be courageous enough to sell his bad assets to these at a discount, for fear of prosecution by state investigative agencies at a later date. And private ARCs will ask for a massive haircut from banks. It's here that a national ARC can inspire confidence amongst banks.*

#### **FDI limit hiked in insurance**

The Finance Minister announced to hike the *FDI limit in Insurance from 49% to 74%*. She, however, said that *majority directors on board and Key management personnel will be Indians.*

**Why the move:** The move will help increase capital inflow in insurance companies and enhance their expansion and growth.

#### **Development Financial Institution reborn**

Given that there is a lack of finance for infrastructure and long gestation projects, Finance Minister Nirmala Sitharaman has announced *the setting up of a Development Financial Institution (DFI)*. The DFI will have *statutory backing and ₹27,000 crore capital*. To differentiate it from DFIs that existed in the past, she said the DFI will be professionally managed.

The proposed DFI will be used to finance both social and economic infrastructure projects identified under the National Infrastructure Pipeline (NIP), according to finance ministry sources.

A DFI is supposed to fund infrastructure projects. The trouble in financing infrastructure in the recent past has been that such projects typically require long-term financing. *Using public sector banks to finance such projects, as India did, led to the banks being straddled with huge NPAs. For one, such banks did not have the expertise to assess risk accurately. Moreover, regular banks faced an asset-liability mismatch — in other words, they accepted deposits (their liabilities) for a short term but extended loans (their assets) over a much longer term.*

Further, contemporary experience shows that most successful industrialising economies have relied on DFIs for providing long-term credit. While the renewal of the idea of DFI is welcome, many caveats are in order. Its Achilles heel is in *securing stable long-term, low cost sources of finance. The Finance Minister's speech mentioned that the proposed DFI will be financed by foreign portfolio investments (FPI), which is a cause for concern. By definition, FPI represents short term inflows with exchange rate risks, while infrastructure investment is for long term whose revenues will be mostly in rupees.* Such an investment will inevitably lead to currency and maturity mismatch, raising cost of capital. Hence, there is a need to consider alternative long-term sources, preferably from domestic sources, or international development agencies.

#### **Scrapping policy**

The government has introduced the *scrapping policy* to remove unfit vehicles on a voluntary basis. All private vehicles beyond 20 years and commercial vehicles older than 15 years old will have to undergo a fitness test.



**Why the move:** The proposal is expected to offer a boost to the auto sector, both for commercial and private vehicles. Auto shares surged after the announcement.

#### **Bad debt resolution**

The government *plans to further strengthen the NCLT framework and continue with the e-court system for faster resolution of bad debts. A separate framework for MSMEs* will also be made by the government.

**Why the move:** With the government-imposed moratorium on admission of new cases likely to end by March 31, a number of MSMEs, which have not been able to earn enough during the fiscal are likely to be taken to insolvency by their creditors. *The separate framework may help MSME owners avoid losing their company while continuing to pay the debt.*

#### **Gas transport**

The government has announced an independent gas transport system operator for booking and coordination to ensure for unbiased allocation of natural gas transportation capacity.

**Why the move:** The government aims to address concerns of bias in the allocation of gas transportation capacity by players such as GAIL involved in both the supply and transportation of natural gas.

#### **Ujjawala push**

The government has announced *the extension of benefits of the Ujjawala scheme to an additional 1 crore people.*

**Why the move:** The scheme, which provides LPG connections with financial assistance from the central government and currently benefits 12 crore households, will be extended further to provide clean cheap cooking fuel.

#### **Power sector push**

*The government has allocated close to ₹3.60 lakh crore in the Budget towards launching a “revamped”, reforms-based, result-linked power distribution sector scheme. A framework will also be put in place to give consumers alternatives to choose from more than one distribution company.*

**Why the move:** This comes amid “serious” concerns over the viability of power distribution companies (discoms) in the country. The scheme is expected to provide assistance to discoms for infrastructure creation tied to financial improvements, including prepaid smart metering, feeder separation and upgradation of systems, said Finance Minister Nirmala Sitharaman. *Discoms across the country are monopolies, whether government or private, said the minister. There is a need to provide a choice to the consumer, she said.* The past six years have seen a “number” of reforms and achievements in the country’s power sector, including the addition of 139 GW of installed capacity, the connection of an additional 2.8 crore houses and addition of 1.41 lakh circuit kilometres of transmission lines.



### Social security net for gig workers

*Social security benefits will be extended to gig and platform workers*, the finance minister said. *Minimum wages will apply to all categories of workers and will be covered under ESIC*. This will impact around 15 million gig workers in India, in addition to online platform providers across sectors such as transportation (Uber and Ola), food delivery (Swiggy and Zomato), and the contract workers in IT and software firms.

**Importance:** The economic survey had noted that India has become one of the largest markets for flexi-staffing in the world due to the wider adoption of e-commerce and online retailing. It had also said that the increasing role of the gig economy was evident through the significant growth of online retail businesses during the lockdown caused by Covid-19 pandemic.

### Fiscal deficit

*India's fiscal deficit is set to jump to 9.5 per cent of Gross Domestic Product (GDP) in 2020-21*, according to the *revised estimates* presented by the finance minister today. *This is sharply higher than 3.5 per cent of GDP that was projected in the budget estimates*. Slump in government revenues amid the Covid-19 pandemic has led to sharp rise in deficit and market borrowing. *The government plans to borrow another ₹80,000 crore to fund the deficit this year*. Gross market borrowings for next year has been pegged at ₹12 lakh crore. A new roadmap for fiscal consolidation has been announced in the budget.

### Penion relief

*The government has given relief measures for senior citizens by removing the need to file income tax returns for those aged over 75 years*. It has also announced *a halving of the time frame for reopening of income-tax assessment cases from 6 years to 3 years*. *For reopening of serious tax evasion cases up to 10 years, the government has put in a monetary limit of cases involving over ₹50 lakh in a year*. This is expected to reduce instances of tax harassment of income taxpayers.

- Budget 2021 comes in the backdrop of the optimism of the economy turning the tide from an estimated 7.7% contraction in 2020-21. *The Economic Survey projects India's real GDP growth to be 11% in 2021-22, which is arrived by an implicit assumption of 4.4% inflation and a nominal GDP growth of 15.4%. This double digit growth projection is on a very low base and it is important to highlight the fact that even if these numbers are realised, this growth path would entail a real GDP growth of 2.4% over the absolute level of 2019-20; this means that the Indian economy would take two years to reach and surpass pre-COVID-19 levels*. This echoes the intensity of the abnormal times for the economy — which requires non-standard policy responses, and which was the expectation from Budget 2021.
- *As expected, the health sector was the first pillar with enhanced outlays, which have been spread over the next six years. While this strategy of spending over the medium term presents the so called 'road map', the yearly outlays get subsumed by the big numbers announced*. The immediate outlays are of significance in the present circumstances, when the overall demand in the economy is tepid. The construction of the six pillars, which was expected to be on the current year's enhanced expenditures, seems to be a bit misplaced, with very little increase in the overall expenditure of the government. *The fiscal arithmetic provides evidence of this as the*



*total expenditure for 2020-21 is stated as ₹34,50,305 crore in the revised estimates, with a capital expenditure at ₹4,39,163 crore. The Budget estimates for 2021-22 states the total expenditure at ₹34,83,236 crore. This means an additional spending of just ₹32,931 crore, which is less than even 1% in a year of income contraction for a vast majority of the population.*

## HOW BUDGET MAPS SPENDING ROUTE OUT OF PANDEMIC

**What is the state of the economy according to the 2021-22 Budget announced by Finance Minister Nirmala Sitharaman?**

It is well known that the Covid-19 pandemic resulted in the Indian economy contracting by over 7% in the current financial year. Contrast this to the fact that the average annual rate of growth since the start of economic reforms in the early 1990s was around 7%. *A sharp contraction of the economy, which came after three successive years of deceleration in GDP growth, dealt a heavy blow to the government's finances.* In the current financial year, the fiscal deficit, which is a measure of how much the government has to borrow in order to plug the gap between its revenues and expenses, jumped *from a budgeted 3.5% (of the GDP) to 9.5%*. The *Fiscal Responsibility and Budget Management (FRBM) Act* requires India to reduce the fiscal deficit to just 3%. *The Union government will not only fail to achieve this goal this year or the next (when it would be 6.8%), but will not meet it until 2025-26 — one year past the term of the current government.* In other words, government finances have been bent out of shape not just for this year but for the coming five years, thanks to the disruption caused by Covid-19. And this matters because, at the start of 2020, when all other engines that drive domestic economic growth — private consumption, business investments, and exports — were faltering, it was expected that government spending would kick-start the Indian economy. But because of the pandemic, the government's ability to spend has been severely affected. That's because in the current financial year, as economic activity evaporated, its revenues collapsed, while the need to provide free food and other subsidies sky-rocketed.

Well over a decade-and-a-half, we have kept up the pretence of attaining the deficit targets set out in the Fiscal Responsibility and Budget Management (FRBM) Act (2003). In this Budget, the pretence goes out of the window. *The Finance Minister has promised to introduce an amendment to the FRBM Act to formalise the new targets.*

**So, what has the government done in the Budget for next year?**

At first glance, the key strategy employed by the government seems to be to switch the nature of its expenditure. In other words, *starting next year, it wants to switch towards increasing capital expenditure relative to its revenue expenditure. Capital expenditure essentially implies spending on creating productive assets such as roads, while revenue expenditure refers to the government's day-to-day spending, such as salaries. As such, while the total expenditure in 2021-22 is pegged at ₹34,83,236 crore against ₹34,50,305 in 2020-21, revenue expenditure in 2021-22 is budgeted at ₹29,92,000 crore, which is almost 3% less than the current year. On the other hand, capital expenditure in the next year is budgeted to be ₹5,54,236 crore — 26% more than this year.*

This is the most significant takeaway from this year's Budget because more often than not, governments — even this one in the past — tend to sacrifice capital expenditure in favour of revenue expenditure. Choosing capital expenditure might appear like a unsympathetic choice —



because it does not involve money to be handed over directly to the needy (and there are a lot of genuinely needy people in the wake of the Covid-19 disruption). Instead, it is investment into raising the productive capacity in the economy, which is the best chance India has to return to a path of sustainable economic growth.

#### **But what about the sectors most impacted by Covid-19?**

There were two sectors of the economy that were perhaps most grievously hurt due to the Covid-19 disruption. The first was healthcare as it became clear that there is no alternative to having a robust public provisioning and that the existing Budget expenditure on this is woefully inadequate. The second was education, as lockdowns and the shift to online education brought out the deep digital divide in the country. Most Indian students did not have access to the Internet and/or a computer and suffered as a result. In her Budget speech, Finance Minister Nirmala Sitharaman asserted that health, education, and inclusive development were central to her expenditure agenda. However, on all three counts, the actual outgo falls short. For instance, *the Finance Minister said the health allocation for 2021-22 has gone up by 137%. But some experts see this figure differently.*

Professor Dipa Sinha of Ambedkar University argued that the Finance Minister has included the one-time expenditure for Covid-19 vaccination of ₹35,000 crore, as well as Finance Commission grants for water and sanitation (which effectively go to the state governments) in the health allocation. On education, the Finance Minister announced plans for improving the existing schools under the New Education Policy as well as beefing up the facilities for tribal students in the Eklavya model residential schools. But in terms of allocation, the 'Budget at a Glance' document showed that education will receive only 9.5% more in the coming year.

#### **What about the Atmanirbhar Bharat Abhiyan? How has it influenced the Budget?**

*The sum and substance of the Atmanirbhar Abhiyan is to promote domestic industry by either preventing imported goods (by raising import duties) from undermining domestic producers or helping domestic companies to source cheap imports (by reducing import duties).* For instance, the Finance Minister said: "MSMEs (micro, small and medium enterprises) and other user industries have been severely hit by a recent sharp rise in iron and steel prices. Therefore, we are *reducing Customs duty uniformly to 7.5% on semis, flat, and long products of non-alloy, alloy, and stainless steels.* To provide relief to metal re-cyclers, mostly MSMEs, I am *exempting duty on steel scrap for a period up to 31st March, 2022.* Further, I am also *revoking ADD and CVD on certain steel products.* Also, to provide relief to copper recyclers, I am *reducing duty on copper scrap from 5% to 2.5%.*" Similarly, to help MSMEs in the domestic textile industry, the Finance Minister *reduced the basic customs duty on goods like nylon chips, nylon fiber & yarn etc.* For MSMEs in the leather industry, she *withdrew the exemption on imports — in other words, make imports difficult — of certain kind of leathers as they are domestically produced in good quantity and quality, mostly by MSMEs.* Similarly, she *raised customs duty on finished synthetic gem stones to encourage their domestic processing.* "To benefit farmers, we *are raising customs duty on cotton from nil to 10% and on raw silk and silk yarn from 10% to 15%,*" Sitharaman said. Overall, with these steps the government hopes that the beleaguered MSMEs and the related informal workforce will receive a boost.





### Will the Budget help in creating more employment?

*The upshot of the emerging Budget strategy is that the government would rather like to spend on building capital resources and in doing so “crowd in” private investments*, which, in turn, will be the source of new jobs. But that is the logic on paper. In the real world, job creation will take time. For those who lost their jobs during the pandemic or those who could not get their first one, the outlook is still grainy. That’s because economic recovery — especially of the order which creates lots of jobs and quickly — still eludes India. In 2021-22, India will register fast economic growth but the fact is this will only make up for the output lost in 2020-21. It is significant that India was growing by just about 4% (in 2019-20) going into the Covid crisis. Growing at 7% or 8% coming out of it (that is 2022-23 onwards) is not a foregone conclusion.

### ON FISCAL DEFICIT

The Budget thus marks an important departure from one of the key tenets of the *Washington Consensus*, the framework for market-oriented economics which has dominated policy making in most parts of the world. *‘Macroeconomic stability’ is central to the Consensus.* ‘Macroeconomic stability’ means that *government budgets need to be broadly in balance so that borrowings to finance the deficit are kept to the minimum.* ‘Austerity’ became something of a mantra. It has been bitterly contested in recent years, especially in Europe, but austerity won the day until the COVID-19 crisis struck. *The Economic Survey that preceded the Budget laid the groundwork for a departure from a rigid adherence to fiscal consolidation. It has a quote from economist Olivier Blanchard, “If the interest rate paid by the government is less than the growth rate, then the intertemporal budget constraint facing the government no longer binds.”* The “intertemporal budget constraint” means that any debt outstanding today must be offset by future primary surpluses. Blanchard was saying that this is not true if the Interest Rate-Growth Differential (IRGD), the difference between the interest rate and growth rate, becomes negative. In the advanced economies, as interest rates have turned negative, Blanchard’s condition has been met. So governments there do not have to worry that deficits will render public debt unsustainable.

### ‘Spend more’

The International Monetary Fund (IMF) and the World Bank, both flag-bearers of the Washington Consensus, have been urging a departure from fiscal orthodoxy in the wake of the pandemic. Both these institutions used to be wary of any increase in the public debt to GDP ratio beyond 100%. Today, they are urging the advanced economies to spend more by running up deficits even when the debt to GDP ratio is poised to rise to 125% by the end of 2021. *The Survey argues that in India, the growth rate is higher than the interest rate most of the time.* So the conventional restraints on fiscal policy need to be questioned, especially when there is a serious contraction of the sort the Indian economy faced in 2020-21. It says that, in the current situation, expansionary fiscal policy will boost growth and cause debt to GDP ratios to be lower, not higher. *Given India’s growth potential, we do not have to worry about debt sustainability until 2030.* These points are by no means novel; the conditions for debt sustainability are well known. However, the Survey’s line was not accepted in the past. Indian fiscal policy has adhered to orthodoxy even during a downturn, such as the one we faced in the years preceding the pandemic. *An important consideration was the fear that the rating agencies would downgrade India if total public debt*



*crossed, say, 10%-11% of GDP.* That is a risk that cannot be wished away unless the rating agencies have decided to toe the IMF-World Bank line on fiscal deficits.

#### Key concerns

*Another concern is that a large fiscal deficit can fuel a rise in inflation. It is more than likely that a change in the fiscal consolidation targets will require a change in the inflation target of 4% set for the Reserve Bank of India. The Budget makes no mention of such a possibility.* Perhaps the Finance Minister did not want to administer too many surprises at one go. A third concern is that, *with the tax to GDP ratio not rising as expected, the sale of public assets has become crucial to reduction in fiscal deficits in the years ahead.* This is a high-risk strategy. For years now, revenues from disinvestment have fallen short of targets. The sale of Air India, which was begun in 2018, is still dragging on. We need to face up to an important reality: large-scale privatisation is not easily accomplished in India. Selling public assets cheap is politically contentious. There will be allegations of favouring certain industrial houses. Public sector unions are a vital political constituency. Privatisation of banks raises concerns about financial stability. Job losses from privatisation are bound to evoke a backlash.

#### Privatisation means FDI

Moreover, large-scale privatisation almost always involves substantial FDI. In South East Asia and Eastern Europe, privatisation of banks meant a large rise in foreign presence in the domestic economies. Atmanirbhar Bharat connotes greater self-reliance and stronger Indian companies. How does the government reconcile a rise in FDI with Atmanirbhar Bharat? If the nation's political economy came in the way of our meeting the FRBM targets, it is also likely to pose an obstacle to large-scale privatisation. A departure from fiscal orthodoxy is welcome. But the government needs to think of ways to make it more sustainable.

DESPITE SOME HITS, THE BUDGET HAS CRUCIAL MISSES (R. NAGARAJ IS WITH THE CENTRE FOR DEVELOPMENT STUDIES, THIRUVANATHAPURAM, KERALA)

*Domestic output or GDP, net of inflation, is expected to decline by 7.7% in the current financial year (FY2020-21), compared to the previous year (FY2019-20). The decline in per capita income is by 8.7%.* The contraction is one of the worst among the world's major countries. The novel coronavirus pandemic and the resultant lockdown led to massive job and livelihood losses (<https://bit.ly/3r8KUcu>). Unlike most advanced countries and emerging market economies, India's response to address the distress of the masses has been meagre. *The government's additional public spending to cope with the unprecedented crisis has been a little over 1% of GDP.* As is widely known, the output (GDP) contraction in 2020-21 has come on top of a slowdown in GDP growth over much of the previous decade (the 2010s), fall in employment, the decline in real wages, rise in the number of people in poverty, and, hence, an expected rise in the proportion of undernourished children. Much of the decline in the growth rate is on account of an unprecedented fall in fixed investment rate as a ratio of GDP, especially in infrastructure sectors.



### Capital expenditure proposal

Given the context, the present Budget's focus on stepping up public investment by 34.5% in the coming fiscal year (compared to the current year) is a welcome sign. The Finance Minister's speech said the government will borrow an additional ₹80,000 crore for the purpose in the next two months. *The estimated fiscal deficit for FY2021-22 is 6.8% of GDP for the central government. And States are allowed a higher fiscal deficit, if the expenditure is on capital investment.* These figures certainly look impressive. *Realisation of these investments would crucially depend on tax revenue realisations, disinvestment proceeds, sale of rail and road assets and the government's ability to raise resources from the market, without raising interest rates for the private sector.* There is *no mention of the government's recourse to debt monetisation.* While the investment intentions are evident, its financing efforts seem to have too many loose ends.

The Budget has very little to say about employment. Surely, the proposed step-up in infrastructure would create labour demand. It bears repetition that the 2010s were a decade of job loss growth, as in official National Sample survey estimates. The pandemic has rubbed salt into the country's wound, leading to the migration crisis, which is still with us (as the report cited above shows). Unfortunately, there is very little acknowledgement and response to the crisis in the Budget.

CARRYING OVER FISCAL CONSERVATISM (C.P. CHANDRASEKHAR - ECONOMIST AND COLUMNIST BASED IN NEW DELHI)

*During the current fiscal, expenditure on the MGNREGA programme touched an estimated ₹1,11,500 crore (RE) as compared with a budgeted ₹61,500 crore and an actual expenditure of ₹71,687 crore in 2019-20. Many deprived of jobs and livelihoods were supported by the programme. There is no reason to believe that all of them can now return to their erstwhile occupations, since the economy is still performing poorly. Yet, allocations for the MGNREGA programme are, going by Budget figures, to be drastically curtailed, from the ₹1,11,500 crore spent in 2020-21 to ₹73,300 crore in 2021-22. The picture is the same with food subsidies, which are to be reduced from as much as ₹4,22,618 crore in 2020-21 to ₹2,42,836 crore in 2021-22.*

Clearly, in the government's perception, the case for support is over, and the time has come to unwind even the limited support measures that the pandemic forced it to undertake. What then makes the Finance Minister declare this Budget as being one *"like never before"*? *Amid the multiple claims made in Part A of the Budget speech, two claims seem to be specially geared to creating the image of a never before Budget. One is a declaration that the Budget incorporates a package for "health and well being" that would take spending on its constituent items from a budgeted ₹94,452 crore in 2020-21 to ₹2,23,846 crore in 2021-22. An increase in health spending, of 137%, is presumably influenced by the lessons from the pandemic.* The other is a multi-faceted infrastructural investment thrust supported with a claimed 35% increase in capital spending, from ₹4.12-lakh crore budgeted in 2020-21 to ₹5.54-lakh crore in the Budget for 2021-22.

### Explaining health spending

However, these claims lose force when subjected to scrutiny. *To generate the huge increase in health spending, the Budget speech resorts to a rather expansive definition of what can be considered health.* In fact, allocations for the Department of Health and Family Welfare do not reveal any



significant increase. *Budget 2020 provided for around ₹65,000 crore for the Department of Health. Compared to that figure, the Budget estimate for 2021, of ₹71,269 crore, points to a not-too-spectacular 9.6% increase.* What is more, the Budget estimate for 2021-22 is 9.6% lower than the revised estimate of expenditure of the Department of Health and Family Welfare in 2020-21, of ₹78,866 crore. **To generate the impressive increase in the allocation to “health and well being”, the Budget speech includes in the figure expenditure on the Jal Jeevan Mission aimed at providing safe and adequate drinking water through individual household tap connections.** That component of the “health and well being” Budget rises from ₹10,905.50 crore in the revised estimate for 2020-21 to ₹49,757.75 crore in the Budget estimate for 2021-22, *being favoured by a ₹50,000 crore allocation from the cess-financed Central Road and Infrastructure Fund originally created to finance roads and highways.* Drinking water matters and must be provided but cannot be a substitute for core health facilities.

### Wishful thinking

*In the case of the infrastructural push described in the speech, the budgetary funding provided hardly seems adequate. What emerges is that the intention is to experiment with diverting resources garnered from the sale of existing assets of the public sector to part finance new investments in infrastructure. Besides disinvestment of equity, strategic sale, and privatisation of the public financial sector, expected to yield ₹1.75-lakh crore in 2021-22, there is much stress on “monetising idle assets”, especially land, available with public agencies.* As the failed experiment with an overambitious disinvestment agenda included in Budget 2021 suggests, this effort to strip public units of their assets to support private-led infrastructural expansion may be more in the nature of wishful thinking. The pandemic notwithstanding, Budget 2021-22 suggests that there is no change in the neoliberal fiscal stance of the current government. A lenient tax regime that favours private capital, restrained debt-financed spending, and excessive reliance on disposing of public assets to finance limited expenditures remain the principal elements of that stance. The pandemic may have forced increased spending in a couple of areas. But even before it recedes, the government seems bent on restoring the old normal.

### POLL POT

The largesse to the election-going States of Kerala, Tamil Nadu, West Bengal and Assam in the Budget presented by Finance Minister Nirmala Sitharaman on Monday was unmistakable. The *massive outlay of ₹65,000 crore for the development of the NH 66 corridor in Kerala*, as well as the announcement of the *second phase of the Kochi Metro and the development of the Kochi fishing harbour* as a commercial hub are big ticket budget proposals by any standard.

Ms. Sitharaman announced that *national highway works worth ₹19,000 crore are in progress in Assam* and projects of more than ₹34,000 crore covering over 1,300 km of national highways will be undertaken in the State within the next three years. The BJP has been harping on the “transformation” of Assam’s road network over the last five years to showcase its focus on infrastructure development.

*For West Bengal, there is a new “Economic Corridor” covering 675 km of national highway, with an expected investment of ₹25,000 crore.* For an industry-starved State, which is still trying to wish away its anti-industry image, investment in infrastructure was aimed to give a message that the



BJP has plans to bring in investment in the State. The party has started saying that the announcement was the beginning of “Sonar Bangla”.

*For Tamil Nadu, the proposed projects could cost up to one lakh crore rupees. This includes the Chennai Metro Rail (phase two) of 118.9 km for ₹63,246 crore and two expressways connecting Chennai.* Besides infrastructure allocations, the Budget also seeks notable social sector interventions in these States.

Assam and West Bengal get a special scheme, with a ₹1,000 crore outlay, for the welfare of tea workers, especially women and children. Plantation workers and descendants — or “tea tribes” and “ex-tea tribes” — comprise almost 20% of Assam’s total population, and are a decisive factor in many Assembly seats, in Assam and West Bengal.

The Budget is an instrument of politics, but it should not be predicated entirely on immediate electoral calculations. The BJP’s single-minded pursuit of its ideological politics is often a source of tensions, but its developmental politics expressed in the Budget, particularly the significant outlays for infrastructure, has to be appreciated. *The BJP is trying to retain power in Assam, and in West Bengal, it is within striking distance. In Tamil Nadu and Kerala, it is quite a distance away from being a serious contender for power.* The allocations for these States are therefore a significant statement of intent by the party. The projects here will take a few years to complete, but have considerable transformative potential. The BJP appears serious about its southern foray, but its rivals might not allow it to take full credit for the allocation of State resources.

#### 15TH FINANCE COMMISSION RECOMMENDATIONS

*The terms of reference of the 15th Finance Commission were controversial and contentious. Several state governments had raised concerns over what they saw as attempts by the Centre to claw back the fiscal space and autonomy extended to them by the 14th Finance Commission. The concerns centred not only on the vertical (between Centre and states) and horizontal (between states) devolution of resources, but also other areas such as the creation of a separate fund for defence modernisation, the provision of performance-based incentives and grants in line with the Centre’s priorities, and imposition of conditionalities on state borrowings.* While there was much apprehension over the shape its recommendations would take, in its report, *the Finance Commission appears to have taken a considered approach in balancing the competing needs of the Centre and states.* In line with the devolution recommended in its report for 2020-21, *the Commission has kept the states’ share in the divisible tax pool at 41 per cent. The difference of 1 per cent with the previous commission’s award is due to the change in the status of Jammu and Kashmir from a state to a Union territory.* Thus, over the entire five-year period ending in 2025-26, the states’ share in the divisible tax pool works out to around Rs 42.24 lakh crore. However, *considering the Centre’s practice of levying cesses and surcharges to garner resources, revenues from which are not shared with the states, this amounts to around 31.2 per cent of gross tax revenues.*

“In accordance with the views of the 15<sup>th</sup> Finance Commission, we are allowing a normal ceiling of net borrowing for the States at 4% of Gross State Domestic Product (GSDP) for the year 2021-2022. A portion of this ceiling will be earmarked to be spent on incremental capital expenditure,” she added. An additional borrowing ceiling of 0.5% of GSDP will also be provided based on meeting specified reforms in the power sector. *States are expected to reach a fiscal deficit of 3% of*



*GSDP by 2023-24, and maintain that level till 2025-26, as per the Commission's report.* The Centre has accepted 'in-principle' this quantum of net borrowing ceilings for the States, as per the action taken report. While the Commission has suggested the additional ceiling for power sector reforms be offered up to 2024-25, the government has said it will examine recommendations related to States' fiscal road map separately. Similarly, *the Commission's recommendation to overhaul the Fiscal Responsibility and Budget Management law to ensure legislations are in sync with fiscal sustainability frameworks, will be examined separately,* the government said. The Commission, headed by N.K. Singh, has recommended creating a separate non-lapsable fund for modernisation of defence and internal security, a term of reference the Centre had sought its views on. *To bridge the gap between defence budget allocations and the projected budgetary requirements, the panel has mooted a fund of ₹2.38 lakh crore for the coming five-year period. It has recommended that ₹1.54 lakh crore of this fund be transferred from the Consolidated Fund of India, partially using receipts from the disinvestment of defence public sector enterprises and land monetisation. The government has said the modalities and sources of funding will be examined in due course.* The Commission has sought to assuage the fears of southern States about losing some share in tax transfers due to the reliance on the 2011 Census data instead of the 1971 census, which could penalise States that did better on managing demographics. *It has done so by giving a 12.5% weightage for demographic performance in its tax-transfer calculations.* "The revenue deficit grants proposed for Andhra Pradesh and Kerala are far higher than the previous Commission's period, while Tamil Nadu has also been earmarked for marginally higher grant on this front," an official said.

#### WHY THE AGRI-INFRA CESS WILL NOT IMPACT CONSUMERS

*The Union Budget has imposed an Agriculture Infrastructure and Development Cess (AIDC) of ₹2.5 per litre on petrol and ₹4 per litre on diesel. But thankfully, these will not result in any additional burden on consumers. The reason for it is that unbranded petrol was earlier attracting a basic excise duty (BED) of ₹2.98 and a special additional excise duty (SAED) of ₹12 per litre. These have now been reduced to ₹1.4 and ₹11 per litre, respectively. Similarly, the BED on unbranded diesel has been cut from ₹Rs 4.83 to ₹1.8 and the SAEC on it from ₹9 to ₹Rs 8 per litre. So, the overall excise incidence on petrol (BED+SAEC+AIDC) will now be ₹14.9/litre, which was previously ₹14.98, while that on diesel is ₹13.8 (earlier ₹13.83). A similar readjustment has been made for alcoholic beverages that currently attract 150 per cent basic customs duty. That basic import duty has now been slashed to 50 per cent, even as the Budget has proposed an AIDC of 100 per cent. Net net the consumer does not have to pay anything extra.*

#### GOVT. PLANS LAW TO BAN BITCOIN, SET UP OFFICIAL DIGITAL CURRENCY

*India plans to introduce a law to ban private cryptocurrencies such as bitcoin and put in place a framework for an official digital currency to be issued by the central bank,* according to a legislative agenda listed by the government. The law will "create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India (RBI)," the agenda, published on the lower house website on Friday, showed. The legislation, listed for debate in the current Parliamentary session, seeks "to prohibit all private cryptocurrencies in India, *however, it allows for certain exceptions to promote the underlying technology of cryptocurrency and its uses,*" the government said.



### Panel mooted a ban

In mid-2019, a government panel recommended banning all private cryptocurrencies, with a jail term of up to 10 years and heavy fines for anyone dealing in digital currencies. The panel had, however, asked the government to consider the introduction of an official government-backed digital currency, to function like bank notes, through the RBI. *The central bank had in April 2018 ordered financial institutions to break off all ties with individuals or businesses dealing in virtual currencies such as bitcoin within three months.*

### Court intervention

*However, in March 2020, the Supreme Court allowed banks to handle cryptocurrency transactions from exchanges and traders, overturning a ban that had dealt the thriving industry a blow.* Governments around the world have been looking into ways to regulate cryptocurrencies but *no major economy has taken the drastic step of placing a blanket ban on owning them*, even though concerns have been raised about the misuse of consumer data and its possible impact on the financial system.

## WHAT ARE GOVERNMENT SECURITIES, WHY THE SUDDEN PUSH?

*The Reserve Bank of India (RBI) said on Friday (February 5) that it will give small investors direct access to its government securities trading platform. Retail investors can directly open their gilt accounts with RBI, and trade in government securities.* The Governor of the central bank, Shaktikanta Das, described this as a “major structural reform.”

### What are government securities, or g-secs?

*These are debt instruments issued by the government to borrow money. The two key categories are treasury bills – short-term instruments which mature in 91 days, 182 days, or 364 days, and dated securities – long-term instruments, which mature anywhere between 5 years and 40 years.*

### But can't retail investors already invest in g-secs?

Small investors can invest indirectly in g-secs by buying mutual funds or through certain policies issued by life insurance firms. *To encourage direct investment, the government and RBI have taken several steps in recent years. Retail investors are allowed to place non-competitive bids in auctions of government bonds through their demat accounts. Stock exchanges act as aggregators and facilitators of retail bids.*

### So what is the need for the current proposal, then?

*The g-sec market is dominated by institutional investors such as banks, mutual funds, and insurance companies. These entities trade in lot sizes of ₹5 crore or more. So, there is no liquidity in the secondary market for small investors who would want to trade in smaller lot sizes. In other words, there is no easy way for them to exit their investments. Thus, currently, direct g-secs trading is not popular among retail investors.* “Earlier too, the regulators attempted to popularise g-secs among retail investors – for example, *the NSE GoBid app or retail debt market (RDM) segment* at the Exchange. But the attempts did not have the desired result due to lack of liquidity. So, while the



intention is definitely good, we need to see the details on what RBI will do to make it effective and liquid,” said corporate trainer (debt markets) and author, Joydeep Sen.

#### **What will the current proposal do?**

The details are not out yet. However, the RBI’s intention is to make the whole process of g-sec trading smoother for small investors. *By allowing people to open accounts in RBI’s e-kuber system, it is hoping to create a market of small investors who will invest in these instruments.*

#### **Why is the government and RBI keen to push g-secs to retail investors?**

The RBI is the debt manager for the government. *In the forthcoming financial year, the government plans to borrow ₹12 lakh crore from the market. When the government demands so much money, the price of money (i.e., the interest rate) will move up. It is in the government’s and RBI’s interest to bring this down. That can happen by broadening the base of investors and making it easier for them to buy g-secs.*

#### **Are g-secs tax free? How do they compare with bank FDs?**

*Like bank fixed deposits, g-secs are not tax-free. They are generally considered the safest form of investment because they are backed by the government.* So, the risk of default is almost nil. However, *they are not completely risk free, since they are subject to fluctuations in interest rates.* Bank fixed deposits, on the other hand, are guaranteed only to the extent of ₹5 lakh by the Deposit Insurance and Credit Guarantee Corporation (DICGC).

### **RBI REITERATES GROWTH-SUPPORTIVE STANCE**

*The Reserve Bank of India (RBI) on Friday said it would retain an accommodative policy stance into the next financial year to help revive growth on a durable basis even as it held interest rates and vowed to ensure inflation remains within target.* The RBI also lowered its projection for retail inflation for the current quarter and announced that it would gradually restore the Cash Reserve Ratio — which had been cut to address the pandemic’s fallout — to 4% in two phases by May 22 as part of a ‘normalisation process’.

#### **Core a concern**

After breaching the RBI’s upper tolerance threshold of 6% for six consecutive months through November, CPI inflation had eased to 4.6% in December, helped by an appreciable softening in vegetable prices and a base effect. Core inflation, excluding food and fuel, however, remained elevated at 5.5% in December with only a marginal moderation from a month earlier. The RBI’s Monetary Policy Committee (MPC) noted in its statement that the RBI’s January survey showed households’ one-year ahead inflation expectations remained unchanged. “With the larger than anticipated deflation in vegetable prices in December bringing down headline closer to the target, it is likely that the food inflation trajectory will shape the near-term outlook,” the MPC observed.

#### **Sees Q4 inflation at 5.2%**

Taking into consideration various factors including risks from increases in industrial raw material prices, the MPC revised its projections for CPI inflation: for the ongoing fourth-quarter to 5.2%





(from 5.8% projected in December), that for the first half of 2021-22 to 5.2% to 5.0 % (from 5.2% to 4.6%) and estimated it to ease to an average 4.3% in the third quarter, with risks broadly balanced. *The MPC also estimated real GDP growth at 10.5% in 2021-22, slightly lower than the 11% projected in the Economic Survey and the International Monetary Fund's forecast of 11.5%.* Stating that growth was recovering, and that the outlook had improved significantly with the roll-out of the vaccine programme in the country, the MPC cautioned that the recovery was, however, still to gather firm traction, making it crucial to persist with policy support. The rate-setting panel voted unanimously to hold rates. "Going forward, the Indian economy is poised to move in only one direction and that is upwards," RBI Governor Shaktikanta Das asserted. "It is our strong conviction, backed by forecasts, that in 2021-22, we would undo the damage that COVID-19 has inflicted on the economy," Mr. Das added.

#### LENDING TO PEERS MAY BE WORTH A LOOK (JOYDEEP SEN - A CORPORATE TRAINER FOR DEBT MARKETS)

Interest rates have come down significantly. Bank deposit rates have eased, and fixed income mutual fund running yields (portfolio YTM) are much lower than earlier. In this situation, investors looking for relatively higher returns can eye an avenue known as *peer-to-peer (P2P) lending*. Let's first understand the concept. P2P is a quasi-formal system where you give loans to people not known to you so far, in relatively smaller amounts, at high rates of interest, without any pledge of securities.

#### P2P platforms

The function of bringing together the so-far-unknown lenders and borrowers is done by service providers called P2P platforms. In today's digital age, this is done online through websites run by these platforms. *Similar lending and borrowing in the unorganised sector has been around in India for a long time; the P2P system gives it a structure and it operates under Reserve Bank guidelines.* What is the attraction of P2P as an investing avenue? *Returns are high, in double digits.* This is much higher than bank deposits or debt mutual funds. What are the risks? *If a loan turns bad, the P2P service provider does not take responsibility; they may assist you by providing guidance on legal remedies. This is as per RBI regulations; the guidelines state that the platform 'shall not provide or arrange any credit enhancement or credit guarantee.'* *The profile of the borrower is someone who probably could not avail of bank funding, may be due to a relatively lower CIBIL score, but does not want to go for even higher rates charged by informal money lenders.* If risks are there, what are the safeguards? There is overall risk management in terms of diversification i.e. limit on exposure to borrowers. *If we look at the data on NPAs of banks, the industry i.e. large corporates constitute the highest NPA component (approximately 70% of the total bank NPAs), followed by services, agriculture, MSMA etc. Retail has the lowest NPA component (4% to 5%).* Even if one borrower were to default, your exposure is only so much. *The gist of the RBI risk exposure guidelines is that between one lender and borrower the cap is ₹50,000, exposure of one lender across the P2P mechanism is ₹50 lakh and one borrower can avail a maximum of ₹10 lakh across all P2Ps. The RBI also mandates these entities to obtain membership with all credit information companies and submit data. Though borrowers who come to the P2P system may not have a high CIBIL score, any digression would impact the CIBIL rating further. One important safety aspect of the P2P system is the NPA level. The NPA data of that platform is supposed to be disclosed on the websites. For your*



*due diligence, you should scan the data across platforms for choosing the one you would want to work with.*

### Saving on expenses

To be noted, in this mode of investment, you do not get the services of a professional fund manager like in mutual funds. But then, you save on the expenses as well as you are doing it yourself. To do your due diligence, start with a Google search for the P2P platforms. Check the RBI website for the list of approved P2P platforms ([https://www.rbi.org.in/Scripts/BS\\_NBFCList.aspx](https://www.rbi.org.in/Scripts/BS_NBFCList.aspx)) to ensure that the entity you are dealing with is approved. The website will tell you, what they can do for you as a lender and what they cannot. *Your choice of P2P platform also depends on the quality of information disclosed, quality of due diligence they do on borrowers, and the like.* As per regulations, *P2P service providers have to do due diligence on the participants, credit assessment and risk profiling of the borrowers and disclosure to lenders, documentation of loan agreements and render services for recovery of loans.* Some of the other services you can expect are borrower segmentation based on CIBIL score, income bracket, and the like. *The borrower may be required to obtain insurance (including personal life, permanent disability or loss of livelihood/employment) for the loan. P2P service providers may assist with a panel of lawyers to initiate legal action in case of non-payment of EMIs.* User experience shows despite risks i.e. unsecured lending to people with relatively lower CIBIL score, the returns are decent. *The rate of interest at which you lend is on the higher side, which is the compensating factor.* Even if one or two borrowers were to default, they are not large corporates, hence they would not have the bandwidth of legal machinery or other support. The more diversified the lending, the potential few defaults are usually made up for by the paybacks and higher rate of interest.

### AMAZON WINS RELIEF AS HC STAYS FUTURE-RELIANCE DEAL

*The Delhi High Court on Tuesday provided interim relief to e-commerce major Amazon by directing Future Retail Limited (FRL) to maintain status quo with regard to transfer of its retail assets to Reliance Retail.* Justice J.R. Midha also said he was of *the prima facie view that an order of the emergency arbitrator (EA) at the Singapore International Arbitration Centre (SIAC) restraining FRL from taking any steps to transfer its retail assets was enforceable in India.* The court, which was hearing Amazon's plea seeking enforcement of the arbitrator's order, also directed Future Coupons Pvt. Ltd. (FCPL), FRL and others to submit within 10 days an affidavit detailing the actions taken by them after October 25, 2020, and the present status of all those actions. Amazon, which has 49% stake in FCPL, contends that it had invested ₹1,431 crore on the clear understanding that FRL would be the sole vehicle for its retail business and that the retail assets would not be alienated without Amazon's consent and never to a Restricted Person, including the Mukesh Dhirubhai Ambani (MDA) Group. Amazon stated that FRL had taken various steps to transfer the retail assets to the restricted person in violation of the arbitrator's order and were continuing with it. FCPL, which has 9.82% stake in FRL, had objected to the enforcement of the arbitrator's award on various grounds including that the emergency arbitrator was neither an arbitrator nor an arbitral tribunal. It had also argued that the EA order was not an order under Section 17(1) of the Arbitration and Conciliation Act and hence not enforceable.



FEEL AT HOME WITH A STANDARDISED FIRE COVER (K. NITYA KALYANI - A BUSINESS JOURNALIST SPECIALISING IN INSURANCE & CORPORATE HISTORY)

A home insurance policy is basically a fire and allied perils insurance policy. Apart from covering natural catastrophes, it packages a burglary cover for contents, appliances breakdown and even household staff medical and accident covers and public liability. In the last decade or so, simplified home insurance policies have been introduced with self-declarations and good options. Now, a reference point is being created by the Insurance Regulatory and Development Authority of India (IRDAI), to make things even simpler. *From April 1, all general insurers have to mandatorily offer a standardised fire policy for homes — Bharat Griha Raksha — designed by the IRDAI. This replaces the Standard Fire and Special Perils Policy based on All India Fire Tariff, 2001, which is being de-notified for dwellings and micro-level and small-level enterprises.*

#### De-tariffing fire cover

This will complete the detariffing of fire insurance that began in 2006-07 and 2007-08, at which time companies were given freedom to charge their own premium rates while policy clauses, terms, conditions and wordings remained. *There are actually three standardised policies that will be mandatory for insurers to offer. They are, Bharat Griha Raksha for home building and home contents, Bharat Sookshma Udyam Suraksha for enterprises with SI up to ₹5 crore and the Bharat Laghu Udyam Suraksha for enterprises with SI between ₹5-₹50 crore.* The details are not yet out but promise policyholder-friendly features and simple language. Bharat Griha Raksha offers coverage for fire, natural catastrophes (storm, cyclone, typhoon, tempest, hurricane, tornado, tsunami, flood, inundation, earthquake, subsidence, landslide, rockslide), forest, jungle and bush fires, impact damage of any kind, riot, strike, malicious damages, acts of terrorism, bursting and overflowing of water tanks, apparatus and pipes and leakage from automatic sprinkler installations, and theft, within seven days of the occurrence. *Apart from covering the building, there is a general home contents cover for 20% of the sum insured (SI) subject to a maximum of ₹10 lakh. This is automatic and does not need declaration of details.* This soothes a pain point partially addressed by some simplified policies recently. You can also opt for a higher SI with declaration. Two new covers are available for valuable contents such as jewellery and curios and personal accident cover for the insured and spouse due to an insured peril.



## LIFE & SCIENCE

### SATURN'S TILTING AXIS

#### What caused the tilt to Saturn's rotation axis?

*The tilt of the rotation axis of the gas giant Saturn may in fact be caused by its moons, scientists from CNRS, Sorbonne University and the University of Pisa have reported (Nature Astronomy). The current tilt of Saturn's rotation axis is caused by the migration of its satellites, and especially by that of its largest moon, Titan. Recent observations have shown that Titan and the other moons are gradually moving away from Saturn much faster than astronomers had previously estimated. By incorporating this into their calculations, the researchers concluded that this process affects the inclination of Saturn's rotation axis: as its satellites move further away, the planet tilts more and more. In fact, what we see today is merely a transitional stage in this shift. Over the next few billion years, the inclination of Saturn's axis could more than double. The decisive event that tilted Saturn is thought to have occurred relatively recently. For over three billion years after its formation, Saturn's rotation axis remained only slightly tilted. It was only roughly a billion years ago that the gradual motion of its satellites triggered a resonance phenomenon that continues today: Saturn's axis interacted with the path of the planet Neptune and gradually tilted until it reached the inclination of 27 degrees observed today, says a release from CNRS.*

### WHAT IS SQUARE KILOMETRE ARRAY, THE WORLD'S LARGEST RADIO TELESCOPE

*The Square Kilometre Array Observatory (SKAO) Council held its maiden meeting and approved the establishment of the world's largest radio telescope. Headquartered and controlled from the UK, the SKA is not a single telescope but will be an array of antennas strategically designed and set up in South Africa and Australia. SKAO is a new intergovernmental organisation dedicated to radio astronomy and is headquartered in the UK. At the moment, organisations from ten countries are a part of the SKAO. These include Australia, Canada, China, India, Italy, New Zealand, South Africa, Sweden, the Netherlands and the UK.*

*India is participating in SKAO through the Department of Atomic Energy (DAE) and the Department of Science and Technology (DST). Pune-based TIFR-National Centre for Radio Astrophysics leads a team of researchers including from Raman Research Institute, Indian Institute of Science, Inter University Centre for Astronomy and Astrophysics, IITs of Kanpur, Kharagpur and Indore, Tata Institute of Fundamental Research, Presidency College and IISER-Mohali.*

*The Indian team was among the first to submit and get the design approval of a highly sophisticated Telescope Manager (TM), nicknamed "nervous system", of the SKA observatory. The Indian team has now been chosen to lead the construction of the TM system, which will be responsible for end-to-end operations of SKAO. India will also contribute towards building digital hardware for the SKA low-frequency receiver systems, some parts of the receiver for the SKA mid-frequency telescopes along with parts of the data processing units.*



### What are radio telescopes?

*Unlike optical telescopes, radio telescopes can detect invisible gas and, therefore, they can reveal areas of space that may be obscured by cosmic dust. Significantly, since the first radio signals were detected by physicist Karl Jansky in the 1930s, astronomers have used radio telescopes to detect radio waves emitted by different objects in the universe and explore it.* According to NASA, the field of radio astronomy evolved after World War II and became one of the most important tools for making astronomical observations since. *The Arecibo telescope in Puerto Rico, which was the second-largest single-dish radio telescope in the world, collapsed in December 2020. The telescope was built in 1963 and because of its powerful radar, scientists employed it to observe planets, asteroids and the ionosphere, making several discoveries over the decades, including finding prebiotic molecules in distant galaxies, the first exoplanets, and the first-millisecond pulsar.*

### So what is significant about the SKA telescope?

The telescope, proposed to be the largest radio telescope in the world, will be *located in Africa and Australia* whose operation, maintenance and construction will be overseen by SKAO. The *completion is expected to take nearly a decade* at a cost of over £1.8 billion. Some of the questions that *scientists hope to address using this telescope include the beginning of the universe, how and when the first stars were born, the life-cycle of a galaxy, exploring the possibility of detecting technologically-active civilisations elsewhere in our galaxy and understanding where gravitational waves come from.* As per NASA, the telescope will accomplish its scientific goals by measuring neutral hydrogen over cosmic time, accurately timing the signals from pulsars in the Milky Way, and detecting millions of galaxies out to high redshifts. Significantly, the development of SKA will use the results of various surveys undertaken using another powerful telescope called the *Australian Square Kilometre Array Pathfinder (ASKAP)*, which is developed and operated by the country's science agency CSIRO. This telescope, which has been fully operational since February 2019 mapped over three million galaxies in a record 300 hours during its first all-sky survey conducted late last year. *ASKAP surveys are designed to map the structure and evolution of the Universe, which it does by observing galaxies and the hydrogen gas that they contain.*

### WHO IS BHAVYA LAL, THE INDIAN-AMERICAN APPOINTED AS NASA'S ACTING CHIEF OF STAFF?

NASA appointed Indian-American Bhavya Lal as its acting chief of staff. Previously, as the senior White House appointee at NASA, Lal served as a member of the Biden Presidential Transition Agency Review Team for the agency and oversaw the agency's transition under the administration of President Joe Biden.

### IN THE OCEANS, THE VOLUME IS RISING LIKE NEVER BEFORE

Although clown fish are conceived on coral reefs, they spend the first part of their lives as larvae drifting in the open ocean. The fish are not yet orange, striped or even capable of swimming. They are still plankton, a term that comes from the Greek word for "wanderer," and wander they do, drifting at the mercy of the currents in an oceanic rumspringa. When the baby clown fish grow big enough to swim against the tide, they high-tail it home. The fish can't see the reef, but they can hear its snapping, grunting, gurgling, popping and croaking. These noises make up the soundscape

3<sup>RD</sup> FLOOR AND 4<sup>TH</sup> FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



of a healthy reef, and larval fish rely on these soundscapes to find their way back to the reefs, where they will spend the rest of their lives — that is, if they can hear them. But humans — and their *ships, seismic surveys, air guns, pile drivers, dynamite fishing, drilling platforms, speedboats and even surfing* — have made the ocean an unbearably noisy place for marine life, according to a sweeping review of the prevalence and intensity of the impacts of anthropogenic ocean noise published on Thursday in the journal *Science*. The paper, a collaboration among 25 authors from across the globe and various fields of marine acoustics, is the largest synthesis of evidence on the effects of oceanic noise pollution. “They hit the nail on the head,” said Kerri Seger, a senior scientist at Applied Ocean Sciences who was not involved with the research. “By the third page, I was like, ‘I’m going to send this to my students.’” *Anthropogenic noise often drowns out the natural soundscapes, putting marine life under immense stress. In the case of baby clown fish, the noise can even doom them to wander the seas without direction, unable to find their way home.* “The cycle is broken,” said Carlos Duarte, a marine ecologist at the King Abdullah University of Science and Technology in Saudi Arabia and the lead author on the paper. “The soundtrack of home is now hard to hear, and in many cases has disappeared.”

### Drowning Out the Signals

In the ocean, visual cues disappear after tens of yards, and chemical cues dissipate after hundreds of yards. But sound can travel thousands of miles and link animals across oceanic basins and in darkness, Duarte said. As a result, many marine species are impeccably adapted to detect and communicate with sound. Dolphins call one another by unique names. Toadfish hum. Bearded seals trill. Whales sing. Scientists have been aware of underwater anthropogenic noise, and how far it propagates, for around a century, according to Christine Erbe, the director of the Center for Marine Science and Technology at Curtin University in Perth, Australia, and an author on the paper. But early research on how noise might affect marine life focused on how individual large animals responded to temporary noise sources, such as a whale taking a detour around oil rigs during its migration. The new study maps out how underwater noise affects countless groups of marine life, including zooplankton and jellyfish.

## GOOGLE EXIT THREAT

*Australia is working on a law that seeks to make Internet platforms Google and Facebook pay news media companies for displaying their content as well as linking to their content. Following the publication of its draft, last year, Facebook said such a law could force it to block Australian news content on its feed.* Last week, just over a month after Australia introduced the legislation in Parliament, Google said it will shut down its search engine there if the law becomes a reality, prompting Prime Minister Scott Morrison to say, “We don’t respond to threats.”

### What is the basis for this law?

The broad idea has been around for a few years now. *In its 2019 report, Digital Platforms Inquiry, the Australian Competition and Consumer Commission (ACCC), the country’s competition regulator, 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.”* Very few platforms have the billion-plus-user base or the financial strength of a Google or Facebook. On the other side are



millions of individual publishers, none close to being any match for the scale of the top tech platforms. It also 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, which forms the context in the report. 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 last July. After some changes, the Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill was introduced in December last year (<https://bit.ly/2MiDkgD>). The biggest players in Australia's news media business, including Rupert Murdoch's News Corp and Nine Network, have battled for such a law.

#### **How does the Bill seek to correct the imbalance?**

*What is being proposed is a mandatory mechanism, under which news media companies will get to negotiate with Facebook and Google regarding payment for their content. If parties – digital platforms and news media – cannot arrive at a negotiated agreement about remuneration, an arbitral panel “will select between two final offers made by the bargaining parties.” Further, the Bill provides for a 14-day notice that platforms need to give publishers regarding any change in their algorithms. This is important because changes in platform algorithms have a significant impact on the referral traffic that publishers receive, and consequently affects their business.*

#### **Isn't this a drastic departure from how platforms have worked with publishers?**

Yes. This is one of those rare interventions by a government in publisher-platform relationships. *Platforms perform an important function in a digital world that is filled with an unimaginably huge amount of content and information, and into which there is an unceasing flow of new content every second.* They help users discover content in this vast information heap, either by way of search or via a friend's feed, for instance. This is also why publishers need platforms. For many news publications, even well-established ones, Google and Facebook are the source of much of their traffic. Publications often worry about faring well on Google and Facebook. They also worry about keeping pace with algorithmic changes. But *the publisher-platform relationship has rarely ever been about money. It has almost always been about tools and strategies for publishers to fare well on the platforms.*

#### **What is Google's stand?**

Google is not just against the idea of paying for the links but is also critical of the proposals on arbitration and algorithmic changes. In its blog, Google has said: “it does not agree to the allegation that it is responsible for the decline in newspaper revenue. Shutting down its search engine in Australia is a real option because Google has taken such a step in the past. *In 2014, Google shut its News Service in Spain, when the government introduced a law to make it pay a licence fee to use news content. Google shut down its Chinese search engine in 2010. In France, it has been forced by law to strike deals with publishers.* The EU copyright rules, which France has given force to, “allow publishers to demand a fee from online platforms showing extracts of their news,” says a Reuters report. It isn't clear on what basis the remuneration has been calculated. Google has proposed a different solution. *It goes by the name, Google News Showcase, a licensing arrangement with publishers across the world, toward which it plans to spend \$1 billion globally in the next three years.*



## WHAT IS THE SOUTH AFRICAN COVID VARIANT AND WHY IS IT MORE WORRYING?

Ever since scientists started tracking the SARS-CoV-2 virus that causes COVID-19, it has become a cause for concern that the virus has developed multiple variants that began emerging in the fall of 2020. These newer strains, according to the World Health Organisation (WHO), are more contagious and could render vaccine and antibody protection less effective and thereby, spread rapidly across dozens of countries in a short span of time. *The WHO has identified three new variants of coronavirus originating in the UK, Brazil and now in South Africa. Of the three, the latest South African variant known as 20H/501Y.V2 or B.1.351, is different from the one in Britain and appears to be more infectious than the original virus.* This potentially more concerning variant, which has been spotted since December 22 last year and spread to nearly 40 countries including the United States, emerged independently of B.1.1.7 or the UK variant and shares some mutations with the same. *The South African variant carries a mutation called N501Y that appears to make it more contagious or easy to spread, a report in The New York Times said. Also, the WHO has said this variant "is less susceptible to antibody neutralisation" than previous variants. South African researchers, according to a report in The Wall Street Journal, believe the new strain is around 50 per cent more contagious than the previous variants. Although the WHO has called for more studies on the new strain, it stressed that observational studies in South Africa did not indicate an increased risk of reinfection. This South African variant has become a major cause of worry for the scientists because of its unusually large number of mutations, especially in the spike protein, which the virus uses to gain entry into the cells within the human body.* Notably, the spike protein is also the part of the virus targeted by Covid-19 vaccines and antibody treatments. This mutation was also found in the new virus variant that emerged in the UK. However, the WHO noted that while both variants found in the UK and South Africa shared the N501Y mutation, they are different. *Another mutation of the South African variant called E484K, which is not found in the UK strain, is said to help the virus dodge attack by a person's immune system and hamper the effectiveness of Covid-19 vaccines. However, there is no evidence that Covid-19 vaccines that have been approved won't work against the new strain, although results from human clinical trials in South Africa suggest decreased efficiency of these vaccines as against the older variants.*

## WHO SHOULD NOT TAKE COVID-19 VACCINES?

On January 14, two days before India began the massive inoculation drive for COVID-19, the Health Ministry released a note on precautions and contradictions for the vaccines cleared so far, Covishield and Covaxin. Both India-made vaccines had emergency use approval and one of the points the circular clarified is that *shots are to be given only to those 18 years and above.*

### What are the other specifications?

The Health Ministry note (<https://bit.ly/3oB04p8>) said there should *ideally be a gap of at least 14 days* between a COVID-19 vaccine shot and other vaccines. It said it was *not permitted to interchange* the COVID-19 vaccines: under the two-dose regime the second dose should be of the same vaccine which was administered the first time around. Further, the *vaccines should be administered with caution in persons with a history of any bleeding or coagulation disorder* (clotting factor deficiency, coagulopathy or platelet disorder). While the existing fact sheets of both companies indicate that people on blood thinners should "inform their health-care provider"





(Covishield, <https://bit.ly/2MByQ4H>) or that “it is not advisable to take the vaccine in this condition” (Covaxin, <https://bit.ly/3cnRVBY>), the Indian Council of Medical Research (ICMR) Director-General Balram Bhargava on Thursday at a Health Ministry press conference said the *vaccine is safe for people on blood thinners*. He said both the manufactures of the vaccines had approached the Drugs Controller General of India (DCGI) for revision of this contraindication on their fact sheets. Dr. Bhargava said, “*Blood thinners are of two categories — antiplatelets and anticoagulants. For those on antiplatelets like aspirin the vaccine causes no problem but with those on anti-coagulants in these patients the tendency to bleed is much higher*. This is also a relative contraindication and the anticoagulant can be stopped a day or two before administering the vaccine.” The Health Ministry has advised special precaution for vaccine use in persons with a history of any bleeding coagulation disorder and added that other vaccine-specific contraindications may apply as new information becomes available.

#### **Should pregnant women take it?**

The Health Ministry advisory says *pregnant and lactating women should not be given either vaccine for now*. Pregnant and lactating women have not been part of any COVID-19 vaccine trial so far, it said. *People who have an allergic reaction to the first dose of the vaccine, immediate or delayed, should not take the second dose*. For those *who develop an allergy or other symptoms, the second dose can be taken in four to eight weeks after recovery*. This includes persons with active symptoms with SARS-CoV-2 infection and others acutely unwell. Also *SARS-CoV-2 patients who have been given the anti-SARS-CoV-2 monoclonal antibodies or convalescent plasma have been advised a deferral*.

#### **What about people who are ill?**

*For acutely ill or hospitalised patients due to any illness, vaccination can be deferred for four to eight weeks after recovery*. Covaxin in its fact sheet specifies that beneficiaries should inform vaccination providers before getting the vaccine if they are on regular medication for any illness. Covishield notes that *people who are allergic to any of the ingredients specified in the vaccine should not take it. It says if a beneficiary has a serious adverse reaction to the first dose he should stop the process*.

**DreamIAS**