



1st TO 7th August, 2021

CURRENT AFFAIRS FOR UPSC

DreamIAS





INTERNATIONAL

PANDEMIC OF DISTRUST

Those resisting vaccination mostly conform to a specific social, cultural, and political profile

President Joe Biden and the director of the CDC warned this week that the COVID-19 crisis in the U.S. was becoming a “pandemic of the unvaccinated”. This underscores the growing divergence across U.S. States and communities in terms of the prevalence and intensity of the Delta variant infection, depending on the extent to which these cohorts had been vaccinated. Approximately 30% of the adult population has yet to be vaccinated, along with 58% of those in the 12-17 years age group. The country has reached this troubling impasse despite a strong start. To date, 348 million doses have been given so far. This came on the back of the firm commitment by the Biden administration to follow the science in the tackling of the pandemic, and quickly secure pledges from vaccine manufacturers — including Pfizer, Moderna and Johnson & Johnson — to supply 700m doses by the end of July 2021, enough to cover 400m people. Using everything from consistent high-level messaging by the President and his team to get vaccinated, to lottery tickets and cash gifts offered by local and State governments to those willing to step and get a shot, the country has powered through to the point where 193 million Americans have received at least one dose, and at least 165 million people have received all the required doses. Yet, it is now increasingly clear that there are two cohorts of adults resisting vaccines: the first, *who are averse to getting vaccinated in all circumstances — preponderantly those who are rural, white, politically conservative, and evangelical Christian, according to surveys*; and the second *that are open to considering getting vaccinated but would like to wait for some time before committing to it. The second cohort is, like the first, mixed to an extent, but primarily consists of a diverse urban group, younger in age, often Democratic, and includes minorities such as African Americans, and Latino Americans.* Regardless of the reasons for resisting, the statistics paint a grim picture, of 95% or higher of COVID-19 hospitalisations and deaths being of unvaccinated people; and of the highest toll affecting States with lower-than-average vaccination rates, including the likes of Florida and Texas. The Biden administration has an unenviable, multi-pronged task at hand. On the one hand, it must continue to put out facts and data as well as advocacy messaging for ever-widening vaccine reach, and this includes working alongside social media platforms to clamp down on rampant misinformation. On the other hand, it needs to avoid succumbing to any and all pressures to relax precautions, for example the disastrous — and now reversed — guidance supplied by the CDC on May 13 to the effect that people need not wear masks if they had been vaccinated.

HOW WILL CONSUMERS BENEFIT FROM ‘RIGHT TO REPAIR’?

On June 21, the U.S. Federal Trade Commission (FTC) voted unanimously to make a push for the right of consumers to repair their electronic devices. All five FTC Commissioners voted in favour of a policy that seeks to know whether companies that are making it tougher for people to repair are violating antitrust laws. FTC Chairperson Lina Khan said its decision would help “root out unlawful repair restrictions” and move forward with “new vigour” against violators. The vote was



seen as a big win for the 'Right to Repair' movement, which has been making the case for allowing people to fix the products they buy.

What happens in the era of mobile computing?

A new era of mobile computing and consumer culture was born after Apple co-founder Steve Jobs unveiled a phone with a touchscreen, 4GB storage, camera and web-browsing capability. Millions of consumers bought the device, and used it for gaming, social networking and browsing the web. In just five years after its debut, over 200 million iPhones had been sold globally. Its success spawned the mobile computing industry and nudged users into upgrading their devices instead of fixing them when something went wrong. In the pre-iPhone era, certain issues in a mobile device could be repaired by the user themselves. It wasn't the case any more. To get an Apple product fixed, a buyer has to take it to an authorised dealer as any warranty on the product would become null and void if they opened the back of the smartphone. Even after taking the device to an authorised store, the cost of repair could be high. *A New York Times columnist noted that to fix an iPhone X's screen, Apple charges \$279, while a repair shop in Washington D.C. quotes \$219. Lack of Apple support makes such external repairs risky, the columnist writes.*

What are the other issues?

Hardware is only one part of the problem. In 2018, an Australian court ordered Apple to pay a penalty of Australian \$9 million (\$6.6 million) after it told its customers it wouldn't do free repairs for devices that stopped working due to a software glitch. *"Error 53" occurred after some iPhone users downloaded the company's updated operating system. Apple had turned down over 200 customer requests for repairs, citing devices were serviced at a non-Apple store, effectively voiding warranty.* Apple is a microcosm of the consumer tech industry itself. From home appliances to tractors, an increasing number of consumer products are run on software, and a technical glitch can only be fixed by an authorised technician. Tinkerers and large corporations are fighting to solve the issue of who owns the information needed to fix a device. Original equipment manufacturers (OEMs) in the U.S. are taking refuge in a two-decade old law framed to protect the movie industry from people breaking digital locks on DVDs. Under the Digital Millennium Copyright Act (DMCA), 1998, it is illegal to break a digital lock embedded in a product.

Why is the movement important?

A consortium of advocacy groups is trying to push repair-friendly laws in the U.S. and break the DMCA stronghold. The Repair Association's premise is that consumers can maintain their products, provided tools and information on fixing is available to them. Since its founding in 2013, the group has put several 'Right to Repair' proposals in state legislatures. The FTC vote is a major win for the group. The proposed legislation requires consumer electronics-makers to provide tools and information necessary to repair electronic products. This could change how companies operate by making them provide information and parts to unofficial repair centres, and, in the process, reduce costs for the consumer.

What is the stand of the tech giants?

Tech giants have been lobbying against the legislation, citing security concerns. TechNet, a trade group representing large tech firms, said allowing unvetted parties to access sensitive



information, tools and components would “jeopardise safety of consumers’ device and put consumers at risk of fraud”. But the FTC had earlier concluded that there was scant evidence to support the companies’ claim for restricting repair.

A CONFIDENT EXIT FROM AFGHANISTAN

Contrary to popular belief, the U.S. is not getting out of Afghanistan a defeated nation. It stayed there as long as it needed to, as President Joe Biden stated, achieving its objective “to degrade the terrorist threat to keep Afghanistan from becoming a base from which attacks could be continued against the United States.” The U.S.’s exit from Afghanistan represents a fundamental shift in its strategic objectives. As Vanda Felbab-Brown observes in her blog dated April 15, 2021 in Brookings Institution, the U.S.’s decision is the right one. It is time for it to move on and focus on more *important strategic priorities such as “threats from China, an aggressive Russia, North Korea, and Iran — as well as zoonotic pandemics”*.

Stopping spread of communism

By exiting Afghanistan, the U.S. has left the problem of containing what remains of the Taliban’s brand of Islamic fundamentalism to its concerned neighbours. The most aggrieved by this exit will be the Afghans who, after enduring 20 years of conflict, were looking forward to better times, but are instead being abandoned by the U.S. This is what happened to the South Vietnamese when the *U.S. withdrew from the Vietnam war in 1973*. The U.S.’s seemingly messy exit then concealed a victory against global communism that two shrewd and ruthless men — *President Richard Nixon and Henry Kissinger — conjured in just under four years between 1969 and 1973. At the start of the big U.S. engagement in Vietnam following the Gulf of Tonkin Resolution passed by the U.S. Congress in August 1964, which authorised the President to deploy armed forces in Southeast Asia, there was a real fear among Americans that revolutionary communism, spearheaded by the Soviet Union and China, would take over one country after another in Asia and that Vietnam would be one more country to fall if not checked.* Fortunately for Nixon, soon after becoming the American President in 1969, the ideological differences between the Soviet Union and China came out in the open and led to a border dispute. It is here that Nixon saw his chance to drive them further apart by reaching out to China through Romania and Pakistan. *In her 2005 paper, ‘Nixon, Kissinger, and the “Soviet Card” in the U.S. Opening to China, 1971-1974,’ Evelyn Goh, citing declassified documents, wrote about how the U.S. Secretary of State and National Security Adviser, Henry Kissinger, in his first secret trip to Beijing in July 1971, assured Premier Zhou Enlai that the U.S. government “would gradually withdraw U.S. troops as the war in Vietnam ended and as relations with China improved”.* The paper was published in the official journal of Society for Historians of American Foreign Relations, Diplomatic History. Following up on Kissinger’s secret visit to China, Nixon went there in 1972 on his much publicised ‘the week that changed the world’ tour paving the way for a ‘safe’ U.S. exit from Vietnam in 1973. This was no small victory for Nixon. With China almost wholly on his side, the U.S.’s principal enemy, the Soviet Union, stood alone. This practically eliminated American fears of communism overrunning the world.

Drawing parallels

Something similar has happened in Afghanistan. With the kind of surveillance that the U.S. and its allies are able to mount on countries and individuals today, it is unlikely that the Taliban will, even



if they wrest control of Afghanistan, be in a position to nurture another terrorist like Osama Bin Laden, as they have been accused of doing. It is this confidence, not frustration, that has enabled Mr. Biden to announce American military disengagement in Afghanistan.

GETTING BACK IN BUSINESS IN THE INDO-PACIFIC

United States President Joe Biden executed a bold diplomatic outreach to the Indo-Pacific region last month through carefully choreographed visits of his three top officials — Deputy Secretary of State Wendy R. Sherman, Secretary of Defense Lloyd J. Austin III, and Secretary of State Antony J. Blinken. This is part of a deliberate strategic re-focus, away from the 20 years of Afghanistan and Iraq and towards maritime Asia, where COVID-19, climate change and China are the compelling challenges. Assessing what the three American dignitaries sought and actually achieved is instructive in order to appreciate the impressive sweep of diplomacy and military strength of the world's top power, the United States. Their discussions would surely mould the geopolitical equations in the region.

In East Asia and Oman

Ms. Sherman's visit (July 19-27) was probably the most complex since it covered not only Japan, South Korea and Mongolia but also China. Throughout her trip, she reaffirmed the U.S. commitment to working with allies and partners for the promotion of peace and prosperity and upholding a 'rules-based order', the code word critical of China's behaviour. Her discussions with Japanese Vice Foreign Minister Mori Takeo, covered not only the present state of the Japan-U.S. alliance but also other issues including Myanmar and COVID-19. In addition, she participated in a trilateral meeting involving Japan and South Korea, perhaps in a bid to smoothen tensions afflicting the two east Asian neighbours. By visiting Ulaanbaatar, Ms. Sherman became the highest U.S. dignitary to visit Mongolia since 2016. Despite its close relationship with Beijing, Mongolia looks for devices to assert its independence. So, the opportunity to discuss its needs and concerns with the new administration was valuable. In Tianjin, China, she held discussions with Vice Foreign Minister Le Yucheng, her counterpart, and was also received by Foreign Minister Wang Yi. Her main mission was to convey that the U.S. welcomed competition but did not seek confrontation with China. She also discussed forthrightly the dismal human rights situation in Xinjiang and logistics for a possible Biden-Xi Jinping meeting at the G20 summit in Rome in October.

Southeast Asian dynamics

The visit by Mr. Austin (July 23-30) covering three important ASEAN member-states — Singapore, Vietnam and the Philippines — turned out to be the most productive in that it reiterated the necessity for a U.S. military presence in the region. As the Pentagon chief, Mr. Austin is heard with attention, particularly when he speaks with the candour of a veteran general. "Beijing's claim to the vast majority of the South China Sea has no basis in international law," he aptly asserted, while delivering the Fullerton Lecture on July 27 (<https://bit.ly/3CkTeMT>). He listed China's other objectionable actions, including "aggression against India". And then he sent out the key signal to Beijing: "We will not flinch when our interests are threatened. Yet we do not seek confrontation." This seems to have resonated, as Mr. Austin's discussions with leaders of the three countries went off exceptionally well. In a joint statement, Singapore and the U.S. agreed that America's presence



in the region is “vital for its peace, prosperity and stability”. The U.S. side appreciated Singapore’s logistical support to U.S. military aircraft and vessels (<https://bit.ly/3xmjPW7>), while Singapore benefits from the arrangement of an air force fighter training detachment hosted in Guam as well as new training facilities inside the U.S. Singapore could modulate its current inclination to move closer to China. Mr. Austin encouraged Vietnam to develop closer defence cooperation with the U.S. A new memorandum of understanding was signed to resolve the war legacy issues by creating a database to accelerate the search for those still missing in action (MIA). Mr. Austin’s visits to Singapore and Vietnam will be followed shortly by U.S. Vice President Kamala Harris. The Philippines leg produced a notable result as Manila agreed to full restoration of the Visiting Forces Agreement which provides the legal foundation for the U.S. military presence in that country.

In South Asia and Kuwait

Mr. Blinken’s trip to Delhi and Kuwait (July 26-29; <https://bit.ly/3yq8Yvt>) drew attention for its positive outcomes. The India visit was more in the nature of a consultative, confirmatory dialogue rather than one that results in signing of new agreements. His discussions with the Prime Minister, the National Security Adviser and the External Affairs Minister brought out clearly that the areas of convergence between the two nations are expanding and the areas of divergence are shrinking. His repeated observation that the friendship with India is one of the closest that the U.S. has, was music to Indian ears. On Afghanistan, the proximity of perceptions was emphasised, although this did not conceal the differences in their perspectives. On the Indo-Pacific, however, the convergence was clear, with the two Foreign Ministers agreeing to cooperate on a range of geopolitical and geo-economic issues without uttering the “C” word even once in their smoothly-managed joint press conference. By clarifying that the Quad was not “a military alliance”, Mr. Blinken spoke the truth, tipping his hat to India’s strategic autonomy. He defined the Quad as four like-minded countries “coming together to work collectively ... on regional challenges, while reinforcing international rules and values”.

The takeaways

Together, what do the three visits signal? First, that America’s China policy and the Rest of the Indo-Pacific policy will run in tandem, with inner consistency ensured by Mr. Biden. Second, Washington maintains a tough attitude towards Beijing, but it desires to keep the doors open for dialogue. The relationship with China is marked by three characteristics — adversarial, competitive and cooperative — and is likely to stay that way. Third, the U.S. is willing to resist and counter China firmly, but with the full engagement of and contribution by the like-minded states of the region. Therefore, Mr. Austin’s exposition of “integrated deterrence”, defined as “using every military and non-military tool in our toolbox, in lock-step with our allies and partners...”, assumes significance. In short, the U.S. is back and is willing to lead — but the region will have to seriously step up too and participate actively to maintain peace and prosperity. Asia can ill-afford to be a reticent bystander.

BIDEN GOVT. NON-COMMITTAL ON SUPPORT FOR INDIA’S UNSC BID

While the U.S. has in the past backed India’s bid for a permanent seat at the United Nations Security Council (UNSC), the Biden administration has continued to remain non-committal on the issue. “Well, we value working with India at the United Nations, including in the context this month of the

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Security Council. *We believe that a reformed Security Council that is representative, that is effective, and that is relevant is in the best interest of the United States and all of the UN member states. And we look forward to the opportunity to working very closely with India in the context of the Security Council in the coming weeks,*” State Department Spokesperson Ned Price said in response to a question on the U.S. position. *The Obama and Trump administrations had supported a permanent seat for India on the Security Council. Mr. Price said the U.S. offered qualified support for building a consensus for enlargement of the UNSC — in terms of permanent and non-permanent members. However, the U.S. would not support an expansion of the veto — given to the P-5, the current five permanent members: China, France, Russia, the U.K and the U.S. “Well, we support building a consensus for modest enlargement of the Security Council for both permanent and non-permanent members, provided it does not diminish its effectiveness or its efficacy and does not alter or expand the veto,”* he said. At her Senate confirmation in January, the U.S.’s U.N Ambassador, Linda Thomas Greenfield, had also refrained from saying the U.S. supported India and other members of the G4 (*Japan, Germany and Brazil*) for a permanent UNSC seat, citing regional disagreements on who should get the seat. Ms. Thomas-Greenfield was possibly alluding to the Uniting for Consensus (UFC) group — Pakistan, South Korea, Italy and Argentina — which opposes the G4 plan. China also opposes the bids of India and Japan. India is currently (in 2021 and 2022) a non-permanent member of the UNSC and is president for the month of August.

INDIA ALL SET FOR UNSC PRESIDENCY TERM

As it begins its month-long presidency of the United Nations Security Council (UNSC), India is set to hold high-level meetings and briefings to bring focus to its three priorities: maritime security, counterterrorism and peacekeeping, said India’s Permanent Representative to the United Nations T.S. Tirumurti in a video message released on Twitter on Saturday. On August 9, India will organise a virtual Open Debate for heads of state and government titled, ‘Maintenance of international peace and security: Enhancing maritime security — A case for international cooperation’ according to a government press statement. Countries will discuss coordinations to tackle maritime crime and security issues.

Increasing coordination

India will also organise a minister-level meeting titled, “Threats to international peace and security caused by terrorist acts” at the end of August. It is seeking to enhance coordination between the U.N. and the Financial Action Task Force (FATF), the money-laundering and terror-financing watchdog as well as address the linkages between terror and transnational crime. Another ministerial open debate on *“United Nations Peacekeeping Operations: Technology and Peacekeeping” will be held on August 18.* India is one of the top troop contributors to the U.N. missions and is looking for ways to use technology to better protect the forces. It is also looking at ways to address crimes against them. *It expects to deploy a mobile app — UNITE AWARE — that will provide terrain information and “improve situational awareness” for peacekeepers, Deputy Permanent Representative K Nagaraj Naidu told the UNSC in May, as per a PTI report.* India had taken a “principled and forward-looking position” on various issues since its tenure at the UNSC began in January, Mr. Tirumurti said in his message. “We have been proactive. We have focused on issues of our priority. We have made efforts to bridge the different voices within the Council to ensure that it comes together and speaks in one voice on a variety of important issues of the day,”



he said. Navigating this path has meant that India has sometimes abstained from voting at the Council and the larger U.N. system, for which it has been criticised for. For instance, in June, India was one of 36 countries that abstained from a *General Assembly vote on an arms embargo on Myanmar, despite condemning the violence and saying there can be “no turning back” on Myanmar’s democratic transition. India, which shares a border with Myanmar and exports arms to the country, said its concerns were not reflected in the draft resolution.*

Escalation in conflict

Other meetings related to international peace and security could be convened as needs arise — for example if there is an escalation in conflict. Afghanistan, along with Israel-Palestine, Syria, Lybia and Iraq will come up for discussion: these conflicts are regularly discussed at the Council. India already chairs the Taliban Sanctions Committee and Libya Sanctions Committee for 2021. The future of Afghanistan and the fallout for the region is a priority for India, as the U.S. and allied troops complete their withdrawal process. The government is keen to showcase the fact that the presidency coincides with its 75th Independence Day. Prime Minister Narendra Modi, External Affairs Minister S Jaishankar and Foreign Secretary Harsh Vardhan Shringla are expected to chair Security Council meetings. Mr. Modi will do this virtually, while Mr. Jaishankar could possibly travel to New York City for some of the meetings, depending on the schedule, which will be known on August 1, following the adoption of the work programme, according to government sources that spoke with The Hindu.

TIGRAY’S WOES

When Ethiopian Prime Minister Abiy Ahmed sent troops to Tigray, the country’s northern-most region, in November 2020, he promised it would be a short campaign against the Tigray People’s Liberation Front (TPLF). Seven months later, when Ethiopia declared a unilateral ceasefire and withdrew, Mr. Abiy was indirectly accepting defeat. *Government troops are now facing serious allegations of war crimes as bodies wash up in a river in Sudan that borders Ethiopia. The federal troops had initially ousted the TPLF from Mekele, the Tigrayan capital, and established a parallel government. But the TPLF retreated to the mountains, and then struck back. In June, it recaptured Mekele, forcing the federal troops to pull back.* At least in defeat, Mr. Abiy could have accepted his mistakes and sought a settlement. But instead, he announced a blockade on Tigray, with even international aid deliveries stopped. The UN says at least 3,50,000 people are facing a “severe food crisis” in the region. The TPLF says it will not stop fighting unless the government lifts the blockade and pulls back all opposing troops. The conflict has already spilled over into the Amhara and Afar regions, threatening the very regional make-up of ethnically divided Ethiopia. An influx of refugees has raised tensions with neighbouring Sudan. *Mr. Abiy, a Nobel Prize winner, went to war in Tigray as part of an ambitious plan to rewrite the country’s power balance. Since Ethiopia embraced democracy in 1995, the TPLF, which led the resistance against the military dictatorship, the ‘Derg’, had played a key role in the ruling coalition, the Ethiopian People’s Revolutionary Democratic Front (EPRDF). Mr. Abiy, an Oromo, rose to power in 2018 amid growing ethnic tensions and protests as the EPRDF’s nominee. He ended the war with Eritrea, released political prisoners and promised more freedoms. But he also moved to end the TPLF’s clout in Addis Ababa, which led to a split in the EPRDF. He formed a different coalition, the Prosperity Party, and retained power, by cutting the TPLF off federal government networks. When a defiant TPLF challenged the*



government, he declared war on Tigray. He may have hoped that the federal troops could oust the TPLF from power and establish order quickly. But he seemed to have overlooked Ethiopia's complex history of ethnic relations and the TPLF's guerrilla warfare. The war may have helped him politically — his coalition won a huge majority in the delayed June Parliamentary elections which were held in all regions except in Tigray — but it has pushed Tigray into an endless rebellion and shaken up the country's ethnic balance. It is time for Mr. Abiy to act like a statesman. He should stop the collective punishment of the Tigrayan people, end the blockade and be ready for talks with the TPLF for a mutually agreeable cessation of all hostilities.

ISRAELI SC OFFERS COMPROMISE TO AVOID PALESTINIAN EVICTIONS

Israel's Supreme Court has floated compromises that would block the evictions of dozens of Palestinians in the east Jerusalem town of Sheikh Jarrah, where attempts by Jewish settlers to expel them from their homes sparked an 11-day war between Israel and Gaza militants in May. The cases examined on Monday involve four Palestinian families, numbering a total of about 70 people. The settlers have been waging a decades-long campaign to evict the families from densely populated Palestinian neighbourhoods just outside the walls of the Old City, in one of the most sensitive parts of east Jerusalem. The settlers say the homes are built on land that was owned by Jews prior to the 1948 war surrounding Israel's creation. Israeli law allows Jews to reclaim such property, a right denied to Palestinians who lost lands and homes in the same conflict. The Palestinians say they have owned the properties for decades. During Monday's hearing, the Supreme Court proposed a pair of compromises, according to Ir Amim, a human rights group that supports the Palestinians and which sat in on the hearing. It said the first proposal offered the residents "protected" status, meaning they would be protected from eviction for years in exchange for recognising the settlers' ownership over the land. This offer would allow the four families the right to pass down their properties for two generations. But after the four families rejected the proposition, the court proposed an alternative settlement where the four families would receive protected status while instead acknowledging that Israel once registered the properties with previous Jewish owners, according to Ir Amim. It said the settlers rejected that proposal, while the families asked for more time to consider it.

MINISTER WILL DISCUSS BILATERAL ISSUES IN IRAN

External Affairs Minister (EAM) S. Jaishankar flew to Tehran on Thursday to attend the swearing-in of newly elected Iranian President Ebrahim Raisi. Mr. Jaishankar is meeting Mr. Raisi as well as other dignitaries before returning to Delhi on Friday. Apart from bilateral issues, he will discuss the growing violence in Afghanistan. India and Iran are the two regional powers not included in *the "Troika plus" meeting of U.S.-Russia-China and Pakistan, which is expected to discuss Afghanistan's future on August 11 in Doha*, and have both made it clear that they only recognise the legitimacy of the Ghani government though Iran has held talks with Taliban delegations as well. Afghan President Ashraf Ghani also attended the ceremony.

EX-AUSTRALIAN PM ABBOTT IN INDIA TO PUSH TRADE TALKS

In an effort to restart India-Australia trade talks, former Australian Prime Minister Tony Abbott landed in New Delhi on Monday for a four-day visit to meet Ministers and business leaders. Mr.

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Abbott is in India as *Australian Prime Minister Scott Morrison's "Special Trade Envoy for India". Despite an agreement between Prime Minister Narendra Modi and Mr. Morrison in June 2020 that India and Australia would "re-engage" on the Comprehensive Economic Cooperation Agreement (CECA), talks on CECA, which have been suspended since 2015, have made no visible progress. "Mr. Abbott looks forward to discussions on the India-Australia Comprehensive Economic Cooperation Agreement, which will propel our economic relationship to its full potential, to the mutual benefit of the Indian and Australian people,"* Australian High Commissioner Barry O'Farrell said, announcing the visit on Monday, describing bilateral ties at an "historic high". "This will be an opportunity to progress Australia's ambitious agenda to energise and expand our bilateral trade and investment relationship with India," a statement issued by the Australian Department of Foreign Affairs and Trade also said.

To meet Modi, Goyal

Officials said Mr. Abbott's schedule is still to be finalised, but he is expected to meet Commerce Minister Piyush Goyal and officials of the Commerce Ministry, address business chambers and think tanks in Delhi before he leaves on August 6. Officials did not rule out a meeting with Mr. Modi, who had met Mr. Abbott warmly, calling him a friend during a private visit to India in 2019. During his first visit as Prime Minister in September 2014, Mr. Abbott had been particularly keen to see the CECA to its conclusion. After talks with Mr. Modi who travelled to Australia two months later, the two leaders had announced they hoped to finalise the deal by the end of 2015.

No progress

"By the end of next year we will have a free trade deal with what is potentially the world's largest market. And I want to make this declaration here in this Parliament: there are two can-do PMs in this chamber today and we will make it happen," Mr. Abbott had told the Australian Parliament in November 2014. However, the talks ran into trouble over market access for Australian agricultural dairy products, high tariffs and other issues. After Malcolm Turnbull unseated Mr. Abbott in 2015, progress on the *CECA talks slowed down, particularly as talks over the 16-nation ASEAN-led Regional Comprehensive Economic Partnership (RCEP), that included Australia and India picked up. India decided to walk out of the RCEP in 2019, however, and the bilateral CECA negotiations have been pending ever since. Mr. Abbott has been particularly critical of the RCEP agreement, that is expected to come into force on January 1, 2022,* calling it the "trade arm of China's Belt and Road Initiative".

SRI LANKA SEEKS TO RESET RELATIONS WITH INDIA

After months of strain over a number of issues, including the cancelled port project in Colombo, Sri Lanka is preparing to send its *High Commissioner-designate to New Delhi, along with a "road map" to restore ties that includes resolving fishermen's issues, building connectivity, trade and investment, as well as promoting religious links, Buddhist exchanges and handing over a sacred "Sita temple stone" from Sri Lanka for the proposed Ram temple in Ayodhya. According to a formal proposal presented to Sri Lankan President Gotabaya Rajapaksa, which The Hindu has seen, the road map will help bridge the "growing trust deficit". In February, the Narendra Modi government expressed its unhappiness over Sri Lanka's decision to scrap the East Container Terminal project signed in 2019, amid other signs that China was gaining the upper hand in infrastructure deals in*

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the country. *The Rajapaksa government has been disappointed over the lack of movement on the requests it made to India for assistance, including a debt repayment waiver for three years and a separate currency swap for \$1 billion to help with economic crisis, which were made by President Gotabaya and Prime Minister Mahinda Rajapaksa to Mr. Modi. "In recent years, the Indo-Sri Lanka bilateral relationship has been increasingly dominated by a transactional approach. This is a consequence of the changes in the geo-political equilibrium in the region, that have resulted in a growing trust deficit," says the document prepared by a team led by new High Commissioner- to-be Milinda Moragoda, Deputy High Commissioner Niluka Kadurugamuwa and top diplomats at missions in Delhi, Chennai and Mumbai.* The reset in ties is expected to be marked by the arrival of Mr. Moragoda, a former Cabinet Minister, in mid-August. *His predecessor, High Commissioner Austin Fernando, completed his term and returned to Colombo on January 11, 2020,* which makes this the longest period the position has remained vacant, even though Mr. Moragoda's appointment was announced in August 2020. While officials say the COVID-19 situation and the lack of connectivity between India and Sri Lanka during the second wave contributed to the delay, no official reason was given to the Indian side who had processed the diplomatic agreement speedily at the time. An official of the Ministry of External Affairs welcomed the news of the High Commissioner's arrival, but said New Delhi had not yet received details of the "Integrated Country Strategy" for India.

'Speed up projects'

In its recommendations, the paper says it is "imperative" that Colombo speeds up the West Container Terminal project that Sri Lanka offered after cancelling the ECT project, as well as the Trincomalee Oil Tank Farm and other pending projects. It also advocates an inter-agency committee on trade, investment and tourism to reach foreign direct investment goals of \$256 million from India in 2022. While it sets a goal for *Sri Lankan exports to India of about \$675 million in 2022, it points out that export prospects presently suffer due to "increasing protectionism [in India], limited market access, a challenging and unpredictable regulatory environment as well as the Make in India Initiative,* which prioritises local business and sourcing of local raw materials and products over imports". The strategy is silent on the Economic and Technology Cooperation Agreement, negotiations for which appear deadlocked. *In his letter to President Gotabaya introducing the paper, Mr. Moragoda outlines plans for the next two years of his tenure in New Delhi, including high-level visits between both capitals. Putting a special emphasis on the role of Buddhism, which he calls the "most precious gift that India has bestowed upon [Sri Lanka]" from the time of Emperor Ashoka, he says the two countries are bound by geography, economics, culture, history and democratic values.* "Against this backdrop, any setbacks to our relationship however intractable they may appear to be at any given point in time, can only be temporary," Mr. Moragoda adds. The strategy paper advises promoting exchanges of *Buddhist and Hindu scholars as well as Sri Lankan Catholic pilgrims to the "Velankanni trail" in Tamil Nadu.* In particular, *it speaks of handing over a sacred stone from the Sita Amman temple in Sri Lanka for the Ram Temple in Ayodhya. Among the problems the paper seeks to address is the conflict in the Palk Bay, where Sri Lankan fishermen object to Indians using bottom trawlers and fishing illegally along their coast, which often leads to arrests of the Indians. Indian fishermen accuse the Sri Lankan Navy of attacking and killing them.* The paper suggests that top Sri Lankan diplomats engage directly with the government and fisheries associations in Tamil Nadu. It also advises engaging with the MEA, the Tamil Nadu government and the UNHCR to encourage and facilitate the return of about 1 lakh Sri Lankan refugees from India.



INDIA, SRI LANKA AND MALDIVES TO COLLABORATE ON SECURITY

India, Sri Lanka and the Maldives have agreed to work on “four pillars” of security cooperation, covering areas of marine security, human trafficking, counter-terrorism, and cyber security, in a recent virtual meeting of top security officials of the three countries. The Deputy National Security Adviser-level meeting was hosted online by Sri Lanka on Wednesday, and chaired by General LHSC Silva, Chief of Defence Staff and Commander of Army of Sri Lanka. Pankaj Saran, Deputy National Security Adviser of India, and Aishath Nooshin Waheed, Secretary, National Security Adviser’s Office of the Maldivian President participated.

Intelligence sharing

The discussion comes nine months after National Security Adviser Ajit Doval visited Colombo for deliberations with Secretary to Sri Lanka’s Ministry of Defence, Kamal Gunaratne, and Defence Minister of Maldives, Mariya Didi, in which the three countries agreed to expand the scope of intelligence sharing. Their meeting marked the revival of NSA-level trilateral talks on maritime security in the Indian *Ocean Region after a gap of six years. Following up on that, the Deputy NSA-level meeting this week identified “four pillars” of cooperation in Marine Safety and Security, Terrorism and Radicalisation, Trafficking and Organised Crime, and Cyber security, a press release from the Indian High Commission here said on Friday, adding “specific proposals” for cooperation in each area, including joint exercises and training were discussed.* The ‘Colombo Security Conclave’ among the three neighbouring countries seeks to “further promote” maritime security in the Indian Ocean Region, and was initiated by President Gotabaya Rajapaksa in 2011, when he was Secretary to the Ministry of Defence, according to a media release from the Sri Lankan Army. The initiative, grounded in military and security collaboration, assumes significance in the region, in the wake of the current geostrategic dynamic that India shares with Sri Lanka and the Maldives. Earlier this year, India aired security concerns over China being awarded development projects in an island off Sri Lanka’s northern province, close to India’s southern border.

Engagement with Quad

On the other hand, the Maldives’s engagement with members of the India-United States-Japan-Australia grouping, known as the ‘Quad’, has been growing over the last year, especially in the area of defence cooperation. *The Ibrahim Mohamed Solih government signed a ‘Framework for a Defence and Security Relationship’ agreement with the United States last year, an initiative that India welcomed. In November 2020, the Maldives received a Japanese grant of \$7.6 million for the Maldivian Coast Guard and a Maritime Rescue and Coordination Center.* Meanwhile, Male’s foreign policy choices are increasingly being challenged by sections, mostly opposition groups, wary of “Indian boots on the ground”.

**NATION****POST TALKS, INDIA, CHINA PULL BACK TROOPS FROM GOGRA**

India and China have undertaken disengagement from Gogra area of eastern Ladakh following an agreement at the 12th round of Corps Commander talks, the Army said on Friday. This is the second friction area from which disengagement has been carried out after Pangong Tso in February as part of efforts for overall disengagement and de-escalation along the Line of Actual Control in eastern Ladakh to end the standoff that began in May last year. "As per the agreement, both sides have ceased forward deployments in this area in a phased, coordinated and verified manner. The disengagement process was carried out over August 4 and 5. The troops of both sides are now in their permanent bases," the Army said. *All temporary structures and infrastructure created by both sides have been dismantled and mutually verified, it added. This agreement ensures that the LAC in this area would be strictly observed and respected by both sides, and that there was no unilateral change in status quo, the Army said. With this development, the focus of further talks would be on disengagement at PP15 in Hot Springs,* according to a defence official. Some progress had been made but some issues remain, he said. On the 12th round of Corps Commander talks that went on for nine hours, the Army said the two sides had a "candid and in-depth exchange of views on resolution of the remaining areas" related to disengagement along the LAC in the western sector.

CJI RECUSES HIMSELF FROM ANDHRA-TELANGANA CASE

Chief Justice of India (CJI) N.V. Ramana on Wednesday recused himself from hearing a petition filed by Andhra Pradesh accusing Telangana of depriving its people of their legitimate share of water for drinking and irrigation. The Chief Justice, who said he hailed from both Andhra Pradesh and Telangana, withdrew after A.P. rejected the court's suggestion to send the case for mediation. "The matter requires adjudication," advocate G. Umopathy, for Andhra Pradesh, informed the Bench, also comprising Justice Surya Kant. "In that case, if you do not want mediation, I cannot hear this case. Let it be listed before another Bench," the CJI said. Solicitor General Tushar Mehta, for the Centre, said that he personally and the government had "full faith" in the Chief Justice in the case and urged him to not recuse. "Thank you, but I cannot hear this case," Chief Justice Ramana said. In the previous hearing, he asked the Andhra Pradesh counsel to get instructions on whether they wanted the case to be sent for mediation or continue with the adjudication. Senior advocate Dushyant Dave, who represented the State, had asked for some time to get instructions. A.P., in the petition filed through counsel Mahfooz A. Nazki, accused Telangana of refusing to follow the decisions taken on river water management in the Apex Council constituted under the Andhra Pradesh Reorganization Act of 2014. It said its neighbour also ignored the directions of the Krishna River Management Board (KRMB), constituted under the 2014 Act and directions of the Centre. "Fundamental rights, including right to life of its citizens, are being seriously impaired and infringed on account of unconstitutional, illegal and unjust acts on the part of the State of Telangana and its officials, resulting in the citizens of the State of Andhra Pradesh being deprived of their legitimate share of water for drinking and irrigation purposes," the plea said. The focus of the petition is a Telangana Government Order (G.O.) of June 28 that said, "To tap more hydel generation in the State, the government has taken a decision to generate hydel power up to 100%



installed capacity". A.P. said the G.O. was issued only days after the Ministry of Jal Shakti, in a communication on June 17 to Director (Hydel), TSGENCO, urged the latter "to stop further release of water immediately through Srisaillam Left Power House and follow the water release orders issued by KRMB, except in case of extreme grid urgency".

SC ASKS GOVT. IF IT WANTS TRIBUNALS CLOSED

The Supreme Court on Friday asked the Central government point-blank to come clean on whether it intends to "close" tribunals across the country by not filling up vacancies that have been pending for years. "The question here is whether you really want these tribunals to continue or do you intend to close them... Is it that the bureaucracy does not want these tribunals?" Chief Justice of India (CJI) N.V. Ramana asked Solicitor General Tushar Mehta. Justice Surya Kant, on the Bench, pointed out that with tribunals defunct and High Courts having no jurisdiction over the areas of law wielded by tribunals; litigants have nowhere to go for justice. Chief Justice Ramana read out in open court the details of over 240 vacancies in key tribunals, making them redundant in their slow death. The court said certain tribunals do not even have presiding officers. Recommendations of names by the selection committees led by sitting Supreme Court judges to fill up the vacancies have been largely ignored by the government. The CJI, accompanied by Justice Surya Kant, read out the exact vacancies in each tribunal, including the National Green Tribunal, Income Tax Appellate Tribunal, Central Administrative Tribunal, only to name a few. The Solicitor General said he "genuinely shared the Lordships' concerns". He assured the court that he would inform the government. Justice Kant observed, *"If you don't want these tribunals, allow us to restore their jurisdictions to the High Courts. On the other hand, if you want these tribunals to continue, fill up the vacancies... You can't take away the right of the people to access justice". Chief Justice Ramana said the situation revealed a "very sorry state of affairs".* Mr. Mehta agreed, saying "something needs to be done speedily". Justice Kant said, "Wherever selection committees, presided over by sitting Supreme Court judges, have recommended names, can't you make those appointments?". Mr. Mehta submitted that appointments may have been held up due to litigation in the Supreme Court. Justice Kant said the litigation was about the tenure of the members of the tribunals. The government could have gone ahead with the appointments regardless of the litigation and later fixed the tenure subject to the final outcome of the litigation. The Supreme Court issued notice to the Centre and the GST Council in a PIL plea filed by advocate Amit Sahni seeking the constitution of national and regional GST tribunals. The court has listed the case for hearing on August 16.

PREVENTIVE DETENTION ONLY TO FORESTALL PUBLIC DISORDER

Preventive detention, the dreaded power of the State to restrain a person without trial, could be used only to prevent public disorder, the Supreme Court held in a judgment on Monday. "Preventive detention is a necessary evil only to prevent public disorder. The court must ensure that the facts brought before it directly and inevitably lead to a harm, danger or alarm or feeling of insecurity among the general public or any section thereof at large," a Bench, led by Justice Rohinton F. Nariman, observed. *The State should not arbitrarily resort to "preventive detention" to deal with all and sundry "law and order" problems, which could be dealt with by the ordinary laws of the country. "Whenever an order under a preventive detention law is challenged, one of the questions the court must ask in deciding its legality is: was the ordinary law of the land sufficient to deal with the situation? If the answer is in the affirmative, the detention order will be illegal,"* Justice Nariman

3RD FLOOR AND 4TH FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



wrote. The court said two drunks fighting on a road was a law and order problem, and not public disorder. The solution here was not preventive detention. *Preventive detention must fall within the four corners of Article 21 (due process of law) read with Article 22 (safeguards against arbitrary arrest and detention) and the statute in question, Justice Nariman said. "Liberty of a citizen is a most important right won by our forefathers after long, historical and arduous struggles... We must confine the power of preventive detention to very narrow limits, otherwise the great right to liberty won by our Founding Fathers, who were also freedom fighters, after long, arduous and historical struggles, will become nugatory,"* the court noted. *"Mere contravention of law, such as indulging in cheating or criminal breach of trust, certainly affects 'law and order', but before it can be said to affect 'public order', it must affect the community or the public at large,"* Justice Nariman stated. *The judgment came in an appeal filed by the wife of a man placed under preventive detention under the Telangana Prevention of Dangerous Activities Act shortly after he was granted bail in a cheating case. The top court said the State should have contested the bail order in a higher court rather than slap an executive order of preventive detention on him on the ground that, if set free, he would cheat more people. "This ... certainly cannot provide the springboard to move under a preventive detention statute. We, therefore, quash the detention order,"* the court ordered.

NO FURTHER SENTENCE AFTER LIFE TERM

The Supreme Court found a Karnataka trial court's order directing a convict to spend another 10 years in jail after he completes his life sentence rather "irrational". The top court pondered on what the trial judge meant. A Bench, led by Justice U.U. Lalit, said life imprisonment normally means prison till death. *A human being, like all other loving beings, has but one life. How is it possible for a person to serve 10 years of jail after life? Justices Lalit, accompanied by Justice Ajay Rastogi, said it would have made sense had the trial court ordered the prisoner to serve the 10 years in jail before the commencement of his life sentence.* Once a convict is sentenced to life, the prison sentence for his other crimes should be served concurrently. That is the law, the top court said. The case was an appeal filed by convict Imran Jalal, through senior advocate Siddharth Dave. Jalal was sentenced for life in three counts and 10 years of prison in another five counts. But what bothered Mr. Dave, which led to the appeal, was the trial court's decision to have Jalal serve a decade in prison under the Explosives Substances Act after he completes his life term. "The legal position is fairly well-settled that imprisonment for life is a sentence for the remainder of the life of the offender unless of course the remaining sentence is commuted or remitted by the competent authority... Any direction that requires the offender to undergo imprisonment for life twice over would be anomalous and irrational for it will disregard the fact that humans like all other living beings have but one life to live," Mr. Dave argued, quoting from the top court's own judgments from the past. The Bench agreed with the senior lawyer's argument on the finiteness of life, saying, "Once the prisoner spends his life in jail, there is no question of his undergoing any further sentence."

CRIMINALISING WELFARE ISSUES

The Supreme Court recently issued notice on a writ petition on the condition that the petition's prayer seeking a direction to "restrain beggars and vagabonds/homeless from begging on traffic junctions, markets and public places to avoid the spread of COVID-19 pandemic in all the States and Union Territories across India" be modified to focus on the rehabilitation of those forced to

3RD FLOOR AND 4TH FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



beg for a living. In doing this, the court rightly observed that being compelled to beg was a socio-economic issue that could not be remedied by directions of the kind originally sought. It required, instead, a welfare response from the state. This order points to the largely ignored nexus between coercive measures and welfare issues, which can be a useful guide to making and implementing criminal law in three ways.

What should be criminalised?

First, when decisions about criminalisation are being taken by the legislature, an important point of consideration should be whether the issue sought to be addressed might be better suited to a welfare response. *Salient examples of welfare issues against which the coercive force of criminal law has inappropriately been deployed serve to illustrate the point. In holding the criminalisation of beggary under the Bombay Prevention of Begging Act, 1959 (as extended to the NCT of Delhi) unconstitutional, the High Court of Delhi, in Harsh Mander & Anr. v. Union of India (2018), had noted that the criminalisation of beggary served only to invisibilise beggars without doing anything to address the structural deprivations that drove people to beg. Similarly, the criminalisation of triple talaq by the Muslim Women (Protection of Rights on Marriage) Act, 2019, purportedly to 'protect' Muslim women, does nothing to address the structural gender inequality, social stigma, poor employment options, and lack of state support which actually cause the deprivations associated with divorce (and not just with triple talaq).* Second, socio-economic marginalisation and poverty may frequently make people susceptible to exploitation, whether through poorly paid/unpaid labour, trafficking and sex work, or indeed, begging. *A criminal response to those who seek to take advantage of such vulnerability (but never the vulnerable themselves) might be appropriate, but it would amount to little more than lip service to the predicament of the exploited without accompanying welfare measures. In other words, it is important to ensure that pimps, brothel owners, and traffickers are held criminally liable for sexually exploiting a person. Equally important is to create alternative, well-paying and dignified employment, to make such employment accessible by imparting requisite education and skills, and to have social security nets to ensure that no person feels that sex work is their 'least worst' option.* This is essential not only to prevent exploitative practices, but also to rehabilitate those who have been rescued (and/or those who would like an exit option) from such practices. *To 'rescue' a sex worker is meaningless unless they have a legitimate way out of such work, an option that is materially (not morally) better for them. Focusing on the welfare aspect of exploitative practices also sheds light on structural forms of impoverishment, and on who is most likely to be exploited as a result. It is, thus, largely those marginalised and discriminated against based on gender, caste, class and even age who occupy the ranks of beggars, sex workers, bonded labourers, and child labourers. Such a focus also exposes the culpability of the state and society in creating or enabling the vulnerabilities of those prone to exploitation.* This recognition is reflected in the apt remarks of the High Court in Suhail Rashid Bhat v. State of Jammu & Kashmir and Others (2019), *"Begging is also in fact evidence of the failure of the Government as well as the society at large to protect its citizens from debilitating effects of extreme poverty and to ensure to them basics of food, clothing, shelter, health, education, essential concomitants of the right to life ensured under Article 21 of the Constitution of India."*

Criminal law for whom?

Finally, when evaluating the function or necessity of a criminalisation response to something that is essentially or even partly a welfare issue, it is crucial to question whose interests the law does, in fact,



serve. Does it help the vulnerable and/or the exploited, or is it a tool of persecution? Does it cater to the morality and sensibilities of the powerful? Does it hide the failures of the state? Or is it a quick fix that allows the government to abdicate and divert attention away from its welfare responsibilities? Only by following these interests can we, as citizens, hope to hold the state accountable in its use of the power to criminalise conduct.

CBI, POLICE IGNORING JUDGES' COMPLAINTS

The Supreme Court on Friday said Central agencies such as the CBI and the Intelligence Bureau (IB) and State police forces chose to ignore complaints from judges about abusive messages and threats even as attacks on the judiciary were on the rise. The court suggested the formation of a special force to protect judges, especially trial judges who decide criminal cases involving high-profile accused. "We have seen that in criminal cases involving high-profile people, there is a new trend of maligning judges. *There is no freedom for judges to work. The CBI, the police, the IB do not help the judiciary. I am making this statement with some sense of responsibility,*" Chief Justice of India N.V. Ramana said. "In several cases across the country involving gangsters and high-profile and powerful accused, they threaten judges, not just physically but also mentally through abusive messages, peeping into judges' online accounts, etc," he added. "We are very sorry to say that the CBI did nothing about complaints made to it... *There is still no change in its attitude,*" CJI N.V. Ramana said. Attorney General K.K. Venugopal, who was asked to assist the court, related an incident of a magistrate who was threatened on the eve of taking up a case against some gangsters. "His daughter's life was threatened. So, given a choice between his daughter's life and doing justice, he adjourned the case... Judges as a class are more vulnerable, say, than bureaucrats," Mr. Venugopal said. *The court asked whether Jharkhand had "washed its hands of" any responsibility of investigating the daylight murder of judge Uttam Anand by transferring the case to the CBI. It said the death was a result of the State government's "negligence" to protect its judges.* The CJI said the State government chose to ignore threats to judges like Mr. Anand, who was working in Dhanbad district, where the powerful coal mafia reigns. The court pooh-poohed Jharkhand's claim that it had built boundary walls around judges' colonies. "And you think boundary walls will keep away hardened criminals?" Justice Surya Kant asked Jharkhand Advocate General Rajiv Ranjan. Mr. Venugopal said the frequent attack on judges highlighted the need for the formation of a special body to protect the judiciary and ascertain the danger to them. On Judge Anand's death, the court directed the CBI to be represented on Monday. "We want to hear the CBI," the Chief Justice said.

CHILD HAS RIGHT TO USE MOTHER'S SURNAME

The Delhi High Court on Friday observed that every child has the right to use his or her mother's surname if he or she wishes to. Justice Rekha Palli made the observation while hearing a petition by a minor girl's father seeking direction to the authorities to reflect his surname in his daughter's documents and not her mother's. "A father does not own the daughter to dictate that she should use only his surname. If the minor daughter is happy with her surname, what is your problem?" Justice Palli said, while declining to pass any direction on the father's plea. Advocate Anuj Kumar Ranjan, appearing for the man, submitted that his client's daughter is six years old and cannot decide such issues on her own. Mr. Ranjan contended that the child's surname was changed by his client's estranged wife.



'Violation of rules'

The lawyer said the surname of the child was changed on the birth certificate on the pretext of correction of spelling. This was in violation of provisions under Section 11 of the Delhi Registration of Births and Deaths Rules, the advocate submitted. The High Court, however, disposed of the petition with a liberty to the man to approach his daughter's school to show his name as the father.

GOVERNOR'S PARDON POWER OVERRIDES 433A

The Supreme Court on Tuesday held that the Governor of a State can pardon prisoners, including those on death row, even before they have served a minimum 14 years of prison sentence. In fact, the Governor's power to pardon overrides a provision in the Code of Criminal Procedure — Section 433A — which mandates that a prisoner's sentence can be remitted only after 14 years of jail, a Bench of Justices Hemant Gupta and A.S. Bopanna observed in a judgment. "Section 433A of the Code cannot and does not in any way affect the constitutional power conferred on the President/Governor to grant pardon under Articles 72 or 161 of the Constitution... *If the prisoner has not undergone 14 years or more of actual imprisonment, the Governor has a power to grant pardon... de hors the restrictions imposed under Section 433A... Such power is in exercise of the power of the sovereign, though the Governor is bound to act on the aid and advice of the State Government,*" the court observed. In fact, the court noted that the sovereign power of a Governor to pardon a prisoner under Article 161 is actually exercised by the State government and not the Governor on his own. "The advice of the appropriate government binds the Head of the State," Justice Gupta observed in the judgment which referred to the Supreme Court's Constitution Bench judgment in the Rajiv Gandhi assassination case on the power of remission. "The action of commutation and release can thus be pursuant to a governmental decision and the order may be issued even without the Governor's approval. However, under the Rules of Business and as a matter of constitutional courtesy, it may seek approval of the Governor, if such release is under Article 161 of the Constitution," the court noted. The Bench was considering the feasibility of remission policies in Haryana.

CIRCUMSCRIPTION

Police verification and security clearances for passport or government job applicants are a matter of routine in most parts of the country. In Kashmir, where the police have now issued a circular aimed at gathering details and denying security clearance to those involved in throwing stones and joining street protests in the past, the exercise may not be out of the ordinary, but it could result in serious prejudice to the aspirations of many young men and women. The circular, which asks CID Special Branch field units to ensure that any subject's involvement in law-and-order incidents and related crimes be specifically looked into, and also to collect digital evidence from the records of police and security forces, suggests that the administration is quite serious about preventing those with a likely link to protests in the past from either entering government service or travelling abroad. *Reports suggest that the official list of street protesters swelled between 2008 and 2017 to include nearly 20,000 people. On the face of it, the decision to subject applicants for passports and jobs to scrutiny is not illegal. Under Section 6(2) of the Passports Act, 1967, passports can be denied to applicants for various reasons, including their likelihood of engaging in activities prejudicial to the*



country's sovereignty and integrity, or detrimental to its security. Further, those convicted in the preceding five years, or against whom proceedings are pending before any criminal court, are also candidates for refusal. There is legal recourse for those affected, as the Act allows them to approach the trial court for a 'No Objection' certificate to get a passport. In the backdrop of the Union government's outreach to revive political activity preparatory to elections, it is quite incongruous that such a far-reaching measure that would dampen the hopes and aspirations of thousands of people is being pursued. *The Government's position is that the alteration of the status of J&K in August 2019 has ushered in a new era of development and prosperity, and that it is time to strengthen grassroots democracy. It was as a part of this process that Prime Minister Narendra Modi invited leaders of the Union Territory's political parties in June for a discussion. Despite their obvious disappointment that the restoration of statehood is likely to be considered only after polls to the Legislative Assembly, the parley did create some cautious optimism about a fresh political process.* Were the administration to pursue this circular zealously, there is a danger that it may revive the sort of alienation among the youth that led to the stone-pelting incidents in 2008 and 2010, and the wave of disaffection following the killing of militant leader Burhan Wani. When all efforts should be directed towards building on current gains, nothing ought to be done to make those still harbouring, for whatever reason, a sense of betrayal feel that some fresh collective punishment is in the offing.

NOT ALWAYS FAIR GAME

Good intentions do not always make for good legislation. The Tamil Nadu government's effort to protect its youth from the temptations of online gambling by amending a colonial gaming law to ban online rummy and poker, has not survived judicial scrutiny. Its amendment to the Tamil Nadu Gaming Act, 1930, has been struck down by the Madras High Court, which found the prohibition unreasonable because it sought to bring even games predominantly of skill under the label of gambling, if there was an element of betting or even prize money or any other stake involved. The State's intention was acceptable to the extent that it sensed the danger involved in allowing addictive games. *However, it erred in failing to make a distinction between games of skill and games of chance, and in seeking to treat as 'gaming' anything that involved stakes, contrary to judicial pronouncements circumscribing the term to games that are based on chance.* In an audacious move that the court found completely unacceptable, the amending Act sought to "turn the statute on its head" by replacing a section that provided exemption to 'games of skill' from its purview with one that said it would apply to even games of skill if played for wager, bet, money or stake. *The court rightly found that this would actually render illegal even offline games that were played for prize money.* It said, "What was once the exemption or escape provision has now been given the most claustrophobic stranglehold and has the possibility of bringing about the most ridiculous and unwanted results if applied in letter and spirit." One of the problems of political populism is that the state takes its paternalistic role too seriously. *It assumes that large sections of society require guidance, lest their ideas of freedom lead them to uncharted zones where lack of restraint and self-control land them in debt and penury. Notions of individual freedom and choice tend to be forgotten. Another problem is that the moral element is predominant in such laws, often to the detriment of the reasonableness of their provisions.* Some activities are associated with sin more than with commerce, and these are susceptible to the government's regulatory reach and banning instincts. *The court, while understanding the law's intent, has rightly questioned the lack of proportionality in banning something that could have been regulated. It notes that excessive paternalism could descend*



into authoritarianism and curb an activity individuals are free to indulge in. It could not sympathise with the State's contention that online games were invariably open to manipulation and no distinction need be made between games of chance and those of skill. However, it did remember to observe that appropriate legislation regulating betting and gambling activities is still possible, but something that conforms to constitutional propriety.

NO FUNDAMENTAL RIGHT TO STRIKE

Recently, the Minister of Defence introduced the *Essential Defence Services Bill, 2021, in the Lok Sabha to provide for the maintenance of essential defence services so as "to secure the security of nation and the life and property of the public at large" and prevent staff of the government-owned ordnance factories from going on strike. The Bill seeks to empower the government to declare services mentioned in it as "essential defence services" and prohibit strikes and lockouts in any industrial establishment or unit engaged in such services. The Minister, however, assured the Ordnance Factory Board (OFB) employees that their service conditions will not be affected. There is a sunset clause introduced in Clause 1 as an amendment. It is applicable only for one year, after which it will lapse*

Rules and rights

This is not for the first time that strikes by government employees are being made explicitly illegal by the government. *The Madhya Pradesh (and Chhattisgarh) Civil Services Rules, 1965, prohibit demonstrations and strikes by government servants and direct the competent authorities to treat the durations as unauthorised absence. A strike under this rule includes "total or partial cessation of work", a pen-down strike, a traffic jam, or any such activity resulting in cessation or retardation of work. Other States too have similar provisions. Under Article 33 of the Constitution, Parliament, by law, can restrict or abrogate the rights of the members of the armed forces or the forces charged with the maintenance of public order so as to ensure the proper discharge of their duties and maintenance of discipline among them. order and other Thus, for the armed forces and the police, where discipline is the most important prerequisite, even the fundamental right to form an association can be restricted under Article 19(4) in the interest of public considerations. The Supreme Court in Delhi Police v. Union of India (1986) upheld the restrictions to form association by the members of the non-gazetted police force after the Police Forces (Restriction of Rights) Act, 1966, and the Rules as amended by Amendment Rules, 1970, came into effect. While the right to freedom of association is fundamental, recognition of such association is not a fundamental right. Parliament can by law regulate the working of such associations by imposing conditions and restrictions on their functions, the court held. In T.K. Rangarajan v. Government of Tamil Nadu (2003), the Supreme Court held that the employees have no fundamental right to resort to strike. Further, there is prohibition to go on strike under the Tamil Nadu Government Servants' Conduct Rules, 1973. Also, there is no moral or equitable justification to go on strike. The court said that government employees cannot hold the society to ransom by going on strike. In this case, about two lakh employees, who had gone on strike, were dismissed by the State government.*

Grievance redressal

A police havildar was convicted of contempt of court by the sub-divisional officer, Gaya. The Gaya police, thereupon, gave notice of strike unless redress was given to the havildar and the sub-



divisional officer punished. *Though an inquiry was ordered immediately, the strike commenced on March 24, 1947. When some representatives of policemen met Gandhi at Jehanabad on the March 28, he told them that their strike was ill-advised. They were not mere wage-earners but the members of an essential service. They should immediately and unconditionally call off the strike.* In his speech on March 27, Gandhi said that *“the police... should never go on strike. Theirs was an essential service and they should render that service, irrespective of their pay. There were several other effective and honourable means of getting grievances redressed...”* There is no fundamental right to strike under Article 19(1)(a) of the Constitution. *Strikes cannot be justified on any equitable ground. Strike as a weapon is mostly misused which results in chaos.* Though the employees of OFB have threatened to go on strike, Parliament, which has the right to restrict even the fundamental rights of the armed forces, is well within its right to expressly prohibit resorting to strike.

PROVIDING HORIZONTAL QUOTA: THE BIHAR WAY

The Bihar government recently announced 33% horizontal reservation for women in State engineering and medical colleges. While reservation for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Economically Weaker Sections (EWS) is referred to as vertical reservation, horizontal reservation refers to the equal opportunity provided to other categories of beneficiaries, such as women, veterans, the transgender community, and individuals with disabilities, cutting through the vertical categories. Bihar at present has 60% reservation in the State higher educational institutions along the six vertical categories (SCs, STs, EWS and so on). *The newly announced reservation for women in engineering and medical seats will not be in addition to this; it will instead be distributed across all the vertical categories, including the non-reserved 40% seats open to all.* For example, if an engineering college has 100 reserved seats for STs, 33 of those seats will have to be filled with ST women. Article 15(3) of the Constitution allows governments to make special provisions for women and children.

Dropping out of the workforce

This initiative should be welcomed and adopted across sectors, departments, and States given that *India's female labour force participation (FLFP) rate is consistently declining and is worryingly low.* World Bank data show that the FLFP came down to 21% in 2019 from 31.79% in 2005. As per the Bihar Economic Survey 2019-20, the State's FLFP rate was abysmal compared to the all-India average. Only 6.4% and 3.9% women were employed in the urban and rural areas of Bihar compared to the all-India figures of 20.4% and 24.6% respectively. *The FLFP rate needs to be treated cautiously though as it doesn't take into account unpaid work (majorly performed by women) or the role played by social barriers like caste in blocking employment opportunities for women like owning a shop.* Patriarchal control of women and systemic gender discrimination cannot be defeated by government intervention alone; State welfare schemes can go a long way in challenging them. The Bihar government needs to work towards reducing the female and male school dropout rate and ensure quality education at the primary and secondary level. In addition, *initiatives like reservation of seats, when implemented properly, could become an important driver for improving the FLFP.*



Improving representation

In the last three decades, Bihar has implemented various initiatives to empower women and improve their representation in various fields. *When Lalu Prasad was the Chief Minister in 1992, Bihar had announced two consecutive days of menstrual leave for women employees in government services. In 2006, under Nitish Kumar, Bihar became the first State to reserve 50% seats for women in Panchayati Raj institutions even though the 73rd and 74th amendments to the Constitution, which came into force in 1993, mandated only one-third seats for them. This was later imitated by several other States such as Madhya Pradesh, Andhra Pradesh, Maharashtra, Gujarat, and Chhattisgarh. In 2013, the Bihar government made a provision for 50% reservation for women in cooperative societies and reserved 35% seats for them in police recruitment.* The second initiative led to a swift jump in the number of women officers in the police department to 25.3% in 2020, *more than double the national average of 10.3%, from 3.3% in 2015. In 2016, the government extended the 35% reservation for women to all government jobs in Bihar for which direct recruitment is made.* In 2006, a scheme called the *Mukhyamantri Balika Cycle Yojana* was launched for Class 9 and 10 girl students. This was India's first scaled up conditional cash transfer programme for secondary education of girls. The enrolment of girl students went up after this scheme. *The Bihar government also provides ₹50,000 in installments to girl students to support their studies and other needs till graduation under the Mukhyamantri Kanya Utthan Yojana.* This is an incentive-based scheme to encourage girls to complete education and delay marriage. *According to the National Family Health Survey-5, the State's literacy rate among girl children rose to 61.1% in 2019-20 from 56.9% in 2015-16.*

More jobs for women

While the Bihar government has taken some laudable steps for the empowerment of women, the low female literacy rate and FLFP rate are of concern. One of the important factors for the low FLFP rate is the lack of employment opportunities for women after matriculation and graduation. *The India Human Development Survey-II found that women with low levels of education and from rural areas are relatively more active in the labour market compared to women with middle or high school education.* Therefore, the Bihar government needs to ensure that women don't fall out of the labour market as they become more educationally qualified. *One way this can be done is by filling up pending vacancies in the health sector, police force, teaching and other government departments as at least 35% of these posts will go to women.* The government should also do away with hiring workers on contract and make all the current contractual workers permanent. *Evidence points out that increasing women's participation in the workforce to the level of men boosts the economy.* In light of this, it is important for the government to make more and more jobs available for women. *The Bihar government should also extend the engineering and medical quota for women to all institutions of higher education, including private colleges and universities.* Further, the quota allotted to them can be increased to 40-45%, if not 50%, and the category can be renamed as 'women and transgender persons'. *Other State governments and the Union government should follow the Bihar government's lead and introduce horizontal quota for women (and in addition, for transgender persons) in higher educational institutions as well as State employment as these measures will go a long way in reducing gender disparity in the country.*



LONG OVERDUE

Reservation for students from Backward Classes in seats surrendered by States to an 'All-India Quota' (AIQ) in medical colleges run by State governments was long overdue. The Centre's decision to extend its 27% reservation for 'other backward classes' to all seats under the AIQ is a belated, but welcome development, as Other Backward Class (OBC) candidates have been denied their due for years. And in concord with its keenness to balance OBC interests with those of the socially advanced sections, the Union government has also decided to provide 10% of the AIQ seats to those from the Economically Weaker Sections (EWS). This is almost entirely the outcome of a Madras High Court verdict and the efforts of the Dravida Munnetra Kazhagam, which approached the court with the demand. The AIQ is a category created by the Supreme Court to free up some seats from residential or domicile requirements in some States for admissions to their medical colleges. Introduced in 1986, the AIQ comprised 15% of undergraduate medical and dental seats and 50% of post-graduate seats surrendered by the States for admission through a central pool. There was no reservation in the AIQ, and, once in the past, the Supreme Court set aside a Madras High Court order directing the Centre to implement Scheduled Castes/Scheduled Tribes quota in the category. In 2007, the Supreme Court allowed 15% Scheduled Caste reservation and a 7.5% Scheduled Tribe quota under the AIQ. Meanwhile, based on a central law favouring Backward Class reservation in educational institutions, the Union's 27% OBC quota was introduced in central educational institutions. There was no move to implement OBC reservation in the category. In the courts, the Medical Council of India argued against OBC reservation, but the Union government said it was not averse to the reservation, subject to an overall 50% limit. The omission of OBC reservation in the AIQ seats was obviously discriminatory. There were OBC seats in medical institutions run by the Centre, as well as State-specific quotas in those run by the States. It was incongruous that seats given up by the States to help the Centre redistribute medical education opportunities across the country were kept out of the ambit of affirmative action. There was even a case to argue that, as AIQ seats originally belonged to the States, the quota policy applicable to the respective States ought to be applied to them. The Madras High Court, in July 2020, held that there was no legal impediment to OBC reservation, but, given that the policy varied from State to State, it left it to the Centre to decide the modalities for quotas from this academic year. The Centre has now decided on the 27% OBC quota, but not before the High Court termed the delay in doing so "contumacious".

OVER THE BORDERLINE

The drawing down of tensions between Assam and Mizoram, at least at the leadership level, with the respective governments announcing the withdrawal of FIRs against the Chief Minister of Assam and a Rajya Sabha MP from Mizoram, among other steps, comes as a great relief. These actions followed the *deaths of six policemen and a civilian from Assam in a violent gunfight in the border town of Vairengte in Mizoram* on July 26, which exacerbated an already fraught situation between the States. The retaliatory actions such as filing FIRs against prominent representatives, at a time when *locals in the Barak Valley in Assam had already imposed a blockade, disallowing trucks with essential goods from entering Mizoram*, seemed to indicate that the States' leaderships were throwing away their scabbards, militating against their own moves to restore calm. After all, the governments had taken the right decision to withdraw their police forces from a four-



kilometre “disputed stretch” and let it be manned by central paramilitary forces till a permanent solution is found on the border question. *But the “blockade” and the damage caused to the only rail line connected to Mizoram made matters tough, culminating in the Mizo Bar Association filing a PIL before the Aizawl Bench of the Gauhati High Court against the “economic blockade”.* The Chief Ministers now seem committed to talks, with Assam’s Himanta Biswa Sarma even suggesting that his government will approach the Supreme Court to find an amicable solution. Continuing talks without recriminations is the only way out to tamp down tensions between the two States. The situation should never have come to this. *What began as a conflict between residents of the States in the border area that is disputed between them, morphed into a violent battle between police, with paramilitary forces doing little to control or halt this.* Their role in stopping the violence and securing the peace in the border areas between the States will now be paramount, even as the Assam government must compel residents to avoid continuing the blockade. An impartial inquiry into the sequence of events that led to the firing incident and the deaths must also be held so that such a situation does not recur. On the question of settling the borders to the satisfaction of both States, a concerted, people-oriented approach by the respective authorities with the facilitation of the Centre can strive to achieve that instead of a purely juridical approach that seeks to address this via the States’ respective historical claims, a method that is used to settle sovereign claims. After all, *both Assam and Mizoram are part of the Indian Union, and inter-State cooperation and cohesion are central to the sanctity of the federal system.*

50% FUNDS ALLOTTED FOR ONGOING MPLADS PROJECTS LAPSE

Virtually half of the belated ₹2,200 crore allotted for completing the ongoing MPLADS projects in 2020-21 simply lapsed, as the Finance Ministry granted “barely a week” to the Ministry of Statistics and Programme Implementation (MoSPI) to release the funds — inviting the ire of the Standing Committee on Finance. The resultant funding crunch would have hit several local area development projects under implementation across the country, especially in the five States that went to polls this year as *no funds were released for these States and constituencies citing the model code of conduct (MCC).* *Spending under the Members of Parliament Local Area Development Scheme (MPLADS) had already halved before the government suspended the scheme for two years in April last year and diverted the funds for managing the COVID-19 pandemic.* From ₹5,012 crore spent during 2018-19, an expenditure of just ₹2,491.45 crore was taken up under the scheme in 2019-20.

Unfinished projects

Each MP is granted ₹5 crore under the scheme, adding up to ₹3,950 crore a year for 790 MPs, to undertake development projects in their respective constituencies. After the scheme’s suspension, several MPs and parliamentary committees, including the Standing Committee on Finance (SCF), had asked the government to release MPLADS funds due from previous years for projects already sanctioned. On March 16 this year, an SCF report on the Statistics Ministry’s demands for grants pointed out that many MPLADS projects that began earlier were “left unfinished midway despite the sanction letters being issued and funds for the same were withheld”, citing the suspension of the scheme. The panel had sought the release of funds for these projects so that MPs could fulfil their promises to the public.



Condition attached

The very same day, the Department of Expenditure (DoE) conveyed its intent to allot ₹2,200 crore for such projects to the Statistics Ministry. However, the actual allotment of funds by the Department of Economic Affairs (DEA) took place on March 22, with the condition that the funds must be spent or allotted further for eligible projects “within financial year 2020-21 itself, so that the amount is not lapsed”. The Statistics Ministry said it cleared eligible proposals received till March 31 noon, amounting to ₹1,107.5 crore, leading to a balance ₹1,092.5 crore lapsing. In a fresh report tabled in Parliament on Tuesday, the SCF headed by BJP MP Jayant Sinha sharply criticised this “ad-hocism” and noted: “The Committee are unable to comprehend the reason as to why ₹2,200 crore were allotted to MoSPI barely one week before the end of FY 2020-21... This constitutes a serious lapse in fiscal management with negative consequences for communities across India.” “Only those proposals which were not found eligible due to lack of documents and non-fulfilment of eligibility criteria as per MPLADS guidelines, and in those districts where the model code of conduct was under implementation due to Assembly elections in five States/UT and by-elections in some constituencies, the Ministry was not able to release pending instalments,” MoSPI informed the committee. The Statistics Ministry said it wrote to the Finance Ministry on April 7 to allot the remaining funds towards MPLADS this year so that the pending instalments as on March 31, 2020 may be released.

‘Tighten norms’

The Finance Ministry also asked the Statistics Ministry to further tighten the scheme’s guidelines by September this year, so that “if a work sanctioned by an MP is not used for five years, it will automatically lapse even if there is a committed liability for the work to be completed”. *Currently, funds released to district authorities under MPLADS is not lapsable, while funds not released by the government in a particular year are carried forward.*

EC PROPOSAL TO LINK ELECTORAL ROLL WITH AADHAAR UNDER STUDY

The proposal of the Election Commission of India to link the electoral roll with the Aadhaar ecosystem in order to check multiple enrolment of the same person is under consideration of the government, Law Minister Kiren Rijiju informed the Lok Sabha on Wednesday. Responding to a question on electoral reforms, the Law Minister, in a written reply, said the Law Commission in its 244th and 255th reports had extensively dealt with the subject. *“The Election Commission of India has proposed to link the electoral roll with the Aadhaar ecosystem with a view to curbing the menace of multiple enrolment of the same person at difference places. The matter is under consideration of the government,” he said to a specific question. The Minister also answered separate questions on the pendency of cases and the advice given to government departments that are engaged in a number of litigations.* Talking about pendency of cases, the Minister said according to the information available on National Judicial Data Grid (NJDG), over 3.93 crore cases were pending in the lower and subordinate courts as of July 30 this year. “No time frame has been prescribed for disposal of various kinds of cases by the respective courts,” he said.



MAIDEN INDIGENOUS AIRCRAFT CARRIER BEGINS TRIALS

The much-awaited sea trials of the country's maiden indigenous aircraft carrier (IAC-1), built by the public sector Cochin Shipyard Ltd (CSL), began here on Wednesday. The 40,000-tonne behemoth, whose keel-laying was done in 2009, is expected to join the Navy as INS Vikrant late next year. Its induction will give a fillip to the 'sea control' capabilities of the Navy in the Indian Ocean Region, a theatre of growing geostrategic competition. The Navy at present operates one aircraft carrier, INS Vikramaditya. At sea, the IAC-1 will have its propulsion plants put to rigorous testing in addition to the trials of various navigation, communication and hull equipment. Once the equipment calibration is done, the successive stages in the year-long trials will witness flight trials followed by weapon trials. "It is a red-letter day for Indian shipbuilding industry. Significant capabilities have been developed by the CSL in areas of ship design, construction and network integration," said Madhu S. Nair, CSL chairman and managing director, on the commencement of the sea trials. The carrier construction project was approved by the Cabinet Committee on Security in 2002 and the contract for the first phase of construction was signed with the CSL in 2007. While the basic design of the IAC-1 was done by the Directorate of Naval Design, the detailed engineering, construction and system integration were done by the CSL. The project cost nearly ₹20,000 crore. Italian firm Fincantieri helped in designing and system integration and Russia in developing the aviation complex. But the project gave a boost to indigenisation, starting from the development of warship-grade steel for the ship's hull construction to the development of a large ancillary industry ecosystem.

Room for 30 aircraft

The IAC is equipped with numerous high-end technologies, including network-centric distributed data processing and control systems, and state-of-the-art weapons such as the Barak LR-SAM (long-range surface to air missile) and sensors. It can carry about 30 assorted aircraft, including fighter jets and helicopters, is capable of a top speed of 28 knots and a cruising speed of 18 knots with an endurance of 7,500 nautical miles. The ship, which is 262 m long, has over 2,300 compartments and is designed to have a complement of about 1,700 people with specialised cabins to accommodate women officers.

RTE ENTITLEMENTS TO BE PAID THROUGH CASH TRANSFERS

The Centre plans to pay students their Right to Education (RTE) entitlements in the form of cash transfers as part of a revamp and extension of its flagship school education scheme that was approved by the Cabinet on Wednesday. The Samagra Shiksha scheme, which has been extended till March 2026, will have a financial outlay of ₹2.94 lakh crore, including a Central share of ₹1.85 lakh crore, and several new initiatives on early childhood education, foundational literacy, and numeracy and language education.

Higher Central share

Samagra Shiksha is an integrated scheme for 11.6 lakh government and aided schools with over 15 crore students and 57 lakh teachers. It involves a 60:40 split in funding between the Centre and most States. The Centre's share now works out to about ₹37,080 crore per year, higher than the amounts allocated over the last three years. *"In order to enhance the direct outreach of the*

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scheme, all child-centric interventions will be provided directly to the students through DBT [or direct benefit transfer] mode on an IT-based platform over a period of time,” said an official statement issued after the Cabinet meeting. This DBT would include RTE entitlements such as textbooks, uniforms and transport allowance, Education Ministry officials told The Hindu, although it is not clear whether the tuition fees for students in the economically weaker section quota in private schools would also be paid directly to students as a cash transfer. The stipend for children with special needs will be paid in this mode, officials said.

THE CUSP

August has begun on a disconcerting note in India’s coronavirus story. The seven-day weekly average of cases hovers around the psychologically important 40,000 mark and there is an uptick in daily new cases with the latest numbers a little over 41,000. A major concern that has assumed national proportions is the trajectory of cases in Kerala. With nearly 20,000 fresh cases being added every day, it is of concern that if a State with an admirable track record during the earlier wave is under siege now, then many other States could be particularly vulnerable against new variants at the start of a third wave. In Kerala, the rise in cases is concomitant with a rise in testing that has increased from 130,000 a day on July 25 to 162,000 as of Monday, indicating that the infection may be rapidly spreading. Nearly 11 States are now showing a weekly increase in cases. Kerala is not the only point of concern. *The national situation has prompted the Health Secretary to write to States that all districts reporting a positivity rate of more than 10% in the last few weeks ought to consider strict restrictions to curtail the movement of people and formation of crowds to prevent the spread of infection.* Apart from Kerala these include Maharashtra, Karnataka, Tamil Nadu, Odisha, Assam, Mizoram, Meghalaya, Andhra Pradesh and Manipur. *The Indian Council of Medical Research (ICMR) has also expressed concern that 46 districts are showing more than 10% positivity while another 53 districts are showing a positivity between 5%-10%. India’s positivity rate is around 5%, that could well descend into a runaway climb in serious infections if unchecked.* The ICMR’s flag-waving comes in the context of the agency’s Fourth National Serology Survey finding that nearly 40 crore Indians likely lacked antibodies to the virus and were particularly vulnerable. On its own, the rise in infections would have been less of a concern had a substantial number of Indians — particularly those over 45 — been double vaccinated. As in previous waves, *the elderly continue to be the most vulnerable. Nearly 80% of the mortality was from these vulnerable age groups and only 11% of the eligible adults have been fully vaccinated, which means significant numbers of the population are yet to get sufficient protection.* India has so far administered 47.1 crore doses since the beginning of the vaccination drive in January. *The Centre has said it will vaccinate all adults, 94.4 crore approximately, by the year-end. This target requires a daily inoculation of 90 lakh to 100 lakh doses per day. For most of July, the average inoculations have ranged from 30-60 lakh.* States whose districts are most vulnerable ought to be given preference and there should be accelerated campaigns to double inoculate the elderly. *Every effort should be made to break the link between infections and hospitalisation and deaths.*

ARE STATES UNDER-REPORTING COVID-19 CASES?

The fourth national serology survey by the Indian Council of Medical Research (ICMR) to estimate the spread of the coronavirus infection in India reported this month that two-thirds of Indians had antibodies to SARS-CoV-2. As part of this, it also released figures that showed that antibody



prevalence was lowest in Kerala and highest in Madhya Pradesh, along with data from 19 other States.

What do the findings imply?

Seroprevalence studies are meant to roughly estimate what percentage of the population may have been exposed to the virus. *Kerala, which is now recording the sharpest rise in cases in the country fuelled by the Delta variant, had a seroprevalence of only 44.4%, implying that 56.6% of the population lacked antibodies and remained vulnerable to the infection. Madhya Pradesh has a seroprevalence of 79%, followed by Rajasthan (76.2%) and Bihar (75.9%). After Kerala, the least antibody prevalence was in Assam (50.3%) and Maharashtra (58%).* It is important to note that the antibodies may have been produced in response to a natural infection or from vaccination. The ICMR has not published a detailed research paper on the findings from the fourth survey.

How was the survey conducted?

Conceived in May 2020, the ICMR surveys are based on testing *close to 400 people in 70 districts in 21 States. The districts were chosen based on their population. Hence, some States have more places represented and, all in all, nearly 28,500 people were part of the survey.* Unlike the three previous editions of the survey, conducted from May 2020 to January 2021, the latest — covering June and July this year — *included children and adolescents ranging from six to 17 years. In the case of Kerala and Madhya Pradesh, three districts were selected to extrapolate the extent of the SARS-CoV-2 antibody prevalence, while nine districts were selected in Uttar Pradesh and six in Bihar.*

Why is there a disparity among States?

The ICMR has stated that for a State to accurately capture the prevalence of antibodies, it must conduct its own regional survey and the results must only be taken as a guide to future policies. There are, however, different interpretations of the seroprevalence data. *Kerala has said the lowest seroprevalence among States testifies to its public health measures through all of last year that prevented the infection from spreading to the majority of the population. Therefore, it points out that the Centre must increase allocation of vaccines to the State.* Several experts agree, but say that the recent spike in cases is a consequence of Kerala loosening its grip. The ICMR data also points to the extent of under-reporting by States. Public health expert and epidemiologist Chandrakant Lahariya cited the seroprevalence data and compared it to the officially reported cases from the 21 States. As of June 25, by his estimates, *Bihar, with a seroprevalence of 75.9%, should have had an estimated 427.6 lakh cases, but it officially reported only 7.2 lakh cases — an under-reporting factor of 59.* This means in Bihar, *for every case that was reported, 59 cases were missed.* Similarly, *Uttar Pradesh and Madhya Pradesh had an under-reporting factor of 98 and 83 respectively. Kerala's worked out to six and Maharashtra's to 12.*

Are the surveys useful?

The fourth serosurvey was unique because it was conducted after the vaccination programme began. The ICMR was initially reluctant to conduct such a survey because the antibody test they used to detect antibody prevalence cannot differentiate between the vaccinated and unvaccinated. *The principle that inoculating a large fraction of the population could confer herd immunity does not entirely hold given detections of breakthrough infections and that available vaccines, while*



significantly able to reduce hospitalisation and mortality, were less effective in curbing transmission of the newer variants. Seroprevalence surveys could help with planning targeted vaccination drives, especially when India is battling a shortage with fewer than expected doses available to fully inoculate the eligible adult population by the year-end.

RUINS OF AN INDUS VALLEY CIVILISATION SITE

With its planned streets, intricate water management system and architectural features, the ancient Harappan city located at Dholavira in Gujarat's Rann of Kutch has a lot to offer on the ancient civilisation. With its inscription on UNESCO's World Heritage list on July 27, experts hope the lessons from Dholavira will reach a larger audience and that the site will get greater care. Discovered in 1968 by former Archaeological Survey of India Director General Jagat Pati Joshi, the site dates back to 3,000 BCE to 1,500 BCE, covering nearly 1,500 years of continued habitation. Excavations that were carried out from 1989 to 2005 unearthed a city that showed the "unique and masterpiece ingenuity of the Harappans during the third millennium BCE", according to India's nomination submitted to UNESCO. The city is believed to have had trade ties with Mesopotamia and Oman peninsula. Spread over 70 hectares, the remains are encompassed within an outer fortification and make for the fifth largest Harappan site after Mohenjo-daro, Harappa, Rakhigarhi and Ganweriwala, or sixth if Lakhanjo-daro is taken into account, according to the nomination dossier. The site's entry onto the World Heritage list has been welcomed by India with delight. "Absolutely delighted by this news," Prime Minister Narendra Modi tweeted on July 27. "Dholavira was an important urban centre and is one of our most important linkages with our past. It is a must visit, especially for those interested in history, culture and archaeology." For retired Archaeological Survey of India (ASI) Joint Director General Ravindra Singh Bisht, under whose watch the excavations were carried out, Dholavira getting the World Heritage tag means it will get the attention it deserves. "Certainly, the ASI will take better care of the site. The eyes of the world tourist will be on it." Along with becoming the 40th Indian site on the list, Dholavira is also the first Indus Valley Civilisation site in India to receive the tag. Considered one of the best preserved urban settlements from the period, the site has a walled city, a castle, a ceremonial ground, two seasonal streams and houses of different categories, indicating a social hierarchy. The water management system shows the ingenuity of the inhabitants to survive in an otherwise arid region. Excavations have unearthed objects of shell, copper, stone, semi-precious stones, terracotta and gold.

Excellent example

Dholavira was the first such "excellent example of town planning with mathematical precision, both arithmetic and geometry", Dr. Bisht said. Stone quarries that manufactured beautiful objects were found and objects like beads found in Mohenjo-daro and Harappa seem to have been transported from Dholavira, he said. The site also has several gates, including the North Gate that had a signboard above it, a first of its kind found at Harappan sites. While the board itself could have been made of wood and decomposed completely, the gypsum letters of the inscription were found, according to Dr. Bisht. Divided into a citadel, the middle town and lower town, Dholavira was designed for different categories of residents and purposes. There was a castle for an important person, while the middle town housed rich merchants and generals and the lower town was for the common people. An annexe used as a warehouse, two grounds, bead-making



workshop and graves were also found. According to Dr. Bisht, the larger of the two grounds, with seating for spectators all around, much like stands at a stadium today, was used for cart-racing, animal races and races by humans too. But, that wasn't all it was used for. A large number of beads that would have fallen down from the wearers' bodies while dancing were also found at the ground, pointing towards festivities, he said. Evidence of the ground being used for trading purposes was also found. Temporary structures of grass and wood would have been put up for bazaars. The water management system included drains constructed through two monsoon channels and a cascading system of reservoirs, according to Dr. Bisht. In houses in the lower and middle town, septic tanks were found. The castle had a network of drains connected to an arterial drain that was underground. "All these drains are usually found containing fresh water deposits, and not sewage nor household waste, nor are these connected to house drains. It was only during Stage VI [1,950 BCE - 1,800 BCE] that a house drain seems to be discharging into one of the storm water drains, when those had already become defunct. The purpose of these drains was surely to let out the monsoon run-off, which is why these are found furnished with air ducts at short intervals," the nomination dossier said.

Memorials at the city

One of the finds that stands out are Dholavira's memorials. Dr. Bisht said they seem to be constructed a year after the death of the person as there were no skeletons found, though there was evidence of offerings being made. This, he said, was like the shradh ceremony to mark one year of a loved one's passing. The memorials also had design that was found in Buddhist stupas. Now with the site getting the World Heritage tag, ASI officials said it would get greater care. However, the ASI's own nomination dossier raised concerns over the increase in footfall at the site. "...approximate 20,000 visitors are reported to visit Dholavira annually. The site witnesses minor pressure and vandalism in terms of visitors walking over the excavated remains due to lack of a defined movement plan. This, in future due to increase in tourist footfall, may pose threat to the integrity of the excavated remains," the nomination dossier that was submitted in 2020 read. While it remains to be seen what impact a potential increase in visitors will have in the future, the archaeological remains at the site show how important maintenance, or the lack thereof, was in the past. From 2,100 BCE-2,000 BCE, there was a general decline "particularly in the maintenance of the city", seen more in the citadel, the dossier said. There was evidence of poor quality ceramic wares that became brittle as well as signs of desertion for a few decades. Finally, the area of the city began decreasing and the last phase of habitation had no resemblance with the urban features of Harappan settlements. "The site was never occupied thereafter," the dossier noted.

ASI BREATHES LIFE INTO 17TH CENTURY DUTCH CEMETERY

As early as 1656 after the decline of the Portugese, the western bank of the river Hooghly was occupied by the Dutch. For nearly two centuries, a Dutch settlement flourished at Chinsurah and started intra-Asian trade in spices, cotton and indigo. However, in 1825 when Dutch Commissioner B.C.D. Bouman surrendered Chinsurah to the British government, most of the monumental architecture of the Dutch was destroyed. Of the few remnants of the Dutch architecture, the cemetery, a protected monument remains as the most important proof of strong Dutch presence in the town more than 40 km upstream from Kolkata on the river Hooghly. The Archeological Survey of India, Kolkata Circle had started the restoration of the Dutch cemetery

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soon after completing the restoration of Danish cemetery at Serampore. But unlike the Danish cemetery which had not more than 50 graves, the Dutch cemetery has around 250 graves that need attention. “The Dutch Cemetery still stands and is a reminder of the golden days of Dutch legacy in Chinsurah. The cemetery contains an assortment of graves scattered under the shade of old trees and surrounded by a high wall. The cemetery has two segments, the older one having graves of Dutch nationals and the other, still in use by the British and native Christians,” Subha Majumder, Superintending Archeologist, ASI Kolkata Circle said. Dr. Majumder said the restoration process might take a few months and is likely to be completed by the end of this year. The oldest tomb that could have been identified at the cemetery belongs to Sir Cornelius Jonge who died in Chinsurah in 1743. The other important graves at the cemetery include that of Daniel Anthony Overbeck, Dutch Governor of Chinsurah, who stayed at the town even after the British took over the town in 1825. He died in 1840 and was interned in a sarcophagus tomb. Enclosed by a high brick wall, the cemetery has mausoleums which are typical to the architectural style of the period and are similar to those found in south India. The southern part of the cemetery compound is home to 24 extant Dutch tombs, which are of three types — pyramids, tomb boxes and plain grave stones. “The Chinsurah Dutch cemetery is probably the biggest non-British European cemetery in West Bengal. The challenge is to restore these structures in their original form. There are many structures inside the 4,000 sq m plot which are ornate and have distinct architectural design which illustrates the uniqueness of Dutch architecture in this part of the country,” Dr. Majumder said. In 1993 a devastating tornado damaged some of the brick structures in the cemetery which were subsequently repaired by the ASI. Experts also pointed out that the restoration of the structure is necessary because of the frequent tropical cyclones like Amphan (May 2020) and Yaas (May 2021) over the past few years having an impact and weakening these centuries-old structures.

RAILWAYS TO DEPLOY SATELLITE-BACKED CLOCKS TO ENSURE UNIFORM TIME

In a significant shift in policy, the Indian Railways will provide Global Positioning System (GPS) clocks for control offices to enable section controllers coordinate with station masters, loco pilots and other staff directly involved in train operations to ensure uniformity in time. The enhanced safety measure will replace analog clocks and train operations will soon be guided by satellite-supported timers known for precision and reliability. Section controllers will set the time for station masters, loco pilots and others to correct their clocks/ watches to uniformity. The Ministry of Railways amended relevant provisions in the rule book to make way for the technology upgrade.

Cause of accident

The move follows an investigation into the head-on collision of Train No. 18005 Howrah-Jagdarpur Salmeswari Express in East Coast Railway on June 25, 2019, which left three railway employees dead and several passengers injured. The Commissioner of Railway Safety who probed the circumstances that led to the accident concluded that there was a “mismatch in timings maintained in control office, at railway stations, loco pilot, signal power monitoring, data logger and the like”. It was found that the instructions prescribed under Rule 4.01 of General Rules on “Timing and Running of Trains” were not followed in many divisions. The rule states that “the section controller shall transmit the correct time at 16.00 hrs daily to all the stations under his



control by using a common ring. The station master on duty will adjust the station clock and record any variation in the time variation register..."

Rule amended

Accepting the recommendations of the Commissioner of Railway Safety that the rule be suitably amended to adopt GPS timings to ensure uniformity of timings maintained at different places and by different set of staff, the Railway Board has directed General Managers of all Zonal Railways to provide GPS clocks in control offices across Indian Railways. "The accuracy in the synchronisation of time in the clocks maintained by the control office, station masters, loco pilots, guards and others is crucial in ensuring safety of train operations. In the accident involving Samleswari Express, there was a block in the section for maintenance work that was lifted without actually ascertaining the clearance of the line for passing the train. Besides other lapses, the enquiry has found mismatch in time maintained by the staff concerned caused the collision," a senior railway official heading a Signal & Telecommunication Wing of the Railways told The Hindu.

Heritage with modernity

The huge clocks at major railway stations would also be modified to GPS technology by replacing the analog mechanism. However, the outer box clock design would be retained to keep the heritage look. In Southern Railway, the process of providing GPS clocks at control offices would be completed in a month's time, Chief Public Relations Officer B. Gugesan said.

INDIA-NEPAL FLOOD MANAGEMENT NEEDS COURSE CORRECTION

Nitish Kumar should be credited for bringing 'disaster management' into the popular imagination in Bihar. In his early days as Bihar Chief Minister (2005-2010), he made a few noticeable structural changes, with renewed approaches in infrastructure augmentation for dams and reservoirs, detention basins, embankments and channel improvement. Non-structural measures were also adopted in later years such as floodplain management, flood forecasting and warning, flood insurance and financial compensation. However, despite the efforts made on the ground, people continue to suffer with perennial flooding in north Bihar (the Mithilanchal region). Already facing a humanitarian crisis of sorts following the novel coronavirus pandemic, this year's extra rainfall and floods have been a moment of reckoning. Unfortunately, this chronic issue which is making over five crore people of the north Bihar in India and Tarai in Nepal so vulnerable, does not seem to get the attention it deserves by policymakers on both sides of the border. This year, on May 4-5, Bihar's Disaster Management Department released two documents titled: "Pre-Flood Preparedness" and "Flood Control Order 2021". The aim was to help the local administration in terms of preparedness and having in place a relief support system. However, a solution to the issue of chronic flooding lies in revisiting the old plans and arrangements between India and Nepal. This is because flood control in Bihar is just not possible till a dedicated intergovernmental panel is formed through a bilateral mechanism between India and Nepal, that in turn can study, assess and offer solutions to this shared crisis.



Fundamentals of flooding

Historically, Bihar has been known to be India's most flood-prone State. The Flood Management Improvement Support Centre (FMISC), Department of Water Resources, Government of Bihar estimates that 76% of the population in north Bihar faces the recurring threat of flood devastation. About 68,800 sq. km out of a total geographical area of 94,163 sq. km, or about 73.06% of the land area is flood affected. A large part of north Bihar, adjoining Nepal, is drained by a number of rivers that have their catchments in the steep and geologically nascent Himalayas. Originating in Nepal, the high discharge and sediment load in the Kosi, Gandak, Burhi Gandak, Bagmati, Kamla Balan, Mahananda and Adhwara Group wreak havoc in the plains of Nepal's Tarai and Bihar. The FMISC says: "About 65% of the catchment area of these rivers falls in Nepal/Tibet and only 35% of the catchment area lies in Bihar. A review by Kale (1997) indicated that the plains of North Bihar have recorded the highest number of floods during the last 30-years. In the years 1978, 1987, 1998, 2004 and 2007[,] Bihar witnessed high magnitudes of flood. The total area affected by floods has also increased during these years. [The] Flood of 2004 demonstrates the severity of the flood problem when a vast area of 23490 Sq Km was badly affected by the floods of Bagmati, Kamla & Adhwara groups of rivers causing loss of about 800 human lives, even when Ganga, the master drain was flowing low."

Cooperation of the past

Unlike the indifference shown by Kathmandu on matters of floods and water management in recent years, the history of cooperation between India and Nepal for embankments starting in the 1950s is worth looking at. When work on the Kosi embankments started in January 1955, a group of retired Nepali soldiers came over voluntarily to join hands with Indian volunteers and start the work. Such a progressive government-citizen interface could not sustain itself and water cooperation between the two countries for a common cause waned. Consequently, not much has happened barring the use of water resources for hydroelectric generation.

Recasting water management

For the people of Madhubani, Darbhanga, Sitamarhi, Sheohar, Saharsa, Supaul, Purnea, Araria, Madhepura, Katihar, Samastipur, Muzaffarpur, Bettiah, Motihari and Begusarai, the flood is a part of their lives. In fact, infrastructural interventions such as building embankments and re-routing streams have disturbed the conventional pattern of slow water flow. Earlier, without so many artificial barriers, the flow of water used to aid farming in the region. The Kosi Treaty of 1954, under which the embankments in Nepal were established and maintained, was not futuristic and did not make enough provisions for the maintenance of embankments and the rivers changing their course. The deposition of stones, sand, silt and sediment has led to river beds rising, changing course and causing unimaginable losses. Between the mid-18th and mid-20th centuries, the Kosi is said to have shifted over 100 kilometres westward, resulting in large-scale human displacements. Also, there is a need for greater sensitisation on climatic imbalances and sustainable development. Ironically, the same flood-affected regions also face the issue of drought and a sinking water table. Notwithstanding Kathmandu's wavered approach on the matters concerning water management with India, it would not be apt to blame Nepal for releasing water from its rivers that cause flooding on the Indian side; and on their part, for believing that India is reaping the benefits from all projects that were taken up in the past. Clearly, course correction is



needed to reestablish water cooperation as a common cause and draw inspiration for joint action from the 1950s.

For a policy refresh

As early as in 1937, the transition from the traditional method of flood control to the embankment-based British system was thought out. To control the floodwater at Barahakshetra in Nepal, a high dam was thus planned and finally built after the devastating Kosi flood in 1953. Prime Minister Jawaharlal Nehru visited the flood-affected areas in 1953 and announced a visionary Kosi scheme for the safe resettlement of the affected people. Lalit Narayan Mishra, former Union Cabinet Minister, was the first prominent political leader from the Mithila region who unwaveringly tried improving infrastructural capabilities with the Kosi Project and other initiatives to control the flooding. In the mainstream political and policy establishments, greater attention needs to be given to this annual calamity and its devastating effects on lives and livelihoods. India and Nepal need to be in dialogue to end the crisis of flooding every year. With a long-term strategy of water management cooperation between India and Nepal, the matter should be looked into.

EXPERTS WARN AGAINST MANDATORY FOOD FORTIFICATION

In a push back against the Centre's plan to mandatorily fortify rice and edible oils with vitamins and minerals, a group of scientists and activists has written to the Food Safety and Standards Authority of India (FSSAI), warning of the adverse impacts on health and livelihoods. They cited multiple studies to show that dietary diversity and higher protein consumption are key to solving undernutrition in India, rather than adding a few synthetic micronutrients which could harm the health of consumers. The letter, sent on Monday to the FSSAI as well as to the Food, Agriculture and Health Ministries and the Ministry of Women and Child Development, was signed by 170 individuals and organisations, including eminent nutritionists, economists, doctors and farmers groups.

'Inconclusive evidence'

One of the signatories is Veena Shatrugna, former deputy director of the National Institute of Nutrition, who warned that "evidence supporting fortification is inconclusive and certainly not adequate before major national policies are rolled out". The letter pointed to recent studies published in the medical journal Lancet and in the American Journal of Clinical Nutrition which show that both anaemia and Vitamin A deficiencies are overdiagnosed, meaning that mandatory fortification could lead to hypervitaminosis. It also noted that many of the studies which FSSAI relies upon to promote fortification were sponsored by food companies which would benefit from it, leading to conflicts of interest. Studies funded by the Nestle Nutrition Institute and the Global Alliance for Improved Nutrition were mentioned as cases in point. The letter explained that a major problem with chemical fortification of foods is that nutrients don't work in isolation but need each other for optimal absorption. Undernourishment in India is caused by monotonous cereal-based diets with low consumption of vegetables and animal protein. "Adding one or two synthetic chemical vitamins and minerals will not solve the larger problem, and in undernourished populations can lead to toxicity," it said, citing a 2010 study that showed iron fortification causing gut inflammation and pathogenic gut microbiota profile in undernourished



children. The letter also argued that mandatory fortification would harm the vast informal economy of Indian farmers and food processors, including local oil and rice mills, and instead benefit a small group of multinational corporations. Dietary diversity was a healthier and more cost-effective way to fight malnutrition, it said. "Once iron-fortified rice is sold as the remedy to anaemia, the value and the choice of naturally iron-rich foods like millets, varieties of green leafy vegetables and flesh foods will have been suppressed by a policy silence," it warned.

CLINICAL TRIALS OF 'ASHWAGANDHA' SOON

The Ministry of Ayush has collaborated with the U.K.'s London School of Hygiene and Tropical Medicine (LSHTM) to conduct a study on 'Ashwagandha' for promoting recovery from COVID-19. A Ministry release said the All India Institute of Ayurveda (AIIA), an autonomous body under the Ministry of Ayush, and the LSHTM recently signed a Memorandum of Understanding (MoU) to conduct clinical trials of 'Ashwagandha' on 2,000 participants in three U.K. cities — Leicester, Birmingham and London (Southall and Wembley).

'Indian winter cherry'

'Ashwagandha' (*Withania somnifera*), commonly known as 'Indian winter cherry', is a traditional Indian herb that boosts energy, reduces stress and makes the immune system stronger. It is an easily accessible, over-the-counter nutritional supplement in the U.K. and has a proven safety profile. The positive effects of 'Ashwagandha' have been observed in long COVID-19, which is a multi-system disease with no evidence of its effective treatment or management. It added that the successful completion of the trial could be a major breakthrough and could give scientific validity to India's traditional medicinal system. "While there have been several studies on 'Ashwagandha' to understand its benefits in various ailments, this is the first time the Ministry of Ayush has collaborated with a foreign institution to investigate its efficacy on COVID-19 patients," the Ministry said. According to AIIA director Tanuja Manoj Nesari, who is also a co-investigator in the project along with Rajgopalan, coordinator (international projects), the participants have been randomly selected. Sanjay Kinra of the LSHTM is the principal investigator of the study. "For three months, one group of 1,000 participants will be administered 'Ashwagandha' [AG] tablets, while the second group of 1,000 participants will be assigned a placebo, which is indistinguishable from AG in looks and taste. Both patients and the doctors will be unaware of the group's treatment in a double-blind trial," Dr. Nesari said. The participants would have to take the 500 mg tablets twice a day. A monthly follow-up of self-reported quality of life, impairment to activities of daily living, mental and physical health symptoms, supplement use and adverse events would be carried out. It took over 100 meetings spanning about 16 months through both diplomatic as well as regulatory channels to sign the MoU, Dr. Nesari said. She added that the study had been approved by the Medicines and Healthcare Products Regulatory Agency (MHRA) and certified by the World Health Organization-Good Manufacturing Practices (WHO-GMP).

Reducing anxiety

Recently, a number of randomised placebo-controlled trials of AG in humans in India had demonstrated its efficacy in reducing anxiety and stress, improving muscle strength and reducing symptoms of fatigue in patients treated for chronic conditions. "After the trial's success,



‘Ashwagandha’ will be a proven medicinal treatment to prevent infection and be recognised by the scientific community worldwide,” the Ministry noted.

KHEL RATNA NAMED AFTER DHYAN CHAND

The Rajiv Gandhi Khel Ratna stands renamed as the “Major Dhyan Chand Khel Ratna”. Prime Minister Narendra Modi took to Twitter on Friday to announce the change of name in honour of the hockey wizard. “I have been getting many requests from citizens across India to name the Khel Ratna Award after Major Dhyan Chand. I thank them for their views. Respecting their sentiment, the Khel Ratna Award will hereby be called the Major Dhyan Chand Khel Ratna Award!” read Mr. Modi’s tweet. The announcement came a day after the men’s hockey team ended a 41-year wait for an Olympic medal by taking the third spot, and on a day when the women’s team finished fourth after some heart-winning performances, including a stunning victory over Australia.

Greatest hockey player

Dhyan Chand, a three-time Olympic gold medallist, is considered India’s greatest hockey player. His birthday, on August 29, marks the National Sports Day, when the National Sports Awards are presented each year. Though Congress’ chief spokesperson Randeep Surjewala welcomed the move to rename the Rajiv Gandhi Khel Ratna awards in memory of the legendary hockey player, he accused the Prime Minister of “petty politics” and challenged the Union government to rename stadia that have been named after BJP politicians, including the Narendra Modi stadium in Gujarat and the Arun Jaitley stadium in Delhi. “Modiji should have not used his myopic political motives to drag a celebrated player like Major Dhyan Chand. Rajiv Gandhiji doesn’t need any awards for recognition. He is known for his sacrifice and the ideas that helped India transform into the 21st century,” Mr. Surjewala said. He said from now on, various stadia should be named after celebrated players like P.T. Usha, Milkha Singh, Mary Kom, Sachin Tendulkar, Pullela Gopichand, Sania Mirza and Leander Paes, among others. He also accused the government of reducing the sports Budget by ₹230 crore in an Olympic Games year. However, discussions on renaming the Khel Ratna awards have been on at least for the past two years. The change of name was suggested by the Committee for Review of Sports Awards and Special (Cash) Award Scheme, constituted by the Ministry of Youth Affairs and Sports in February 2019. The committee, under Justice (Retd.) Indermeet Kaur Kochar, consisted of members like Shiva Keshavan, Ashwini Nachappa, Mohandas Pai, Rajesh Kalra and S.P.S. Tomar (Deputy Secretary in the Sports Ministry and in charge of sports awards). Following deliberations, the committee noted, “Rajiv Gandhi has not been directly associated with sports, but the award is being given carrying his name for the last 26 years. Bhartiya Khel Ratna would be more appropriate.”

CELEBRATIONS BEGIN TO MARK 150 YEARS OF ICONIC ARTIST ABANINDRANATH TAGORE

Year-long celebrations marking 150 years of Abanindranath Tagore will kick off on Saturday, with a host of online workshops and talks paying tributes to the leading light of the Bengal School of Art. Abanindranath, a nephew of Rabindranath Tagore and a decade younger to the poet, helped shape modern Indian art and was the creator of the iconic ‘Bharat Mata’ painting. The celebration, titled Abanindranath at 150: Bichitra Revisited, is being organised jointly by Victoria Memorial Hall, Kolkata, and DAG. This collaboration, according to the organisers, is in the spirit of



experimentation and exchange that took place at Abanindranath's Bichitra Studio at Jorasanko (the ancestral home of the Tagore family in Kolkata). The iconic south verandah of Jorasanko was established as a studio and laboratory by the artist and his brothers Gaganendranath and Samarendranth and it hosted art classes, plays, performances, addas, and magic shows. "Abanindranath Tagore was arguably the first major exponent of an artistic idiom that sought to modernise the Mughal and the Rajput styles in order to counter the influence of Western models of art under the colonial regime. His unique interpretation of swadeshi themes created a new awakening and heralded a revival of Indian art," Jayanta Sengupta, secretary and curator of Victoria Memorial Hall, told The Hindu. Victoria Memorial Hall is the custodian of the Rabindra Bharati Society collection, the single-largest collection of works by the artist. For DAG, the artist is central to its exhibition on the National Art Treasure artists at the Drishykala Art Museum in Delhi as well as the foundation of the galleries on the Bengal School of Art at Ghare Baire, Kolkata. Sumona Chakravarty of DAG said: "Abanindranath's work is timeless, we continue to be amazed and delighted by it. He witnessed an important point in the nation's history when there were questions around the identity of India, and he responded by creating a new language for art that was so wide-ranging and diverse that even today it is a powerful reminder of the syncretic tradition we have inherited and need to safeguard." On Saturday, four events will be held — over Zoom — through the day with special workshops for children, performative dialogues, and conversations. These events also mark the launch of a year-long celebration of the artist through digital projects, films, performances and workshops by contemporary artists who are re-engaging with his oeuvre and the spirit of the Bichitra Studio.



DreamIAS



BUSINESS & ECONOMICS

A DISCONCERTING PICTURE BEHIND THE HEADLINE NUMBERS

The third annual round of the Periodic Labour Force Survey (PLFS) data conducted during July 2019-June 2020 was released recently. The PLFS captures key indicators of the labour market such as the *labour force participation rate (LFPR)* — the proportion of population working or seeking work; *worker-population ratio (WPR)* — the proportion of population that is working; and the *unemployment rate (UR)* — the proportion of population in the labour force that is seeking but unable to find work. It also provides data on the earnings of different segments of workers. The PLFS 2019-20 was expected to provide official estimates of the labour market distress that followed dwindling GDP growth and a lockdown following the novel coronavirus pandemic that brought several economic activities to a standstill. *The data, however, show a decline in the unemployment rate to 4.8% in 2019-20 — the lowest in three years.* While the headline numbers may seem pleasing, a detailed analysis paints a rather disconcerting picture.

Falling unemployment rate

The LFPR, WPR and UR are measured using two approaches — usual status and current weekly status. *The usual status considers the activity of an individual over a relatively long period during the last 365 days, whereas the current weekly status is based on activity performed during the reference period of the last seven days.* The unemployment rate, as measured by the usual status, fell from 6.1% in 2017-18 to 4.8% in 2019-20. This is because even as the LFPR increased from 36.9% to 40.1%, the WPR increased from 34.7% to 38.2% during the same period. In other words, while there was an increase in the share of the population in the labour force over the last three years, there was an even higher increase in the share of those who were able to find work, and hence unemployment fell. A fall in the unemployment rate would be heartening, except, it seems puzzling as it comes at a time of unprecedented economic distress. The quarterly GDP growth declined for successive quarters, sliding from 8.2% in January-March 2018 to 3.1% in January-March 2020, after which the economy contracted by 23.9% during April-June 2020.

Workforce composition

How were more people able to find jobs when economic activities were slowing down? The answer lies in the changing composition of the workforce. The PLFS categorises the workforce into self-employed (which includes own account workers, employers and unpaid helpers in family enterprises); regular wage/salaried workers and casual labourers. Own account workers run small enterprises without hiring any labour but may take help from family members, while employers hire workers. *Of all the worker categories, only the proportion of unpaid family workers has gone up significantly in the last three years. In fact, between 2018 and 2019, while the workforce increased by 2.9%, the proportion of all other employment categories in the workforce declined, except unpaid family helpers. Over the same period, almost the entire rise in the workforce was accommodated by agriculture. Agriculture continues to perform the function of a sink — absorbing the workforce that cannot find remunerative employment elsewhere.* There is also a gendered dimension to the changing composition of the workforce. *The category of unpaid family workers is dominated by women.* The story of the declining unemployment rate can largely be explained by a



movement of women from primarily being engaged in domestic work to agriculture and other petty production activities as unpaid family helpers, possibly in the hope of increasing family income in the times of unprecedented distress and lack of alternative employment opportunities. The usual status is based on a loose definition of work that underestimates open unemployment. This is where the alternative measure of unemployment is relevant. Using the current weekly status approach, the unemployment rate was estimated to be 8.8%, unchanged during the last three years.

Impact of the lockdown

The PLFS survey for April-June 2020 overlapped with the national lockdown. The current weekly status unemployment rate in this quarter was 14%, and the urban unemployment rate was around 20%. Corrected for inflation, the average monthly income for the salaried increased by 2% in April-June 2020 over April-June 2019. The monthly earnings of the self-employed declined by 16% and the daily wage for casual workers declined by 5.6% over the same period. The real monthly per capita consumer expenditure declined by 7.6%. The rise in the average income of salaried workers and the muted impact on consumer expenditure, as estimated from the PLFS, do not concur with other data for the lockdown period. Private final consumption expenditure declined by 26.7% in April-June 2020 over the same quarter in 2019. *Numerous small-scale surveys also reported massive earnings loss during the lockdown. There is overwhelming evidence to suggest that the PLFS data may underestimate the loss of earnings and fall in consumption during the lockdown.* This is a missed opportunity for the official survey to capture the labour market dynamics during the lockdown.

Strengthen statistical system

There is no official data on poverty after 2011-12 or on farm income after 2013, and no recent data on migrant workers. While the consumer expenditure data for 2017-18 was buried, the data on situation assessment of agricultural households are not yet released, despite being conducted between January-December 2019, before the latest PLFS. Minor tweaks in future PLFS surveys can fill the data gaps. Currently, the PLFS captures incomes from agriculture and monthly consumer expenditure, but the questions on these aspects lack credibility. The predecessor to the PLFS, the National Sample Survey employment and unemployment surveys, collected data on consumer expenditure using a detailed schedule. There is no reason why the PLFS cannot do the same. Adding questions on costs and returns from cultivation and related activities can also capture more accurate data on agricultural incomes. Lengthening the questionnaire has its costs — but the costs of the absence of reliable and timely data on important policy-relevant indicators are far higher.

A CYCLE OF LOW GROWTH, HIGHER INFLATION

In recent times, right-leaning economists have been arguing that the Government does not need to do anything with the economy and that it will revive by itself. They call those who disagree with them, doomsday merchants. *These economists reason that, like after the Great Depression, the economy rebounded worldwide, and so will it with us.* The argument is fallacious on *four accounts*: The first factor, **demand**. In the case of the Great Depression, demand was created by the Second World War effort. Especially in the United States, which was largely spared of the destruction, its industrial capabilities could be used as a supply base for the entire Allied effort. In the current



scenario, there is no war to create demand. On top of it, the COVID-19 pandemic has resulted in demand destruction. This is because many jobs have been lost, and even where jobs were retained, there have been pay cuts. Both of these trends were confirmed in the Centre for Monitoring Indian Economy and other surveys. The only bright spot in this dismal scenario is that the western world has spent a lot of money stimulating the economy. From the point of view of the Indian exporter, rising freight costs and non-availability of containers is a significant impediment along with structural issues such as a strong rupee relative to major competitors. Only the Indian IT sector is placed well to capitalise on rising demand in the world markets. Next is **inflation**. India is suffering from stagnant growth to low growth in the last two quarters. At best, any growth in the current quarter will be illusory because it comes on top of substantial negative growth in the first quarter of last year, perpetuating a statistical phenomenon known as the “low base effect”. *The base effect states that when measuring YoY, or year-over-year growth, we take the previous year's numbers as the base and measure the growth as a percentage.* As in the low initial base set by last year, almost any growth this year is seen as a significant growth percentage. In comparison, the absolute growth figure is negligible. *This scenario is eerily similar to the early 1970s in the United Kingdom and the United States, where low growth was combined with rising inflation.*

Causes in India

Inflation in India is being imported through *a combination of high commodity prices and high asset price inflation caused by ultra-loose monetary policy followed across the globe.* Foreign portfolio investors have directed a portion of the liquidity towards our markets. *Compared to a developed capital market such as that of the U.S., India has a relatively low market capitalisation. It, therefore, cannot absorb the enormous capital inflow without asset prices inflating.* This might be seen as a welcome move, but it is to be noted that most of India's population do not own equity or bonds, which means that they cannot cash in on asset inflation. The wealthy upper class gets richer due to access to financial assets. The middle and lower-middle-class get destitute due to *regressive indirect taxes and high inflation, with their wealth eroding due to said inflation.* Especially in the case of the lower middle class, inflation is lethal as they do not have access to any hard assets, including the most fundamental hard asset, gold.

Fuel prices

Additionally, supply chain bottlenecks have contributed to the inflation we see in India today. Essential goods have increased in cost due to scarce supply because of these bottlenecks caused by COVID-19 and its reactionary measures enforced. *India's usurious taxation policy on fuel has made things worse. Rising fuel prices percolate into the economy by increasing costs for transport.* Furthermore, *the increase in fuel prices will also lead to a rise in wages demanded as the monthly expense of the general public increases. This leads to the dangerous cycle of inflation and depleting growth.* The Reserve Bank of India (RBI) has chosen to look the other way, claiming that *this inflation is transitory in nature while inflationary expenses are entrenched.* Inflation is here to stay because the *RBI is infusing massive liquidity into the system by following an expansionary monetary policy through the G-SAP, or Government Securities Acquisition Programme. This is designed to keep the interest rates of government bonds at 6.0% and thereabouts.* An added threat of *rising rates is the crowding out of the private sector, which corporates are threatening to do by deleveraging their balance sheets and not investing.* The third is **interest rates**. The only solution for any central banker once he realises that inflation is entrenched is tightening liquidity and further pushing the



cost of money. If this does not dampen inflation, repo rates will need to go up later this year or early next year. *Tightening the money supply is a painful act that will threaten to decimate what is left of our economy.* Rising interest rates lead to a decrease in aggregate demand in a country, which affects the GDP. There is less spending by consumers and investments by corporates.

On NPAs

Finally, *rising non-performing assets, or NPAs. Rising interest rates, lack of liquidity, and offering credit to leveraged companies instead of direct subsidies to support small and medium-sized enterprises (SMEs) and micro, small and medium enterprises (MSMEs) to counter the COVID-19 pandemic and its effects will result in NPAs of public sector banks climbing faster.* Our small and medium scale sector is facing a Minsky moment. *The Minsky moment, coined by the economist Hyman Minsky, states that every credit cycle has three distinct stages.* The first stage is that of cautious lending and risk aversion by the bankers. The second stage is lending to trustworthy debtors who can pay the principal and its interest. The third stage is a state of euphoria caused by rising asset prices where bankers lend to debtors regardless of their ability to pay back interest, let alone the principal.

Minsky moment

The Minsky moment marks the decline of asset prices, causing mass panic and the inability of debtors to pay their interest and principal. India has reached its Minsky moment. This means that the public sector unit and several other banks will need capital in copious amounts to make up for bad debt. *Several banks and financial institutions have collapsed in the last 18 months in India. The Union government's Budget is in no position to infuse large amounts of capital.* At best, we can expect a piecemeal effort as in the past seven years. As a result of the above causes, *credit growth is at a multi-year low of 5.6%. Banks do not want to risk any more loans on their books. This will further dampen demand for real estate and automobiles once the pent-up demand is over. The Indian economy is in a vicious cycle of low growth and higher inflation unless policy action ensures higher demand and growth.* In the absence of policy interventions, India will continue on the path of a *K-shaped recovery* where large corporates with low debt will prosper at the cost of small and medium sectors. This means lower employment as most of the jobs are created by the latter.

AMID PROTESTS, LS PASSES BILL TO AMEND INSURANCE ACT

Amid Opposition protests and sloganeering over the Pegasus snooping issue and the three controversial farm laws, the Lok Sabha on Monday passed a law to amend the general insurance business Act without a debate. *The Bill – The General Insurance Business (Nationalisation) Amendment Bill, 2021 – will allow the government to bring down its stake in State-owned general insurance companies, generate required resources and help public sector general insurers design innovative products.* But the Opposition and the Treasury benches got into a war of words as the Bill was being moved for passage. Congress leader Adhir Ranjan Chowdhury accused the government of handing over decades-old institutions to a handful of capitalists and termed the bill “anti-people and anti-national”.



Nirmala's charge

Hitting back at Mr. Chowdhury, Finance Minister Nirmala Sitharaman accused the Opposition of spreading falsehood and asserted that she would respond to his charges if they [Opposition members] agreed to debate the provisions of the Bill. "If they are serious, they should sit down, debate and ask questions. Since you are afraid that truth will come out, you don't want a discussion," she stated while moving for the Bill's passage. The Bill was passed through a voice vote after some of the amendments to it, moved by Revolutionary Socialists Party's N.K. Pramachandran, were defeated. BJP's Rama Devi, who was in the Chair, adjourned the House for the day soon after the Bill's passage. *As per the statement of objects and reasons, the proposed amendments to the General Insurance Business (Nationalisation) Bill seeks to remove the mandatory requirement of the Central government holding not less than 51% of the equity capital in a specified insurer.* The Bill stated that certain amendments had become 'necessary' to provide for greater private participation in public sector insurance companies, enhance the penetration of the insurance sector, provide social protection by securing the interests of the policyholders better and contribute to faster pace of the economic growth. *In her Budget speech for 2021-22, the Finance Minister had announced a ambitious privatisation agenda, including two public sector banks and one general insurance company.* Of the public sector general insurance companies — the National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited and the United India Insurance Company Limited — the government will dilute its shareholding in one company. *The name of the company, however, is yet to be finalised.* The first half of the Lok Sabha proceedings also witnessed protests by the Opposition members, resulting in two adjournments before lunch. While the Ms. Sitharaman introduced the Tribunals Reforms Bill, 2021, after withdrawing an earlier bill on the issue, Mr. Chowdhury accused the government of "bulldozing one legislation after another".

A GRAND TAX BARGAIN IN DANGER OF COMING APART

After four years, the promise of the Goods and Services Tax (GST) remains substantially unrealised. It is a far cry from the attempted avoidance of cascading and continues to be a not very transparent multi-rate system with associated difficulties in computing and assessing tax liability, tax burden and tax incidence. States have less headroom in handling GST collection shortfall after surrendering their fiscal autonomy. When the period of five years of compensation ends in 2022, will we see a continued flawed system or a freshly minted GST 2.0, given the asymmetry of the power equations between the States and the Centre? The tax base of GST does not appear to be expanding as the recent uptick has reversed last month. The GST is strongly co-related to overall GDP. Revenue collection of the GST is dependent on the nominal growth rate of Gross Value Added (GVA) in the economy. Since inception, GVA per quarter has been between ₹40-lakh crore to ₹47-lakh crore and GST revenue has not been higher than ₹2.7-lakh crore to ₹3.1-lakh crore. The Tax to Gross value addition is only about 5% to 6.5% though GVA growth was much higher. Obviously, a very large segment is covered by exemption, composition schemes, evasion and lower tax rate.

Centre holds the cards

The fundamental weakness of the GST is its political architecture which is asymmetrically loaded in favour of the Centre. Disputes between States and between the Centre and the States are inevitable in a mosaic arrangement. *But in the current structure, no particular body is tasked to*

3RD FLOOR AND 4TH FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



*adjudicate this though the original Constitution (115th Amendment) Bill 2011 (GST Bill) had a provision for such an institution. In the voting, the central government has one-third vote and States have two-thirds of total votes (with equal voting rights regardless of size and stake). With the support of a dozen small States whose total GST collection is not more than 5% of the total — and their Budget is mostly underwritten by the central government — the game is hugely in the Centre's favour. With equal value for each States' voting, larger and mid-sized States feel short-changed. Severe fiscal strain is expected when the 14% compensation comes to an end as the median growth rate of subsumed taxes is only 11%, and in many States between 5% to 10%. The median subsumed **tax buoyancy** is below unity. This means with 1% growth, there will be a 0.75% growth of tax. The contraction of GST revenue across the country means that the compensation amount will be higher and the clamour for a continuance of compensation scheme is inevitable.*

Issues with tax structure

The second problem is the design flaws in the tax structure. *Nearly 45% to 50% of commodity value is outside the purview of the GST, such as petrol and petroleum products.* In addition, States which export or have inter-State transfers or mineral and fossil fuel extractions are not getting revenue as the origin States and need a compensation mechanism. The pre-existing threshold level of VAT has been tweaked too often which has led to an evaporation of tax base incentivising, enabling evasion and mis-reporting. *Most trading and retail establishments, (however small) are out of the fold of the GST. At the retail level, irrespective of whether Input Tax Credit (ITC) is required or not, the burden can be passed off to the consumer.* As a result, the loss could be as high as one third. Third, exemptions from registration and taxation of the GST have further eroded the GST tax base compared to the tax base of the pre-existing VAT. Exemptions are purely distortionary and also provide a good chance to remain under the radar, thereby directly increasing evasion or misclassification. Theoretically, exemptions at the final stages reduce tax realisation. *As multiple rates are charged at different stages, it goes against the lessons of GST history. This tax works well with a single uniform tax rate for all commodities and services at all stages, inputs and outputs alike. While most countries have a single rate, India stands out and is among the five countries to have four rates/slabs.*

Exclusion as another issue

The fourth is that of exclusion. *Petroleum products remaining outside the purview of GST has helped the Centre to increase cesses and decrease central excise, in what would otherwise have been shareable with the States.* Now, States will be keen on including petrol and diesel under the GST as their share of tax goes up in the process, even if there is a special rate fixed for it. *In April 2017, cess and surcharge formed 56% and 35% of the excise duty on petrol and diesel, respectively. Now, their share has increased to 91% and 85%, respectively, and the shareable central excise has reduced by ₹6.5 a litre, making it ₹2.98 for petrol and ₹4.83 for diesel. Equity requires that petrol and diesel be brought under the GST.* Apart from the complexity it creates in record keeping and 'granting ITC', *in the present form it also leads to a cascading which the GST avowedly tried to avoid.* Given all these problems, a version 2.0 of GST may have to be designed sooner rather than later.



CENTRE MOVES TO REDACT RETROSPECTIVE TAX LAW

The government on Thursday took the first step towards doing away with the contentious retrospective tax law of 2012, which was used to raise large tax demands on foreign investors such as Vodafone and Cairn Energy, and blamed for vitiating India's investment climate — less than a month after Cairn Energy secured an order from a French court to freeze India's assets in Paris.

Retrospective tax clauses

Union Finance and Corporate Affairs Minister Nirmala Sitharaman introduced the Taxation Laws (Amendment) Bill in the Lok Sabha on Thursday to nullify the relevant retrospective tax clauses that were introduced in 2012 to bring past indirect transfer of Indian assets under the ambit of taxation. As per the proposed changes, any tax demand made on transactions that took place before May 2012 shall be dropped, and any taxes already collected shall be repaid, albeit without interest. To be eligible, the concerned taxpayers would have to drop all pending cases against the government and promise not to make any demands for damages or costs. Former Finance Minister, the late Pranab Mukherjee, had introduced the retrospective taxation power after the Supreme Court held that Vodafone could not be taxed for a 2007 transaction involving its purchase of a 67% stake in Hutchison Whampoa for \$11 billion. Later, the tax was invoked against Cairn Energy for a corporate reorganisation done in 2006-07 and its assets were frozen by the authorities. The National Democratic Alliance (NDA), which was in the Opposition at the time, had termed this "tax terrorism" and late former Finance Minister Arun Jaitley had promised to stop the retrospective tax levy. However, there has been no move to scrap the law in the NDA's seven years in office so far — the latest rethink could have been prompted by last month's Paris court order allowing Cairn to freeze at least 20 Indian properties worth \$23 million. The Bill's 'Statement of Objects and Reasons' reads: "It is argued that such retrospective amendments militate against the principle of tax certainty and damage India's reputation as an attractive destination." It also says, "In the past few years, major reforms have been initiated in the financial and infrastructure sector which has created a positive environment for investment in the country. However, this retrospective clarificatory amendment and consequent demand created in a few cases continues to be a sore point with potential investors." Experts welcomed the move as it will end the spectre of policy uncertainty for potential investors who have seen the Vodafone and Cairn cases unfold over the past decade.

Separate international arbitration tribunal verdicts in the Vodafone and Cairn cases have ruled against India's retrospective tax demands over the past year. While the government had earlier said it will honour the legal process, it has filed appeals against both verdicts. *Cairn Energy, which was awarded \$1.2 billion by an international tribunal, has filed cases in at least ten global jurisdictions, including the U.S., the U.K., Canada and Japan, to seize India's assets in lieu of the award as the government did not abide by the tribunal's decision.*

INSOLVENCY CODE HAS STRAYED FROM INTENT: PARLIAMENT PANEL

The Parliament's Standing Committee on Finance has sought a review of the design and implementation of the Insolvency and Bankruptcy Code (IBC) as it has deviated from the original



intent and questioned the low recovery rates, long delays in the resolution process and the high number of vacancies in the National Company Law Tribunals (NCLTs). The panel, chaired by the BJP's Jayant Sinha, stressed that the low recovery rates under the IBC 'with haircuts as much as 95% and the delay in resolution process with more than 71% cases pending with NCLT for more than 180 days, clearly point towards a deviation from the original objectives of the Code'. In a report tabled on Tuesday on the 'Implementation of IBC — pitfalls and solutions', the Committee noted that the Code had undergone six amendments since its introduction in 2016, but the operationalisation of these changes 'may have altered or even digressed from the basic design of the statute'. Calling for a thorough evaluation of the extent of fulfilment of the Code's original aims, the panel said the fundamental aim of the statute was to secure creditor rights so as to reduce borrowing costs with the reduction of risks. It also suggested a benchmark be put in place for the quantum of "haircuts" to be taken by creditors. *It expressed apprehensions over fresh graduates appointed as Resolution Professionals (RPs). Disciplinary action had been taken in the case of 123 RPs out of 203 inspections conducted so far, it pointed out. It said it was concerned over the NCLT functioning without a President, and 34 members short of its sanctioned strength of 62.*

WHAT IS E-RUPI AND HOW DOES IT WORK?

Taking the first step towards having a digital currency in the country, Prime Minister Narendra Modi will launch an electronic voucher based digital payment system "e-RUPI" Monday. *The platform, which has been developed by the National Payments Corporation of India (NPCI), Department of Financial Services, Ministry of Health and Family Welfare and the National Health Authority, will be a person-specific and purpose-specific payments system.*

How will e-RUPI work?

e-RUPI is a cashless and contactless digital payments medium, which will be delivered to mobile phones of beneficiaries in form of an SMS-string or a QR code. This will essentially be like a prepaid gift-voucher that will be redeemable at specific accepting centres without any credit or debit card, a mobile app or internet banking. e-RUPI will connect the sponsors of the services with the beneficiaries and service providers in a digital manner without any physical interface.

How will these vouchers be issued?

The system has been built by NPCI on its UPI platform, and has onboarded banks that will be the issuing entities. Any corporate or government agency will have to approach the partner banks, which are both private and public-sector lenders, with the details of specific persons and the purpose for which payments have to be made. The beneficiaries will be identified using their mobile number and a voucher allocated by a bank to the service provider in the name of a given person would only be delivered to that person.

What are the use cases of e-RUPI?

According to the government, e-RUPI is expected to ensure a leak-proof delivery of welfare services. It can also be used for delivering services under schemes meant for providing drugs and nutritional support under Mother and Child welfare schemes, TB eradication programmes, drugs & diagnostics under schemes like Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, fertiliser



subsidies etc. The government also said that even the private sector can leverage these digital vouchers as part of their employee welfare and corporate social responsibility programmes.

What is the significance of e-RUPI and how is it different than a digital currency?

The government is already working on developing a central bank digital currency and the launch of e-RUPI could potentially highlight the gaps in digital payments infrastructure that will be necessary for the success of the future digital currency. In effect, e-RUPI is still backed by the existing Indian rupee as the underlying asset and specificity of its purpose makes it different to a virtual currency and puts it closer to a voucher-based payment system. Also, the ubiquitousness of e-RUPI in the future will depend on the end-use cases.

Does India have appetite for a digital currency?

According to the RBI, there are at least four reasons why digital currencies are expected to do well in India: One, *there is increasing penetration of digital payments in the country that exists alongside sustained interest in cash usage, especially for small value transactions.* Two, *India's high currency to GDP ratio, according to the RBI, "holds out another benefit of CBDCs".* Three, *the spread of private virtual currencies such as Bitcoin and Ethereum may be yet another reason why CBDCs become important from the point of view of the central bank.* As Christine Lagarde, President of the ECB has mentioned in the BIS Annual Report "... central banks have a duty to safeguard people's trust in our money. Central banks must complement their domestic efforts with close cooperation to guide the exploration of central bank digital currencies to identify reliable principles and encourage innovation." Four, CBDCs might also cushion the general public in an environment of volatile private VCs.

Are there global examples of a voucher-based welfare system?

In the US, there is the system of education vouchers or school vouchers, which is a certificate of government funding for students selected for state-funded education to create a targeted delivery system. These are essentially subsidies given directly to parents of students for the specific purpose of educating their children. In addition to the US, the school voucher system has been used in several other countries such as Colombia, Chile, Sweden, Hong Kong, etc.

IS RBI PLANNING A DIGITAL CURRENCY FOR INDIA?

The Reserve Bank of India (RBI) recently said it will begin testing its own digital currency. In a speech, RBI Deputy Governor T. Rabi Sankar delved deep into the reasons for introducing a digital rupee and the possible risks. Several economies, including the U.S., the European Union and China, have been working to issue their own Central Bank Digital Currency (CBDC). The Bahamas launched the world's first CBDC last year.

What is a Central Bank Digital Currency?

A CBDC is no different from the cash that we hold in our wallets, except that it exists in a digital form in a digital wallet supervised by the central bank. Economically, the digital rupee is similar to rupee coins and notes. It is simply a form of fiat currency that is backed by the central bank and does not possess any intrinsic value. In fact, it is similar to private digital currencies in the sense that people



accept these currencies merely because they believe that others will also accept them. It should be noted that the RBI's digital rupee will not directly replace demand deposits held in banks. Physical cash will continue to be used by banks and people wishing to withdraw cash from banks can still do so. But they can also opt to convert their bank deposits into the new digital rupee.

Why are central banks issuing digital currencies?

Central banks claim that there is increasing demand for digital currencies. CBDCs are promised as sovereign-backed alternatives to private currencies, which are unregulated. Critics, however, note that the demand for private currencies comes mainly from people who have lost faith in fiat currencies. They say central banks have been creating too much money, forcing many to switch to private currencies whose supply is limited by design. Central banks also believe that the cost of issuing electronic CBDCs is far lower than the cost of printing and distributing cash. Another likely reason for the introduction of CBDCs is that they can be easily tracked by authorities.

What are the risks in adopting CBDCs?

Central bankers fear that people may begin withdrawing money from their bank accounts as CBDCs become more popular. *Many depositors currently use bank accounts to safely store their money. When CBDCs can serve the same purpose, people could move money out of banks. What could check this is the interest offered by banks. The withdrawal of bank deposits can also affect the amount of loans created by banks.* However, this could happen not simply because banks will have fewer cash deposits to lend to borrowers. Contrary to popular belief, banks do not loan out actual cash deposits. Instead, they use cash deposits as a base on which they create a pyramid of electronic loans far in excess of the cash deposits. So, banks hold lesser cash in their vaults than what their depositors and borrowers could demand from them. *The real reason banks will be able to create fewer loans is that when customers convert their bank money into CBDCs, banks will be forced to surrender at least some cash and will thus possess an even smaller cash base on which to create loans.* Also, when bank customers convert their deposits into CBDCs, the RBI will have to take these liabilities onto its own balance sheet.

What lies ahead?

Central banks may cap the amount of money that an individual can hold in the form of CBDCs and also impose negative penalties to prevent the mass withdrawal of deposits from banks. Central banks may also have to inject money into banks so that their ability to create loans is not compromised. As noted earlier, banks' cash reserves determine the amount of loans they can create. Interestingly, CBDCs could eventually take over the role that cash reserves play in the current banking system as more and more physical cash gets converted into CBDCs and are deposited in banks. In that case, both CBDCs and electronic loans created would simply be digital forms of the same currency. This could eliminate the risk of bank runs as banks will then no longer have to satisfy the cash demands of customers. But it can also lead to rampant money creation by banks.

EXEMPTING SELECT PSUS FROM MINIMUM FREE FLOAT NORM REVERSES GOVT STANCE

Disregarding its commitment to raise minimum public shareholding in state-owned companies to 25 per cent, the Central government has empowered itself to exempt public sector companies from this



rule that is aimed at increasing public float and improving governance. Through a recent notification in the government gazette, the Department of Economic Affairs has amended the Securities Contract (Regulation) Rules, 1957 (SCRR) to say that the “Central government may, in the public interest, exempt any listed public sector company from any or all of the provisions of this rule” of increasing minimum public shareholding to 25 per cent. *Sections in the government and market participants feel the move would affect liquidity in PSU company stocks, dissuade institutional investors and may even have a bearing on the disinvestment programme.* Minimum public shareholding (MPS) is the minimum level of public holding (other than promoters) in a company to be maintained on a continuous basis. *While the timeline for achieving 25 per cent MPS for listed companies was 2013, the timeline for public sector companies i.e., PSUs and public sector banks (PSBs), was extended multiple times closer to the deadline due to lack of efforts from such companies towards compliance.* The previous such extension granted them time till August 2, 2021 for compliance. *Of 1,705 listed private sector companies on the NSE, only 2 were non-compliant with MPS requirement as of June-end. In contrast, during the same time, 27 of 77 public sector companies on the NSE had public shareholding less than 25 per cent. Of them, 11 companies have public shareholding of less than 10 per cent.* The Securities and Exchange Board of India’s (Sebi’s) rules, put in place in October 2017 for better compliance with MPS norms, requires companies to pay a structured fine for every day of non-compliance. Other penalties include freezing of promoter shareholding and compulsory delisting. *While private sector companies have to comply with norms, the government has now created a carve out for PSUs.* Industry sources said the government’s latest dispensation is surprising since *the Budget itself has committed to comply with MPS norms and the government has outlined a clear intent towards privatisation. Adequate free float in a listed company is essential for providing sufficient liquidity in trading stocks thereby facilitating efficient price discovery and maintaining market integrity.*

Maintenance of minimum public float by listed companies helps attract higher foreign capital and increases India’s weight in international indices like MSCI and FTSE. Government firms not adhering to these norms could be a drag on inflow of foreign capital. This can be detrimental at a time the government is planning strategic sales in various PSUs including BPCL, Shipping Corporation, and Air India. “Low free float is one of the reasons why PSU stocks command low valuation in the market. Investors, especially foreign ones, are wary of investing in such stocks due to absence of liquidity – because of high promoter holding,” an industry source said. *Various government expert committees have in their reports argued all listed entities, government or private, should be treated at par on governance standards.*

MSME LIQUIDITY LINE SET TO WIDEN AS MORE NBFCs START ‘FACTORING’

Parliament’s clearance to The Factoring Regulation (Amendment) Bill, along with a government plan to mandate companies with over Rs 250-crore annual turnover to register on the TReDS (Trade Receivables Discounting System) platform, will significantly boost funding availability for MSMEs, lower interest costs and improve cash management, industry sources said. *Currently a handful of NBFCs and banks were providing funding to MSMEs against their receivables.* Factoring law amendments have been cleared in both Houses of Parliament in the current session. *This will enable nearly 9,000 NBFCs to participate in the factoring market instead of just seven now.* Improved participation by NBFCs in the factoring market will enhance liquidity for MSMEs and lower their interest costs. *Factoring is a transaction where an entity (like MSME) sells its receivables*



(dues from a corporate) to a third party (a 'factor' like a bank or NBFC) for immediate funds. Banks and NBFCs provide finance against these receivables, enabling availability of ready funds for the MSMEs. This is done on an online TReDS platform initiated by the Reserve Bank of India (RBI). TReDS facilitates financing and discounting of MSME trade receivables through multiple financiers. "Only in India, factoring could be done by the banks or NBFCs that have a factoring licence — those who do over 50 per cent of business through factoring. Now, all NBFCs have been allowed to do factoring business, irrespective of proportion of income from factoring. This, therefore, brings liquidity into factoring business, which was deprived of it as only largely banks and few NBFCs could participate in it," said Sundeep Mohindru, CEO of M1exchange, an online platform for trade receivables. NBFCs' lending to MSMEs is typically against the balance sheet strength of these smaller companies, leading to interest rates that can be higher than 16 per cent. But in the case of funding against receivables (or factoring), the NBFC is taking a risk on the customer of the MSME who is larger corporate, leading to lower (nearly halving) interest costs, he said. The Finance Ministry also plans to accept suggestion of a Parliamentary panel studying the impact of Covid-19 on MSMEs that it should be made mandatory for CPSEs with turnover of over Rs 250 crore to register on TReDS platform, a senior government official said. "As on 31.12.2020, of 4,599 companies having turnover of more than Rs 500 crore, as identified by the Ministry of Corporate Affairs, 1,461 companies have registered themselves on TReDS platform. 170 CPSEs and 3,903 MSMEs registered with these CPSEs have also been onboarded on the platform. Totally, 11,690 MSMEs have on-boarded," the Department-related Parliamentary Standing Committee on Industry noted in its report on MSMEs last week.

Every tax invoice raised by GST-registered MSMEs should reflect automatically on the TReDS platforms. The legal changes have also enabled intermediaries to register a factoring transaction on the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) portal instead of the existing practice of banks doing assignment in CERSAI one by one. With 3,000-5,000 factoring transactions in a single day, assignment entry onto CERSAI has been time consuming so far. "Now the change in Factoring Act has permitted intermediaries like us to register the factoring unit directly on the CERSAI portal ... this will reduce the lead time on operating on the portal from days to few minutes and hours. This makes the process faster, efficient and reduces chances of duplicity of transactions," said Mohindru.

POST-IPO, MINIMUM LOCK-IN PERIOD FOR PROMOTERS HALVED

The board of the markets regulator, the Securities and Exchange Board of India (Sebi), Friday eased the norms for the lock-in period of shares held by promoters in companies after an initial public offering (IPO). Sebi has proposed that if the objective of the issue involves offer for sale or financing other than for capital expenditure for a project, then the minimum promoters' contribution of 20 per cent should be locked-in for 18 months from the date of IPO allotment. Currently, it is 3 years. Moreover, the promoter shareholding in excess of 20 per cent needs to be locked in only for 6 months, compared to one year now. Also, the lock-in of shares held before the IPO by non-promoters has been cut to six months compared to 1 year. The Sebi board has also eased disclosure norms for offer documents. It has also decided to rationalise the definition of promoter group — in cases where the promoter is a corporate body and companies having common financial investors will be excluded. The board agreed in-principle to the proposal of doing away with the concept of promoters and moving to 'person in control.' It asked Sebi to engage with other regulators, prepare draft



regulations and a transition road map for this move. In an earlier discussion paper, Sebi said this shift is necessitated by the changing investor landscape in India where concentration of ownership and controlling rights do not vest completely in the hands of the promoters or promoter group due to the emergence of new shareholders. *Sebi also eased some disclosure requirements under its takeover regulations for acquirers and promoters who buy or sell shares aggregating to 5 per cent and any change of 2 per cent thereafter. Sebi has also allowed firms to provide share-based benefits to employees who are exclusively working for it or any of its group firms. It has decided to dispense with the minimum vesting and lock-in periods for all share benefit schemes in the event of death or permanent incapacity of an employee. Firms can issue sweat equity shares to the extent of 15 per cent of their existing paid-up equity share capital in a single year. The total sweat equity should not exist 25 per cent of equity share capital at any time.* Sebi has decided to facilitate ease of doing business in market infrastructure institutions like stock exchanges and depositories. It has decided to make the 'fit and proper' status mandatory for people buying less than 2 per cent shares in unlisted MIIs. Meanwhile, Sebi has brought in the concept of 'accredited investors' in the domestic market.

GRIM PROSPECTS

In a letter to Cabinet Secretary Rajiv Gauba, Kumar Mangalam Birla, chairman of telecommunications company Vi, has reportedly conveyed his willingness to "hand over" his stake in the company to any government or domestic financial entity in order to keep the beleaguered telco functioning. The offer, which essentially signals that the telco's survival now is solely dependent on government action, underlines the dramatic possibility of a once hyper competitive sector transforming into a virtual **duopoly** dominated by one extremely strong player. With high barriers to entry in the form of spectrum costs, and licence fees, and continuing policy uncertainty unlikely to facilitate or encourage entry of new players, the implications of this shrinking competition on consumers, though they may not be immediately evident, are worrying. Several disparate events have led the sector to this impasse. *The tariff wars, which began in 2016 with the entry of the new player, wreaked havoc on the finances of telecom operators.* Their precarious financial position has only been compounded by adverse court orders. In the adjusted gross revenue (AGR) dispute, the Supreme Court upheld the government's interpretation, allowing it to include revenue from non-telecom activities like interest income in its calculation of fees, thereby increasing the liability of telcos. *On July 23, the Court dismissed the petitions of telcos seeking to recalculate the AGR dues. Vi's total obligations on account are around Rs 60,000 crore.* The company has been trying to rope in investors, but in the current policy environment, it is difficult to see any investor stepping in. As Birla noted in his letter, potential foreign investors "want to see clear government intent to have a three-player telecom market (consistent with its public stance) through positive actions on long-standing requests such as clarity on AGR (adjusted gross revenues) liability, adequate moratorium on spectrum payments, and most importantly, a floor pricing regime above the cost of service." This suggests that *in the absence of a concerted effort on part of the government, a duopoly is all but certain.* This is unfortunate. The government should have intervened early on to prevent things from coming to this pass. Not addressing the issue of predatory pricing and then not reconsidering the approach on the AGR issue have caused great damage to the sector. *The effects of Vi going under will be felt not only by consumers, but also by the broader economy.*



WHY KM BIRLA OFFERED TO HAND OVER HIS VODAFONE IDEA STAKE TO GOVT

Vi, formerly known as Vodafone Idea, is reeling under debt in excess of Rs 1.5 lakh crore. As of March 31 this year, the company owed nearly Rs 60,000 crore to the Department of Telecommunications (DoT) as adjusted gross revenue (AGR), Rs 96,270 crore in deferred spectrum obligations and another Rs 23,000 crore to banks and financial institutions.

Can the DoT take over Vi though?

Technically yes, it can. Since telecommunications is a strategic sector, the government can, in public interest, bring crucial and critical policy interventions to benefit the masses at large. According to a Deutsche Bank Research report of July 26, the only way Vi is likely to survive in the coming time is that if the government converts its debt into equity, and merge the operations of the company with state-run Bharat Sanchar Nigam Limited (BSNL), and then giving the merged entity a “clear commercial mandate based on profitability targets and incentives”. “Should this happen, Vi shareholders would be heavily diluted, as government debt is roughly six times the current market cap. But such a solution might be an acceptable outcome to shareholders, with a \$20 billion enterprise value feasible and non-dilutive,” the report said. *Other telecom analysts and government officials, however, say that at a time when the government is struggling to offload its own stake in various public sector companies across the board, it is unlikely that it will take over another company, even if it is at no cost.*

What happens to Vi idea in the long run?

With crushing debt, it will be important for Vi to raise funds within the next few months just to sustain daily operations, according to experts. Apart from that, the telco will also need to use the funds raised to slowly cut back on the debt. Since it is unlikely that the government will intervene by taking over the company, Vi will also have to look at raising tariff in the near future to cover the cost of its operations, while also pushing the government to announce some sectoral relief on AGR as well as spectrum payments obligations.

‘Biggest loser’

With roughly 10,000 direct employees and loans from banks of almost ₹300 billion, Vodafone Idea’s potential exit would send shock waves through India’s economy. “In case Vodafone goes under, the biggest loser in this will be the government, because a major chunk of the debt is owed to them,” said a senior banker at a private bank which has lent money to Vodafone Idea. “So, the ball is now in their court,” the banker added.

SUPREME COURT RULES ON FUTURE RETAIL V AMAZON: WHAT NOW

The Supreme Court on Friday upheld the enforcement of an order by the Singapore International Arbitration Centre (SIAC)’s emergency arbitrator that puts on hold the Future Group’s deal with Reliance Industries Limited. An emergency arbitrator of the SIAC had, after listening to verbal arguments from Future Retail and Amazon, ruled that the former should “not to take any steps in furtherance to the Board Resolution of August 29”.



What is the tussle all about?

In August last year, Future Retail had announced that it would “sell by way of a slump sale the retail and wholesale business” of its supermarket chain Big Bazaar, premium food supply unit Foodhall, and fashion and clothes supermart Brand Factory’s retail and wholesale units to Reliance Retail, a unit of Mukesh Ambani-owned Reliance Industries. Before the deal could be executed, Amazon objected to it, alleging a breach of contract it had with Future Coupons, the promoter firm of Future Retail. *Amazon had also said that its agreement with Future Coupons had given it a “call” option, which enabled it to exercise the option of acquiring all or part of Future Retail’s shareholding in the company, within three to 10 years of the agreement.* Subsequently, Amazon took Future Retail into emergency arbitration before the SIAC, where an emergency arbitrator barred the latter from proceeding with the deal.

What has the Supreme Court ruled now?

In its judgment, the Supreme Court said it had framed two important questions and tried to answer them. The first, a two-judge Bench of Justices Rohinton Fali Nariman and B R Gavai said, was to determine whether an emergency arbitrator’s award can be said to be within the contemplation of the Arbitration Act. *Holding that such as award can be within the Arbitration Act, the court said such orders were an “important step in aid of decongesting the civil courts” and providing quick interim relief to parties in the arbitration.* The second question that the Supreme Court framed and answered is whether Future Retail’s appeal before a Division Bench of the Delhi High Court was maintainable. The two-judge Bench said the order of a single Bench of the High Court could not have been appealed before the Division Bench under Section 37(2) of the Arbitration Act.

What happens to the Future Retail-Reliance Retail deal now?

The Future Retail-Reliance Retail deal has been on hold pending adjudication before the Supreme Court. *Although Future Retail had been preparing the groundwork for the sale by approaching various regulators and seeking their clearance, the Supreme Court ruling that the emergency arbitrator’s ruling holds good in India would put a temporary stop to all deals in India.* Both parties have already approached the permanent bench of the SIAC and are now likely to press for an early resolution. If the SIAC holds that the Future Retail-Reliance Retail deal is indeed in violation of the pact that Future Coupons had with Amazon, it would in essence mean the end of the Future-RIL deal, according to legal experts. Other experts say the judgment would serve as a reminder to the parties to carefully agree to the terms and conditions of the arbitration. “The pronouncement appears to be fair and is a reminder that ‘party autonomy reigns supreme’ when it comes to arbitration. After all, *the parties here had consented to arbitration governed by SIAC while being subject to Indian law. By so doing, the parties consciously agreed to an emergency arbitration till the constitution of an arbitral tribunal,*” said Faisal Sherwani, Partner at L&L Partners.



LIFE & SCIENCE

EARTH OBSERVATION SATELLITE TO BE LAUNCHED ON AUG. 12

The Indian Space Research Organisation (ISRO) will launch an Earth Observation Satellite on August 12 from the Satish Dhawan Space Centre, SHAR, at Sriharikota. The launch has been scheduled at 5.43 a.m. The satellite, EOS-03, will be carried on board the 14th flight of the GSLV, the GSLV-F10, and will place the satellite in a Geosynchronous Transfer Orbit. The satellite will reach the final geostationary orbit using its onboard propulsion system, ISRO said. *A four-metre diameter Ogive-shaped payload fairing is being flown for the first time in this GSLV flight, ISRO said. The EOS-03 is a state-of-the-art agile satellite that will enable real-time monitoring of natural disasters, waterbodies, crops, forest cover changes, among others. Union Minister of State for the Department of Space, Jitendra Singh, recently informed the Rajya Sabha that EOS-03 is capable of imaging the whole country four to five times every day.*

CLUES FROM MARS

Since early 2019, researchers from ETH Zurich have been recording and analysing marsquakes as part of *the InSight mission*. Using this data, they have now measured the red planet's crust, mantle and core. The data will help understand the formation and evolution of Mars and, by extension, the entire solar system. The researchers have discovered that the Martian crust under the probe's landing site near the Martian equator is between 15 and 47 kilometres thick. Such a thin crust must contain a relatively high proportion of radioactive elements, which calls into question previous models of the chemical composition of the entire crust. *The mantle is 400–600 kilometres down, twice as thick as that of Earth. This could be because there is now only one continental plate on Mars, in contrast to Earth with its seven large mobile plates. The measurements also show that the Martian mantle has a mineralogy similar to Earth's upper mantle. The seismology reveals differences in chemical composition. The Martian mantle, for example, contains more iron than the Earth's. The Martian core has a radius of about 1,840 kilometres, making it a good 200 kilometres larger than had been assumed 15 years ago, when the InSight mission was planned.* The researchers were now able to recalculate the size of the core using seismic waves. "Having determined the radius of the core, we can now calculate its density," Simon Stähler of ETH Zurich says in a release.

STELLAR MID-LIFE CRISIS: WHAT AILS THE MIDDLE-AGED SUN?

Stars like our Sun can go through a mid-life crisis, according to new research carried out by scientists from IISER Kolkata. This can lead to dramatic changes in their activity and rotation rates. The study also provides an explanation for the breakdown of the long-established relation between rotation rate and age in middle-aged sunlike stars. The work has been published in the *Monthly Notices of the Royal Astronomical Society: Letters*.

Stellar middle age

At about 4.6 billion years of age, the sun is middle aged, that is, it will continue to live for roughly the same period. There are accurate methods for estimating the age of the Sun, such as by using radioactive dating of very old meteorites that have fallen on the Earth. However, for more distant



stars which are similar in mass and age to the Sun, such methods are not possible. *One of the methods used is called gyrochronology. There is a relationship between rotation rate and age, that is the rotation rate of a star slows down with age.* When the stellar wind escapes from the star, it carries away with it a part of the angular momentum of the star, which results in its slowing down. The stellar wind has two drivers: one is the high temperature of the outer atmosphere of stars – the corona – which results in an outward expansion and hence plasma winds that emanate out. The other is the magnetic field. *“The magnetic field actually heats the corona and so when magnetic activity is strong the winds are strong and since wind carries away the internal (rotational) angular momentum of the star, it slows down its rotation,”* explains Dibyendu Nandi, one of the authors of the paper. *This is called magnetic braking. As the star ages, due to this mechanism, its rotation slows down and this relationship is used in gyrochronology to estimate the age of the star.*

Age and spin

However, there is a breakdown of the gyrochronology relationship, because after midlife, a star's rate of spin does not slow down with age as fast as it was slowing down earlier. Another intriguing fact is that the Sun's activity level has been observed to be much lower than other stars of similar age. A third observation that is part of the puzzle is that there have also been periods in the past when extremely few sunspots were observed on the Sun for several years at a stretch. For instance, during the Maunder minimum which lasted from 1645 to 1715. The researchers use the dynamo models of field generation designed to explore long-term activity variations and come up with a theory that can possibly explain the above puzzles. According to a press release by the Royal Astronomical Society, they show that at about the age of the Sun, the magnetic field generation mechanism of stars becomes sub-critical or less efficient. This allows stars to exist in two distinct activity states – a low activity mode and an active mode. The star may thus fall into a low-activity mode and suffer drastically reduced angular momentum loss due to magnetized stellar wind. “We have a hypothesis, a theory backed by simulation results which seems to self-consistently explain the diverse puzzling behaviour witnessed in middle-aged stars. We have provided a clear demonstration that the theory can explain certain observations, and, therefore, is a leading contender [to throw light on] their origin. In the future, independent observations may reconfirm or deny our theory,” says Prof. Nandi.

NEW THEORY: EARTH'S LONGER DAYS KICK-STARTED OXYGEN GROWTH

Scientists have a new idea for how Earth got its oxygen: It's because the planet slowed down and days got longer. A study published Monday proposes and puts to the test the theory that longer, continuous daylight kick-started weird bacteria into producing lots of oxygen, making most of life as we know it possible. *They dredged up gooey purple bacteria from a deep sinkhole in Lake Huron and tinkered with how much light it got in lab experiments. The more continuous light the smelly microbes got, the more oxygen they produced. One of the great mysteries in science is just how Earth went from a planet with minimal oxygen to the breathable air we have now. Scientists long figured microbes called cyanobacteria, were involved, but couldn't tell what started the great oxygenation event. Researchers in a study in Monday's Nature Geoscience theorise that Earth's slowing rotation, which gradually lengthened days from six hours to the current 24 hours, was key for the cyanobacteria in making the planet more breathable.* About 2.4 billion years ago there was so little oxygen in *Earth's atmosphere that it could barely be measured, so no animal or plant life like we*



know could live. Instead, lots of microbes breathed in carbon dioxide, and in the case of cyanobacteria, produced oxygen in the earliest form of photosynthesis. At first it wasn't much, but in only about 400 million years Earth's atmosphere went to one-tenth the amount of oxygen we have now – a huge jump, said the study's lead author, Judith Klatt, a biogeochemist at the Max Planck Institute in Germany. That oxygen burst allowed plants and animals to evolve, with other plants now joining in the oxygen-making party, she said.

UN WARNS HUNGER IS EXPECTED TO RISE IN 23 GLOBAL HOTSPOTS

Hunger is expected to rise in 23 global hotspots in the next three months with the highest alerts for “catastrophic” situations in Ethiopia’s embattled Tigray region, southern Madagascar, Yemen, South Sudan and northern Nigeria, two U.N. agencies warned on Friday. *The Food and Agriculture Organization and World Food Program said in a new report on “Hunger Hotspots” between August and November that “acute food insecurity is likely to further deteriorate.” They put Ethiopia at the top of the list, saying the number of people facing starvation and death is expected to rise to 4,01,000 — the highest number since the 2011 famine in Somalia — if humanitarian aid isn’t provided quickly. In southern Madagascar, which has been hit by the worst drought in the past 40 years, pests affecting staple crops, and rising food prices — 14,000 people are expected to be pushed into “catastrophic” acute food insecurity marked by starvation and death by September.* And that number is expected to double by the end of the year with 28,000 people needing urgent help, the two agencies said. “Acute hunger is increasing not only in scale but also severity,” FAO and WFP said in Friday’s report. *“Overall, over 41 million people worldwide are now at risk of falling into famine or famine-like conditions, unless they receive immediate life and livelihood-saving assistance.” The two Rome-based agencies called for urgent humanitarian action to save lives in the 23 hotspots, saying help is especially critical in the five highest alert places to prevent famine and death.*

THE BENEFITS OF BREASTFEEDING

UNICEF states that “breastfeeding is among the most effective ways to protect maternal and child health and promote healthy growth and optimal development in early childhood.” Infants should be breastfed within one hour of birth, breastfed exclusively for the first six months of their lives, and be breastfed after six months in combination with solid, semi-solid and soft food until they are about two years old.

Many advantages

Breastfeeding provides greater immunity for children against infection, allergies, cancers and obesity; and improves brain maturation. It is also beneficial for the mother: it promotes faster weight loss after birth, reduces postpartum bleeding, and protects her against breast cancer, ovarian cancer, and osteoporosis. Data from The Lancet show that more investment in breastfeeding could add \$300 billion to the global economy and prevent about 8,20,000 child deaths every year. The advantages of breast milk are evidence-based, yet globally only 25%-40% of babies are breastfed. Breastfeeding and later wet nursing were the norm for millions of years. During the Renaissance period, breastfeeding came to be seen as unfashionable. *Feeding bottles and formula milk were aggressively advertised leading to a reduction in breastfeeding between the 17th and 19th century. However, during the late 19th century, an increase in infant mortality rate and rise in*



noncommunicable diseases during adulthood were attributed to bottle feeding. This prompted experts and leaders everywhere to push for breastfeeding across the world. The World Alliance for Breastfeeding Action (WABA) was established in 1991 to create awareness about the importance of breastfeeding. In 1992, WABA in coordination with UNICEF introduced World Breastfeeding Week during the first week of August every year. India enacted the Infant Milk Substitutes, Feeding Bottles and Infant Foods Act in 1992 with stringent regulations. However, the National Family Health Survey-5 data show that there has been a decline in early breastfeeding in as many as 12 of the 22 surveyed States and Union Territories while the share of institutional births has increased.

Maternity and paternity leave

The Dravida Munnetra Kazhagam (DMK) has promised in its manifesto that maternity leave in Tamil Nadu would be extended to 12 months. This is essential as women are entering the workforce in large numbers while society has shifted to a nuclear family system. Such a move will ensure uninterrupted breastfeeding. Nevertheless, counselling and educating the parents, establishing breast milk banks, providing lactating mothers with subsidised breast milk pump equipment, and setting up exclusive facilities to breastfeed will prove to be beneficial for mothers to provide exclusive breastmilk for children up to six months. *The inclusion of husbands in this conversation is incumbent. Both the mother and newborn are vulnerable for the first 12 weeks. Getting used to breastfeeding takes at least 14 days. Therefore, assistance from the partner is indispensable during this time. However, Indian law only allows for 15 days of paternity leave. It is imperative to extend this to 12-16 weeks. India is a low-middle-income country with a meagre allocation of the GDP towards health. Communicable and non-communicable diseases hamper our economic growth. The theme for World Breastfeeding Week this year is 'Protect Breastfeeding: A Shared Responsibility'. With a change in social, cultural and environmental factors, breastfeeding is no longer mother-centric.* Governments must allocate specific funds, rigorously implement the law, invest in educating parents and health workers and involve civil society organisations and the media in spreading awareness. Breastfeeding has decreased during the COVID-19 pandemic. Therefore, it is important that the promotion of breastfeeding should be a continuous process, not an event restricted to a week.

PARADISE FOR PIGS

It is no easy task to go Through the Looking Glass, past Animal Farm, and establish The Republic. Yet, on a sacred mountain in southern China, a collection of nondescript concrete buildings has stoked and surpassed the imaginations of some of the world's greatest writers. The tallest pig farm in the world, nine storeys high, with 1,270 pigs on each floor, both a porcine utopia and dystopia, an absurd fantasy and a marvel of the modern state. "The time has come, the Walrus said" in Lewis Carroll's classic, to ponder such deep questions as "whether pigs have wings". In China, while the ungulate cannot fly, it can take the lift. Individual care, 24/7 medical facilities and quick, hygienic disposal of the diseased have been put in place in the condominiums on Yaji ("sacred") mountain. This pampering of pigs — they are weighed, measured, sorted and kept in secure "bio-bubbles" — has ostensibly been necessitated by disease and the threat of dietary shortages. Over the last two years, China lost over 200 million pigs to African Swine Fever and other viruses. And the one-party state, that has been relatively unsuccessful in remaking Hong Kong, Tibet and Xinjiang, has set up a Platonic Republic for the animals. Each creature is cared for, its future predetermined.



But a word of caution: Pigs, like Politburo members, can become self-serving. A duck may ask, along with his sheep and goat friends: Why am I slumming it in farms, on the ground, while the portly pigs enjoy climate-controlled surroundings in high rises? In *Animal Farm*, while all animals were equal, some were more equal than others. The lesson from Orwell, which People's Parties often forget, also is that before there was Utopia, there was dissent and revolution. Revolutions can always come around again

NEW FROG SPECIES DISCOVERED IN WESTERN GHATS, NAMED AFTER EX-DU V-C

A team of Delhi University researchers has discovered a new frog species in the Western Ghats and named it after former DU Vice-Chancellor and plant geneticist *Deepak Pental*. The new frog species, *Minervarya Pentali*, was discovered from the *Western Ghats biodiversity hotspot, extending along the southwest coast of the Indian Peninsula, and the research team has stated that this new species is endemic to the southern Western Ghats. "We discovered it from wayside vegetation at multiple localities in Kerala and Tamil Nadu, while surveying amphibians during the monsoon season. This species is also among the smallest known Minervarya frogs, which is probably one of the reasons it was overlooked until now,"* said Dr Sonali Garg, lead author of the study and a postdoctoral researcher at DU. The study has been conducted over a period of ten years on the genus *Minervarya*, which the research team has claimed resolved the identity and taxonomic status of all known members of the genus from Peninsular India. "It is a great privilege to name a frog species after Prof Deepak Pental, the former Vice Chancellor of University of Delhi, in appreciation of his tremendous support and encouragement for setting-up of the Systematics Lab at University of Delhi — where research leading to the discovery and description of nearly one-fourth of all known Indian amphibians has been carried out," said Professor S D Biju, Head of the Department of Environmental Studies at DU. Professor Pental is a noted researcher whose primary area of interest is crop breeding. He was the Vice-Chancellor of Delhi University from 2005 to 2010. "It is very generous of Professor Biju, he thinks that I did quite a bit for this research. I am not a naturalist but he thought me to be worthy. But it is all his work and he deserves more recognition than me. He is a natural scientist, has discovered many frog species, is a passionate environmentalist, goes to the field and works for months and years. We need work like that," said professor Pental.

END-TO-END GENOME SEQUENCING

On May 27, a preprint titled "The complete sequence of the human genome" was posted in the online repository bioRxiv. In this preprint, scientists from the Telomere-to-Telomere (T2T) Consortium, an international collaboration of around 30 institutions, reported the most complete sequencing of the human genome until now. They have, in the process, discovered over a hundred new genes that code for proteins. The total size of the genome they have sequenced is close to 3.05 billion base pairs. This adds 200 million base pairs to the last draft of the human genome that was published in 2013. The results come with the caveat that about 0.3% may still have errors, and that among the sex chromosomes, only the X chromosome has been sequenced.



What is significant about this announcement?

The Human Genome Project that began in 1990 gave the first results of the complete human genome sequence in 2003. For the first time, we were able to read the blueprint of human life. However, though it was announced as the complete human genome, about 15% of it was incomplete. Due to limitations of technology, scientists were not able to piece together some repetitive parts of the human genome. Solving some of the problems, an updated "complete" version was released in 2013, which still missed out on 8% of the genome. Now, the researchers have nearly completed the job, adding 200 million base pairs and 115 new protein-coding genes to the list.

What is special about protein-coding genes?

The human genome is the *entire set of deoxyribonucleic acid (DNA)* belonging to a human. This resides in the nucleus of every cell of the human being. The DNA consists of a double-stranded molecule, each of which is built up by four bases – *adenine (A), cytosine (C), guanine (G) and thymine (T)*. Every base on one strand pairs with a complementary base on the other strand (A pairs only with T, and C only with G). In all, the genome is made up of 3.05 billion such base pairs, approximately. Of these, *there are long stretches that do not seem to have a particular function*. On the other hand, *protein-coding sequences or protein-coding genes are DNA sequences that get transcribed on ribonucleic acid (RNA) as an intermediate step*. These in turn make the proteins responsible for various functions such as keeping the body healthy or determining the colour of the eye — proteins carry out the instructions encoded in the genes.

Whose DNA was sequenced?

The DNA used did not belong to any person. According to a report in Nature, *it was a cell line derived from a tissue known as a complete hydatidiform mole. This is the tissue that forms when a sperm inseminates an egg that has no nucleus. Hence, this tissue has the chromosomes of just the father.*

What are the gaps in the study?

For one thing, it has no information about the Y chromosome. We know that all chromosomes in an arbitrary cell's nucleus are found in pairs – we have 23 pairs of chromosomes in each cell. However, the sex cells such as sperm and egg cells contain only one of each pair of chromosomes (haploid cells). So, while egg cells always carry a copy of the X chromosome, sperms can carry either an X chromosome or a Y chromosome. *The cell line that the researchers studied had an X chromosome only and no Y chromosome.* Therefore, information about the Y chromosome is missing in this release. It is also not 100% complete. The researchers say that about 0.3% of the genome may have errors.

What will this genome draft be useful for?

One of the most important uses of this release will be that it forms a standard for comparison in future sequencing attempts, according to Dr. Satyajit Rath, a visiting faculty member at Indian Institutes of Science Education and Research (IISER), Pune, and an expert on immunology. Just as the standard of time is given by the beats of a caesium clock placed in the International Bureau of Standards, this sequence of the human genome will be a gold standard of reference for future



attempts. The level of accuracy is unprecedented and *while earlier, people were trying to piece together strands of DNA that were a few hundred base pairs long, the technology used by the Telomere-to-Telomere Consortium used sequencing technology that could scan 20,000 base pairs at one go.* This is a significant technological feat.

U.S. SHIPS 110 MN DOSES OF COVID-19 VACCINE ABROAD

The U.S. has shipped more than 110 million doses of COVID-19 vaccines to middle-and-low-income countries, President Joe Biden announced on Tuesday. This exceeds a commitment to donate at least 80 million doses of mostly AstraZeneca vaccine globally. India did not appear on an official list of countries that had received U.S. vaccines, a consequence of unresolved liability issues between the government of India and vaccine manufacturers. An Indian official involved in the vaccine negotiations told The Hindu that the government is keen to resolve the indemnity issue for both donations as well as commercial orders for the three U.S. vaccine manufacturers (Pfizer, Moderna and Johnson & Johnson), and all vaccine shipments from the U.S. are held up for now. In an interview to NDTV, the government's vaccine panel chief, N.K. Arora, suggested that India could reconsider its position on sovereign indemnity for U.S. vaccines if a larger number of doses, between "100 and 200 million doses" were offered, but that India is going ahead with its vaccine plans to inoculate all eligible adults with COVID-19 vaccines without factoring in vaccines imported from the U.S.

Liability waiver

Thus far, India has only given approval to pharma company Cipla on Tuesday to import the Moderna mRNA vaccine. In early July, a shipment of 7.5 million doses of Moderna vaccines were bound for India. This shipment, a part of the donations from international vaccine distribution facility COVAX, were held back at the last minute, as neither the government nor Cipla was willing to sign the liability waiver, according to the official who spoke to The Hindu. Pfizer is yet to apply for approval in India. During his remarks on Tuesday, Mr. Biden said the U.S. would begin shipping by the end of this month some of the 500 million doses of Pfizer-BioNTech vaccines that it had committed to foreign countries. The U.S. was also expanding manufacturing at home and abroad, including in India, according to Mr. Biden.

India and the U.S., along with their Quad partners Japan and Australia, plan to supply at least 1 billion doses of the Johnson & Johnson (J&J) vaccine across Asia by the end of 2022. These will be produced in India by the Hyderabad-based Biological E.

VACCINOLOGIST BARBIE

*What a year for Professor Sarah Gilbert. Not only was the vaccinologist, who designed the Oxford-AstraZeneca Covid jab, honoured with a damehood this June, she's now got a Barbie in her likeness. US toy maker Mattel has just released a Dame Gilbert doll, complete with red hair, glasses and a pantsuit, as one of six Barbies that pay tribute to women in science, technology, engineering and maths (STEM). Even though she described it as a little "strange", Gilbert's hope is that her doll will help girls realise that it is "normal" for them to aspire to STEM careers. This would have seemed like an odd thing to say — of course, it's normal for girls to want to be scientists, doctors and engineers — were it not for the hard facts. *Around the world, STEM fields are dominated by men,**

3RD FLOOR AND 4TH FLOOR SHATABDI TOWER, SAKCHI, JAMSHEDPUR



even though in primary school, girls are as proficient as boys in maths and science. But as they grow older, ingrained biases, stereotypes and socio-economic pressures, especially in the developing world, steer girls away from STEM fields, sometimes even forcing them to drop out of education and forfeiting any chance at a career. According to data from the UNESCO Institute of Statistics, less than 30 per cent of the world's researchers are women — the ignominy of this figure has led the UN to include "Women in science" as one of the themes for its Sustainable Development Goals. Despite her history of promoting unrealistic beauty standards and sexist attitudes, Barbie may just be the doll for the job. Since 2016, she has come in more diverse and inclusive forms — wearing a hijab, with natural hair, in a wheelchair, and as a boxer, tractor driver and firefighter. And while the heavy lifting in the battle against gender discrimination will have to be done by governments and policymakers everywhere, Vaccinologist Barbie could show little girls everywhere that they can be whoever they want to be.



DreamIAS