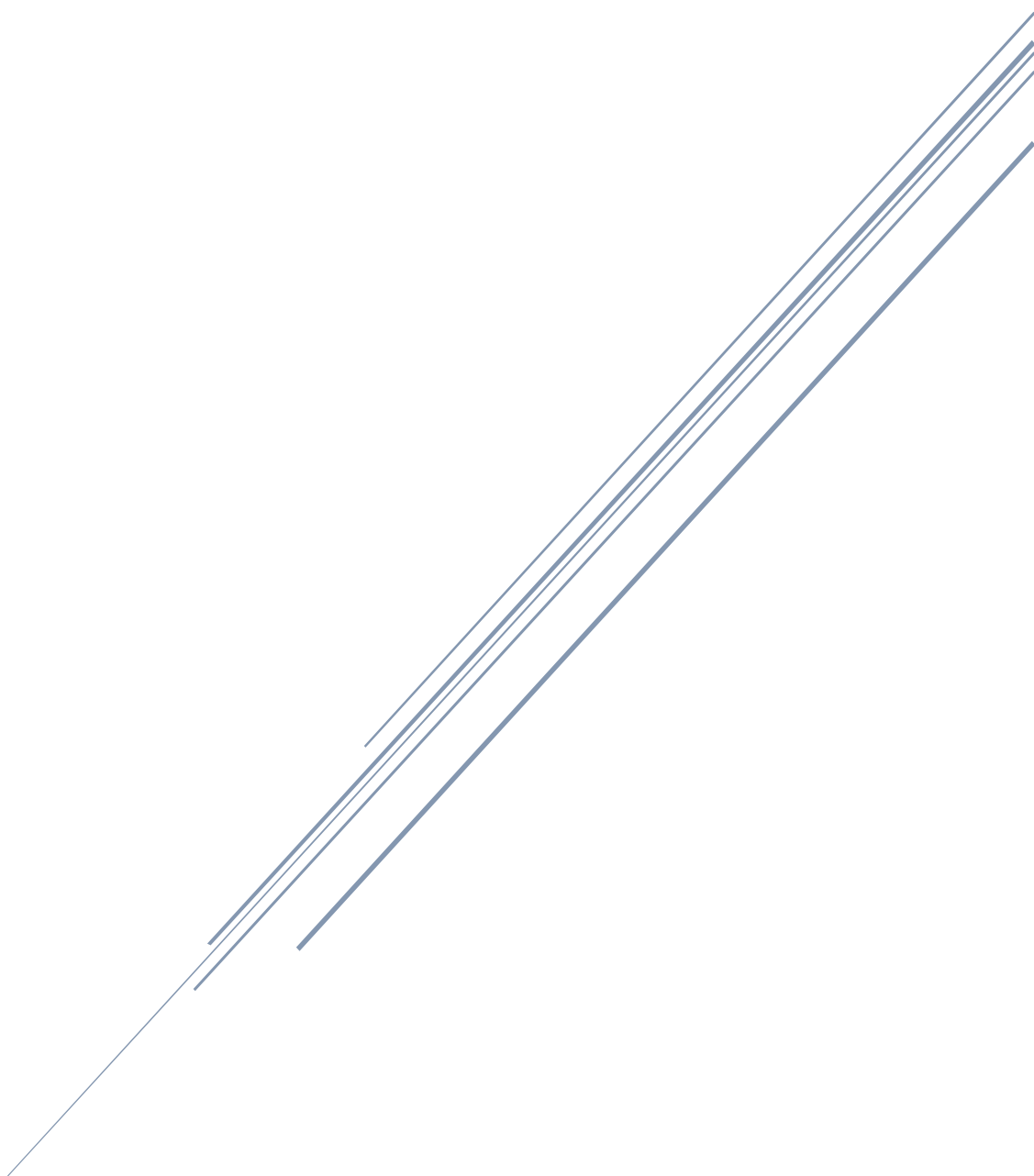


CURRENT AFFAIRS FOR UPSC

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**INTERNATIONAL****WHY WASHINGTON IS MAKING PAKISTAN'S AMBASSADOR DESIGNATE WAIT**

Pakistan's ambassador designate to the United States Masood Khan is being made to wait longer than usual for an agreement, a diplomatic term that means the host government's acceptance of his appointment. He was nominated by the Pakistan government to the prestigious post in November 2021, but is still awaiting word from the Biden Administration to take up his new role. Within the Pakistan establishment, concerns over the delay could have only increased after Republican Congressman Scott Perry's reported letter to President Joe Biden, calling Masood Khan a "jihadist" and "a bona fide terrorist sympathiser" and demanding the nomination should be rejected, as Khan was working to undermine US interests as well the "security of our Indian allies".

Who is Masood Khan exactly?

A diplomat who joined Pakistan's foreign service in 1980, the 70-year-old Masood Khan is a Pashtun who was born in Rawlakot in Pakistan Occupied Kashmir. His first high profile assignment came just two years after 9/11. Masood Khan found himself in the hottest seat in the Pakistan Foreign office at the time – that of the spokesperson. But Khan carried off the challenge with aplomb, and won praise from the media for his easy approachability. Unflappable, there was no question he would refuse to answer, including from the two Indian journalists present in the room during the weekly MOFA briefings. "He was not just good, he was excellent," said one journalist who attended the briefings regularly, describing him as "amiable and accessible at all times". But bigger assignments were waiting for him, indicating that he was considered a safe pair of hands. Pakistan's military considers the country's foreign policy as part of its remit, and senior officials in the ministry of foreign affairs are deep rooted establishmentarians. He was also the rare "Kashmiri" in Pakistan's foreign service. He had wide political acceptability in Pakistan. After his stint as spokesman, he was sent by the Musharraf government as Pakistan's Permanent Representative to the United Nations at Geneva. In 2008, the Pakistan People's Party government headed by Prime Minister Yusuf Raza Gilani dispatched him as ambassador to China. Four years later, he was named Permanent Representative to the UN at New York. On his return to Pakistan, he ran for President of Pakistan Occupied Kashmir towards the end of Nawaz Sharif's abruptly interrupted term as Prime Minister. The PML(N) had won the elections in the region – officially Pakistan does not include PoK as part of its territory — and Masood, as the party's nominee, romped home with a comfortable margin.

A Khan in PoK

Just as diplomat Masood Khan was always on message – those who interacted with him in those years were surprised at his stridency even in the heyday of the India-Pakistan peace process, even if it was amiably delivered — as a politician in PoK, Khan was expectedly one with the establishment's view on Kashmir. In this view, India is an "illegal occupying force", Kashmir is an international dispute, and India's position that the 1972 Simla Agreement turned it into a bilateral matter is sheer "manipulation", as India does not wish to discuss Kashmir with Pakistan even bilaterally. Khan's election as PoK president came two months after the killing of the Hizbul Mujahideen leader Burhan Wani by security forces, when Kashmir erupted in protests. In September 2016, in his speech at the UN General Assembly, Prime Minister Sharif praised Burhan Wani as the symbol of the "new intifada" in Kashmir, and called the protests a peaceful resistance



that had inspired young and old living under the “illegal occupation” of Kashmir by India. Masood Khan in turn called Burhan a “hero” who had passed on the baton of resistance against India in Kashmir through his “martyrdom”. In 2021, on the fifth anniversary of Wani’s killing, he put out a special message hailing the JeM militant. As his country’s top man at the UN, he would have also worked with the Chinese for blocking the designation of Jaish-e-Mohammed chief Masood Azhar, for which India campaigned for years. The designation finally came in 2019, soon after the Pulwama attack on the CRPF bus, for which India named JeM.

Anti-Modi statements

Khan has closely mirrored Prime Minister Imran Khan’s statements against Hindutva and Prime Minister Modi. And he has made it known that as envoy to the US, he will push the Biden Administration for the release of Afia Siddiqui, a Pakistani woman convicted and imprisoned in the United States on terror charges, and for whose release, successive government have pushed, some more strongly than others. Late last year, weeks after he was named the envoy to Washington, Masood Khan tweeted that “the US Government can find a way to free Aafia Siddiqui. Washington has negotiated a peace deal with the Taliban, once considered inveterate enemies. Room must now be created for Aafia’s freedom. Long overdue. Will be a bonanza for winning hearts and minds.” In an interview to the Turkish news agency Andalou in May 2019, Masood Khan said a “catastrophic” new chapter had begun in Kashmir, and that Kashmiris had become “fodder” in the election victories of the Indian leadership.

Grey shades

More recently though, Masood Khan has written about peace with India. On January 22, days after Pakistan released its first National Security Policy, in an article titled “Balancing Geo-economics with Geo-politics” on a website called Narratives that says its aim is to project Pakistan’s case abroad, Masood wrote that Pakistan “should not envisage a future of perennial hostility with its eastern neighbour, though the settlement of outstanding conflicts is necessary for economic co-operation with it”. He also made a case for a fresh look at the Turkmenistan-Afghanistan-Pakistan-India pipeline “in which Russia is a tacit guarantor, if not a partner”, adding that livelihoods would eliminate terrorism rather than a military response. Earlier in his career, there was also enough bonhomie between him and the Indian embassy at one of his important postings as the Pakistani ambassador, for him to attend a reception hosted by the Indian ambassador at his home.

So why no agreement yet

After the Perry letter, much of the speculation in India has swirled around his alleged “jihadist” links. But Masood Khan’s views on Burhan Wani or JeM are not extraordinary by the standards of the Pakistani establishment. Many in Pakistan’s officialdom hold stronger views. But the wait has come at a time when the ties between the two countries have lost energy. After withdrawing from Afghanistan, Biden seems to have lost interest in Pakistan. Even a year after taking over as President, he has not yet had a conversation with Prime Minister Imran Khan, a snub that Pakistan could not have imagined just three years ago. The jury is still out on whether a 10-week wait for an agreement is normal. A report in Dawn said the “longer than usual” delay had given an impression of “a pause in the process”. The newspaper quoted an unnamed US diplomat saying that the delay might have been caused by the Omicron outbreak that saw new restrictions at the workplace, and also due to the December holiday season. But the report also quoted an unnamed Foreign Office source in Islamabad saying the delay could be due to his stint as president of PoK. Technically, Masood Khan was head of state of a region that Pakistan has not officially integrated



within its federation. The Biden Administration may be considering this anomaly, especially as it has potential to muddy the pitch with India. In October 2019, a few months after the Modi government made sweeping changes doing away with the special status of Kashmir, Delhi prevented Khan, who was still president of PoK then, from addressing a programme organised by the Pakistan Embassy at the French parliament. India sent a demarche to the French government that an invitation to him was a violation of the sovereignty and territorial integrity of India. It is also quite possible that the Biden administration is making Khan sweat for the agreement, just like it's making Imran Khan wait for the Biden phone call. Delhi would be watching to see how this ends.

A YEAR ON FROM MYANMAR'S 'ANNUS HORRIBILIS'

The coup in Myanmar will be a year old tomorrow. On February 1 last year, the military seized power, violating the Constitution. A decade-long experiment with hybrid democracy ended abruptly, paving the way for violence, oppression and instability. The road ahead looks dark, but diplomatic efforts are under way to bring amelioration.

Internal scene

The Opposition camp has called for a nationwide silent strike that ends in mass clapping, an act representing the indignation and the frustration of the people. They are angry with the military that has oppressed them and imprisoned their elected leaders. They are also frustrated with the international community as it failed to show up with a magic wand to restore democracy. Some of their leaders are promising freedom from military rule by the end of 2022. But few believe them. The military leadership has persisted in marching on the dangerous path it chose last January. It convinced itself that the November 2020 elections were fraudulent, resulting in a landslide victory for the National League for Democracy (NLD) led by Daw Aung San Suu Kyi. It feared that, armed with a strong popular mandate, she would clip their wings and establish full democracy. President Win Myint and Daw Suu Kyi were arrested and there was a brutal clampdown. The result: 1,498 people have been killed and 11,787 imprisoned till January 27, 2022, according to the Assistance Association for Political Prisoners. Besides, a sizeable number of security officials have been killed. An exodus of people seeking refuge in neighbouring countries followed, which included over 15,000 people to Mizoram, India. After the coup, the Opposition was active in articulating people's anger. A parallel government named the National Unity Government (NUG) was formed. Slowly it lost momentum as Naypyitaw denounced NUG as "terrorists", and used its overwhelming power to subdue the resistance. The military now has an upper hand although normalcy still eludes the nation. Instability has ruined the economy, with the World Bank terming it as "critically weak". The crisis also weakened the Government's efforts to manage the pandemic. In short, Myanmar has just gone through its annus horribilis.

ASEAN's role

Attention has now been focused on mediation by the Association of South East Asian Nations (ASEAN). It began well by persuading Senior General Min Aung Hlaing, the regime's supremo, to accept the 'Five-Point Consensus' comprising, inter alia, the cessation of violence, national dialogue and mediatory efforts by ASEAN. Insiders recall that Min Aung Hlaing's consent was implicit. This became explicit when Foreign Minister Wunna Maung Lwin formally conveyed Myanmar's "commitment" to the plan last August. But the military resiled from its implementation. With uncharacteristic firmness, ASEAN barred the Senior General's participation in its summits. It offered representation at the non-political level which Myanmar turned down.



In this impasse, Cambodia's Prime Minister Hun Sen, the current ASEAN Chair, has adopted a softer approach which is backed by Thailand and Laos. It aims at adjusting to the military's refusal to compromise on its key requirements such as denial of access to Daw Suu Kyi for ASEAN mediators, and little dilution of the 2008 Constitution. Other ASEAN States led by Indonesia are opposed to Cambodia's diplomacy. But long-time ASEAN watchers believe that through further consultations, the grouping will craft internal consensus and re-adapt its negotiating mandate. Whether this happens on Cambodia's watch, or later under the Indonesian leadership, remains to be seen. A key person to watch is Noeleen Heyzer, the United Nations Secretary General António Guterres's special envoy, who could help both the UN and ASEAN to craft a modus vivendi for Myanmar.

Other players

The West exerts influence in Myanmar, but it has been unable to comprehend the dynamics of power. The United States and the European Union have not accurately assessed the military's resolve and core conviction that without its driving role, national unity and integrity would disappear. The western policy to promote democracy and impose sanctions against the military have produced minimal results. The media paid huge attention to Russia's endeavours to woo Myanmar by increasing its defence cooperation since the coup. But the principal player is China, not Russia, despite evident coordination between the two. Beijing enjoys enormous leverage in the 'Golden Land' through its control over several ethnic armed organisations, projects covered by the Belt and Road Initiative (BRI), the regime's protection via veto in the Security Council, and a thick cheque book. Whoever wields power in Naypyitaw develops stakes in close partnership with China. But Myanmar's rulers also desire independence and balance in their external policy, provided the international community gives them the means for it. Japan understands this geopolitical reality, but acting by itself, Tokyo cannot make a difference. It should act in coordination with ASEAN and India.

India's policy

As the world's largest democracy, India is always happy to work with fellow democracies, but it has never been in the business of exporting democracy. Nevertheless, it has done much to shape and to strengthen diplomatic efforts at the UN and through its support to ASEAN for putting Myanmar's transition to democracy back on the rails. This line was reiterated by India's Foreign Secretary Harsh Vardhan Shringla in his interactions with the top military leadership in December 2021. He was given a patient hearing even though his request to meet Daw Suu Kyi was denied, as was expected. Besides, New Delhi provided one million doses of "Made in India" vaccines, and humanitarian assistance to the people of Myanmar. For India, the well-established two-track policy of supporting democracy and maintaining cordial relations with the Government remains in operation. South Block has to protect the state's interests, guided by realism and pragmatism. It has to discourage a mass influx of refugees; cut the capability of insurgent groups to endanger security in the Northeast from Myanmar soil; safeguard the ongoing projects and investments; and, above all, counter China's growing influence. Finally, what future awaits Daw Suu Kyi who no longer dominates the political narrative as she did before the coup? Sadly, she faces three choices, all difficult: long imprisonment, foreign exile, or imposed retirement from politics. The last option seems the most likely at present.



THE COLONEL WHO SEIZED POWER

Stanly Johny In December 2021, Burkina Faso's then President Roch Christian Kabore appointed the little-known Lieutenant Colonel Paul-Henri Sandaogo Damiba as the commander of the country's third military region, responsible for security in the capital Ouagadougou. Mr. Kabore was under pressure from both the civilians and the military to strengthen security in the wake of repeated attacks by Islamist militants. In November, some 49 military officers and four civilians were killed in a jihadist attack in the northern town Inata, which had triggered protests. Mr. Kabore betted on Lt. Col. Damiba to bolster counter-terror measures as well as shore up support for his government among the soldiers. Seven weeks later, Lt. Col. Damiba, wearing military fatigues and a red beret, appeared on the national TV with a caption next to him, who announced that the military had deposed Mr. Kabore as President and suspended the Constitution. Lt. Col. Damiba, who celebrated his 41st birthday just three weeks earlier, is the new ruler of the West African country. Mr. Kabore is now a prisoner of the junta. Mr. Kabore was first elected President in 2015 at a time when Burkina Faso was undergoing a painful transition to elected democracy from the dictatorship of Blaise Compaoré, whose regime fell in 2014. In 2015, the military had carried out a coup, but it was so unpopular that the Generals returned power to the transitional government after a few days. This led to the election of Mr. Kabore. But Mr. Kabore's political rise was also marked by growing of Islamist violence across the Sahel. Burkina Faso was the hardest hit. In the past six years, some 2,000 people were killed and about 1.5 million were displaced by Islamist insurgency. Mr. Kabore was re-elected in 2020, but the government's growing inability to check violence and increasing number of corruption allegations have turned him unpopular. Lt. Col. Damiba seized on this public resentment against the government to topple it through a mutiny last week. And unlike in 2015, the coup was greeted by demonstrators in the streets of Ouagadougou. Lt. Col. Damiba's military career is similar to that of the other elites in the Burkinabe military. He studied at a military academy in France, the former colonial ruler of Burkina Faso, and was a member of the infamous Regiment of Presidential Security (RPS), the presidential guard of the former dictator Mr. Compaore.

Training in U.S.

Between 2010 and 2020, Lt. Col. Damiba got military training in several programmes in the U.S. He was posted to the northeastern town of Dori as Commander of the 11th Infantry Commando Regiment (RIC) and to the northern town of Ouahigouya as Commander of the 12th RIC before he was promoted by Mr. Kabore. Last year, he published a book on the growing jihadist violence in the Sahel titled, *West African Armies and Terrorism: Uncertain Responses*. In his first public address after the coup, the writer-colonel said his key priority would be to defeat the jihadists. But it would not be easy given that jihadists, belonging to al-Qaeda and the Islamic State, have established widespread networks across the Sahel, particularly in West Africa. The junta will also have to deal with the geopolitical dynamics of the region. France has a military presence in West Africa, but despite French counter-terrorism measures, Islamist violence has only increased in recent years. This prompted several countries in the region to turn to Russia for help. The Wagner Group, a Russian private military company, has already deployed paramilitaries in Mali, Libya and the Central African Republic to fight the Islamists. One of the last decisions of President Kabore was to refuse a request from the Burkinabe military to take help from Russia. Lt. Col. Damiba met Mr. Kabore earlier this month asking him to engage the Wagner Group to strengthen its counter-terror measures. But Mr. Kabore shot down the request because "he didn't want to run into any problems with the West for aligning with Russia", an official close to the former President was quoted as saying by the Daily Beast. In his address to the nation, Lt. Col. Damiba said Burkina Faso



needed “international partners more than ever” to “exit this crisis as soon as possible”. But he didn’t specify who he is referring to — the West, African nations or Russia?

CAN A RUSSIA-UKRAINE CONFLICT BE AVERTED?

Russia has mobilised some 1,00,000 troops on its border with Ukraine. Russia says the North Atlantic Treaty Organization’s eastward expansion (which the alliance calls “enlargement”) threatens its interests and has sought written security guarantees from the West. The crisis has unleashed a flurry of diplomatic moves with the U.S., NATO and the European Union holding talks with Russian officials.

What are Russia’s demands?

Russian President Vladimir Putin has demanded a ban on further expansion of NATO to include Ukraine, Georgia or other countries in Russia’s neighbourhood. Since the German unification in 1990, NATO has added new members five times. If the alliance had 12 founding members in 1949, it now has 30 members, including the three Baltic countries of Estonia, Latvia and Lithuania — all sharing borders with Russia — and Hungary, Poland, Romania and Bulgaria, all members of the former Soviet-led Warsaw Pact. Mr. Putin has also asked NATO to roll back its military deployments to the 1990s level and ban the deployment of intermediate range missiles in areas that would allow NATO to reach Russia. Further, Moscow has asked NATO to curb its military cooperation with Ukraine and other former Soviet republics. In other words, Mr. Putin wants not just a halt to NATO’s future expansion but also its roll-back from Russia’s rim land.

What is the U.S. response?

The U.S. has given a written response to the Kremlin, which hasn’t been released. But public remarks made by President Joe Biden, Secretary of State Antony Blinken and other top officials suggest that the U.S. has taken a mixed approach of diplomacy and economic deterrence. The U.S. has ruled out changing NATO’s “open door policy” — which means, at least in theory, NATO could induct more members. The U.S. also says it would continue to offer training and weapons to Ukraine. But Washington is open to discussing missile deployment in Eastern Europe and a mutual reduction in military exercises. Also, it is highly unlikely that Ukraine and Georgia, both fighting separatist conflicts, would be taken into NATO in the foreseeable future. The U.S. has ruled out sending troops to Ukraine or taking other direct military measures against Russia in the event of an invasion. But Washington has threatened to impose severe economic sanctions on Russia if it makes any military move.

What are Putin’s options?

Russia says it won’t attack Ukraine. But the situation on the ground remains tense. Russia has already annexed Crimea, the Black Sea peninsula that was part of Ukraine, through a referendum. Russia is also backing separatists in the self-declared Luhansk and Donetsk republics (Donbas) in eastern Ukraine. Besides, Moscow has mobilised troops on Ukraine’s eastern border with Russia and northern border with Belarus, southern border with Crimea and south-western border with Transnistria (Moldova). It’s not clear what Mr. Putin will do next. If he goes for a full-throttle invasion, Russian troops could make swift moves into Ukraine from three sides. Another theory is that Russia could annex Donbas and launch limited incursions, capturing more territories along the Sea of Azov, establishing a land bridge from its border to Crimea. Or, Russia could provide further military assistance to the rebels in Donbas to push the frontline further into Ukraine



without triggering a major international response. The other option is to de-escalate, claiming a diplomatic victory which would be based on guarantees from the West or a revival of the Minsk process that seeks constitutional amendments in Ukraine, giving more autonomy to the Russia-backed rebels.

What is India's position?

India broke its silence on Friday, calling for “a peaceful resolution of the situation through sustained diplomatic efforts for long-term peace and stability in the region and beyond”. This was the standard position India had taken during the Crimean crisis as well. But the decisions it took after the annexation of Crimea offer insights into the thinking of policy-makers in New Delhi on Ukraine. Immediately after the annexation, India abstained from a vote in the UN General Assembly on a resolution that sought to condemn Russia. In March 2014, Mr. Putin praised India’s “restraint and objectivity”. In December that year, Sergey Aksyonov, the head of the Crimean Republic, visited India as part of Mr. Putin’s delegation, which had triggered an unusual criticism of India by the then Ukrainian President, Petro Poroshenko. In November 2020, India voted against a Ukraine-sponsored resolution in the UN General Assembly that sought to condemn alleged human rights violations in Crimea. So while India’s position is largely rooted in neutrality, New Delhi has adapted itself to the post-2014 status quo on Ukraine.

Is war imminent?

Russia says the U.S.’s written response doesn’t address its core concerns, but sees room for more dialogue. Top Russian and American diplomats would meet again in two weeks. French President Emmanuel Macron held talks with Mr. Putin to revive the Minsk process, which would be followed up with more talks in the coming weeks. The continuing diplomatic activities suggest that a military conflict is not imminent. But it’s too early to say whether de-escalation is in the offing.

TALK IT OUT

The Maldivian Democratic Party, the ruling party in the Indian Ocean atoll nation, wants to outlaw protests against the government’s foreign policy on grounds that these endanger national security. It has drafted a bill prescribing fines and jail sentences as penalties against violators. The bill is clearly aimed at protests ongoing for about two years against the MDP government’s perceived proximity to India. The “India Out movement” believes that India has a large military footprint on Maldivian soil. This belief became further entrenched after the two countries signed an agreement in February 2021 for the development of a coast guard base for the Maldivian National Defence Force in the Uthuru Thilafalhu atoll. The campaign gathered steam following the release from house arrest of former president Abdulla Yameen in December, after a court overturned his conviction in an embezzlement case. During his presidency, Yameen brought in a pronounced pro-China tilt to his government’s foreign policy, much to Delhi’s dismay. When Ibrahim Mohamed Solih was elected in 2017, the new government declared an “India First” policy. India is now building a \$500 million infrastructure project, the Greater Male Connectivity Project, billed as the biggest ever in the Maldives. A draft of the bill that targets protests that “negatively affect relations with foreign countries” may be submitted when the Majlis, the country’s parliament, meets today. This is an ill advised move. It is ironic that a party that has “democratic” as its middle name, is now preparing to bring in a law that will restrict freedom of expression. This can only hand the opposition a stick to beat the MDP with, and whip up more anti-India sentiment. In the present atmosphere, it would not be a surprise if an Indian hand is seen behind the legislation, heightening suspicions that the MDP is putting people’s rights at stake to please India.



It must not be forgotten that some 30,000 Indians live and work in the Maldives. The sustained campaign is now causing concern in the Indian expatriate community. The better option for the MDP would be to engage more with the protestors and address their concerns, by being transparent about Indian projects in the country. The fact that it is the party, and not the government, that has been spearheading the need for such legislation, indicates that not all in the MDP are on the same page. It would be in the nation's and MDP's own political interests to drop the idea entirely.

MUTING THE MEDIA

Sometime last month, a curious disclaimer began appearing at the bottom of every opinion page article published in Ming Pao, one of Hong Kong's most iconic and widely read newspapers. The newspaper, the disclaimer said, had "no intention to incite hatred, discontent, or hostility against the government or other sections of the population". The reason for the move was fairly obvious. In the past year, Hong Kong's most outspoken media outlets have collapsed like dominoes in the wake of the passing of a new national security law that lists stiff penalties for "subversion" and other offences. In June last year, the widely read tabloid Apple Daily ceased publication after its founder was jailed, its offices were raided and its senior staff were arrested. The Stand News followed in the end of 2021, after seven people connected to the online publication were charged with spreading seditious material. That same week, another independent outlet, Citizen News, abruptly announced it would close its website and pull down all its content. Since the 1997 handover, Hong Kong has been ruled under a 'one country, two systems' model. The Basic Law guaranteed Hong Kong freedoms that are denied on the mainland. The freedom of the press was one of them. After the Stand News arrests in December, the Hong Kong Journalists Association said it was "deeply concerned that the police have repeatedly arrested senior members of the media and searched the offices of news organizations containing large quantities of journalistic materials within a year." The association "urged the government to protect press freedom in accordance with the Basic Law." That many Hong Kong reporters have little faith in that happening seems clear. In January, journalist Viola Zhou reported how in recent months many have quit their jobs. Some are driving taxis while others are running fried chicken restaurants. Noting the remarkable change in fortunes of what was one of Asia's most vibrant media environments, Zhou wrote how the former Chinese leader Jiang Zemin once quipped of Hong Kong's famously intrepid reporters that they "asked naive questions but, in their pursuit of stories, ran faster than anyone else." I had first-hand experience of that quality during the pro-democracy protests in 2019, which brought millions of Hongkongers to the streets and frequently descended into violence between the police and the protesters. The protests, calling for universal suffrage and direct elections, were one reason that prompted Beijing to pass the national security law. Wherever there were clashes, there were multiple reporters at the scene, often only with smartphones in hand. One video clip stayed in my memory. It showed one lone reporter running towards a tear gas shell, trying to capture the moment on camera, even as protesters ran for cover. I heard from many reporters that they believed that it was their constant presence that ensured that even after months of protests and no shortage of violence, there were remarkably no fatalities from direct police action. Readers may shrug at these developments, increasingly immune to the dribs and drabs of news about changes in Hong Kong. Yet the significance of developments in Hong Kong extends beyond China. For one, a vital source of news reporting on China now stands under a cloud. Hong Kong's media often reported on topics that their colleagues on the mainland cannot touch. That may soon no longer be the case. More broadly, the changes in Hong Kong's vibrant media landscape also serve as a reminder of the fragility of freedoms that we sometimes take for granted. All it took was



the passing of one law, as well as targeted raids on select establishments. The rest, very quickly, came to heel.

VARSITY COVERS UP TIANANMEN TRIBUTE

Hong Kong's oldest university covered up one of the last public tributes to the deadly 1989 Tiananmen Square crackdown on Saturday, as Beijing continues to muzzle dissent in the financial hub. Hong Kong was the only place in China where mass remembrance of Tiananmen was tolerated, but authorities have driven such activities underground after imposing a sweeping national security law on the city. The University of Hong Kong (HKU) last month removed a famous statue commemorating pro-democracy protesters killed by Chinese troops around Tiananmen Square. At least two other local universities removed artworks in public areas marking the crackdown that same week. An AFP reporter saw construction workers covering the calligraphy, which read: "The heroic spirit of martyrs slaughtered in cold blood will live forever, the fire of democracy that overcomes evil will never be put out". Created by HKU students shortly after the crackdown, it had adorned the campus for more than three decades according to local media. A spokesperson told reporters that the university "regularly conducts maintenance works at various locations and facilities, with the above site being one such project".

WHAT A DIPLOMATIC BOYCOTT MEANS, AND WHY SOME ATHLETES HAVE TRAVELED WITH BURNER PHONES

India announced a diplomatic boycott of the Beijing Winter Olympics, which get underway on Friday. By doing so, India has joined a growing list of countries that will not send government delegations to the Chinese capital for the Winter Olympics. In December, the United States had announced a diplomatic boycott of the event. The United Kingdom, Australia, New Zealand, Canada, Japan, New Zealand and the Netherlands, among others, followed the US's lead and made a similar decision. While the 2008 Olympics were seen as China's coming-out party, the Winter Games have been dogged by controversies, ranging from the diplomatic boycotts to the safety of one of China's top players and concerns over the privacy of the visiting athletes.

What is a diplomatic boycott?

It simply means these countries will not send official government delegations to Beijing during the Games. Given the scale of the Olympics, high-ranking officials from a country's government often travel to the Olympics. These officials are often labeled as the 'VIP visitors'. Last year, US First Lady Jill Biden led an American delegation to the Tokyo Olympics. At the 2018 Winter Games in South Korea, American vice-president Mike Pence was present. There is no obligation for a head of state or high-ranking diplomats to visit the host nation.

Does a diplomatic boycott affect athletes' participation?

It doesn't. Unlike the 1980 Moscow Olympics and 1984 Los Angeles Games, a period when thousands of athletes did not participate due to the prevailing political situation at the time, athletes and officials from all countries will continue to take part in the Winter Olympics in Beijing unhindered. One of the key differences between then and now is the commercial angle. The Olympics are now are a billion-dollar enterprise and a complete boycott could cost athletes, broadcasters and the organisers a fortune. A diplomatic boycott is a token protest that has no impact on the sporting spectacle. So far, no athlete has withdrawn from the Beijing Games, and India will continue to be represented by just one athlete, alpine skier Arif Khan. Doordarshan's



decision to not telecast live the opening and closing ceremonies of the Winter Games will impact the TRP of the event. The announcement had come after the Indian government refused to send its envoy to the opening or closing ceremonies.

Why have the Beijing Winter Games been so controversial?

In India's case, the boycott was announced after a Chinese soldier involved in the Galwan incident was made an Olympic torchbearer. The Western countries, led by the US, made the diplomatic snub over China's alleged treatment of the Uyghur Muslims and human rights issues. Some countries like Austria, New Zealand, Slovenia, Sweden and the Netherlands have cited pandemic-related risks for not sending government officials. France, the hosts of the 2024 Summer Olympics, has been against a boycott. The BBC quoted French President Emmanuel Macron as saying: "I don't think we should politicise these topics, especially if it is to take steps that are insignificant and symbolic."

Has the Peng Shuai issue also contributed to the boycotts?

Yes. The US and Australia cited it as one of the reasons, while German ministers, too, said they won't attend the Games in response to the alleged treatment meted out towards Chinese tennis star Peng Shuai. Peng Shuai had accused a high-ranking communist party member, Zhang Gaoli, of sexually assaulting her. However, moments after Peng Shuai made her allegations on Chinese social media, the posts were taken down and she disappeared from public view for days, sparking concerns about her safety. The International Olympic Committee chief, Thomas Bach is expected to meet Peng Shuai on the sidelines of the Winter Olympics.

How has China reacted to this?

China has said it is "not bothered at all" by the boycotts. In a tweet following the US's announcement on Monday, the Chinese Embassy in Washington said: "In fact, no one would care about whether these people come or not, and it has no impact whatsoever on the #Beijing2022 to be successfully held." Global Times, China's state-run newspaper, dismissed Australia's decision as "immature, arrogant and stupid" while the government said the boycotting countries will "pay a price". "The United States, Britain and Australia have used the Olympics platform for political manipulation," Wang Wenbin, a spokesperson at the Chinese foreign ministry, said at a press conference. "They will have to pay the price for their mistaken acts."

Will the diplomatic boycotts have any impact on the Winter Olympics?

Unlikely. China has said it was anyway not going to invite delegations from other countries because of the pandemic-related restrictions. None of the major sponsors or broadcasters have so far pulled out, apart from Prasar Bharti, who have said there will be no official broadcast. But, as things stand, most top athletes are already in Beijing. In fact, the US has even said it will fully support its athletes even as they diplomatically boycott the Winter Olympics.

Will these boycotts have any impact going ahead?

There are fears that the move led by the US could provoke China to do the same. The US and Australia are the hosts of the Summer Olympics in 2028 (Los Angeles) and 2032 (Brisbane), respectively. The US is reportedly looking to stage the Winter Olympics as well in the near future. And with many key Olympic sponsors being Chinese, it could get tricky for the US bid.

Are the Games expected to witness protests by athletes?



Athletes have been warned not to indulge in acts of demonstration during the Olympics by their own governments as well as the Chinese officials. On Thursday, US House Speaker Nancy Pelosi told the American athletes “do not risk incurring the anger of the Chinese government because they are ruthless”, according to Bloomberg. A day earlier, Yang Shu, deputy director-general of Beijing 2022’s International Relations Department, was asked during a virtual briefing about concerns for athletes if they speak out about human rights issues. Al Jazeera quoted Yang as saying: “Any expression that is in line with the Olympic spirit I’m sure will be protected and anything and any behaviour or speeches that is against the Olympic spirit, especially against Chinese laws and regulations, are also subject to certain punishment.” Some countries have also asked their athletes to leave their main devices at home and use burner phones at the Games to avoid privacy breaches.

INDIAN DIPLOMATS TO BOYCOTT BEIJING GAMES

Terming China’s decision to field a People’s Liberation Army (PLA) soldier involved in the June 2020 Galwan clashes as the torchbearer for the Winter Olympics Games in Beijing as “regrettable”, India announced a diplomatic boycott of the games just ahead of the opening ceremony on Friday. State broadcaster Doordarshan also announced it will not telecast the opening and closing ceremonies live, where India has one athlete, skier Arif Khan, participating. The decision came after Chinese media reports identified Qi Fabao, a PLA regiment commander who received military honours for the Galwan clashes, where he was injured, as one of about 1,200 runners bearing the torch at a relay in Beijing. China’s decision to field him and New Delhi’s announcement of its first ever diplomatic boycott of Olympic Games, are likely to increase India-China tensions that have risen since PLA aggressions along the Line of Actual Control in April 2020. India had earlier expressed support for the Beijing Olympics, even as more than a dozen countries, led by the U.S. had announced a boycott of the games. “It is indeed regrettable that the Chinese side has chosen to politicise an event like Olympic,” said MEA spokesperson Arindam Bagchi, referring to the media reports. “The Charge d’Affaires of the Embassy of India in Beijing will not be attending the opening or closing ceremony of the Beijing 2022 Winter Olympics,” he added. The Indian Ambassador to China, Pradeep Kumar Rawat is expected to take charge in the next few weeks, and hence the Charge d’Affaires Acquino Vimal is the top diplomat in Beijing at present. Mr. Vimal and other officials were expected to attend the ceremonial functions at the games. However, the MEA had said no political or high level representation would be sent from Delhi. Prasar Bharti chief Shashi Shekhar Vempati also tweeted that “consequent to the announcement by the MEA”, Doordarshan’s sports channel would not telecast the Olympic ceremonies, as planned earlier. The Chinese decision to publicly honour the military commander for involvement in the deadly clashes in the Galwan valley, where 20 Indian soldiers, and at least four Chinese soldiers (far higher according to media reports) were killed, is seen as a deliberate insult to New Delhi, which came despite the fact that the Modi government had decided not to join western boycott calls over human rights concerns. In November 2021, External Affairs Minister S. Jaishankar had hosted a virtual Russia-India-China (RIC) trilateral meeting which issued a joint statement where they “expressed their support to China to host Beijing 2022 Winter Olympic and Paralympic Games.” Meanwhile Russian President Vladimir Putin, Pakistan Prime Minister Imran Khan, Presidents of five Central Asian republics Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are due to attend the opening ceremony on Friday. The Pakistan Ministry of Foreign Affairs said that Mr. Khan would meet Mr. Xi and Chinese Premier Li Keqiang and conclude a number of bilateral agreements.

**NATION****AMID CHILL IN RELATIONS, NEW PLA HISTORY RETURNS SPOTLIGHT TO 1962 WAR**

Ahead of the 60th anniversary of the 1962 India-China war which falls in October this year, official Chinese military researchers have compiled a new history of the war reassessing its significance and legacy, bringing the spotlight back to the war amid the current tensions in relations. Previous anniversaries of the war received only modest attention in China — far less than in India — and some Chinese military scholars have in the past viewed the war with India as one of China's forgotten wars. Unlike the Korean War or war with Japan, the India-China war hasn't been covered as extensively in Chinese films, television dramas or in the media. That is now changing. There has been renewed attention on 1962 following the Line of Actual Control (LAC) crisis which began in April 2020 and particularly after the June 15, 2020 clash in Galwan Valley. If the normalisation of ties with India was one reason for downplaying 1962 in the past, the recent plunge in relations has coincided with greater interest both in 1962 and on the boundary dispute. To mark the 60th anniversary, Zhang Xiaokang, daughter of the former PLA General Zhang Guohua who headed the Tibet military region and planned the Chinese offensive in the eastern sector in October 1962, brought together Chinese military researchers to compile a new history of the war, titled *One Hundred Questions on the China-India Border Self-Defence Counterattack*. Extracts of the book were published this month in the popular Chinese website Guancha. The book is based on interviews with PLA veterans and focuses on Chinese military strategy as well as on the legacy of the war. In China, high-profile books on military history, a sensitive topic, cannot be published without a green light from the PLA's Central Military Commission, which is headed by President Xi Jinping. The extract said although it had been many years since the war "it has not been forgotten with the passage of time, and generations of soldiers and military fans have always been interested in this counterattack." One reason why the 1962 war hasn't received wide attention is that unlike the war against Japanese occupation, China was the aggressor, despite the often repeated claim by the Communist Party that China had never invaded or occupied any country.

'Counterattack'

Officially, China still calls its massive attack on India as a "self-defence counterattack". The book reveals that the CPC under Mao, very shortly after the offensive, decreed that all references to the war in China could only describe it as a "counterattack", reflective of how the leadership looked to immediately turn on its head China's act of aggression. The extract notes that on December 3, 1962, less than two weeks after the unilateral ceasefire declared by China, the PLA's General Staff department issued a telegram to all troops on "The Question of Naming the Operation Against the Invading Indian Army," which stipulated that the war would only be referred to as the "China-India Border Self-Defence Counterattack", a description that is still used today. The book also looks at Mao's decision to go to war and says he believed the offensive would, somewhat counterintuitively, "create conditions for a peaceful settlement of the Sino-Indian border issue" by bringing India to the negotiating table after Nehru's "refusal" to acknowledge a dispute. That both sides subsequently began negotiating, the book argues, proved him right. It also says Mao was initially concerned about the capabilities of the Indian Army but was reassured by his generals, including General Zhang. It quotes Mao as saying "if we don't win, we won't blame heaven and earth but our own incompetence". He also told General Zhang that if China lost "sacred territory in Tibet" in the war that it would "take it back one day". The book focuses on the Eastern Sector, which General Zhang headed, and discusses the significance of the capture of Tawang in 1962, which it said was aimed to "demonstrate that China would not accept the McMahon Line"

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as well as its sovereignty over Tibet. It attributes China's military success in 1962 to the fighting experience gained by the military first in the war against Japan and subsequently in the war in Korea fighting U.S. troops. Those wars have occupied the spotlight in official Chinese military histories. But with the resurgence of tensions along the India-China border and ahead of the upcoming anniversary, the India-China war is now back in the spotlight.

A BORDER MOVE THAT WILL ONLY BOLSTER CHINA

After the 1962 Sino-India War was over, the Indian Army was confronted with the problem of bodies of around 190 Indian soldiers lying in areas around 8 kilometres to 16 kilometres inside the Chinese 1960 claim line in Ladakh. Collecting the bodies of the fallen soldiers after the war through mutual consent is an established military practice, and the Indian Red Cross wrote to its Chinese counterpart in April 1963. The Chinese turned down the request, stating that the bodies had been properly buried, and there was no need to send any Indian parties into disputed areas. As most Indian soldiers were to be cremated, not buried, the issue was again taken up with the Chinese. In August, the Chinese agreed to carry out the cremation and hand over the ashes to the Indian Red Cross. When the Indian Red Cross requested that Indian representatives be present during the ceremony, the Chinese cancelled the arrangements altogether. In its memo on September 16, 1963, the Chinese Foreign Ministry accused the Indian government of trying to lay claim to these territories through this device. While cancelling these arrangements, the Chinese Foreign Ministry insisted that the Indians who died at their posts in Ladakh were 'invaders' and not defending their 'motherland'. Earlier, after overcoming the stiff Indian resistance at Rezang La, memorialised in the Hindi film, *Haqeeqat*, and at Gurung Hill, the People's Liberation Army (PLA) had buried the bodies of five Indian soldiers — wooden posts with the inscriptions in Chinese and English, 'The Corpses of Indian Invaders'. The purpose of the elaborate exercise was to deny any legitimate Indian presence and claim over these areas in future negotiations. If Indian soldiers had died defending their motherland, then it was an area in Indian possession and control — that would belie the Chinese claim over the territories in Ladakh. Its efforts to create facts on the ground to bolster its 'historical' claim underline the extent of Chinese enterprise in asserting its territorial claims.

Delinking Depsang

It thus comes as a surprise that in a recent television interview, the Indian Army Chief, General M.M. Naravane, argued that "out of the five or six friction points (in Ladakh), five have been solved". 'Friction point' is an Indian euphemism for points of Chinese ingress into hitherto India-controlled territory in Ladakh, where this control is exercised by the Army and the Indo-Tibetan Border Police (ITBP) through regular patrols to the claimed areas. These 'friction points' are Depsang, Galwan, Hot Springs, Gogra, North bank of Pangong Tso, Kailash Range and Demchok. By asserting that only one of the friction points is remaining to be resolved — he was referring to Hot Springs or PP15, the only one discussed in the last round of talks with the Chinese — he implicitly ruled out Depsang as an area to be resolved. This attempt to delink the strategically important area of Depsang from the ongoing Ladakh border crisis is worrying. It may suit the domestic political agenda of the Narendra Modi government of proclaiming an early end to the crisis, but it has long-term strategic consequences for India. Depsang is an enclave of flat terrain located in an area the Army classifies as Sub-Sector North (SSN), which provides land access to Central Asia through the Karakoram Pass. A few kilometres south-east from the important airstrip of Daulat Beg Oldi (DBO), the Chinese army has blocked Indian patrols since early 2020 at a place called Y-junction or Bottleneck, denying it access to five PPs: PP10, PP11, PP11A, PP12 and PP13.



A joint patrol of the ITBP and Army would patrol these five PPs approximately once a month. Y-junction is around 18 km on the Indian side of the Line of Actual Control, even though the Chinese claim line lies another five kilometres further west, to the east of Burtse town. Satellite imagery from November 2021 confirms Chinese deployments at the Y-junction: two PLA Ground Force camps with six infantry fighting vehicles split between two positions while a small Indian Army forward camp is stationed 1.2 km west of the Y-junction.

Stand-off in 2013 and patrols

The Indian forward camp is the new patrol base, with a permanent patrol deployed there, that was created after a 22-day long stand-off at Y-junction in April 2013. Since then, it has observed and stopped Chinese patrols from moving further to the Indian side, but a PLA patrol had still managed to get up to around 1.5 km short of Burtse in September 2015. Essentially, till the current blockade, the Indian side was able to access the five patrolling points, asserting Indian control, while the PLA had been denied access to its claim line since the late 2000s. That status quo has been disturbed since early 2020. Since the Ladakh border crisis came to light in May 2020, a section of the security establishment has tried to bury any conversation about Depsang. Media reports attributable to 'sources' have labelled it a 'legacy issue,' suggesting that the crisis has continued since April 2013. The 2013 stand-off was resolved diplomatically after negotiations led to reversal of an Indian ingress and bunker construction on the Chinese side in Chumar, while the PLA stepped away from the Y-junction. Lt. Gen. K.T. Parnaik (retd.), the then Northern Army Commander, has confirmed "resort(ing) to a quid pro quo, as we did during the Depsang intrusion in 2013. Early response creates leverage." Former Ladakh Corps Commander Lt. Gen. Rakesh Sharma (retd.) was categorical in asserting that "patrolling had continued, as planned, since [the] April/May 2013 stand-off" and "to now state that we were not able to reach our LOP since 2013 as [the] PLA was blocking our movement, is pure heresy". The fact that specific major general-level talks for Depsang were held with the Chinese on August 8, 2020 proves that it is part of the ongoing crisis. A 22-day stand-off in 2013 generated much public and media outrage but a 22-month long blockade of patrolling rights in the same area now has been greeted with silence.

Depsang's importance

The Army has always identified Depsang plains as where it finds itself most vulnerable in Ladakh, devising plans to tackle the major Chinese challenge. SSN's flat terrain of Depsang, Trig Heights and DBO — which provides direct access to Aksai Chin — is suited for mechanised warfare but is located at the end of only one very long and tenuous communication axis for India. China, in turn, has multiple roads that provide easy access to the area. This leaves SSN highly vulnerable to capture by the PLA, with a few thousands of square kilometres from the Karakoram Pass to Burtse, likely to be lost. Nowhere else in Ladakh is the PLA likely to gain so much territory in a single swoop. SSN lies to the east of Siachen, located between the Saltoro ridge on the Pakistani border and the Saser ridge close to the Chinese border. On paper, it is the only place where a physical military collusion can take place between Pakistan and China — and the challenge of a two-front war can become real in the worst-case scenario. If India loses this area, it will be nearly impossible to launch a military operation to wrest back Gilgit-Baltistan from Pakistan. Theoretically, Depsang is also seen as a viable launchpad for a mechanised force-based military offensive launched by India inside Aksai Chin, if the Army has to fulfil Union Home Minister Amit Shah's parliamentary vow of getting back Aksai Chin from China.



Danger of delinking

The biggest danger of delinking Depsang from the current border crisis in Ladakh, however, is of corroborating the Chinese argument, which invalidates the rightful Indian claim over a large swathe of territory. In sparsely populated areas like Ladakh, with limited forward deployment of troops, the only assertion of territorial claims is by regular patrolling. By arguing that the blockade at Y-junction predates the current stand-off — a ‘legacy issue’ that goes back years — the Chinese side can affirm that Indian patrols never had access to this area and thus India has no valid claim on the territory. Already living with the disadvantage of being a lesser power vis-à-vis China, this argument further weakens India’s hand during negotiations in Ladakh. This will be akin to Prime Minister Narendra Modi’s statement during the all-party meeting in June 2020 that no one had entered Indian territory, which ended up bolstering Chinese position during the talks. India cannot afford to repeat that blunder again and lose its land. As was demonstrated by China in the aftermath of the 1962 War, there should be no holding back in painstakingly asserting one’s claims when it comes to safeguarding the territory. Denial of truth for domestic political gains, in this case, will certainly be to the detriment of India’s strategic interests.

THE PAK-CHINA RELATIONSHIP

Speaking in Parliament on Wednesday, Congress leader Rahul Gandhi accused the Narendra Modi government of “weakening” the country and bringing Pakistan and China together, noting that keeping the two countries apart has been the “single biggest strategic goal of India’s foreign policy”. In response, External Affairs Minister S Jaishankar tweeted that “some history lessons are in order” and cited instances from the Pakistan-China friendship over the decades. “So, ask yourself: were China and Pakistan distant then.” Pakistan and Chinese leaders describe their ties using metaphors such as “higher than the mountains” and “deeper than the oceans”. So, what’s the history of the relationship?

The initial years

Pakistan had recognised the People’s Republic of China— after India — in the initial years after 1947, and established diplomatic ties in 1951. But, due to Pakistan’s membership of two United States-led anti-communist military pacts, SEATO and CENTO, it was seen as part of the non-Soviet bloc — and China, under Mao Zedong, was on the other side of the aisle. On the other hand, India had a working relationship with China — emblazoned with slogans like Hindi-Chini bhai bhai. The two had the same anti-colonial, non-aligned approach. However, there was a complex layer to this bonhomie. In *Buddha’s Warriors: The Story of the CIA-backed Tibetan Freedom Fighters, the Chinese Invasion, and the Ultimate Fall of Tibet*, author and historian Mikel Dunham wrote that after Chinese troops invaded in 1950, Pakistan provided transit facilities for US aircraft to supply equipment to the Tibetan rebels.

The 1962 war

The India-China war of 1962 led to Beijing developing closer ties with Islamabad. Pakistan got support from China diplomatically in the 1965 India-Pakistan war. In fact, analysts say that Pakistan was emboldened into aggression after India’s defeat against China in 1962. The then US Ambassador in New Delhi, John Kenneth Galbraith, wrote in *Ambassador’s Journal* that he was worried about Pakistan “forming some kind of Axis with Peking”. In a boundary agreement in 1963, Pakistan ceded the Shaksgam Valley to China. The Shaksgam Valley or the Trans Karakoram Tract is part of Hunza-Gilgit region of Pakistan-occupied Kashmir, and is a territory claimed by



India but controlled by Pakistan. Article 6 of the agreement stated that “the two Parties have agreed that after the settlement of the Kashmir dispute between Pakistan and India, the sovereign authority concerned will reopen negotiations with the Government of the People’s Republic of China, on the boundary as described in Article Two of the present Agreement, so as to sign a formal Boundary Treaty to replace the present agreement”. The agreement laid the foundation of Karakoram highway, built jointly by China and Pakistan in the 1970s. The real diplomatic bonhomie began in the 1970s, when Pakistan ruler Gen Yahya Khan facilitated the outreach between the US led by Richard Nixon and Henry Kissinger and China’s Mao and Zhou Enlai. This paved the way for Kissinger’s secret trip in July 1971 and the beginning of the US-China effort to discuss issues that had divided them.

Nuclear cooperation

The relationship between China and Pakistan developed over the 1970s and '80s. Nuclear cooperation was one of the key pillars, especially after India tested its nuclear device in 1974. China has played a significant role in helping Pakistan develop its nuclear energy technology. In September 1986, they signed an agreement to facilitate the transfer of civil nuclear technology. In 1991, China agreed to supply Pakistan with its indigenously developed Qinshan-1 nuclear power plant. Construction on Chashma Nuclear Power Plant-1 began in 1993, and the 300 MWe reactor became operational in May 2000. A second 300 MWe power plant at Chashma, C-2, went critical in 2011. After India tested its nuclear device in 1998, Pakistan followed suit —largely due to help from Beijing. BBC journalist Gordon Corera wrote in *Shopping for Bombs: Nuclear Proliferation, Global Insecurity, and the Rise and Fall of the A.Q. Khan Network: Nuclear Proliferation, Global Insecurity and the Rise of the A.Q. Khan Network*: “If you subtract China’s help, there wouldn’t be a Pakistani nuclear programme”.

India-China ties

The 1988 rapprochement between India and China with Rajiv Gandhi’s visit became a watershed moment. There was a clear shift for Beijing, where it saw ties with India from an economic lens and focused on trade, while separately talking to India on the border dispute. This was much to the discomfiture of Islamabad. For Islamabad, the biggest jolt came in 1996 when “the Chinese president Jiang Zemin [then visiting Pakistan] failed to mention Kashmir explicitly... It undercut Pakistan’s position that Kashmir should be resolved through international mediation, not bilateral negotiations,” analyst Andrew Small wrote in *The China-Pakistan Axis*. During the Kargil conflict of 1999, Beijing counselled Islamabad that they should withdraw troops, and “should exercise self-control and solve conflicts through peaceful means”. And in July that year, the Chinese foreign ministry asked India and Pakistan to “respect the line of control in Kashmir and resume negotiations at an early date in accordance with the spirit of the Lahore declaration”. This was perceived as a snub to Islamabad. Beijing adopted a similar cautious approach after the Parliament attack in 2002, the Op Parakram buildup, as well as the Mumbai terror attack in 2008. This was also visible in the way China responded when the Balakot air strikes took place after the Pulwama attack in February 2019. In fact, China signed off at the UNSC statement, while blocking Jaish-e-Mohammad chief Masood Azhar’s designation as a global terrorist in March 2019.

The US nuclear deal

The China-Pakistan tango continued with the turn of the century, as Beijing saw India moving closer to the US. The US-India nuclear deal left Pakistan worried, and the Beijing-Islamabad nexus tried to block the exemption at the Nuclear Suppliers Group. Since 2013, as Xi Jinping’s China



sought to flex its muscle with border stand-offs in Depsang, Chumar, Doklam and eastern Ladakh, India has been wary of the axis with Islamabad. India's August 2019 move to abrogate Art 370 and revoke the special status of Jammu and Kashmir has spilled over to the diplomatic front — making Beijing and Islamabad (and Rawalpindi) angry and bringing them even closer. China's stand on Kashmir is reflected much earlier. A Chinese diplomatic note to India from 1965, reproduced in J N Dixit's book, "India-Pakistan in War and Peace," said, "So long as the Indian government oppresses the Kashmiri people, China will not cease to support the Kashmiri people in their struggle for self-determination. So long as the Government of India persists in its unbridled aggression towards Pakistan, China will not cease supporting Pakistan in her just struggle against aggression." It was not a surprise for New Delhi that China tried to bring the situation in Kashmir several times and discuss it, in the post August 5 '2019 period.

Economic dependence

Pakistan's economic dependence on Beijing too has increased in recent years. The fact that it has been on the grey list of the Financial Action Task Force for terrorist financing, despite Beijing presiding as the chair for a year, displayed China's limitations in helping its all-weather friend. China had blocked the listing of Masood Azhar several times before yielding to US and European pressure in May 2019 when it lifted the block. It is also worried about the East Turkestan Islamic Movement (ETIM) getting emboldened and support from Pakistan-based terror groups and creating trouble in Xinjiang province where Uighurs have been marginalised. Islamabad, which speaks for the rights of Muslims across the world including India, has kept a studied silence on the treatment of Uyghur minorities. Imran Khan has said his country believes in China's version. From Pakistan's perspective, with the US out of the region and Washington losing interest in Afghanistan, Beijing is the best bet for its failing economy, which is dependent on external debt bailouts. China's Belt and Road Initiative has manifested in the China-Pakistan Economic Corridor (CPEC). It has led to some investments, but there are voices within Pakistan who have started questioning whether the project will provide jobs for people of Pakistan. From China's perspective, it offers access to the western Indian Ocean through the Gwadar port in Balochistan.

Small, who is a senior transatlantic fellow at the German Marshall Fund of the United States, wrote in a September 2020 report: "... The Sino-Pakistani relationship of the future is likely to look more like that of the past than the version that emerged after the launch of CPEC in 2015. Deep security ties will persist, and even intensify as the Sino-Indian relationship deteriorates, but without the scale of broad-based economic and political engagement that characterized the last few years."

Closer defence ties

In 2020, China signed a defence pact with Pakistan. Gen Wei Fenghe, China's defence minister, visited Islamabad and signed a memorandum of understanding to enhance defence cooperation between the Pakistan Army and the People's Liberation Army. The Pakistan Army recently inducted its first batch of Chinese-made VT-4 battle tanks. Pakistan has procured Chinese-made combat drones or unmanned combat aerial vehicles. The Chinese defence ministry quoted Wei as expressing a desire to "push the mil-to-mil relationship to a higher level, so as to jointly cope with various risks and challenges, firmly safeguard the sovereignty and security interests of the two countries, and safeguard the regional peace and stability." Pakistan endorses China's position on its core issues including the South China Sea, Taiwan, Xinjiang, and Tibet. The growing number of China-Pakistan military exercises are a further sign of the deepening military partnership. The two militaries recently conducted a joint exercise close to the Line of Actual Control in Tibet.



The Afghanistan angle

After Kabul fell to the Taliban last year, China has now sensed an opportunity to get into Afghanistan for influence and resources with help from Pakistan. There have been several meetings between Chinese leaders including foreign minister Wang Yi and Taliban leaders. China hopes Islamabad will be able to convince the Taliban that Afghanistan would not be used as a base for ETIM attacks, and Beijing would be transitioning towards normalising the Taliban by giving them financial aid. With Beijing's rise as a global power, India views its partnership with Pakistan as a greater concern than before. For New Delhi, the Indo-Pacific strategy involving the US, Australia, Japan and European partners is a key bulwark against the axis.

INDIA, OMAN TO HOLD 10TH MILITARY COOPERATION MEETING

After a gap of three years, India and Oman are set to hold a meeting of the Joint Military Cooperation Committee (JMCC) during the visit of Mohammed Nasser Al Zaabi, Secretary General, Ministry of Defence of Oman, here from Sunday to Tuesday. This will initiate a series of high-level defence engagements between the two countries next month, officials said. Mr. Zaabi would be co-chairing the JMCC with Defence Secretary Ajay Kumar, an official source said. The JMCC is the highest forum of engagement between India and Oman in the field of defence that evaluates and provides guidance to the overall framework of defence exchanges between the two sides. The JMCC was to hold discussions annually, but a meeting could not be organised since 2018, when the meeting of the 9th JMCC was held in Oman, it has been learnt. Given the three-year gap, the 10th edition is expected to "comprehensively evaluate" the ongoing exchanges and "provide a road map for further strengthening the defence ties in the coming years". Mr. Zaabi is expected to call on Defence Minister Rajnath Singh, and in line with India's emphasis on boosting exports, will get insights into the Indian defence manufacturing capabilities to explore possible opportunities for procurement and joint production.

More talks to follow

His visit will be followed by a series of high-profile engagements in February that includes visits by Navy and Air Force chiefs of Oman encompassing staff talks between the Indian Navy and the visiting Navy chief as well as a bilateral Air Force exercise in Jodhpur. The annual bilateral Air Force exercise this year will see the participation of over 150 personnel from Oman. Visits of the naval and Air Force chiefs of Oman are taking place after five years and would enable a high-level re-engagement between the forces of two sides, officials noted. While India's defence engagement with the Gulf region has significantly expanded in the last few years, Oman remains India's closest defence partner in the region. It is the only country in the region with which all the three services of India conduct regular bilateral exercises and staff talks. Defence exchanges between the two countries are guided by a framework MoU (Memorandum of Understanding), which was renewed in 2021. As part of its anti-piracy patrols in the Gulf of Aden, the Indian Navy has deployed its P-8I long-range maritime surveillance aircraft for anti-piracy patrol sorties from Salalah in Oman on few occasions, extending the reach and operational turnaround. Oman also actively participates in the Indian Ocean Naval Symposium (IONS).

THE INDIA-ISRAEL RELATIONSHIP

On January 30, India and Israel marked 30 years of full diplomatic relations. Israel opened its embassy in Delhi on February 1, 1992. The Indian Embassy in Tel Aviv opened on May 15 that year. The anniversary comes at a time the steadily growing relationship is in the spotlight over

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Pegasus, the surveillance software made by the Israeli company NSO. The company has said it sells the licence for use only to governments, and only after approval from the Israeli government's Defense Export Control Agency. The New York Times reported earlier this week that Pegasus and a missile system were the "centrepieces" of a package of sophisticated weaponry and intelligence equipment that India purchased during Prime Minister Narendra Modi's 2017 visit to Israel. If the NYT report indicating a secretive deal for surveillance tech that would be used against Indian citizens cast a shadow on the anniversary, neither Prime Minister Naftali Bennett, who succeeded Benjamin Netanyahu last year, nor Prime Minister Modi allowed that to mar their exchange of congratulatory messages of the January 30 anniversary. Bennett addressed "all the people of India" on "30 years of a wonderful partnership, deep cultural connection and economic and military co-operation", and described as "endless" the opportunities for collaboration between the two countries. Modi spoke about setting new goals to take the relationship forward, and referred to Jewish communities in India who had lived here without discrimination for centuries.

Under the radar

Modi's famous visit in 2017 was the first by an Indian Prime Minister, and with that, he took full ownership of a relationship that had mostly grown under the radar for over a quarter century. India had recognised Israel as far back as 1950 but normalisation took another four decades. In the wake of the first Gulf War, equations in West Asia underwent big shifts. Arab support for the Palestinian cause began to weaken due to PLO's backing for Iraq's invasion of Kuwait. Then came the breakup of the Soviet Union, which was until then India's go-to country for military hardware. From 1992, while there were defence deals, and co-operation in science, technology and agriculture, India was reticent about its ties with Israel as it balanced this with its historical support for the Palestinian cause, its dependence on the Arab world for oil, and the pro-Palestinian sentiments of the country's Muslim citizens. But the first high-level visits took place only when the NDA-1 under Prime Minister Atal Bihari Vajpayee took office. In 2000, L K Advani became the first Indian minister to visit Israel. The same year, Jaswant Singh visited as Foreign Minister. That year, the two countries set up a joint anti-terror commission. And in 2003, Ariel Sharon became the first Israeli Prime Minister to visit India. Unlike his predecessors, Modi went all out to woo Israel, playing to Hindutva's natural affinity for Israel as a muscular state that gives no quarter to its "terrorist" enemies. With the 2020 Abrahamic Accords that saw UAE, Bahrain, Sudan and Morocco normalising relations with Israel, and India's own newly strengthened ties with the UAE and Saudi Arabia, New Delhi is now more confident about its key relationships in West Asia than at any other time.

India & the Palestinian cause

While the India-Israel embrace has eroded what once used to be New Delhi's unequivocal support for the Palestinian cause, India does continue to walk a tightrope, between its historical ties with Palestine and its newfound love for Israel. An indication of this came last year in India's statement in the UN Security Council on the Israel-Palestine violence. The statement virtually held Israel responsible for the violence, and expressed India's "strong" support to the "just Palestinian cause" and "unwavering" support for the two-state solution. Earlier, the relationship with Palestine was almost an article of faith in Indian foreign policy for over four decades. India backed the Palestinian right to self-determination and rallied behind the Palestine Liberation Organisation (PLO) and its leader Yasser Arafat as the sole representative of the Palestinian people. In 1975, India invited PLO to open an office in Delhi, giving it diplomatic status five years later. In 1988, when the PLO declared an independent state of Palestine with its capital in East Jerusalem, India



granted recognition immediately. Arafat was received as head of state whenever he visited India. And even as India opened a diplomatic mission in Tel Aviv, it set up a Representative Office in Gaza, which later moved to Ramallah as the Palestinian movement split between the Hamas (which gained control of Gaza) and the PLO. During the UPA's 10 years in office, Mahmoud Abbas, head of the Palestinian Authority that administers the West Bank, visited four times — in 2005, 2008, 2010 and 2012. India voted for Palestine to become a full member of UNESCO in 2011, and a year later, co-sponsored the UN General Assembly resolution that enabled Palestine to become a “non-member” observer state at the UN without voting rights. India also supported the installation of the Palestinian flag on the UN premises in September 2015, a year after Modi was voted to power.

Shift in policy

The first big shift in India's policy came during the visit of Mahmoud Abbas in 2017 when India in a statement dropped the customary line in support of East Jerusalem as the capital of a Palestinian state. When Modi visited Israel, his itinerary did not include Ramallah, as had been the practice by other visiting dignitaries. But the balancing act continued. Modi made a separate visit to Ramallah in February 2018, and called for an independent Palestinian state. Even as it abstained at UNESCO in December 2017, India voted in favour of a resolution in the General Assembly opposing the Trump administration's recognition of Jerusalem as the Israeli capital. At the UNHRC's 46th session in Geneva earlier in 2021, India voted against Israel in three resolutions – on the right of self-determination of the Palestinian people; on Israeli settlement policy; and on the human rights situation in the Golan Heights. It abstained on a fourth, which asked for an UNHRC report on the human rights situation in Palestine, including East Jerusalem. In February 2021, the International Criminal Court claimed jurisdiction to investigate human rights abuses in Palestinian territory including West Bank and Gaza and named both Israeli security forces and Hamas as perpetrators. Then PM Netanyahu wanted India, which does not recognise the ICC, to take a stand against it, and was surprised when it did not come. The Indian statement in the UNSC was another disappointment for Israel. But it did not affect the relationship as both countries weigh their long term interests against the fast changing geopolitics of West Asia. Both will be hoping that the Pegasus episode will similarly blow over without any major impact on bilateral ties.

PEGASUS ISSUE TO ROIL BUDGET SESSION

The Budget session of Parliament, which begins on Monday, is expected to start on a stormy note as the Opposition is all set to corner the Narendra Modi government over the latest revelations in the Pegasus spyware issue. On Sunday, Congress leader in the Lok Sabha Adhir Ranjan Chowdhury wrote to Speaker Om Birla to demand a privilege motion against Information Technology (IT) Minister Ashwini Vaishnaw for “deliberately misleading the House on the Pegasus issue”. Mr. Chowdhury cited a report in the New York Times that claimed that the Modi government had purchased the Pegasus spyware from the Israeli group, NSO, in July 2017. Last July, making a statement on the Pegasus issue, the IT Minister had told Parliament that “no unauthorised surveillance can occur”.

President's Address

On Monday, the Budget session will formally get under way with President Ram Nath Kovind addressing a joint sitting of the Lok Sabha and Rajya Sabha in the Central Hall. However, in view of the COVID restrictions, some members will be seated in the chambers of both Houses. The Lok Sabha and the Rajya Sabha will return to separate sittings in shifts with members seated across



both chambers of Parliament to ensure distancing norms. The first part of the Budget session will be held from January 31 to February 11 after which it will go into recess to examine the budgetary allocations for different departments. The session will resume on March 14 and conclude on April 8. In all, there will be 29 sittings, with 10 of them being planned for the first part of the Budget session. Union Finance Minister Nirmala Sitharaman will present the Economic Survey 2021-22 on Monday and the Union Budget on Tuesday. Soon after the President's Address, both Houses will take up a discussion on the Motion of Thanks to the address. According to a statement from the Lok Sabha secretariat, the government has tentatively fixed four days — February 2, 3, 4 and 7 — for the discussion on the Motion of Thanks. The Prime Minister will reply to the debate in both the Houses, once the debate gets over. Rajya Sabha too is expected to take up the Motion of Thanks simultaneously. The other major business in the first part will be a general discussion on the Budget, added the LS secretariat statement. To ensure smooth functioning of both the Houses, separate meetings have been lined up by Rajya Sabha Chairman M. Venkaiah Naidu and the Parliamentary Affairs Minister Pralhad Joshi on Monday. Mr. Birla will also preside over the Lok Sabha's Business Advisory Committee (BAC) meeting in the afternoon to decide on the House's agenda for the week. The principal Opposition party, the Congress, had declared that it will reach out to like-minded parties to raise key issues such as alleged Chinese incursions, sale of Air India, relief package for the families of COVID-19 victims, the recent incidents of hate speeches, among others. However, the Pegasus snooping row, that had washed out the Monsoon session last year, could now derail other issues. Stepping up the attack on the Prime Minister and the government, on Saturday, former Congress chief Rahul Gandhi had accused Mr Modi of 'committing treason'. Mr. Gandhi's phone is said to be among a list of numbers that were said to be potential targets of hacking by using the spyware. "PM said that it is the best time to set new goals in the India-Israel relationship. Of course, it is the best time to ask Israel if they have any advanced version of the Pegasus spyware. The last deal was for \$2 billion. India can do better this time. If we get more sophisticated spyware ahead of the 2024 elections, we can give them even \$4 billion," tweeted former Finance Minister P. Chidambaram on Sunday. The Budget session also comes right in the middle of election campaign for five states — Uttar Pradesh, Uttarakhand, Punjab, Goa, and Manipur — that will go to polls from February 10 until March 7.

LIMITS OF POWER

In ruling that the one-year suspension imposed last year by the Maharashtra Assembly on 12 BJP legislators was illegal and irrational, the Supreme Court has set the limits of the legislature's power to deal with disorderly conduct in the House. It has laid down a significant principle that the effect of disciplinary action cannot traverse beyond the session in which the cause arose. Citing precedents from rulings of the Privy Council and the Supreme Court, the Court has sought to read the power of the House to suspend a member as essentially defensive or 'self-protective' so that disorderly conduct does not overwhelm its proceedings, but it should not assume a punitive character. Therefore, the suspension beyond the duration of the session was illegal. It was deemed irrational because the need to exercise the power was limited to restoring order in the House; logically, it was not needed beyond the day, or in case of repeated disorderly conduct, to the session so that scheduled business could be completed. It has termed the one-year suspension as a punitive action worse than expulsion. Its reasoning is that if a member is expelled by a resolution of the House, the Election Commission is bound to hold a by-election within six months and the member could seek re-election. On the contrary, the year-long suspension will mean that the constituency remains unrepresented, while there would be no vacancy to be filled through a by-election. The State government argued vehemently that there was no limit to the action that the House could take for maintaining order and the Court could not examine the proportionality of



the action. Rule 53 of the Assembly allowed the Speaker to adopt a graded approach to disorderly conduct; naming members after which they should withdraw from the House for the day, and, in the case of the conduct being repeated, for the rest of the session. However, the Government insisted that the suspension was imposed under the inherent power of the Assembly to ensure orderly functioning. Even then, the Court ruled, in the absence of a rule enabling such a power, the House had to adopt a graded approach and that the same-session limit could not be breached. Referring to the bar under Article 212 of the Constitution on the judiciary examining the regularity of the procedure adopted by the House, the three-judge Bench ruled that the present action was illegal and irrational, and not a mere irregularity of procedure. The ruling is yet another reminder to legislative bodies that their functioning is subject to constitutional parameters. In an era when the government side accuses the Opposition of being obstructionist, and the Opposition alleges that it is being silenced, it is gratifying that the higher judiciary grapples with questions related to the limits of the power exercised by the majority in the legislature.

A VOICE OF MINORITY RIGHTS

In a rare move, amid a suspension of most bilateral ties between India and Pakistan, the Ministry of External Affairs announced on Friday that it was “positive” and “willing to engage” with the Pakistani authorities to discuss a proposal from the Pakistan Hindu Council that requested pilgrims from both sides be allowed to fly to religious destinations rather than the circuitous border route by foot that they presently have to take. Talks between the two sides, which sources said could begin as early as this week, have put the spotlight on the organisation in Pakistan that is gaining traction for its work on what some would call twin “lost causes”: the rights of religious minorities in an increasingly Islamic Pakistan, and bettering ties between India and Pakistan that have reached their lowest ebb in 75 years. For nearly two decades, Pakistani doctor and legislator Ramesh Kumar Vankwani and his organisation, the Pakistan Hindu Council (PHC), have taken up the problem of the nation’s most vulnerable religious minorities. As a teenager in the 1980s, Mr. Vankwani had watched the situation deteriorate with the promulgation of blasphemy laws during military dictator General Zia Ul Haq’s tenure. One of the four sons of a Hindu doctor in Sindh province, all of whom qualified as doctors, Mr. Vankwani studied at the Jinnah Sindh Medical College before deciding in 2000 to join politics. He stood and won one of the nine seats in the Sindh Provincial Assembly, which are reserved for non-Muslims by the by the Constitution, and voted on through a “separate electorate” system. An earlier attempt to stand for a regular seat from Sindh’s Thaparkar constituency, where a large number of Hindus live, failed.

Political career

Mr. Vankwani had been vocal about minority rights throughout his political career, but it was in 2005, after he fought the case for three young girls abducted and forcibly converted, that he decided to set up the PHC to build more awareness for the problems faced by non-Muslims, including blasphemy charges, land grab, and killings. Their numbers have dwindled since Partition. If in 1947 minorities made up more than 20% of the population, it reduced to less than 5% by 2017, when the census found Hindus form 2.14% and Christians form 1.27% of the population. Some of the other campaigns Mr. Vankwani has been at the forefront of are the movement to restore temples that have been bulldozed or seized across the country, and he was instrumental presenting the Supreme Court case that ordered the reconstruction of the ‘Swami Paramhans Mandir’ in Khyber Puktunkhwa, which had been demolished and occupied by a local cleric in 1997. This month, Mr. Vankwani also convinced the Imran Khan government to allow chartered flights to take visiting Hindu pilgrims to the remote area in KPK to visit the restored



temple. Mr. Vankwani's latest mission is to promote "faith tourism" with India. Since 2016, there have been no high level meetings between Indian and Pakistan leaders, and since 2019, trade and travel routes have been snapped. The Delhi-Lahore bus, and the Samjhauta express train, and all air links that catered to thousands of Indians and Pakistanis wishing to cross over are suspended. If the PHC's proposal to send Pakistan International Airlines (PIA) charters with pilgrims, each of whom will be charged about \$1,500 for a four-day tour, including shrines in Ajmer, Delhi, Agra and Haridwar, is accepted, it will be one of many firsts. The flights would mark the first time a Pakistani airline has landed in Delhi in three years, and the first time ever it would have landed carrying worshippers who are allowed under the 1974 joint protocol on religious pilgrimages. If the PHC's second proposal, to bring Indian airliners on reciprocal flights to Pakistan, is cleared, it would be the first such flight since 2008. When asked if his promotion of minority rights and of good ties with India during times of high tension means he is targeted in Pakistan, Mr. Vankwani shrugs and says that agenda is "not hidden" and he cannot be criticised for being honest about what he is pushing for. "I feel if I help religious people, be they of any religion, to visit these shrines, I will also gain blessings in the process. I want to be a bridge between India and Pakistan," Mr. Vankwani told The Hindu of his almost Sisyphean struggles thus far.

THE SUPREME FAILURE

American lawyer James M. Beck described the U.S. Supreme Court as a lighthouse whose gracious rays of justice and liberty light up the troubled surface of the water, making America a free and strong nation. M. Jagannadha Rao, a former Indian Supreme Court judge, citing Beck, said that what is true of the American Supreme Court is equally true of the Indian Supreme Court. In the 73rd year of our Republic, it is time to put this belief to test especially in the wake of mounting majoritarianism and surging ethnocultural nationalism. In the last few years, the Indian Supreme Court has delivered some judgments of far-reaching consequence. It declared the right to privacy a fundamental right; decriminalised consensual sexual conduct between adults of the same sex; recognised transgender persons as the third gender; and outlawed triple talaq. These decisions shore up the belief in republican values like liberty and equality reified in our Constitution.

Black marks

Notwithstanding these bright spots, there are several black marks on the Supreme Court's record. The Vidhi Centre for Legal Policy has developed an excellent comprehensive tracker of all the pending cases before the five-judge, seven-judge, and nine-judge constitution benches of the Supreme Court. According to this tracker, there are 25 main cases pending before the five-judge constitution bench and five cases each pending before the seven-judge and nine-judge benches. These cases relate to significant constitutional and other legal matters that can have serious repercussions on the fundamental rights of ordinary citizens and our core republican values. Related to these main cases, there are more than 500 connected cases. These cases cannot be decided till the legal issues in the main cases before the constitutional benches are addressed. Some of the important cases gathering dust in the Supreme Court are as follows. First, a deluge of petitions was filed before the Supreme Court challenging the constitutionality of the Citizenship (Amendment) Act, 2019, that provides non-Muslim communities from Bangladesh, Pakistan, and Afghanistan a fast-track route to Indian citizenship. More than two years later, the matter continues to languish in the apex court. Second, innumerable petitions have been filed challenging the Presidential Order of August 5, 2019 that effectually diluted Article 370 of the Constitution and split Jammu and Kashmir into two Union Territories. To date, the court has done precious little to decide this vexed question of law. Third, petitions challenging the constitutionality of the



Constitution (One Hundred and Third Amendment) Act, 2019 that provides reservations in public educational institutions and government jobs for economically weaker sections are also languishing in the Supreme Court. It is shocking that the case has not been heard since August 5, 2020, while the law has already been implemented. Fourth, a momentous case known as Vivek Narayan Sharma v. Union of India is in the Supreme Court for more than five years. This case relates to the legality of demonetisation of all ₹500 and ₹1,000 notes aimed at curbing black money. It was the most audacious economic experiment in the life of the Indian republic that went horribly wrong because more than 99% of the cash came back into the banking system, according to the Reserve Bank of India. Appallingly, the Supreme Court hasn't heard this case since September 2, 2019. Fifth, the Supreme Court has failed to accord proper hearing in the last four years to the constitutional challenge to the electoral bonds scheme. This scheme strikes at the heart of our polity because anonymous funding of political parties is the root cause of corruption in public life.

Constitutional duty

Granville Austin, a distinguished constitutional scholar, said, "the Supreme Court is ...custodian of the equality under the law that lies at the heart of the country's constitutional democracy. Unless the Court strives in every possible way to assure that the Constitution, the law, applies fairly to all citizens, the Court cannot be said to have fulfilled its custodial responsibility". By abjectly failing to decide key constitutional cases in a time-bound manner, the Supreme Court has not acted as the "sentinel on the qui vive". The Court should perform its constitutional duty of being a formidable counterforce to brute majoritarianism. The power of judicial review that the Chief Justice of India, N.V. Ramana, calls as critical to democracy should be exercised assiduously. Or else, India's hard-fought constitutional democracy would be in grave peril.

SEX AND VIOLENCE

It is time the Union government took a categorical stand on the issue of treating marital rape as a criminal offence. It informed the Delhi High Court earlier this week that it was having a relook at its position spelt out over five years ago. In 2017, the Government had opposed the removal of the statutory exception in Section 375 of the IPC for rape committed by a man on his wife, if she is not below 18 years of age. The remarks of the Union Minister for Women and Child Development, Smriti Irani, in Parliament also do not throw much light on the matter. She merely said the Government was engaged in a process to introduce comprehensive amendments to criminal law, indicating perhaps that the criminalising of marital rape is unlikely to be taken up in isolation. At the same time, she observed that it would not be advisable to condemn every marriage as a violent one, and every man a rapist. One can only interpret this as a sign that the Government is quite wary of agreeing with the body of opinion that favours recognising rape as something that could happen within a marriage too. In 2016, the Government had rejected the concept of marital rape, saying it "cannot be applied to the Indian context due to various factors like level of education/illiteracy, poverty, myriad social customs and values, religious beliefs and the mindset of the society to treat marriage as a sacrament". There is no indication as to the sort of departure from this formulation, if any, that the proposed reconsideration will lead to. However, the question no longer brooks responses marked by ambivalence or tending towards buying time. One cannot expect the courts to delay indefinitely a ruling on the constitutionality of the existing exception in rape law. The conventional arguments against criminalising rape within marriage — that the institution of marriage will be ruined and that it is liable to misuse — no longer hold good. The country has adopted a domestic violence law that enables complaints against physical and sexual



abuse. The IPC also holds cruelty to be an offence in a domestic context. Therefore, making marital rape a criminal offence is unlikely to ruin the institution of marriage any more than a complaint of domestic violence or cruelty would. The exception given to marital rape harks back, as the report by the Justice J.S. Verma committee noted while recommending its removal, to an outdated notion of marriage that treated the wife as the husband's property. The notion of 'implied consent' within marriage is also reflected in marriage laws that allow for "restitution of conjugal rights", a remedy that either party to a marriage may avail of. Looking at marriage through the anachronistic lens of 'coverture' — the view that the wife is under the husband's authority always — should not be allowed to override the autonomy of married women over their person.

SUBMISSION OF RAPE VICTIM WILL NOT MAKE THE ACT CONSENSUAL: HC

The fact that a rape victim did not physically and violently resist the accused will not make the act consensual. If the sexual intercourse was against the will of the prosecutrix and against her consent, it will amount to the offence of rape, the Madras High Court has held. Justice D. Bharatha Chakravarthy wrote: "Submission would not amount to consent." He confirmed the minimum sentence of seven years of rigorous imprisonment imposed by a Tiruvannamalai court on Gopi, alias Saravanan, for having raped a 17-year-old girl in 2002. The victim is no more. Assailing the conviction, the convict's counsel argued that the girl had actually consented for sex but did a volte face after her brother saw them in a compromising posture. However, the judge said though the argument appeared to be convincing at the first blush, the evidence was otherwise. He pointed out that the girl was grazing her cows when the convict dragged her to a nearby teak farm. "Yes, she walked along but one has to step into the shoes of the victim and see the entire episode from her perspective. She was 17 and all alone," the judge said. He went on to state that the victim wanted to and was trying to shout and resist when the accused forced himself upon her but he and his acts prevailed. A proper reading of Section 375 of the IPC would clearly convey that if the act was against the will of the prosecutrix, it would amount to rape. Further, Section 90 of the IPC makes it clear that a consent should not have been given out of fear or misconception and as per Section 114-A of the Evidence Act, there would be a presumption of absence of consent with respect to the offence of rape if the victim deposes that she did not consent. To rebut this presumption, the accused must let in positive evidence and mere absence of a valiant and violent effort on the part of the victim would certainly not amount to consent, the judge concluded.

USE EXTERNMENT ORDERS WITH CAUTION: SC

The Supreme Court has held that a person cannot be barred by authorities from entering a place on mere suspicion. The court said authorities can pass an order of externment against a person only under extraordinary circumstances.

'Very sparingly'

The discretion should be used "very sparingly" as it deprived a person of his or her right of free movement in the country. An externed person may not even be able to stay with his family or home. "There cannot be any manner of doubt that an order of externment is an extraordinary measure. The effect of the order of externment is of depriving a citizen of his fundamental right of free movement throughout the territory of India," a Bench of Justices Ajay Rastogi and Abhay S. Oka observed in a recent judgment. There is even a possibility that an order of externment would deprive a person of his livelihood.



SDM order

“Such an order also prevents the person even from staying in his own house along with his family members during the period for which this order is in subsistence. In a given case, such order may deprive the person of his livelihood,” Justice Rastogi observed. The court was hearing a challenge against a Sub Divisional Magistrate’s (SDM) order of a two-year externment against the appellant, Deepak, under the Maharashtra Police Act. Two years is the maximum period of externment under the Act. The Bombay HC had refused to intervene, following which Deepak had moved the apex court. Reminding the authorities on the conditions before ordering externment, the court said there should be “objective material on record on the basis of which the competent authority must record its subjective satisfaction that the movements or acts of any person are causing or calculated to cause alarm, danger or harm to persons or property”.

Fundamental right

Noting that clause (d) of Article 19(1) of the Constitution provides citizens a fundamental right to move freely throughout the territory of India, the court said an externment order “must stand the test of reasonableness”. “These reasons which necessitate or justify the passing of an extraordinary order of externment arise out of extraordinary circumstances,” the court noted, quashing the SDM’s order.

INTERROGATING THE FALSE MERIT-RESERVATION BINARY

The Supreme Court of India’s recent ruling on an all India quota (<https://bit.ly/349zEqB>) deserves closer attention for a reason other than its impact on post graduate medical admissions. This judgment has the potential to settle a long, fractious and futile debate in our country: merit versus reservations. The order of the two-judge Bench, comprising Justice D.Y. Chandrachud and Justice A.S. Bopanna, lays to rest a popular misconception of merit while advancing an interpretation that is consistent with our constitutional ideals of equality and social justice. The judgment should have far-reaching consequences for judicial orders, public policy, and, hopefully, public discourse.

Limited case

The case before the Court was very limited: an expeditious resolution of the issues around the implementation of Other Backward Classes (OBC) and economically weaker sections (EWS) quotas in the National Eligibility cum Entrance Test (NEET)-All India Quota (AIQ) admissions to medical colleges. AIQ refers to a judicially created category where 15% of undergraduate seats and 50% of post graduate seats are filled on a domicile-free, all-India basis. The Government had recently decided to extend the existing Scheduled Caste and Scheduled Tribe reservations within this category to provide for OBC reservations as well. Writ petitions had challenged this order on the grounds that the implementation of OBC reservation would affect professional merit and cause reverse discrimination against general category candidates. Another set of writ petitions had challenged the notification of EWS reservation even as the hearings on the 103rd Constitutional Amendment Act were pending. Another set of writ petitions had challenged the tenability of ₹8 lakh as the income limit for EWS reservation. The Court, in view of the public health implications of the delay in medical admissions, upheld the admissions notice, and listed for March the hearing on the validity of the ₹8 lakh limit.



Fresh ground

The Court took this opportunity to directly address the issue of merit versus reservations at some length (paragraphs 17 to 28). For the longest time, critics of affirmative action have argued that reservations violate merit. The defenders of reservation too often concede this but argue that affirmative actions serve other goals such as social representation. This is where the judgment, authored by Justice Chandrachud, breaks fresh ground. It builds on a long tradition of progressive jurisprudence on this issue, but takes it in a new direction. The judgment begins by recalling and reaffirming the principle of substantive equality, rather than formal equality, that underlies our constitutional promise of equality of opportunity. Relying on the debates in the Constituent Assembly, the Court reminds us that the intent of the framers was to remedy real structural barriers that prevented the realisation of equality of opportunity. The Court builds on landmark cases such as *State of Kerala vs N.M. Thomas, K.C. Vasanth Kumar* (1985), and *Indra Sawhney vs Union of India* (1992) to reiterate sharply that the provision of reservations in Article 16(4) of the Constitution is not an exception to but an extension of the principle of equality enunciated in Article 16(1). Reservations are crucial to achieving the aspirational goal of genuine equality of opportunity and status amongst all citizens. 'Reservation is one of the measures that is employed to overcome these barriers. The individual difference may be a result of privilege, fortune, or circumstances but it cannot be used to negate the role of reservation in remedying the structural disadvantage that certain groups suffer' (paragraph 22). Second, the judgment contributes to the specification of the mechanisms through which social privileges work. Justice Chinnappa Reddy in *K.C. Vasanth Kumar vs State of Karnataka* (1985) had critiqued the purely economic understanding of claims for reservation by emphasising the embedded and rigid nature of the socio-cultural institution of caste. The present order notes Marc Galanter's insight that processes of resource accumulation impact the performance of candidates in examinations. Taking this understanding forward, it draws upon the work of K.V. Shyamprasad to recognise, perhaps for the first time, the role of cultural capital. The order holds: 'The cultural capital ensures that a child is trained unconsciously by the familial environment to take up higher education or high posts commensurate with their family's standing. This works to the disadvantage of individuals who are first-generation learners and come from communities whose traditional occupations do not result in the transmission of necessary skills required to perform well in open examination...' (paragraph 24) The judgment is also attentive to the exclusionary implications of this processes as meritocratic discourse legitimises consolidation of 'family habitus, community linkages, and inherited skills'. In addition to 'reaffirming social hierarchies', this obsession with scores in an examination 'serves to denigrate the dignity of those who face barriers in their advancement which are not of their own making' (paragraphs 24-25).

Stereotypes and skills

Third, it exposes social prejudices that masquerade as concerns about 'efficiency of administration' and the anxieties about the dilution of merit. It recognises that there is a need to rectify prejudicial stereotypes about the skills of persons belonging to weaker sections. It relies on the 2019 decision in *B.K. Pavitra vs State of Karnataka*, also authored by Justice Chandrachud, which held, 'The benchmark for the efficiency of administration is not some disembodied, abstract ideal measured by the performance of a qualified open category candidate. Efficiency of administration in the affairs of the Union or of a State must be defined in an inclusive sense, where diverse segments of society find representation as a true aspiration of governance by and for the people.'



Examinations and merit

Finally, the judgment goes to the heart of the matter and questions examinations as a measure of merit. It cites Ashwini Deshpande's study highlighting a stark separation between what examinations claim to measure, and what they actually do. It elaborates by citing Satish Deshpande's research that shows that often what examinations measure have an indirect and weak link to the tasks the candidate is supposed to perform. He argues that the prestige of competitive entrance examinations and the unimpeachability of its evaluator standards are a manufactured construct. Satish Deshpande calls these examinations 'traumatic bloodbaths' that are administered to jealously guard the social prestige of the professional class. Thus, Deshpande concludes that if the examinations were to be any less ruthless, their main social function of persuading 'the vast majority of aspirants to consent to their exclusion' would be stymied. Drawing upon this, the judgment opines that exams can 'only reflect the current competence of an individual but not the gamut of their potential, capabilities or excellence'. Foregrounding the importance of individual character, lived experiences, and subsequent training, the judgment emphasises that examinations are exclusionary, though convenient, methods of resource allocation and that our constitutional ideals should inform our cautious appreciation of these processes (paragraph 25). This critique of the widespread misconception about merit — the common sense of the upper caste elite — can have far-reaching consequences. Claims of reverse discrimination by candidates from the unreserved category would have to be justified under the paradigm of substantive equality. This implies that a crude disparity in cut-off marks would not be construed in isolation of the structural inequalities perpetuated by a competitive examination. This invites a stringent judicial review of the constitutionality of EWS reservations since it overlooks the role of cultural capital for general category EWS candidates and fixes the same income limits for 'creamy layer' OBC and EWS. In the policy realm, this judgment opens the way for designing examinations that are free of linguistic, class, school boards, and regional bias. Justice A.K. Rajan's report on NEET, cited in this judgment, could be a potential blueprint for democratising access to higher education. The recognition of social privileges that hide behind merit also buttresses the demand for caste census that can document the dynamics of privilege accumulation and caution against oligarchic and conservative policy demands for Savarna Aayogs (or Commission for Unreserved Classes) and Brahmin Schemes that are mushrooming across our political landscape. Is it too much to hope that this reasoning — written in the language and style preferred by our elite — coming from the highest court of the land would open the eyes of our upper-caste opinion-makers to the reality of inherited caste privileges that masquerade as merit? Would this reshape the complacent and condescending drawing-room conversations about "reserved category"?

HARYANA'S LAW ON LOCAL JOB QUOTA AND HC STAY

The Punjab and Haryana High Court on Thursday (February 3) stayed a law that reserves 75 per cent of jobs for Haryanvis in private establishments across the state. The matter came up for hearing before the division bench of Justices Ajay Tewari and Pankaj Jain. A detailed order is yet to be released. What is this law, and what were the contentions raised by petitioners?

What was the reservation law?

In November 2020, the Haryana Assembly passed The Haryana State Employment of Local Candidates Bill, 2020, which provided for 75 per cent reservation for local people in private sector jobs offering a monthly salary of less than Rs 30,000 (originally Rs 50,000). On March 2, 2021, the Governor gave his assent to the Bill. The law came into effect from January 15 this year. Before

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



Haryana, the Andhra Pradesh Assembly had in November 2019, passed The Andhra Pradesh Employment of Local candidates in the Industries/Factories Bill, 2019, reserving three-fourths of jobs for local candidates within three years of the commencement of the Act. The Andhra law was challenged in the High Court, which observed that “it may be unconstitutional”. Several other states around the country are in the process of formulating similar laws.

Who challenged the state government’s law and why?

The Faridabad Industries Association and other associations from Haryana challenged the law. Another petitioner in the case, the Gurgaon Industrial Association, had earlier contended that Haryana wanted to create reservation in private sector by introducing a policy of “sons of the soil”, which was an infringement of the constitutional rights of employers. It was also argued that private sector jobs were purely based on skills and analytical bent of mind, and employees had a fundamental right to work in any part of India. “The act of the respondent (government) forcing the employers to employ local candidates in private sector vide this bill impugned Act is the violation of the federal structure framed by the Constitution of India, whereby the government cannot act contrary to public interest and cannot benefit one class,” the petition said.

Why was industry not impressed with the move?

Several top industrialists in Haryana have repeatedly advised the government that a move to restrict employment to people from Haryana may not work out in the interest of industry. JJP MLA Ram Kumar Gautam had strongly objected to the Bill in Vidhan Sabha, and called it an “absolutely ridiculous legislation” that was “100 per cent wrong”. Gautam argued that such a law in Haryana could trigger retaliatory restrictions in other states, which would result in “complete chaos”.

Which sectors are covered under this Act?

The scope is sweeping. All companies, societies, trusts, limited liability partnership firms, partnership firms, and large individual employers are covered under the ambit of the Act. The definition of “employer” in the Act covers a company registered under The Companies Act, 2013; a society registered under The Haryana Registration and Regulation of Societies Act, 2012; a Limited Liability Partnership Firm as defined under the Limited Liability Partnership Act, 2008; a Trust defined under the Indian Trusts Act, 1882; and a Partnership Firm as defined under The Indian Partnership Act, 1932. The law also covers any person employing 10 or more persons on salary, wages or other remuneration for the purpose of manufacturing or providing any service; as well as any such entity as may be notified by the government from time to time. Central or state governments, or any organisation owned by these governments are outside the ambit of the Act.

Who is the “local candidate” — for whom 75% jobs are reserved — described by the Act?

According to the law, a candidate “who is domiciled in State of Haryana” is called a “local candidate” and shall be able to avail the benefit of this reservation while seeking employment in the private sector. Such candidates are required to register themselves on a designated online portal to seek benefit of the reservation. Employers are required to make recruitments only through this portal.

Would that mean that 75% of the total work force of a private sector employer would have to be from Haryana?

No. The 75 per cent quota is for jobs where the gross monthly salary or wages are not more than Rs 50,000, or as notified by the government from time to time. (This was brought down to Rs



30,000 later.) The local candidates can be from any district of Haryana, but the employer has the discretion to restrict employment of local candidates from any district to 10 per cent of the total number of local candidates. It is, however, also within the employer's right to recruit more than 10 per cent of employees from any particular district.

Can an employer claim exemption from this 75% recruitment restriction?

Yes, but only after going through a long procedure and only if the government-appointed officers believes that the employer's request seeking exemption holds merit.

How is the law supposed to be implemented?

Every employer is required to furnish a quarterly report on the designated portal with details of local candidates employed and appointed during that period. The reports are to be scrutinised by authorised officers, who have the power to call for documents or verification. The employer is liable to be fined between Rs 10,000 and Rs 2 lakh for violation of the Act.

ELECTORAL BONDS WORTH ₹1,213 CR. SOLD IN JANUARY

Electoral bonds worth ₹1,213 crore were sold by the State Bank of India (SBI) in January, with most of them (₹784.84 crore) being encashed in the New Delhi branch, pointing towards national parties, while the Mumbai branch sold the most (₹489.6 crore worth), according to a Right to Information reply this week. This comes as campaigning for the Assembly polls in Goa, Manipur, Punjab, Uttar Pradesh and Uttarakhand is in full swing, after being announced on January 8. RTI activist Kanhaiya Kumar, whose query the SBI responded to on Monday, said the amount of bonds sold this time had been the highest before any Assembly poll since the scheme began in 2018. In fact, the value of bonds sold in the 19th tranche, from January 1 to 10, was nearly double of that sold in the run-up to the last set of Assembly polls in April 2021 (₹695 crore). While the New Delhi branch was used to encash the most bonds, electoral bonds worth ₹117.12 crore were sold there. The RTI reply showed that bonds worth ₹227 crore, ₹154 crore and ₹126 crore were sold in the Chennai, Kolkata and Hyderabad branches respectively. After New Delhi, the Kolkata branch had the most electoral bonds encashed (₹224 crore) followed by Chennai (₹100 crore). States where elections are going on had smaller amounts of bonds encashed — ₹50 lakh in Chandigarh, ₹3.21 crore in Lucknow and ₹90 lakh in Goa. The scheme, started in 2018, enables Indian citizens or companies to buy the bonds from 29 SBI branches in denominations of ₹1,000, ₹10,000, ₹1 lakh, ₹10 lakh and ₹1 crore to be used as anonymous donations to political parties. Since the last set of Assembly polls in Tamil Nadu, Kerala, West Bengal, Assam and Puducherry in April 2021, bonds worth ₹150 crore were sold in July 2021 and ₹614 crore in October 2021.

AWARDS & CONSENT

The Padma awards were announced on January 25, and former West Bengal Chief Minister Buddhadeb Bhattacharjee refused the award. His refusal brought to the fore the question under what circumstances a recipient can decline the award. The awards are always announced a day before the Republic Day celebrations. The awards are given away by the President at ceremonial functions held at Rashtrapati Bhavan usually in the months of March-April every year. The functions for the 2020 and 2021 awardees were held together last November because of the COVID-19 pandemic. This year the President approved the conferment of 128 Padma Awards.



What are the Padma awards?

After Bharat Ratna, Padma awards are the second highest civilian awards in the country and are given in three categories. It recognises achievements in public service in the field of art, social work, public affairs, science and engineering, trade and industry, medicine, literature and education, sport and civil services, among others. The awards, initially known as Padma Vibhushan and then categorised as Pahela Varg, Dusra Varg and Tisra Varg, were first constituted in 1954. They were later renamed as Padma Vibhushan, Padma Bhushan and Padma Shri in 1955. The Padma Vibhushan is given for exceptional and distinguished service, while the Padma Bhushan and the Padma Shri are for distinguished service of a high order and distinguished service respectively.

Who decides the awards?

The awards are conferred on the recommendations made by the Padma Awards Committee constituted by the Prime Minister every year. It is headed by the Cabinet Secretary and includes the Union Home Secretary, the Secretary to the President and four to six eminent persons as members. However, the names of the eminent members of the committee are not revealed. Even the names nominated and shortlisted by the committee are revealed after the awards have been announced. Even self-nomination can be made to the committee. The recommendations of the committee are submitted to the Prime Minister and the final list is signed by the President before it is notified in the Gazette of India.

Can a recipient decline the award?

The rules are silent on this. The convention is that the Home Secretary calls up each awardee and informs them of the civilian honour on January 25. The individual has the option of declining the award then, following which the name is removed from the list before it is sent to the President for approval. For example, eminent artistes, percussionist Pandit Anindya Chatterjee and vocalist Sandhya Mukhopadhyay turned down the awards when they received the call this year and their names were not inserted in the final list. In the case of Mr. Bhattacharjee, the call was received by his wife as he is ailing. A Home Ministry official said she was informed of the conferment of the Padma Bhushan on the former West Bengal Chief Minister. "If he had to decline the award, they could have called back and said so, the name would have been removed," said the official. The official said there is no such rule to refuse the award once it has been announced. "I know nothing about this award. No one has told me anything about it. If they have decided to offer the Padma Bhushan to me, I refuse to accept it," said a statement issued by Mr. Bhattacharjee on January 25 after the awards were announced in the evening.

Is there a precedent?

In 1992, former general secretary of the CPI(M) E.M.S. Namboodiripad had declined the award. The party said in a statement last week, "The CPI(M) policy has been consistent in declining such awards from the state. Our work is for the people, not for awards." P.N. Haksar, principal secretary to Prime Minister Indira Gandhi, was offered the Padma Vibhushan days after he retired in January 1973. He wrote to the then Home Secretary Govind Narain, "I have a difficulty in accepting the award. All these years, I have often said to myself that one should work so that one can live with oneself without regret." Swami Ranganathananda of the Ramakrishna Mission refused the award in 2000 as it was given to him as an individual and not to the Ramakrishna Mission. Historian Romila Thapar has declined the award twice.



What does the award entail?

At the ceremonial function held at the President's House in Delhi, the recipients are presented a 'Sanad' (certificate) signed by the President and a medallion. A small replica of the medallion is also given to them which can be worn during any ceremonial or State function. The award does not amount to a title and cannot be used as a suffix or prefix to the awardees' name.

BEATING RETREAT: DRONES, NEW TUNES ENTHRALL VIEWERS

The annual Beating the Retreat ceremony witnessed a series of firsts at Vijay Chowk on Saturday. The event celebrated 75 years of India's Independence through a series of projection mapping over the walls of the North and South Blocks, while 1,000 drones flew over the historic venue, dotting the sky with multiple colours. With buglers heralding the arrival of President and Supreme Commander of the Armed Forces Ram Nath Kovind at the venue, the ceremony kicked off with unfurling of the Tricolour and the massed bands playing the 'Veer Sainik' tune. A total of 44 buglers, 16 trumpeters and 75 drummers enthralled the audience at the ceremony. Prime Minister Narendra Modi, Defence Minister Rajnath Singh, Chief of Army Staff General M.M. Naravane, Air Force Chief Air Marshal V.R. Chaudhari and Navy Chief Admiral R. Hari Kumar were among the dignitaries present at the ceremony. Commander Vijay Charles D'Cruz was the principal conductor at this year's ceremony during which the atmosphere was filled with foot-tapping tunes performed by the Pipes and Drums band, followed by bands of the Indian Army, Navy, Air Force and Central Armed Police Forces.

Row over dropped hymn

New tunes were also added to this year's BRT ceremony, including 'Kerala', 'Hind ki Sena' and 'Ae Mere Watan Ke Logon'. Written by Kavi Pradeep, 'Ae Mere Watan Ke Logon' was added as a replacement to the popular 19th century hymn 'Abide With Me' — not played for the first time in over seven decades, a move which was widely criticised by Opposition leaders. Illuminating the sky with colours and music in synchrony, the drone show, conceptualised under the 'Make in India' initiative, left the audience in awe. It was organised by a startup — Botlab Dynamics — and supported by IIT-Delhi's Department of Science and Technology. A century-old military tradition, the Beating the Retreat ceremony dates back to when troops would disengage from the battle at sunset when buglers sounded the retreat. Saturday's ceremony marked the end of India's 73rd Republic Day celebrations that started on January 23.

KERALA'S PROPOSAL TO LIMIT LOKAYUKTA'S POWERS, AND LAWS IN OTHER STATES

Kerala, Lokayukta, Kerala Lok Ayukta Act, India news, Indian express, Indian express news, current affairs Kerala Chief Minister Pinarayi Vijayan (file) The Kerala government proposes to amend the Kerala Lok Ayukta Act with an ordinance, a move that has drawn criticism from the opposition.

What change has been proposed?

The cabinet has recommended to the Governor that he promulgate the ordinance, which proposes to give the government powers to "either accept or reject the verdict of the Lokayukta, after giving an opportunity of being heard". Currently, under Section 14 of the Act, a public servant is required to vacate office if directed by the Lokayukta. The stated reason for this is that the state's Advocate General K Gopalakrishna Kurup has given his opinion green-lighting the amendment. However,



the move is widely seen as a fallout of the Supreme Court's refusal in October last year to stay the Lokayukta decision holding CPI(M) leader K T Jaleel guilty of nepotism. Jaleel, who was Higher Education Minister during Pinarayi Vijayan's first term as Chief Minister, had to resign after the Lokayukta decision. The Lokayukta is also currently investigating cases-one against Vijayan himself and Higher Education Minister R Bindu. Editorial Kerala government's move to dilute Lokayukta's powers raises questions, goes against CPM postures on public corruption How was the Lokayukta Act originally envisaged? The central Lokpal and Lokayuktas Act, 2013 was notified on January 1, 2014. The law was a result of demands of several decades for stronger anti-corruption laws. The Act provides for establishing a Lokpal headed by a Chairperson, who is or has been a Chief Justice of India, or is or has been a judge of the Supreme Court, or an eminent person who fulfils eligibility criteria as specified. Of its other members, not exceeding eight, 50% are to be judicial members, provided that not less than 50% belong to the SCs, STs, OBCs, minorities, or are women. The Lokpal and Lokayukta are to deal with complaints against public servants, a definition that includes the Lokpal chairperson and members. The Lokpal was appointed in March 2019 and it started functioning since March 2020 when its rules were framed. The Lokpal is at present headed by former Supreme Court Justice Pinaki Chandra Ghose. As per statistics on its official website, the Lokpal received 1,427 complaints in 2019-20, 110 in 2020-21, and 30 in 2021-22 up to July 2021. Due to a delay in framing rules, one of the judicial members, Justice (Retd) Dilip B Bhosale, has resigned. Don't miss |At national level, CPM always sought strong anti-corruption ombudsman

How does it work in the states?

Lokayuktas are the state equivalents of the central Lokpal. Section 63 of the Lokpal and Lokayuktas Act, 2013 states: "Every state shall establish a body to be known as the Lokayukta for the State, if not so established, constituted or appointed, by a law made by the State Legislature, to deal with complaints relating to corruption against certain public functionaries, within a period of one year from the date of commencement of this Act." Originally, the central legislation was envisaged to make a Lokayukta in each state mandatory. However, regional parties and the BJP, which was in opposition then, argued that this would be against the spirit of federalism. The law then created a mere framework, leaving it to the states to decide the specifics.

Which states have Lokayuktas?

When the 2013 Act was passed, Lokayuktas were already functioning in some states — including in Madhya Pradesh and Karnataka where they were very active. Following the Act and the intervention of the Supreme Court, most states have now set up a Lokayukta. In 2018, the Supreme Court had expressed concern that Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Tamil Nadu, Telangana, Tripura, West Bengal and Arunachal Pradesh had not appointed any Lokayukta or Up-Lokayukta. It asked the chief secretaries about the steps taken for these appointment, and "if so the stage thereof... The reasons for non-appointment of Lokayukta/ Up-Lokayukta... be also laid before the court." However, given that states have autonomy to frame their own laws, the Lokayukta's powers vary from state to state on various aspects, such as tenure, and need of sanction to prosecute officials. Examples of the laws in some states: NAGALAND: On 3 August 2021, Nagaland passed a law allowing itself the power to keep the post of the state Lokayukta vacant for a year. It was also criticised for a political appointment: Up-Lokayukta Mangyang Lima is a member of the ruling National Democratic Progressive Party. The new law came on the heels of the retirement of Lokayukta Justice (ret'd) Uma Nath Singh. Justice Singh was working from Delhi citing restrictions on travelling due to the pandemic. The state moved the Supreme Court, which observed in January last year: "We don't understand this. How can a person



be a Lokayukta while sitting in Delhi just because this is pandemic times... You are demeaning your office.” Subsequently, Justice Singh resigned.

GOA: Goa’s Lokayukta does not have powers of prosecution. On his retirement in June 2020, Justice (Retd) Prafulla Kumar Misra said he had left office “disenchanted” with the state government that had not acted on even one of the 21 reports that he submitted against public functionaries during his nearly four-and-a-half-year tenure. BIHAR: In March last year, Bihar passed a law that sought to punish people filing false cases before the Lokayukta. The offence would carry a jail-term of up to three years. The move was criticised on the ground that it could be misused against whistle-blowers. UTTAR PRADESH: In 2012, Uttar Pradesh passed a law increasing the tenure of Lokayukta to 8 years. Then Lokayukta Justice (retired) N K Mehrotra, who was appointed on March 16, 2006, got a two-year extension with the amendment. The Supreme Court upheld the law in 2014. In 2015, the state brought another amendment removing the High Court Chief Justice from the selection committee. This came in the wake of Justice D Y Chandrachud, then Chief Justice of the Allahabad HC, disagreeing with the proposal to appoint Justice (retired) Ravindra Singh as Lokayukta, citing his proximity to the Samajwadi Party that was in power then.

IMPERIAL EXCESS

West Bengal Chief Minister Mamata Banerjee’s outburst against Governor Jagdeep Dhankhar on Monday was not a first but it brought to the fore, yet again, the role of the Governor in relation with the elected government and legislature. Mr. Dhankhar and his counterparts in Tamil Nadu and Maharashtra appear to be testing the limits of their power and confronting the elected governments and legislatures in recent weeks. Tired of Mr. Dhankhar’s constant tirade against her on Twitter, Ms. Banerjee blocked him on the platform. The Governor then sent her a message for “dialogue and harmony amongst constitutional functionaries” but promptly posted that too on Twitter. The Chief Minister said the Governor was trying to treat the elected government as “bonded labour”. He has been summoning the Chief Secretary and the Director General of Police on a regular basis, and when they do not turn up, taking to Twitter and often tagging the Chief Minister. Mr. Dhankhar also had a run-in with Assembly Speaker Biman Banerjee recently, on the premises of the State Assembly. He has withheld assent to the Howrah Municipal Corporation (Amendment) Bill 2021, delaying polls to the civic body. He has made allegations of impropriety in welfare schemes, questioned Government claims about investments in the State, and taken up the cudgels for the Opposition BJP. In Maharashtra, Governor Bhagat Singh Koshyari has stalled the election of Speaker since the post fell vacant in February 2021. He has taken umbrage over the amendments in the legislative rules for holding the Speaker’s election through voice vote instead of secret ballot. The Governor’s view that the State Assembly cannot decide its own rules is unacceptable to the ruling coalition, but is being cheered by the Opposition BJP. Mr. Koshyari had in the past batted for the BJP, supporting its demand for a special session of the Assembly on women’s safety and security. He had refused to accept the recommendation of the Council of Ministers on the nomination of 12 members to the Legislative Council, until the matter reached the High Court. In Tamil Nadu, Governor R.N. Ravi has not acted upon the T.N. Admission to Undergraduate Medical Degree Courses Bill, adopted by the Assembly in September 2021. The Governor is required to either send it to the President of India for approval or return it for reconsideration by the Assembly, but the indefinite delay in taking a decision amounts to undermining the legislature, and is unjustifiable. The Bill relates to a question of State-Centre relations, as it proposes to dispense with the National Eligibility cum Entrance Test (NEET) for medical graduate admissions in the State. NEET has been criticised for curtailing State powers,



and the Governor's delay in processing the Bill is only aggravating the situation. Some of these issues may require debate and discussion before resolution. But any imperial overtone of Governors can only do harm to the constitutional scheme of things.

BIHAR GOVT. ASKS TEACHERS TO TRACE TIPLERS

Government school teachers and principals in Bihar will now have to keep an eye on people consuming and involved in the illegal trade of liquor, which has been banned since April 2016. A directive in this regard has been issued to officials, teachers and principals by the Education Department. A stringent Bihar Prohibition and Excise (Amendment) Act, 2016 was enforced in Bihar on April 5, 2016, declaring it a dry State. "There is information that some people are still consuming liquor on the sly and their families have to face its ill effects. So, it is directed that district education officials, principals, teachers and volunteers identify the consumers and suppliers of liquor and inform about them to the Prohibition and Excise Department's toll-free number," said a directive issued on January 28 by the Additional Chief Secretary (education) Sanjay Kumar. The directive is addressed to all regional deputy directors, district education officers and district programme officers, asking them to call a meeting of principals, teachers and volunteers (members of shiksha samitis and sevaks) of government-run primary, middle and secondary schools to identify tiplers and traders of liquor. "The credentials of the informers will be kept confidential," it said. The directive has asked department officials to "ensure the premises of schools are not used for booze". District education officials have been asked to "convene a meeting of volunteers in schools to make them aware of necessary information on de-addiction".

'Vulnerable section'

Earlier, reports came in of empty liquor bottles being recovered from various school premises. "For the government, teachers and principals are the most vulnerable section of the system to be engaged in any activity, besides imparting education to students — be it holding polls, mid-day meals, campaigns or to make any government programme successful," said a government primary school teacher of Naubatpur, Patna district. "It's simply a ridiculous directive. What can be more humiliating for a teacher than identifying tiplers and those involved in illegal liquor trade?" he added. Asked if they would protest such a move by the government, he said, "That depends on officials of our association. But we must oppose it." Cornered by criticism over "failure" to implement the liquor law under the Prohibition Act, the State government has been mulling over relaxing some of its stringent provisions in the upcoming Budget session.

VOTE FOR THE FISH

Where there's a will, the politician will find a way. In Odisha, where pandemic restrictions have grounded large gatherings in the run-up to the elections to panchayat bodies, candidates are making the most of intimate, door-to-door campaigns. To help brand recall, they have also been lugging around real-life versions of their poll symbols. That might not create much of a ripple if the candidate's symbol is a lantern or a book, humdrum enough objects. But what if the Election Commission, in all its wisdom, has decided to identify you with an LED TV? For a candidate in Koraput's zilla parishad elections, who has been making a spectacular entry into villages, gleaming flat-screen in tow, this is just the kind of attention she was hoping for. In Nabarangpur district, Bhagavati Bhotra makes a different kind of splash — accompanying her on her campaign trail is a freshly-caught fish, expertly held in the crook of her hand. That's not as easy as it looks. Ask Shashi Tharoor, whose composure was visibly ruffled when he was handed the big catch of the day during



a campaign visit to a fish market in Thiruvananthapuram two years ago. Attempts to fish for sympathy on Twitter, when he described himself as a “squeamish vegetarian”, did not wash. What would our elections be without poll symbols? Early on in the life of a democracy that had gambled on giving the right to vote to all, these minimalist ideograms became a way for a largely non-literate population to identify political candidates and parties. For that reason, they have always been drawn from the unremarkable objects of ordinary life — from bicycles to brooms and fruits and vegetables. Technology has transformed, some would say distorted, the scale and speed at which parties now take their message to the voter. The Odisha campaign is, perhaps, a reminder of old-fashioned politics as persuasion and legwork. And of the voter’s choice — if she isn’t impressed with the candidate at her door, there are always plenty of other fish in the sea.

WORDS AND ACTIONS

The firing on AIMIM chief Asaduddin Owaisi’s vehicle in Hapur district, Uttar Pradesh, in the run-up to an assembly election, is extremely disturbing. In the aftermath, the UP police have detained the alleged shooter, Sachin Sharma, and his accomplice, Shubham. The Union Home Ministry has accorded Owaisi “Z-category” security — which Owaisi has reportedly refused — sending out the signal that when it comes to grave matters, politics can still stop at the water’s edge. The UP police has said that Sharma was “angry” over Owaisi’s speeches, while the AIMIM chief wants an independent probe by the Election Commission to look into the “conspiracy”. Beyond the law-and-order response, however, the attack could point to a worrying form of radicalisation among a section of the population. Sharma, on his social media profiles, claims to be a member of the BJP — he has shared a membership card to that effect and posted photographs with senior BJP leaders as well as a video of Yati Narsinghanand, arrested recently for giving a hate speech at the Haridwar Dharam Sansad. On Facebook, Sharma has expressed sympathy and admiration for Ram Bhakt Gopal, who opened fire at anti-CAA protesters in Delhi in 2020. The probe will answer all the questions, but at first glance, the incident serves as a warning — an act of crime influenced by a larger climate of manufactured insecurity and othering. In the internet age, indoctrination and radicalisation need not take place only through the concerted efforts of organisations. People, apparently acting of their own will, are shaped by the world around them, where there now exists an unofficial, poorly-monitored information network — made of public speeches, social media posts, WhatsApp forwards — that can influence the disenchanted and the impressionable. While it may be difficult to establish a direct causal link between hate speeches and violence, it may also be naive to think there are no dots to be joined between the two. It is incumbent on the BJP government and its leadership to condemn the attack on Owaisi by those who seek to invoke its name. In fact, all mainstream political parties need to unequivocally distance themselves from those who advocate bigotry and violence. As the assembly election campaigns pick up speed in Uttar Pradesh and elsewhere, the political class needs to remember that the vitriol that has become common on the campaign trail, if allowed to grow unchecked, has consequences.

ASSAM-ARUNACHAL BORDER DISPUTE, 1951 TO NOW

Last month, just days after Assam chief minister Himanta Biswa Sarma met with his Arunachal Pradesh counterpart, Pema Khandu, to discuss a solution to the decades-old boundary dispute between the two states, fresh tensions were reported along the border. While the flashpoint this time was the ongoing construction of the Likabali-Durpai road being built under the Pradhan Mantri Gram Sadak Yojana (PMGSY), the boundary dispute between Assam and Arunachal Pradesh dates back to colonial times.



Bone of contention: 1951

Arunachal Pradesh, which was earlier a part of Assam, shares a boundary of roughly 800 km with the state—with frequent flare-ups reported along the border since the 1990s. The dispute dates back to colonial times, when the British in 1873 announced the “inner line” regulation, demarcating an imaginary boundary between plains and the frontier hills, which were later designated as the North East Frontier Tracts in 1915. The latter corresponds to the area that makes up present-day Arunachal Pradesh. After Independence, the Assam government assumed administrative jurisdiction over the North East Frontier Tracts, which later became the North East Frontier Agency (NEFA) in 1954, and finally, the Union Territory (UT) of Arunachal Pradesh in 1972. It gained statehood in 1987. However, before it was carved out of Assam, a sub-committee headed by then Assam chief minister Gopinath Bordoloi made some recommendations in relation to the administration of NEFA (under Assam) and submitted a report in 1951. Based on the Bordoloi committee report, around 3,648 sq km of the “plain” area of Balipara and Sadiya foothills was transferred from Arunachal Pradesh (then NEFA) to Assam’s then Darrang and Lakhimpur districts. “This remains the bone of contention between the two states as Arunachal Pradesh refuses to accept this notification as the basis of demarcation,” said a senior government official from Assam, closely involved in inter-state border-related matters. Arunachal Pradesh has long held that the transfer was done without the consultation of its people. “It was arbitrary, defective, and no tribal leader from Arunachal Pradesh was consulted before the land was transferred. They just decided to draw a line between the hills and plains,” said Tabom Dai, General Secretary, All Arunachal Pradesh Students’ Union (AAPSU). According to him, Arunachal had customary rights over these lands, considering the tribes living there would pay taxes to Ahom rulers. Assam, on the other hand, feels that this demarcation as per 1951 notification is constitutional and legal.

Efforts at demarcation

The border issues came to the fore after Arunachal Pradesh became a UT in 1972. Between 1971 and 1974, there were multiple efforts to demarcate the boundary but it did not work out. In April 1979, a high-powered tripartite committee was constituted to delineate the boundary on the basis of Survey of India maps, as well as discussions with both sides. By 1983-84, out of the 800 km, 489 km, mostly in the north bank of the Brahmaputra, were demarcated. However, further demarcation could not commence because Arunachal Pradesh did not accept the recommendations, and claimed several kilometres out of the 3,648 sq km that was transferred as per the 1951 notification. Assam objected and filed a case in the Supreme Court in 1989, highlighting an “encroachment” made by Arunachal Pradesh. To resolve the dispute between the two states, the apex court-appointed a local boundary commission in 2006, headed by a retired SC judge. In September 2014, the local commission submitted its report. Several recommendations were made (some of which suggested Arunachal Pradesh get back some of the territory which was transferred in 1951), and it was suggested that both states should arrive at a consensus through discussions. However, nothing came of it.

Flashpoints

According to a 2008 research paper from the Manohar Parrikar Institute for Defence Studies and Analyses, clashes were first reported in 1992 when the Arunachal Pradesh state government alleged that people from Assam were “building houses, markets and even police stations on its territory”. Since then intermittent clashes have been taking place, making the border tense. Another paper by the same institute in 2020 said that Assam had raised the issue of Arunachal Pradesh encroaching on its forest land, and had periodically launched eviction drives, leading to



tensions on the ground. One was in 2005 in Bhalukpong in Arunachal Pradesh's West Kameng district and the other in 2014 in the Behali Reserve Forest area, in the foothills between Assam's Sonitpur and Arunachal's Papumpare districts. Ten people died in the Behali incident. The recent flashpoint is the ongoing Likabali-Durpai PMGSY road project in Arunachal Pradesh's Lower Siang district—Assam claims that some parts of the road, under construction since 2019, falls under its Dhemaji district. The road, about 65 km to 70 km, is meant to connect at least 24 villages between Arunachal Pradesh's Durpai and Likabali and has been granted after years of petitioning by local residents. Likabali is one of the oldest towns in the foothills and has long been a site of dispute. Last week, a culvert under construction close to Hime, one of the villages through which the road runs, was burnt by "unidentified miscreants from the Assam side", authorities said. Following that, there were unconfirmed reports of "firing in the air" by local residents from the Arunachal Pradesh side on Wednesday night. This was preceded by a team from Assam Police stopping the construction in Hime, claiming that the road was touching disputed territory. Authorities from both sides say this was not the first instance of trouble along the road and that it keeps happening occasionally ever since construction started two years ago. However, they claim administrations of both districts were in touch with each other.

The road ahead

In the last few months, Assam chief minister Sarma has been taking a proactive role in resolving the border disputes not just with Arunachal Pradesh, but with the neighbouring states it has issues with. While Assam and Meghalaya have made some progress, with both governments submitting recommendations to the Centre last month, Sarma has been consistently meeting chief ministers of Nagaland and Arunachal Pradesh as well. However, a concrete plan of action has not been chalked out yet. Just last week, Sarma met Khandu in Guwahati and both described the meeting as "positive", saying they were ready to conduct a ground-level survey on boundary status.

THE PEOPLES WITHOUT A STATE

The often-violent Assam agitation from 1979 to 1985 had a domino effect on some of the other north-eastern States. The agitation, spearheaded by students, was aimed at expelling the "illegal immigrants" — by which they referred to "Bangladeshis" — who they claimed were outnumbering the indigenous communities. The present-day hill States were fairly untouched by the riots in undivided Assam of the 1960s and early 1970s that targeted Bengalis through the politically-charged 'Bongal kheda' (chase out the Bengalis) campaign. In 1979, weeks after the Assam agitation started, the Bengalis of Shillong, Meghalaya, became the victims of the first major riot. Sporadic communal violence that continued till the 1990s did not spare the other non-tribal communities such as Biharis, Marwaris, Nepalis, Punjabis and Sindhis, viewed as "dkhars" (outsiders). The situation was the worst in 1987, which was marked by curfews throughout the year. The Assam agitation also impacted Arunachal Pradesh and the politics of xenophobia was primarily directed at four communities — Chakmas, Hajongs, Tibetans and Yobins — who had settled there before Arunachal Pradesh was upgraded from the North-East Frontier Agency (NEFA) in 1972. These four communities were largely settled in the present-day Changlang district when NEFA was under the Ministry of External Affairs up to 1965 and then under the Ministry of Home Affairs until 1972. The Yobins, formerly called Lisus, came from northern Myanmar. The migration of the Tibetans started in 1959 with the flight of the 14th Dalai Lama from Lhasa and peaked during the 1962 war with China. The main concentrations of the Tibetans today are in West Kameng and Tawang districts of Arunachal Pradesh. The Buddhist Chakmas and the Hindu Hajongs came from present-day Bangladesh. Communal violence in 1964 and the



construction of the Kaptai dam on the Karnaphuli River displaced about 100,000 Chakmas from the Chittagong Hill Tracts (CHT) of Bangladesh. Around the same time, religious persecution made about 1,000 Hajongs cross over from Mymensingh district of Bangladesh. Some Chakmas were settled in areas of Mizoram and Tripura contiguous to the CHT. The flow of Chakmas to Arunachal Pradesh continued till 1969. Those who came later were mostly from Bihar's Gaya, where former Union Relief and Rehabilitation Minister Mahavir Tyagi had tried to settle them in. Over time, the Chakma-Hajongs became more of a political issue than a humanitarian problem in the State with indigenous groups mobilising on a plank of pushing back refugees. Amid growing opposition to the continued settlement of Chakmas in the State, the Arunachal government had planned a special census from December 11 to 31, 2021, leading to criticism that Chakmas and Hajongs were being subjected to "racial profiling. The census was put on hold after the Chakma Development Foundation of India (CDFI) approached the Prime Minister's Office. But it remains a sensitive political issue in the State.

'Refugees go back'

Documents with the Committee for Citizenship Rights of the Chakmas and Hajongs of Arunachal Pradesh (CCRCHAP) show that New Delhi had granted migration certificates to about 36,000 Chakmas and Hajongs settled in the erstwhile NEFA. These certificates indicated legal entry into India and the willingness of the Centre to accept the migrants as future citizens. But indigenous groups led by the All Arunachal Pradesh Students' Union (AAPSU) said the papers were inconsequential since neither the local people nor their representatives were consulted before settling the refugees in their backyard. They also pointed out that the prolonged stay of the refugees violated the Bengal Eastern Frontier Regulation (BEFR) of 1873 that requires outsiders to visit the State with a temporary travel document called Inner the Line Permit, also applicable in Manipur, Mizoram and Nagaland. The Chakma-Hajongs were at the core of the first bandh that Arunachal Pradesh experienced in April 1980. The AAPSU had imposed the shutdown to highlight a few demands, including resolution of the Assam-Arunachal boundary problem, detection and deportation of foreign nationals from the State and withdrawal of land allotment permit and trade licence from the non-Arunachalees. Inspired by the Assam agitation, the AAPSU organised a series of district-level bandhs in August 1982, primarily demanding the ouster of "outsiders". In 1985, the government-backed students' body adopted a resolution for asking the Centre to immediately remove the refugees settled permanently in the State and take steps against a possible influx of people displaced internally by the anti-foreigners agitation in adjoining Assam. The 'refugees go back' slogans returned after a lull in 1994 when the AAPSU organised a march to Delhi, demanding action against "illegal foreign nationals", who, they claimed, were threatening to change the demography of the region. Pointing out that the Indian government violated the legal provisions prohibiting people from outside entering Arunachal Pradesh, the AAPSU organised a 'people's referendum rally' in September 1995 against making the State a "dumping ground" for "foreigners". December 31 that year was set as the deadline for the then Congress government to eject the refugees, compelling the Centre to form a high-level committee to look into the issue. According to Chakma organisations, the State government had by then systematically denied the refugees access to social, economic and political rights they were entitled to under Indian and international laws. The employment of Chakmas and Hajongs was banned in 1980 and all trade licences issued to them in the 1960s were seized in 1994. There were reports of blockades and attacks on the refugee camps and Vijoypur, a village in the Changlang district, was reportedly destroyed thrice between 1989 and 1995. In September 1994, the State government allegedly began a campaign to close down schools in the refugee areas and to relocate the Chakma-Hajongs.



Deportation bid

The AAPSU flagged the increasing population of the Chakma-Hajongs to justify the perceived threat to the identity and culture of the indigenous people. It said the population of the refugees had by the new millennium swollen to 65,000 from the 57 families originally settled in the State after a temporary stay in Assam's Ledo in 1964. "Their population is more than 1 lakh today," AAPSU's general secretary Tobom Dai said. However, Santosh Chakma, general secretary of the CCRCHAP, said the figure was exaggerated. "A special census of the Chakma-Hajongs conducted in 2010-11 revealed the population was under 50,000. According to our estimate, it is about 60,000 now with 95% of them born in India to merit citizenship under Section 3 of the Citizenship Act," he said. The State government's aborted move to hold the special census followed Chief Minister Pema Khandu's Independence Day speech in which he said "all illegal immigrant Chakmas will be moved and settled in some other places" as the Constitution does not allow them to live in a tribal State. Following the controversies, the National Human Rights Commission (NHRC) has asked the Ministry of Home Affairs and the State government to submit a report on the alleged racial profiling of the Chakmas and Hajongs. The Chakma Development Foundation says there is no provision in the Constitution as a tribal State that stops the Chakmas from staying in Arunachal Pradesh. It also said the government has not processed their citizenship applications despite the Supreme Court's orders in 1996 and 2015 to do so. The solution, Chakma organisations said, lies in the State respecting the rule of law and the judgments of the Supreme Court and the politicians stopping using the Chakma-Hajong issue for political benefits.

FARM UNIONS THREATEN TO RESUME AGITATION

Farm unions said they would be forced to resume their stir if the Union government failed to fulfil its written commitments on withdrawal of cases against protesters, compensation for those who died during the agitation and the establishment of a committee on minimum support prices (MSP), according to a memorandum submitted by the Samyukt Kisan Morcha (SKM) to President Ram Nath Kovind on Monday. The unions observed January 31 as vishwasghat diwas (day of betrayal) with protests in various districts. "Once again the farmers of the country have been cheated. The Government of India has not fulfilled any of the assurances in its letter dated 9th December," said the memo to the President. "If the government reneges on its written assurance, the farmers would be left with no option but to resume their agitation," it warned. "The reality is that the government has neither announced the formation of the committee on this issue, nor has given any information about the nature of the committee and its mandate."

'Cases not withdrawn'

It noted that no action had been taken to withdraw cases by the Union government, which holds jurisdiction in Delhi, or by the governments of Madhya Pradesh, Uttar Pradesh, Uttarakhand and Himachal Pradesh. In fact, farmers were constantly getting court summons in these cases, said the SKM. Only the Haryana government had issued orders to withdraw cases. Regarding compensation, the U.P. government had not initiated any action, while Haryana was yet to announce the amount and nature of compensation. The SKM also raised fresh issues, including ongoing negotiations on a Free Trade Agreement with Australia, which the unions say will threaten the existence of dairy farmers, and new rules on genetically modified food.



GOVT. MOOTS PLAN TO LINK DIGITAL IDS

The government has invited stakeholder comments on a proposal that seeks to establish 'Federated Digital Identities' to optimise the number of digital identities that a citizen needs to have, by linking various consumer identification data into a single unique ID for digital transactions such as authentication and eKYC services. The proposal is part of the Electronics and IT Ministry's India Enterprise Architecture 2.0 (IndEA 2.0) framework that aims to enable the governments and the private sector enterprises to design IT architectures that can span beyond organisational boundaries for delivery of integrated services. "As various government platforms across domains are being digitised, there is a tendency to create more IDs each with its own ID card, ID management, and effort to make it unique, etc," the Ministry has said in the draft, on which stakeholder comments have been invited till February 27.

Cumbersome process

"Having a multitude [of] IDs, especially to interact with the government, makes it harder for common man for whom these are created! Especially given the diversity in education, awareness and capabilities, this also has a potential to further create exclusion scenarios," it said. Noting that digital identity is fundamental to enabling the citizen to answer the first question asked in any interaction with a public or private organisation, 'who I am', it pointed out that Aadhaar seems to have answered this question at population scale in respect of all publicly funded schemes. However, the Ministries and the States are required to create several identities for the same citizen acting in different capacities like student, teacher, farmer, land owner, entrepreneur, customer of a bank, driver, owner of a vehicle, pensioner and so on.

Optimising identities

"InDEA 2.0 proposes a model of Federated Digital Identities that seeks to optimise the number of digital identities that a citizen needs to have. The model empowers the citizen by putting her in control of these identities and providing her the option of choosing which one to use for what purpose. It gives the agency to the citizens and protects privacy-by-design," it said. It explained that electronic registries can be linked via the IDs to allow easy, paperless onboarding of citizens and also avoid repeated data verification needs. For example, when a beneficiary is registered for the PDS scheme, that record will be linked to Aadhaar by the PDS system storing the Aadhaar number (or a tokenised version of it). Similarly, when someone obtains a PAN, that record gets linked to Aadhaar where the Aadhaar number becomes the linking ID. Then when that person obtains a mutual fund account, the PAN, in turn, gets linked to the mutual fund record.

MAHATMA GANDHI, THE OUT-OF-THE-BOX THINKER

The 74th anniversary of Mahatma Gandhi's death provides us an opportunity to think about his character and contributions as an important figure of world history. Usually, to praise a historical figure, one tries to enumerate on their qualities to show how marvellous they had been in all areas of life. But Mahatma Gandhi was both an enigmatic and disturbing figure. He used to think out of the box. He was an open-minded soft reader of concepts and categories. In this regard, he saw his place among the weakest and the poorest. His notion of a just and truthful politics was that in such an environment, the weakest should have the same opportunities as the strongest. It would, therefore, be suspect to see Gandhi being celebrated by the powerful and the victors and not by the weak and the defeated. If Gandhi continues to disturb the powerful and the victorious, it is because he does not fit in the victors' histories and narratives. Why do we continue to read Gandhi

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



and to admire him? Not because he is the Father of the Indian Nation, but because he disturbs us. He was a chief doubter of oppressive systems and a rebel against all forms of hidden and open authority.

An example of simplicity

It is also because in an arrogant and unchecked civilisation like ours, Gandhi is a great example of simplicity and transparency. Gandhi's simplicity was reflected in his deeds and acts, but mostly in his mode of life. Unlike most of us, not to say all of us, Gandhi had more joy and fulfilment in pursuing less in life than in pursuing more. The corporate mindset — that of being successful — which dominates all aspects of our lives, did not exist for him. And maybe, it is because of his pure simplicity that we continue to have so much trouble in understanding Gandhi. Naturally, corporates, even when they use him as a logo or an emblem, fear him. Maybe because Gandhi, like Sisyphus, continues to roll the rock up to the top of the mountain. With Gandhi we are never confronted with absolute Truth. Gandhi is a perpetual truth seeker. In fact, Gandhi is victorious through his effortful trials. His position remains ambiguous and disturbing. Assuredly, Gandhi was an ambiguous personality, but he never wore a mask. He neither masked himself nor put a mask on the face of Indian history. Rather, he challenged Indian history by asking lucid and limpid questions from it. As such, in practically all of Gandhi's historical actions, there was moral or spiritual interrogation. He, therefore, led Indians to a historical and civilisational awareness that went as far as a spiritual conversion to non-violence. That is to say, the Gandhian maieutic completely reversed the relationship between a leader and his people. Like Socrates, Gandhi was a midwife of minds (Gandhi was very much influenced by Socrates and his method of thinking). He reversed the guiding values of Indian life. His philosophy was that of a spiritual exercise, accompanied by an active reflection on truth and a lively awareness of all walks of life. Gandhi believed that the true test of life for the individual can be summarised in two principles: self-discipline and self-restraint. In this relation, he observed: "A self-indulgent man lives to eat; a self-restrained man eats to live." His vision of community goes in the same direction and Gandhi gives ethical and political primacy to the two concepts of self-realisation and self-rule. For Gandhi, a self-realised and self-conscious community is a society of citizens who reconcile the self-determination of the individual with the recognition of the shared values in the community.

Point of self-transformation

Interestingly, in a very existential way, Gandhi believed in the interrelated nature of human existence. In the same manner, what interested him in a democracy was neither representation nor elections, but the self-transformative nature of the citizens. But we can go even further and say that for Gandhi, this process of self-transformation should influence not only the inner life of the individual but also public life. So, what seems important is the upholding of the ethic of human action. And of course, solidarity is the advancement of that very ethic. However, what Gandhi taught us is that solidarity is not just a promise of compassion; it is actually what we can call the wake of responsibility. Undoubtedly, Gandhi knew well that global responsibility is nothing but an overriding loyalty to mankind. It goes without saying that remembering Gandhi could be a way for us to be reminded of our global responsibilities and our loyalty to mankind. Without it there would be no solidarity and no universal harmony among the peoples of the world.

Need for moral leadership

The pandemic shows us clearly that our world is in lack of a moral leadership which can evolve through experiments of empathy and by redress of the sufferings and grievances of humanity.



Even if Gandhi is no more among us, his spirit has been with the great transformative leaders of the 20th and 21st centuries like Khan Abdul Ghaffar Khan, Martin Luther King, Jr., Nelson Mandela, the Dalai Lama, Archbishop Desmond Tutu, Václav Havel and Pope Francis. As a global thinker with a transhistorical and transgeographical influence, Gandhi was a moral and political leader who stayed out of the box. We continue to wrestle with the radical parts of his vision.

TURMERIC WOES IN TELANGANA

Nizamabad MP Dharmapuri Arvind, who belongs to the Bharatiya Janata Party, chose a novel way of making his pre-election promises before the 2019 general election. Unlike other candidates who make promises in manifestos or at rallies, Mr. Arvind made them on stamp paper, mostly in vogue at the village level in Telangana and Andhra Pradesh. He won the election. Last week, Mr. Arvind's convoy was obstructed by turmeric farmers, whom he later called TRS (Telangana Rashtra Samithi) activists, when he was on a visit to Nandipet mandal. Mr. Arvind alleged that disguising themselves as turmeric farmers, TRS activists had attacked him and damaged his vehicle as the police "played spectators". Nearly three years after the novel way in which he made his poll promises, Mr. Arvind has not been able to give a reason for his inability to fulfil two of his promises: one of getting a Turmeric Board sanctioned to Nizamabad and the other of getting a minimum support price fixed for turmeric and red jowar, both of which are grown extensively in his parliamentary constituency. He had also said in 2019 that he would quit as MP and join the farmers'/ people's movement if he fails to keep these promises. India is the largest producer, consumer and exporter of turmeric in the world. In the country, Telangana was the largest producer of turmeric in 2020-21. Since 2014, the Telangana government has been requesting the Centre to establish a Turmeric Board in the State along the lines of the Spices Board but its efforts have not borne fruit. The erstwhile Nizamabad district is one of the biggest centres of turmeric trade in the State. Telangana's argument is that the mandate of the Spices Board is too large and it handles too many spices, which is why it needs a separate Turmeric Board. Special zones to promote and export the spice have not been created, which is why exports are low, said TRS Lok Sabha Member K. Kavitha in 2018. While the BJP-led Central government has not conceded to this demand, it promised before the 2021 Tamil Nadu Assembly elections a Turmeric Board in that State. This further enraged farmers in Telangana. In reply to a question by TRS MP K.R. Suresh Reddy in the Rajya Sabha last year, Union Minister for Agriculture Narendra Singh Tomar made it clear that there was no proposal to set up a Turmeric Board in Telangana. He said that the Ministry of Commerce and Industry had set up regional office-cum-extension centres of the Spices Board at Nizamabad to promote exports of spices in the region, including turmeric. Perhaps, Mr. Arvind has also come to the conclusion that the issue is beyond his control now and is mulling contesting the Assembly election instead of re-contesting from the Nizamabad parliamentary constituency, irrespective of what the party leadership has in store for him. During the war of words between the BJP and TRS, particularly between him and Armoor MLA A. Jeevan Reddy of the TRS, Mr. Arvind vowed that he would contest from Armoor in the next election and defeat Mr. Reddy with a majority of at least 50,000 votes. Mr. Reddy, in turn, said he will mobilise 10,000 farmers and felicitate Mr. Arvind if the latter gets the Turmeric Board sanctioned. The turmeric-growing farmers in the State continue to mount pressure on the Centre for a Turmeric Board. They argue that it is essential for them to get MSP for the spice crop. They say that the price of the crop has crashed while production costs have increased. They believe that a Board will address their problems. The farmers are planning to intensify their protests. Resolving the issue quickly would help the government avert another farm-related crisis.



VILLAGERS RESIST SANCTUARY TAG FOR LANGUR HABITAT

Neighbours of a golden langur habitat in western Assam's Bongaigaon district have opposed a move by the State government to upgrade it to a wildlife sanctuary. Kakoijana Reserve Forest is one of the better-known homes of the golden langur (*Trachypithecus geei*) found only in Assam and Bhutan and a Schedule-I species under the Wildlife Protection Act of 1972. It is listed as among the world's 25 most endangered primates. The Assam Forest Department had in January issued a preliminary notification for converting the 19.85 sq. km. patch of forest into the Kakoijana Bamuni Hill Wildlife Sanctuary.

Sustainable conversion

In a memorandum to Bongaigaon Deputy Commissioner M.S. Lakshmi Priya, the villagers of Bogoriguri Rabhpara said they have been protecting and conserving the flora and fauna of Kakoijana Reserve Forest for more than 25 years. The memorandum submitted on February 2 was on behalf of 34 villages around Kakoijana inhabited by the Koch-Rajbongshi, Boro, Garo, Rabha and Gorkha communities. As primary stakeholders, the villagers demanded that the "conventional idea of wildlife sanctuary" be dropped and the reserve forest converted into a community forest resource "using Forest Rights Act, 2006, to ensure community co-managed system of participation for sustainable conservation". "We consider some of the areas inside the forest as sacred and its sanctity should be maintained. The joint forest management committee in the surrounding villages are doing a good job in protecting the forest and have an intricate relation with the forest," the memorandum said.

Efforts of conservation

The villagers pointed out that the conservation efforts of the locals had helped the authorities concerned to restore the forest canopy from less than 5% to more than 70%. This in turn helped increase the golden langur population from less than 100 to more than 600 over almost three decades. Ms. Lakshmi Priya, down with COVID-19, said an update can be provided after the issue is studied.

TWO MORE RAMSAR SITES ANNOUNCED ON WORLD WETLANDS DAY

Two new Ramsar sites — Khijadiya wildlife sanctuary in Gujarat and Bakhira wildlife sanctuary in Uttar Pradesh — were announced on the occasion of World Wetlands Day at Sultanpur national park in Gurgaon Wednesday. Forest and Wildlife Department officials said India has a network of 49 such sites, the highest in South Asia, covering 10,93,636 hectares. The Union Environment Ministry had notified the Sultanpur National Park and Bhindawas wildlife sanctuary in Jhajjar as Ramsar sites — the first two such sites in Haryana — in August 2021. Ramsar sites are wetlands of international importance as per UNESCO's 1971 Convention on Wetlands held in Ramsar, Iran. Officials said the certification brings visibility to ecologically sensitive wetlands and helps in conservation. Speaking at the programme on World Wetlands Day at Sultanpur National Park, Haryana Chief Minister Manohar Lal Khattar announced that the state will initiate an ecotourism policy focusing on homestays to promote tourism in villages around the two Ramsar sites of Haryana. Khattar said, "Every year, 50,000 birds of more than 100 species migrate to Sultanpur. Similarly, 40,000 birds of more than 80 species come to Bhindawas every year. More than 100 home species of birds are found in Bhindawas. We can leverage this to promote tourism." Stating that all the ponds of the state will be rejuvenated by removing dirt, he said, "The Haryana pond and wastewater management authority have been constituted for this purpose. Earlier, siltation



took place in ponds and the clay layer was removed to stop overflowing and groundwater was recharged. Out of a total of 18,000 ponds, there are over 6,000 in the state which overflow during the rains at present. In the next two years, 4,400 of these ponds will be cleaned.” Officials said that the Aravalli Biodiversity Park, located at Delhi-Gurgaon border, has been declared as India’s first other effective area-based conservation measures’ (OECM) site. The proposal to declare Aravalli Biodiversity Park as an OECM site was by the National Biodiversity Authority to IUCN in December 2020. The chief guest at the event, Union Minister of Environment, Forest and Climate Change, Bhupender Yadav, said the problem of waterlogging in the Najafgarh drain will be resolved in six months. “CM has apprised me about the problem of waterlogging in Najafgarh and suggested that a drain should be dug for proper water drainage. The Environment Department has constituted a scientific committee comprising officials of Haryana government, Delhi government, CPCB and Ministry of Environment, which will study the issue and find a solution. The committee will plan and execute the same in next six months,” said Yadav, adding that ecotourism will bring employment and development in the villages around Sultanpur Lake.

JUST LET GO

The ancients would have been disappointed with the Uttar Pradesh Cricket Association (UPCA). Millennia ago, they laid down a fairly simple HR policy that ensured timely retirement of upper management, ensuring that new blood entered organisations. After having their day in the sun, rulers and householders were expected to gradually withdraw from daily responsibilities — the vanaprastha ashrama — and begin the process of renouncing the world. The UPCA, though, appears to have a renunciation problem. The list of “life members” — including BCCI official and Congress leader Rajeev Shukla’s brother, a family member of Shukla’s one-time office assistant Akram Saif, the son of a UPCA director and corporates linked to cricket in UP — has caused some disgruntled members to approach the courts. But, then, who in India wants to retire? Politicians don’t retire — unless they are forced to, by sending them to margdarshak mandals, for instance. Bureaucrats often jockey for government sinecures and it is the rare business magnate who leaves the company to a capable executive over less-than-capable children. But spare a thought for the young and the ambitious, and those born without a high-achieving family member. Their struggle to even enter and then to “make it” in the many feudal bastions — politics, administration and yes, even business — will only get more bitter if the venerable and the powerful don’t consider the way of the forest or margdarshak mandal. Even Karl Marx, that hater of capitalist free enterprise, saw feudalism — when power and position come from family and are permanent — as so much worse than the economic inequality of free enterprise. So, a message for the patriarchs at the UPCA, and at so many other institutions across India: Just let go.

**BUSINESS & ECONOMICS****INDIA CALLING WITH QUITE A LOT OF TRADE IN MIND**

January this year saw the formal launch of negotiations for an India-United Kingdom free trade agreement (FTA) when Commerce and Industry Minister Piyush Goyal met U.K. Secretary of State for International Trade Anne-Marie Trevelyan during her visit to New Delhi. These negotiations were aimed at achieving a “fair and balanced” FTA and cover more than 90% of tariff lines so as to reach the bilateral trade target of around \$100 billion by 2030. It has been suggested that this pact will be a “new-age FTA” covering more than just goods, services and investments and include areas such as intellectual property rights, geographical indications, sustainability, digital technology and anti-corruption. Despite some potential challenges, there is a new momentum in the India-U.K. bilateral engagement these days with both sides confident of moving forward swiftly. Mr. Goyal was emphatic that “nothing is necessarily a deal-breaker in this agreement,” and suggested that no one should “worry about issues which are sensitive to any country, because both sides have agreed that sensitive issues are not our priority”. Ms. Trevelyan viewed this deal as “a golden opportunity to put UK businesses at the front of the queue as the Indian economy continues to grow rapidly”, that will “unlock this huge new market for our great British producers and manufacturers across numerous industries from food and drink to services and automotive”. There have been indications that instead of the two nations trying to tackle all sensitive issues in one go, there could be an interim pact to cover “low hanging fruit” to be followed by a full-fledged FTA in a year’s time. Such an early harvest deal can often be deleterious for the prospects for a full FTA, but given India’s abysmal reputation in concluding FTAs, this may not be a bad strategy in keeping interlocutors engaged in the process.

A new trade outlook

As the global economy undergoes a fundamental transformation in the aftermath of COVID-19 and supply chains get restructured, India cannot lose any more time in setting its house in order. New Delhi is hoping to conclude its first FTA in over a decade with the United Arab Emirates this year. And another one with Australia is in the offing. If concluded, the India-U.K. FTA will be the next in line at a time when New Delhi is demonstrating a new seriousness of purpose as it negotiates 16 new and enhancing several other trade pacts with nations as diverse as Canada, the United States, the European Union and South Korea. In fact, just before the launch of FTA talks with the U.K., India and South Korea also decided to expedite the upgradation of the existing FTA, formally called the Comprehensive Economic Partnership Agreement. The Narendra Modi government is showing a newfound flexibility in engaging with its partners on trade as it seeks balanced trade pacts at a time when new trade blocs in the Indo-Pacific such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are gaining traction. Strategic partnerships without strong economic content would have no meaning in the Indo-Pacific, where China’s economic clout is growing by the day.

The reason

Britain has made a trade pact with India one of its post-Brexit priorities as it seeks a greater role in the Indo-Pacific. India is at the heart of the U.K.’s Indo-Pacific ‘tilt’, which has generated considerable interest around the world. British Prime Minister Boris Johnson came to office promising one of the deepest and broadest British foreign, security, development and defence



reviews since the end of the Cold War. And the Integrated Review (a ‘comprehensive articulation of the U.K.’s national security and international policy) released in March 2021 categorically underlined that, “In the decade ahead, the UK will deepen our engagement in the Indo-Pacific, establishing a greater and more persistent presence than any other European country”. While the U.K. will also be launching trade negotiations this year with Canada, Mexico and the Gulf to underscore its ‘Global Britain’ credentials, a trade deal with India along with its membership in the CPTPP remains critical in anchoring the U.K. economically to the Indo-Pacific.

Many factors at play

A range of factors have coalesced to create an impetus for the U.K. to adopt a more robust Indo-Pacific strategy: the trading implications of Brexit; the U.K.’s changing approach towards China — shifting from being a major proponent of China to perhaps the most hawkish in Europe; and the fact that the U.S., the U.K.’s closest ally and security guarantor, remains firmly focused on the Indo-Pacific. Like its allies in the region, the U.K. recognises the importance of a free and open Indo-Pacific to global stability and prosperity, and has made clear its intentions to deploy strategic assets to this end. London is also looking to amplify its efforts by entering into the regional security architecture. The trilateral security partnership between Australia, the United Kingdom, and the United States (AUKUS), announced in September 2021, enabling Australia to acquire nuclear-powered submarines with assistance from the U.S. and U.K., has given London a greater voice in the region. Trade and investment will be a key dimension of this U.K. tilt. Brexit has necessitated greater access to non-EU markets, and the U.K.’s changing relationship with China requires a diversification of trading partners. But this shift in focus is also driven by a recognition that the Indo-Pacific is now largely the force behind global economic growth. The U.K. is looking to leverage its historical connections, development work, and its credibility when it comes to combating climate change (particularly relevant to these low-lying states vulnerable to sea-level rise) to help establish itself as a serious player in the region where there remain serious doubts about the U.K.’s staying power. Through its Indo-Pacific tilt, the U.K. is finally carving out a direction and purpose to its post-Brexit foreign policy. And it is this prioritisation that has opened up a new window for New Delhi and London to quickly finalise their FTA. It is a unique “now or never” moment and the two sides seem willing to seize it despite the challenges.

FOR THE FINANCE MINISTER TO NOTE

The World Inequality Report 2022 authored by Lucas Chancel, Thomas Piketty, Emmanuel Saez and Gabriel Zucman says India is now among the most unequal countries in the world. The bottom 50% of the population earn ₹53,610, while the top 10% earn more than 20 times that. The top 10% and top 1% of the population hold 57% and 22% of the national income, respectively, while the bottom 50% hold just 13%. India stands out as a poor and unequal country with an affluent elite. Inequality today is as great as it was at the peak of western imperialism in the early 20th century. The pandemic has exacerbated it. Nations have become richer but governments have become poor, says the report. The totality of wealth is in private hands. Global multimillionaires have captured a disproportionate share of global wealth growth over the past several decades. The Finance Minister, Nirmala Sitharaman, will take the findings of the report while framing the Budget. The long-standing complaint about corporate houses abusing provisions for tax exemption and deductions was addressed in a unique way by Ms. Sitharaman when she brought in a twin system of tax rates for companies claiming deductions and not claiming deductions. Domestic companies are charged 25% when their turnover is less than ₹250 crore and 30% when their turnover is above ₹250 crore. Suitable surcharges are also levied. A glaring inequality arises



in the case of partnership firms; they are taxed at 30%. The idea seems to be to encourage corporatisation of firms. But medium- and small-scale industries find it a pain to go through the legal processes of corporatisation. Promoters of companies devise novel ways to escape the rigour of taxation.

The revolt of the haves

The decline in corporate tax rates reduced government revenue at a time of growing public deficit and declining public wealth. It erodes the progressive nature of the tax system. High-income individuals choose to incorporate their business so that they can shift income from personal income tax to corporate tax. There is also the recent phenomenon of wealthy families of promoters of big corporate houses creating a succession plan through private trusts. Assets are transferred to the trusts. India's corporate houses are taking a cue from wealthy families in the West like the Waltons who run Walmart via private trusts. The time has come for the re-introduction of estate duty in India.

Global minimum tax

The Government of India has to prepare for the introduction of the global minimum tax on MNCs, as agreed to by 130 countries in July 2021. The rate then fixed was 15%. This is lower than what working class and middle-class people in high-income countries pay. MNCs are always ahead of the governments. Mark Zuckerberg chose to change his company's name from Facebook to Metaverse. Google, Apple and Intel are all working on devices to circumvent the minimum global tax. Metaverse will pervade daily life offering new avenues for buying goods and services, communicating with friends and collaborating with colleagues. Metaverse refers to a collection of shared online worlds in which physical augmented and virtual reality converge. The CEO of Microsoft, Satya Nadella, points out that people can now hangout with friends, work, visit places buy goods and services and attend events on Metaverse. Digital access has not been equitable. This provides a challenge to the implementation of the proposed global minimum tax. Augmented reality attempts to provide a new kind of computing platform so as to find a new source of revenue. The rate of global minimum tax at 15% on MNCs will mean a gain of \$0.5 billion for India without deductions. The gain will be zero if deductions are allowed. The World Inequality Report suggested a minimum global tax on MNCs at 25%. This will yield \$1.4 billion for India without deductions and \$1.2 billion with deductions of 5%. MNCs and their shareholders have been the main winners from globalisation. Their profits have boomed due to the ever-closer integration of world markets. Inflation indexing has long been suggested as a way out to sort out the difficulties of the fixed income group. India is a poor country. Pericles said, "Poverty is no disgrace to acknowledge but it is real degradation not to attempt to overcome." The Finance Minister will do well to remember Justice Chagla's famous saying, "Equity and income tax law may be strangers to each other but they are not sworn enemies." No doubt, our socially conscious Finance Minister will do everything to promote equity while presenting the Budget.

FITCH RATINGS FLAGS HIGH FISCAL DEFICIT TARGET

Special Correspondent NEW DELHI Rating agencies are not enthused by the fiscal consolidation road map and the lack of major reform proposals in the Union Budget. Fitch Ratings said on Wednesday that beyond the higher capex drive, the Budget was short on major reform plans and the fiscal deficit target for 2022-23 at 6.4% of the GDP, was higher than the 6.1% it had anticipated. "Deficit targets in the Budget are a bit higher than our forecasts when we affirmed India's 'BBB-/negative sovereign rating in November," Jeremy Zook, director and primary sovereign analyst

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for India at Fitch Ratings, said. “Our expectation of modest fiscal outperformance in 2021-22 from last year’s Budget target appears unlikely to materialise, with the Budget flagging a revised deficit of 6.9% of GDP against our 6.6% forecast,” Mr. Zook noted. From a ratings perspective, India has limited fiscal space with the highest general government debt ratio among any similarly rated emerging markets at just under 90% of GDP, as per Fitch Ratings. “The gradual pace of fiscal consolidation continues to place the onus on nominal GDP growth to facilitate a downward trajectory in the debt ratio, which is key to resolving the negative outlook on the sovereign rating,” Mr. Zook said. If fully implemented, the planned infrastructure capex acceleration will likely provide a fillip to near- and medium-term growth, Fitch said, adding it would be assessing whether the capex drive’s growth impact was sufficient to offset the ‘higher than expected deficits’ and keep the debt ratio on a ‘slight downward’ trajectory. Fitch expects the economy to grow at 10.3% in 2022-23 and average 7% growth in the coming five years. The potential risks and headwinds for this outlook stem from the pandemic, the durability of private consumption as household incomes are constrained, and ‘recent setbacks to the reform drive’. In its initial comments, Moody’s Investor Service also flagged that “various spending initiatives were not offset by any significant announcements related to further increasing revenue generation”. “The announced target for the Central government deficit to narrow to 6.4% in 2022-23 from a projected 6.9% in 2021-22 suggests that the government is relying on strong economic growth to help drive fiscal consolidation in light of the large bump in capital expenditure. This poses some uncertainty given the prevalence of pandemic-related risks,” Christian de Guzman, senior vice-president, sovereign risk group at the firm, said. Both Fitch and Moody’s expressed worries about the States’ finances, as their deficits would add further pressure on India’s general government deficit levels.

A HAZY PICTURE ON EMPLOYMENT IN INDIA

The two important indicators of structural transformation in any economy are rates of growth and changes in the structural composition of output and the workforce. India has experienced fairly consistent changes in the first indicator, especially after the 1991 reforms, but the trend in employment has not revealed any consistent or clear pattern. The growth rate of the economy, measured by gross value added (GVA) at constant prices, accelerated from 4.27% in the 20 years before the economic reforms to 6.34% in the 20 years following the reforms and to 6.58% between 2010-11 and 2019-20 at 2011-12 prices. This growth trajectory was accompanied by a steady decline in the share of agriculture from 30% in 1990-91 to 18% in 2019-20 and a steady increase in the share of non-agriculture output in total economic output.

Employment patterns

But when it comes to deciphering trends in employment pattern in India, there are wide variations in the conclusions drawn by experts and studies on employment. This is partly due to economical, sociological and technological factors that have brought about changes in the workforce and employment and partly due to gaps in data on various aspects of employment. Two major sources of data on workforce and employment have been the decennial population census and the nationwide quinquennial surveys on employment and unemployment by the National Sample Survey Office (NSSO). The last available data from the Census refer to 2011. Similarly, the quinquennial NSSO data on employment and unemployment are available up to 2011-12. This was replaced by the Periodic Labour Force Survey (PLFS), started in 2017-18 on an annual basis. The PLFS data set is now available for three consecutive years i.e., 2017-18, 2018-19 and 2019-20. The PLFS is based on a different sampling framework and uses a different analytical approach



vis-a-vis NSSO surveys on employment. As a result, the time series data on employment and unemployment available from NSSO surveys are not comparable with PLFS data. At best, the NSSO data can be used as a reference point. Though the PLFS data cannot be used to infer an underlying trend, as they are available only for three years, they can be used to reveal the effect of various policies and developments during the current NDA regime as well as to understand and shape the employment scenario based on concrete statistics. PLFS data show an increase in the worker to population (WPR) ratio from 34.7% in 2017-18 to 38.2% in 2019-20. This is a reversal of the previous trend which showed a decline in WPR after 2004-05. The change also implies that employment has increased at a much faster rate than growth in population. The increase in WPR has been reported in the rural and urban population and in the male and female population. This increase in WPR is even more significant as it has occurred in the midst of an increase in the labour force participation rate. It is interesting to note that the data from the PLFS surveys do not support the assertion that women are going out of the workforce. Female WPR ratio increased from 17.5% to 24% between 2017-18 and 2019-20. When this ratio is multiplied by the female population, it shows an annual increase of 17% of women workers. Another positive indication from PLFS data is that the gap between the male and female worker participation rate is narrowing down. As against 100 male workers, there were 32 female workers in the workforce in 2017-18. This number increased to 40 in 2019-20. Women constituted 24% of the workforce in the country in 2017-18 and 28.8% in 2019-20. Also, the unemployment rate in the female labour force in rural areas is far lower than the male labour force, whereas the opposite holds true in urban areas. This is despite the fact that the female labour force participation rate in rural India is 33% higher than the rate in urban areas. The reason could be that there is less gender discrimination in informal jobs, which dominate rural areas, than in the formal sector which dominates urban areas.

The unemployment scenario

PLFS data show that the unemployment rate based on principal status plus subsidiary status declined from 6.1% in 2017-18 to 4.8% in 2019-20. This shows that the number of jobs increased at a faster rate than the increase in the number of job seekers between 2017-18 and 2019-20. But despite this, the number of unemployed persons has increased by 2.3 million between 2017-18 and 2018-19, mainly because of an increase in the number of job seekers (52.8 million) in these two years. The sectoral composition of the workforce shows that 45.6% of the workers in India are engaged in agriculture and allied activities, 30.8% in services and 23.7% in industry. According to PLFS data, there is no increase in the share of industry and services in total employment. This means that the labour shift out of agriculture is not happening. Between 2019-20 and 2017-18, 56.4 million new jobs were created. Out of this, 57.4% were created in the agriculture and allied sectors, 28.5% in services and 14.5% in industry. Within the broad industry group, employment in the manufacturing sector showed a meagre increase of 1.8 million in two years; and construction activity added 6.4 million new jobs. That a majority of the new entrants to the labour force between 2017-18 and 2019-20 got absorbed in the agriculture sector has serious implications. The young labour force, which is getting increasingly educated, sought more remunerative work outside agriculture but only a few succeeded. This is because the industry and services sectors have adopted capital-intensive and, in many cases, labour-displacing technologies and production strategies. This is getting further aggravated with the rising adoption of modern technologies like Artificial Intelligence and Internet of Things. This raises a big question about the future of new entrants into the labour force. That there is a dichotomy between the rising share of industry and services in national income without a sizeable increase in employment share is a fairly well-established fact for post-liberalisation India. This puts a serious question mark on the relevance of conventional models of economic growth and development



(like the dual-sector model of Arthur Lewis centred on the large-scale shift of the labour force from agriculture to industry. Perhaps it is pertinent to question the conventional economic development models and their applicability for emerging economies like India. Instead, should we rethink our strategy of striving for an industry-led growth model and explore a more relevant agri-centric model of economic transformation to create more attractive, more remunerative and more satisfying employment in and around agriculture? Besides this there is also an urgent need to generate much more employment in the manufacturing and services sector compared to the number of jobs they have offered in the recent past. This should include (i) changes in labour laws which discourage industry to adopt labour-intensive production (ii) employment-linked production incentives and; (iii) special assistance for labour-intensive economic activities.

THE DIGITAL RUPEE

In the Union budget 2022-23, Finance Minister Nirmala Sitharaman proposed the introduction of a digital currency to be issued by the Reserve Bank of India (RBI) in the coming financial year. The announcement follows reports of central bank officials informing the central board of the RBI of a pilot project for the introduction of a Central Bank Digital Currency (CBDC). Some countries have already introduced CBDCs in some form or the other. For instance, in 2020, the central bank of Bahamas issued a digital currency. More and more central banks across the world are beginning to explore the viability, usefulness and value of digital currencies. Countries like Japan, China, Singapore, Sweden are currently examining the various facets of such a transition. A few days ago, the US Federal Reserve also released a report outlining the costs and benefits of issuing a central bank backed digital dollar. CBDCs are essentially fiat currencies issued in the virtual/electronic form. Their appeal or the interest in issuing them has gained traction with the rapid surge of cryptocurrencies, the increasing popularity of blockchain technology, and the benefits that many argue stem from its adoption. Among the likely benefits claimed by advocates of CBDCs are the acceleration of financial inclusion, lower costs for financial transactions, especially in the case of cross-border transactions, the advantages of an alternate payments system, the creation of another instrument in the monetary policy arsenal of central banks, the likely adverse impacts on corruption and money laundering, among others. However, to what extent these benefits actually materialise will vary from country to country depending on its specific economic scenario. On the flip side, though, there are several possible risks associated with the introduction of CBDCs. In the case that retail CBDC accounts are interest bearing, there are obviously implications for the banking system. It is also possible that during periods of extreme uncertainty, depositors may choose to migrate away from commercial banks, causing financial upheaval. Then there is also the question of whether CBDCs will offer the same degree of anonymity as cash does. Recently, RBI Deputy Governor T Rabi Sankar has said that the central bank is “working towards a phased implementation strategy” and will examine the CBDCs in the wholesale and retail segments. However, as several economists have pointed out, while some benefits may accrue at the wholesale level, the real transformation, and the challenge as well, lies at the retail level. Considering the wider economic implications, the central bank must carefully weigh the pros and cons. It must proceed cautiously, remaining mindful of the various issues, the design considerations and the implications surrounding the introduction of the digital currency.

HOW PLUGGING CESS/SURCHARGE LOOPHOLE MAY BRING LEGAL CLARITY

The Union Budget brought in some amendments to the Income-tax Act that would be effective retrospectively. Making a retrospective amendment to the law from 2005-06, the Budget has clarified that cess and surcharge will not be allowed to be claimed as deductions in the form of

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expenditure — a practice that some companies and businesses were resorting to in the absence of legal clarity. It has also allowed exemption of the amount received for medical treatment and on account of death due to Covid-19 retrospectively from April 1, 2020. The Budget has also made changes to the I-T law making space for the tax department to seek explanation for source of funds at the hands of the creditor.

Retrospective change about cess and surcharge

Citing some court rulings over the years that had given benefit to taxpayers in claiming cess as expenditure and not tax, the tax department said the retrospective amendment is being done to correct the anomaly. “This amendment will take effect retrospectively from 1st April, 2005 and will accordingly apply in relation to the assessment year 2005-06 and subsequent assessment years,” the Budget documents stated.

Amendments on health, Covid-related expenditure

The Budget has allowed exemption of the amount received for medical treatment and on account of death due to Covid-19 retrospectively from April 1, 2020. It said, “Any sum of money received by an individual, from any person, in respect of any expenditure actually incurred by him on his medical treatment or treatment of any member of his family, in respect of any illness related to Covid-19 subject to such conditions, as may be notified by the Central Government in this behalf, shall not be the income of such a person.” The Budget has also allowed exemption for amount received by a member of the family of a deceased person, from the employer of the deceased person (without limit), or from any other person or persons with such money not exceeding Rs 10 lakh, where the cause of death of such person is illness relating to Covid-19 and the payment is, received within twelve months from the date of death of such person. These amendments will be effective retrospectively from April 1, 2020. Separately, gifts and freebies to doctors shall not be treated as business expenditure under Section 37 of the Income-tax Act.

Legislative change for questioning sources of funding for companies

In another legislative change, a provision has been introduced stating that the source of funding for loan and borrowings for a recipient will be treated as explained only if the source of funds is also explained in the hands of the creditor. This could have an impact on funding of businesses, especially startups, if the creditor is not a venture capital fund, a venture capital company registered with markets regulator Sebi. “Earlier, if any company used to have bogus entries, taxpayer would just provide details such as PAN and other financial details of the creditor and that was enough for the tax department. Now, it’s upon the recipient to prove it’s the right source of income and they had the right net worth to provide this amount,” Amit Maheshwari, tax partner, AKM Global, said.

FIVE QUESTIONS: THE BUDGET BIG PICTURE

As Finance Minister Nirmala Sitharaman rose to present the Union Budget for 2022-23 on Tuesday, she was faced with several competing demands. On the one hand, the government’s fiscal deficit (or total borrowings from the market) was a concern. On the other, there were demands for continued support to the weaker sections of the economy. If she spent more to provide direct financial support to various sections of society, the fiscal deficit, which was already more than twice the prudential norms, would worsen. If she tried to sharply curtail expenditure, it might hurt vast sections of the economy that are already struggling in the wake of Covid-induced disruptions.



In the end, she chose a strategy that substantially ramps up capital expenditure or capex (that is, expenditure towards making new productive assets) while largely holding back revenue expenditure (that is, expenditure to meet day-to-day expenses). While prioritising expenditure for building capital assets is a macro-economically sound strategy in normal times, it remains to be seen whether this will work for India as it comes out of the Covid-induced setback with significant scars.

What were the challenges facing the economy?

India's GDP growth rate had been decelerating since 2017-18 with unemployment touching a four-decade high. Data released on January 31 showed GDP growth in 2019-20 was just 3.7%. It was at that point that the Covid-19 pandemic hit. Between a sharp contraction and an equally sharp recovery, the next two financial years (FY21 and FY22) essentially amounted to the loss of two full years of incomes and jobs. Also, the recovery in aggregate GDP hides the pain in large sections of the economy. Most surveys and data point to a K-shaped recovery, which has meant that economically weaker sections still have significant scars. As the second chart above shows, while overall GDP has recovered, the most important component of GDP — private final consumption expenditure (PFCE), or the money that people spend in their individual capacity — which accounts for 56% of all GDP, is below the pre-Covid pandemic level. The picture appears worse when one looks at per capita levels of GDP and PFCE. The average PFCE (or expenditure) is below 2018 levels. Also, these are still arithmetic mean figures. They suggest that a large section of the population is below even this average level. People are spending less because employment levels have seen a secular decline since 2016; Covid only made matters worse. Weak PFCE meant that the other big engine of GDP growth — investments or Gross Fixed Capital Formation — would remain weak. That is because weak demand has led to low capacity utilisations and that takes away any incentive from private businesses to invest in new capacities, create new jobs and income streams for people. The only other engine was the money government spends. But too much spending here was ruled out because the fiscal deficit was already twice the prudential norms. The question before the Finance Minister was: What would be the trigger for growth in the coming year?

So what was the Budget's strategy she chose?

The standout feature of Budget 2022-23 is that the government has chosen to significantly ramp up capital expenditure while largely restricting revenue expenditure. This capex push will get reflected in the "investments" component of the GDP. The chief advantage of capital expenditure is that it gives much higher returns to the overall GDP. According to different studies, one rupee spent towards capital expenditure can give returns between Rs 2.5 and Rs 4.8 (over periods ranging from 1-7 years), while money spent on the revenue account, such as giving direct cash transfers to the poor, tend to give returns between Rs 0.54-Rs 0.98 (that is, less than a rupee). Capital expenditure provides better returns not just by creating new jobs but also by creating new productive assets that boost future productivity. Here's how the government hopes this capex push will play out and lead India's economic recovery: New roads, ports etc., will not only create new jobs but will also reinvigorate several other industries through forward and backward linkages. For instance, apart from new labourers, a new bridge will need cement, iron and steel, etc. It will increase the demand for engineers and other technical and managerial professionals. When done on a large scale, such expenditure will leave people with more income and that, in turn, will boost the aggregate demand — the PFCE component. That fresh demand will further incentivise the private sector to boost investments of their own and, in fact, take the lead on future investments. Thus, according to the Budget's strategy, a capex push by the government can dig



India out of the current slump and create a virtuous cycle of growth. In time, as tax revenues from new economic activity increase and as private sector investments become self-sustaining, the government will retreat from its leading role in investments, thus bringing down its borrowing requirements.

How is this strategy different from what has been done by countries such as the US?

Countries such as the US unleashed a massive fiscal response to the Covid crisis. That involved a lot of money flowing out of government coffers to people's accounts. In India, most of the help was either in the form of free foodgrain, the rural employment guarantee scheme, and credit guarantees (not actual money flowing to small and distressed firms; just guarantees on the loans they may take). As such, there is no comparison between the direct financial help that developed countries provided (even in percentage terms), and what India provided. It is for this reason that most estimates suggest a sharp increase in poverty and inequality in India post-Covid. In contrast, the US was among the countries that have seen a genuine 'V-shaped' recovery, getting back to the pre-pandemic growth path, not just the level. But countries such as the US too have ended up facing a problem: inflation. When lots of money flowed into people's hands, the aggregate demand recovered far too quickly even as supply disruptions persisted, thus creating historic levels of inflation. It is another matter that even with depressed demand, India too has seen fairly high inflation over the last two years. Similar to the capex push in India, in the US, President Joe Biden has been pushing for an ambitious \$1.9 trillion plan called Build Back Better, aimed at growing the US economy "from the bottom up and the middle out".

Will the capex push in the Budget succeed?

Few would argue against the merits of higher capital expenditure by the government because of the obvious benefits, especially at a time when all other engines of growth are struggling. Moreover, there are several points that suggest such an investment cycle will sustain. In a recent research note analysts at Nomura observed: "At face value, a number of preconditions appear to be in place. The government has announced various reforms, including the national infrastructure pipeline (NIP), the production linked incentive scheme, lower corporate taxes and privatisation. Corporates have deleveraged their balance sheet during the pandemic. The corporate debt-equity ratio has fallen broadly across industries from 0.79 in FY19 and 0.82 in FY20 to 0.63 in FY21." Add to that the creation of a bad bank, which will enable the banking system to be ready to give loans when the private sector demands them. But there are reasons why this may not succeed. That's because these are not normal times. There are deep scars in the economy, especially in the informal sector (which accounts for 90% of all jobs), and aggregate demand is still quite weak. Capacity utilisation levels are far below the point where companies may contemplate ramping up investments. Economists such as Ravi Srivastava of the Institute for Human Development and Radhicka Kapoor of ICRIER believe that success of this strategy would depend on the way these projects are implemented. Both economists pointed out that such capital assets have long gestation periods, and the expected benefits to the common people may take time to accrue. To the extent that these projects are of a local nature — rural roads instead of a big highway — they may be more effective in providing relief to the weaker sections of the economy. "Given the extent of pain in the economy, this Budget needed to stand on two legs. Capex is fine but the government also needed to provide more direct relief here and now," Srivastava said.



This was the ninth Budget under PM Narendra Modi. Is there a pattern emerging?

Over the past eight years, the Modi government has employed very different economic strategies, without suggesting a settled ideological anchor. Before 2017, he berated farm loan waivers, but just before the UP elections took the lead in promising them. Similar U-turns were seen with regard to programmes such as MGNREGA, doing away with the land acquisition Act, or the recent repealing of the farm laws. In the run-up to the 2019 elections, direct cash transfers were made to farmers under PM-KISAN — politics of dole of the kind he had long criticised. Likewise, in last year's Budget, privatisation and disinvestment were the biggest themes — but this year they are completely missing. And, if the Prime Minister believed in a government investment-led growth strategy, it is not clear why this was not done in 2019-20 itself instead of giving a Rs 1.5 lakh crore worth corporate tax cut to firms, who simply pocketed the money — either to pay off their debts or improve their bottom lines.

WHAT THE SURVEY SAYS

Putting the spotlight on the way forward after the pandemic, the Economic Survey of 2021-22 has analysed aspects such as inflation, global liquidity measures, and rising energy prices to detail the risks for the economy going ahead. It has also taken stock of growing revenues to indicate the availability of fiscal space, should the government see the need to provide additional support. The Survey has noted that growth in 2022-23 will be supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth, and the availability of fiscal space to ramp up capital spending.

Fiscal space

The Survey notes that buoyant tax revenues and government policies have created “headroom for taking up additional fiscal policy interventions”. Stressing the need to continue the focus on capital expenditure, it has indicated that the government is on course to achieve the fiscal deficit target of 6.8% of GDP for the current year. Revenue receipts of the Centre during April-November 2021 have gone up by 67.2% (YoY) as against an estimated growth of 9.6% in the 2021-22 Budget Estimates. The estimated tax collections provide the cushion to support growth next year. The Survey also argues that the banking sector is well placed to support the economy, as it is now “well capitalised and the overhang of Non-Performing Assets seems to have structurally declined”.

Vaccine economics

The Survey says the progress of vaccination should be seen not just as a health response indicator, but also as a buffer against economic disruptions caused by repeated pandemic waves. This is based in part on the assumption that private consumption “is poised to see stronger recovery with rapid coverage in vaccination and faster normalisation of economic activity”, and the importance of vaccination in the re-opening of contact-intensive sectors.

Inflation pressures

The Survey flags inflation as an issue. It has noted in particular that while India's CPI inflation — 5.2% in 2021-22 (April-December) — is within the targeted tolerance band, WPI inflation has been running in double digits. This is partly due to base effects; however, “India does need to be wary of imported inflation, especially from elevated global energy prices”. Elevated inflationary pressures could potentially lead to unwinding of liquidity measures by systemically important



central banks, including the US Federal Reserve. Also in Explained |Economic Survey: Key challenges and concerns for Indian economy

Global uncertainty

While the sizeable accretion of foreign exchange reserves — \$633.6 billion as of December 31, 2021 — makes India’s external sector resilient for the withdrawal of liquidity measures, the survey points out that the overall balance of risks for global trade is tilted to the downside. The biggest downside risk comes from the pandemic, it says, along with longer port delays, higher freight rates, and the shortage of shipping containers and inputs such as semiconductors. Supply-side disruptions, exacerbated by recovery in demand, pose significant risks for global trade.

Energy risks

The report calls for a “diversified mix of sources of energy of which fossil fuels are an important part”, but simultaneously calls for focus on building storage for intermittent electricity generation from solar PV and wind farms to ensure on-demand energy supply. It asks the government to focus on the pace of the shift from conventional fossil fuel-based sources; and encourage R&D to ensure an effortless switch to renewable sources of energy.

Supply side reforms

The Survey says the post-Covid economy will not merely be a “re-inflation” of the pre-Covid economy and, therefore, simply building it back with demand measures “is not a solution”. It calls for emphasis on developing a supply-side strategy to deal with the long-term unpredictability of the post-Covid world, emanating mainly from factors such as changes in consumer behaviour, technological developments, geopolitics, climate change, and their potentially unpredictable interactions. Union Finance Minister Nirmala Sitharaman Union Finance Minister Nirmala Sitharaman speaks to the media in New Delhi on Monday (PTI Photo)

Industrial growth

The industrial sector, which suffered due to pandemic disruptions, is likely to record a growth of 11.8% in 2021-22, the Survey says. Although performance slowed during the year, the gradual unlocking of the economy and measures such as the PLI scheme for various sectors, along with policy initiatives such as the emergency credit line guarantee to micro, small, and medium enterprises will help aid the pace of recovery, the Survey noted. “The pace of this recovery and further growth is likely to continue due to consistent efforts of the government to bring in various structural, fiscal and infrastructural reforms in addition to a slew of measures/schemes like the production linked incentive scheme (PLI) to support industries,” it said.

Public spending

After a slowdown in the first half of the ongoing financial year, capital expenditure by the Centre revived during October-December, the Survey notes. The first-half slowdown was mainly on account of Covid-19-led restrictions. During April-November 2021, capital expenditure grew by 13.5% (YoY), with focus in infrastructure-intensive sectors like roads and highways, railways, and housing and urban affairs. This increase, the Survey says, was particularly substantial given the high YoY growth in capital expenditure registered during the corresponding period of the previous year as well. Also read |Why Economic Survey went from 38 pages to nearly 900, and then down to 413



Way forward

Basis the macro-economic stability indicators, the Survey believes that the Indian economy is “well placed” to take on the challenges of 2022-23. The government’s strategy has been to not pre-commit to a “rigid response” while using safety nets for vulnerable sections, and responding iteratively based on Bayesian-updating of information. The Survey proposes use of the Agile approach to policymaking with 80 high-frequency indicators in an environment of “extreme uncertainty”. The approach, used in project management and technology development, assesses outcomes in short iterations while constantly making incremental adjustments. The suggestion is based on the availability of a “wealth of real-time data” to take feedback-based decisions, the Survey says.

EXPECT STATES TO FULLY TAP ₹1-LAKH CR. LOAN CORPUS

Finance Minister Nirmala Sitharaman said the Centre is open to considering States’ own priority projects to avail of funds from the ₹1,00,000 crore interest-free, 50-year loan, even if they don’t strictly fall under the focus areas specified in the latest Union Budget. “We’ll accept any project but more so, if they are all within the broad framework of PM Gati Shakti that seeks to make sure that every project will have optimum utilisation of the context,” she said to a query from The Hindu. “If I want an airport in my constituency, are there industries or residents around it, is there some economic activity going on,” she said, indicating that there must be some economic rationale and synergy for such projects to be considered. As per the Budget, the loans could be availed of for projects related to the PM Gati Shakti programme, digitising the economy, building rural roads and reforms relating to urban transit, building laws and town planning. The Minister exuded confidence that States would use the entire ₹1-lakh crore corpus. “States have very good capacity to execute such projects. The ₹10,000 crore we had offered with similar conditions in this year, we raised it to ₹15,000 crore as the response was so good,” she said.

BUDGET MOOTS TWEAKS TO GST LAW TO TIGHTEN INPUT TAX CLAIMS

Amendments to the GST law mooted in the Finance Bill could stretch businesses’ cash flows and lay the onus on taxpayers to accurately report input tax while filing returns, as the Bill seeks to scrap the provisional input tax credit (ITC) option. The changes proposed in the Central GST Act sections relating to input tax credits aim to restrict such credits unless suppliers have remitted their share of taxes. While the provisional input tax credits are being scrapped, specific restrictions will apply for availing all input tax credits. For instance, input tax credits from newly registered taxpayers may be restricted for a prescribed period, as would credits from any existing taxpayer that had fallen short on paying their dues. Most of the tweaks, aimed at plugging tax leakage and deterring businesses from wrongfully availing ITC, were approved by the GST Council last year. Tax practitioners, however, caution that any failure to accurately report input tax credits could lead to demand notices from authorities, even though firms are not in a position to ensure their suppliers pay taxes on time.

‘Added pressure’

“Doing away with the provisional ITC concept puts added pressure on businesses to accurately report ITC each month,” said Archit Gupta, founder and CEO of tax portal Clear. “Excess ITC could lead to demand notices and penalties, while suboptimal ITC could hit cash flows.” Khaitan & Co. partner Abhisek A. Rastogi pointed out that the system of two-way communication between the supplier and recipient to ensure matching of respective returns is also being omitted.

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A TAKEAWAY IS THE GOOD INFRASTRUCTURE PUSH

The clear emphasis in the Union Budget on expanding capital expenditure is a welcome directional change, particularly since 45.2% of fiscal deficit is being devoted to finance capital expenditure. This should help accelerate growth not only in the current year but also in the years to follow. However, the programme of fiscal consolidation needs further strengthening. As of now, it remains vague. A relook at the projected income growth for 2022-23 and its impact on revenue projections become necessary.

Perspectives on growth

The Centre's 2022-23 Budget provides a nominal GDP growth estimate of 11.1% for 2022-23. The Economic Survey, on the other hand, had provided a real GDP growth range of 8%-8.5% for this year. Taking the lower end of the real GDP growth estimate of 8%, an implicit price deflator (IPD)-based inflation of 2.9% will deliver nominal growth of 11.1%. The real GDP growth of 8% may, however, be considered somewhat optimistic since 2022-23 would be the first normal post-pandemic year where any significant base effects may not be available. In fact, at the end of 2021-22, real GDP in terms of magnitude at ₹147.5 lakh-crore is estimated to only marginally exceed the corresponding level at ₹145.1 lakh-crore in 2019-20 using the NSO data released on January 31, 2022. In fact, in the second half of 2021-22, when there were no base effects, real GDP growth was only 5.6% using the latest available quarterly data. A real GDP growth of 7%-7.5% in 2022-23 appears to be more realistic. However, this may not undo the Budget's nominal growth assumption of 11.1%. In fact, the IPD-based inflation may continue to be relatively high in 2022-23 since wholesale price index inflation rate is likely to remain high at least in the first half of 2022-23 as these are driven largely by the high prices of global crude and primary products. A more realistic assumption of IPD-based inflation of 5% and real GDP growth of 7.5% would have given a nominal GDP growth of nearly 13%.

Revenues and expenditures

According to 2021-22 (RE), the Centre's gross and net tax revenues are estimated to grow at 24.1% and 23.8%, respectively. This indicates achieving a buoyancy of 1.4 in each case. In 2022-23 (BE) however, the buoyancy has been brought down to 0.9. Again, given the expanded digitisation and formalisation of the economy and the tax assessees, the Centre's tax buoyancy may turn out to be higher than 0.9. If the under-assessment in both tax buoyancy and nominal GDP growth assumption are marginally corrected to say 1.1 and 13%, respectively, the Centre's gross tax revenues would have grown more realistically by 14.3%. This would have created fiscal space for either raising expenditure growth or accelerating the reduction in fiscal deficit. In fact, in 2022-23, total expenditure is budgeted to grow by only 4.6% in which revenue and capital expenditures are budgeted to grow by 0.9% and 24.5%, respectively. This spells a welcome structural change in government expenditure in favour of capital expenditures. To the extent that these capital expenditures pertain to non-defence expenditures particularly in expanding construction and other infrastructure sectors, these would be associated with relatively high output and employment multipliers. While the structural shift towards infrastructure expansion is quite welcome, it would have provided greater transparency had a medium-term assessment of the National Infrastructure Pipeline (NIP) been undertaken in the Budget indicating the sectors of deficient investment as compared to the original targets. The Budget provides for incentivising the States to expand their capital expenditures by permitting them a fiscal deficit limit of 4% of GDP; here, 0.5% points is marked for expanding power infrastructure. In addition, ₹1 lakh-crore has been allocated to States for capital expenditure in 2022-23 as 50-year interest-free loans, over



and above the normal borrowings allowed to them. On the side of revenue expenditures, there is a reduction in budgeted total subsidies to 1.2% of GDP in 2022-23 from 1.9% in 2021-22 (RE). This is also a welcome structural change provided the food, fertilizer and petroleum subsidy numbers are not revised upwards during the course of the year due to the pressure emanating from high global crude prices. The burden of interest payments as a percentage of GDP has gone up from 3.5% in 2021-22 to 3.6% in 2022-23. In fact, interest payments may also come under pressure because of the Government's increased gross and net borrowings from the market associated with high debt-GDP levels.

Debt and fiscal balance

According to estimates given in the Economic Survey for 2021-22, the general government debt relative to GDP is close to 90% at the end of 2021-22 and 2022-23. In the Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement attached to the Union Budget, the Centre's debt at the end of these two years is estimated to be 59.9% and 60.2%, respectively. Thus, in spite of the fiscal deficit to GDP ratio going down from 6.9% to 6.4%, the debt-GDP ratio is still slated to increase in 2022-23. This may be marginally adjusted downwards if the nominal GDP growth increases above what is assumed in the Budget. Such high debt-GDP levels pre-empt a substantive part of the Government's revenue budget. In fact, interest payments to revenue receipts ratio in 2021-22 and 2022-23 are 39.1% and 42.7%, respectively. The reduction in fiscal deficit relative to GDP by a margin of 0.5% points between these two years is a welcome directional change. The Medium-Term Fiscal Policy Statement indicates reaching a level of 4.5% by 2025-26. This implies an average rate of reduction of 0.63% points per year in the next three years. It would have been best for the Medium-Term Fiscal Policy Statement to clearly spell out the fiscal deficit adjustment path over the course of the next three to five years. In fact, given the Government's high debt-GDP levels, the Centre's Fiscal Responsibility and Budget Management (FRBM) Act requires it to be re-examined to recast the sustainable levels of debt and fiscal deficit and the adjustment path.

A BOLD EFFORT AT PUBLIC INVESTMENT-LED GROWTH

The Union Budget starts with a self-congratulatory announcement that India's domestic output (GDP) is likely to grow 9.2% this year (2021-22) over last year — the highest among the world's large economies. What is unsaid is that India's output contraction the previous year (2020-21) was among the worst in the world. Compared to the pre-pandemic year (2019-20), the current year's GDP will be marginally higher by 1.3%, as per the Economic Survey. If the adverse effect of the ongoing wave of the Omicron virus is factored in, the (estimated) modest rise in GDP may vanish. Thus, it is worth starting with the factually accurate picture that India lost two years of output expansion. In other words, per capita income today is lower than it was two years ago. Regarding sources of demand, the share of private consumption declined by three percentage points of GDP between FY2020 and FY2022. The Government stepped up its expenditure to mitigate the decline, but only modestly; hence, the marginal output expansion. In contrast, the United States boosted public spending by about 10% of GDP, and its output roared back! This year's Budget seeks to boost public investment by 35.4% at current prices over last year to raise its share in GDP to 2.9% from 2.2% last year. With grant-in-aid for state investments, the Budget hopes to increase public investment share to over 4% of GDP. The Budget hopes to trigger a virtuous investment-led output and employment growth by arguing in favour of the "crowding-in" effect of public investment on private investment. The theory is sound and is a welcome change from the past policy stance. The crux will be to mobilise resources to finance the investment as the Budget seeks to reduce the fiscal deficit ratio, as per the schedule laid out in the last Budget.



The critical question is whether additional tax and non-tax revenue (that is disinvestment proceeds) will be sufficient to finance the investment plan. To refresh our memory, last year too, public investment was sought to be raised by about the same proportion (34.5%). I had written, “These figures certainly look impressive. The realisation of these investments would crucially depend on tax revenue realisations, disinvestment proceeds, sale of rail and road assets and the Government’s ability to raise resources from the market, without raising interest rates for the private sector.” (<https://bit.ly/3AWzxKP>) It is ditto and holds for this year as well. Indeed, public investment has picked up in the current fiscal, by barely 0.2% of GDP. With the threat of higher (imported) inflation (on account of rising international oil prices) and rising interest rates (on account of the US Federal Reserve’s decision), meeting the ambitious investment target would be challenging, but it is worth attempting.

On the employment crisis

But the larger question is: how will it address the sharp decline (of three percentage points of GDP) in private consumption, which is likely to be caused by loss of employment? The derived demand for labour from an infrastructure boost may be limited, as the suggested projects are machinery intensive, not labour intensive. The Budget does not directly address the employment crisis caused by the novel coronavirus pandemic and the lockdown. The employment crisis would call for enhanced allocation for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and initiating a similar scheme for meeting urban unemployment. Instead, shockingly, the Government has slashed the allocation for MGNREGA by 25% over last year.

Industrial slowdown

The manufacturing sector’s share in GDP has been stagnating at around 15% of GDP for quite a while. The annual industrial growth rate has sharply slowed down from 13.1% in 2015-16 to minus 7.2% in 2020-21. Perhaps a most telling example of the industrial slowdown is the fall in two-wheeler sales. As per news reports, it fell to 11.77 million units in 2021, below 11.90 million units sold in 2014. Expectedly, employment has contracted, most of which in the informal or unorganised sector. Lack of demand is the real problem, with low capacity utilisation. Indeed, the proposed public investment would create demand for capital and intermediate goods. But if a substantial share of such investment “leaks” out as imports, then the industrial output may not get the desired boost. It is essential to appreciate that India has become an import-dependent economy, especially on China. Despite the clarion call for Atmanirbhar Bharat, India’s imports have shot up. Research reports show that India’s trade deficit with China has gone up from \$57.4 billion in 2018 to \$64.5 billion in 2021. The figure would be much higher by China’s official trade account. And the deficit would be even higher if exports from China and Hong Kong to India are combined.

Premature on PLI scheme

India launched a production linked incentive scheme (PLI) for numerous technology-intensive products, starting with mobile phone assembly a few years ago to augment production and reduce imports. The Budget has mentioned the overwhelming response to the scheme. However, evidence on the number of such projects that have taken off, their investment and employment generation and rise in domestic content in such industrial units is too sparse. Hence, it is premature to claim the success of the PLI scheme. India launched the “Make in India” initiative in 2014-15 to raise the manufacturing sector’s share in GDP to 25% and create 100 million new jobs in the industry by 2022. However, the Government diagnosed the principal barrier to increasing



manufacturing in India as excessive and dysfunctional regulation holding back the private initiative. The solution, it was argued, was to improve India's rank in the World Bank's Ease of Doing Business (EDB) index. India did splendidly to improve its rank — from 142 in 2014 to 63 by 2019-20. But the improved ranking failed the industrial sector miserably, with a steady slowdown, noted above. Last year, the World Bank scrapped the index as it was flawed globally and reportedly politically motivated (<https://bit.ly/3HlaWSm>). Yet, the present Budget harps on improving the EDB index and reducing regulatory constraints on industry and infrastructure to boost growth. It appears shocking as the Government refuses to learn from past mistakes. To sum up, the Budget for 2022-23 is a bold effort at public investment-led growth — quite similar to last year's. The widely discussed concerns of the unemployment crisis, fall in the share of private consumption in GDP, and rising economic inequality (caused by the pandemic and the lockdown) have been barely mentioned in the Budget. Instead, the Budget pins its hope on investment to boost employment, as derived demand for labour. Without fully committed funds for capital investment, the success of the ambitious effort remains questionable.

A DISJOINTED RESPONSE

One of the most striking moves in the Union Budget's taxation proposals for 2022-23 is the introduction of a taxation regime for virtual digital assets — evolving manifestations of cryptocurrencies, codes and non-fungible tokens. Finance Minister Nirmala Sitharaman has proposed to tax all profits from transactions in such assets at 30% along with the applicable surcharge and cess, and a 1% tax to be deducted by buyers while trading in any virtual digital asset beyond a threshold. While the tax on profits will apply from April 1, 2022, which officials said will not preclude profits already booked before that date from the tax liability, the TDS provisions aimed at creating a transaction trail for the tax authorities, will kick in from July 1. While trading profits will be taxed at, according to crypto industry players, a higher rate compared to other jurisdictions, no deductions will be allowed on account of setting off losses from such trading or from any other capital losses. The only deduction permitted would be the cost of acquiring the asset. The term 'property' under the I-T Act is being expanded to include virtual digital assets so that such assets received as a gift shall be taxable except when received from relatives. However, the taxation regime by itself, Ms. Sitharaman has emphasised, does not grant legitimacy to the trade in these currently unregulated assets. A consultation process is underway, which will determine the legal position of such assets. This provides some relief for the growing flock of crypto investors. The Government may still not consider them fully legit, yet the tax regime indicates the hard option of an outright ban that was signalled in the nomenclature of a proposed crypto law last year is off the table. Listed first for Parliament's monsoon session, then again in the winter, that legislation is also now off the agenda. All this time, India's youth, who the Prime Minister worried were being lured by crypto players' misleading ads, continue to be swayed, with no norms brought in place to rein in such ballyhoo, and no regulatory watch. Whether this case is different from collective investment and plantation schemes that were belatedly regulated is ponderable. The delay in arriving at a decision also pre-empts Indian start-ups and innovators from developing products and ideas that can be scaled up globally given the nature of these assets. In November, the Government had indicated a forward-looking approach to crypto market oversight. It is time those words are matched with a clear regulatory framework soon instead of ambiguous waffling and dithering.



CREATING JOBS BY INCREASING CAPEX

If we had to look for one single metric that held the key to us achieving our immense economic potential as a nation, creation of gainful jobs, particularly for our underemployed youth and women, would perhaps be a strong candidate. Data from the International Labour Organization (ILO) suggest that India's employment to population (over the age of 15) ratio has steadily dropped from 55% in 2005 to 43% in 2020. In 2020, it was 52% in Bangladesh, 63% in China and 73% in Vietnam. Specifically, women form just 20% of India's workforce, while they comprise between 30% and 70% of the workforce in the other three countries. Further, CMIE data suggest that across manufacturing and services, India lost nearly 1 crore jobs between December 2016 and December 2021. Amidst a global and domestic context muddied by the COVID-19 pandemic, Finance Minister Nirmala Sitharaman, and indeed the entire administration, has their job cut out, trying to enable creation of sustainable jobs over time. In the 2022-23 Budget speech, she went all-in on allocating ample money towards productive infrastructure investments as the way forward.

Momentum in tax collections

Before we get into that, let's start with some good news. Data released by the Controller General of Accounts (CGA) shows that for the first nine months of the current fiscal year 2021-22 (FY22), the Centre's revenue receipts across taxes and dividends already stood at ₹17.3 lakh crore, just shy of the full year budget of ₹17.9 lakh crore. There are many factors that contribute to this remarkable outcome. First, higher income tax and Goods and Services Tax (GST) collections are on the back of a robust performance of India's organised sector, amidst increased formalisation of the economy. Second, the government deserves full credit for the conservative Budget projections of last year, even as it enhanced credibility by coming clean on expenditures hidden in off-balance sheet in the books of the Food Corporation of India. Put together, for the first time in many years, notwithstanding the pandemic and the intense hurt amongst the unorganised sectors, tax collections for this fiscal year will end well ahead of the original Budget projections. This Budget, therefore, revised up FY22 Central revenue receipts to ₹20.8 lakh crore, nearly ₹3 lakh crore higher than the original Budget. Given the momentum in tax collections till December, notwithstanding the Omicron wave, actual revenue receipts may exceed even this number by an additional ₹0.5 lakh crore-0.7 lakh crore. All this will more than make up for the projected shortfall in the government's disinvestment Budget for this year. Despite the much higher revenue receipts than budgeted, the overall FY22 fiscal deficit is projected to end at ₹15.9 lakh crore (6.9% of GDP), higher than the Budget Estimates of ₹15.1 lakh crore. Additional spending towards food and fertilizer subsidies, increased allocations towards the National Rural Employment Guarantee Scheme and export incentives, and a clean-up of the books of Air India prior to its sale all contributed towards increased expenditures. Going forward, however, a sustained momentum in tax collections will provide additional degrees of fiscal policy freedom to the Finance Minister as she tries to foster domestic jobs and output. She has chosen to back investments into capital expenditure as the way to achieve this. For the next fiscal year FY23, she has increased her capital expenditure budget – or investments into productive capital creation – to ₹7.5 lakh crore, 24% higher than the FY22 revised estimate of ₹6 lakh crore. Alongside she has pencilled in just 1% increase in revenue expenditure, i.e., into items such as salaries, pensions, interest, and subsidies. In this regard, she is continuing a trend that she started in last year's Budget. Between FY11 and FY21, capital expenditure averaged just 12% of the government's overall expenditure. For the current FY22, that ratio increased to 16%, and for FY23, the Finance Minister has proposed to take it to 19%. The intent and commitment behind this strategy is clear and laudable. The expectation



is that sustained investment in roads, railways, freight corridors, power, renewable energy along with initiatives such as Production-Linked Incentives (PLI) and other enabling legislation, will create the conditions for drawing in private sector investments into manufacturing, and foster job creation and sustainable growth.

The key lies in execution

But as with everything else, this strategy does come with a few caveats and risks. First, not all the headline capital expenditure is indicative of fresh greenfield investments. The ₹0.5 lakh crore of clean-up of Air India's books this year counts as capital expenditure. Similarly, for FY23, the government has set aside ₹0.8 lakh crore to partly clean up the books of NHAI and BSNL. Nevertheless, the transparency this brings about is still very welcome. Second, while there is a visible thrust on hard capital expenditure, the outlays towards critical areas such as education, healthcare and urban infrastructure remain subdued. One would think investments in these areas are equally, if not more critical, than hard infrastructure alone. Third, the thrust on capital expenditure has resulted in notably higher fiscal deficit numbers than expected. Notwithstanding the intent and commitment, such high fiscal deficits can put pressure on interest rates and the Reserve Bank of India, even as it raises the risk of inflation, higher current account deficits, and the attendant threats to financial stability. Ultimately, the key lies in execution. The Finance Minister has provided ample funds for the infrastructure thrust. It is up to the entire administration – Central, State, and local – to ensure that the funds are utilised in a timely fashion, and result in delivery of world-class infrastructure. Alongside, ease of doing investments have to be continually addressed, especially around key areas such as land acquisition, contract enforcement, and policy stability. Sustained investments in manufacturing and value-added services hold the key for the growth of small businesses, jobs, and our economic well-being.

₹3,358 CR. IN MGNREGA WAGES NOT PAID

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers are still waiting for almost ₹3,360 crore in pending wage payments, with the largest pending payments in West Bengal, Uttar Pradesh and Rajasthan, according to the government's reply to a question in the Rajya Sabha on Wednesday. This comes as the Centre reduced its Budget allocation for the scheme by 25% in comparison to revised estimates for the current year. If these pending wage and material payment liabilities are carried forward into the next financial year, it will further reduce the amount of money available to pay workers next year. In a written response to a question from CPI(M) member John Brittas on the State-wise details of the MGNREGA work provided during the pandemic, as well as arrears in wage payment, Minister of State for Rural Development Sadhvi Niranjana Jyoti provided scheme data as on January 27, 2022. On that date, pending wage liabilities stood at ₹3,358.14 crore, out of which workers from West Bengal had the largest amount of wage arrears of ₹752 crore, followed by U.P. and Rajasthan with ₹597 crore and ₹555 crore respectively. The scheme's financial statement, available on its website, shows that payment due for material costs amounts to ₹11,027 crore as on February 2. In a statement criticising the 2022-23 budget allocation for the scheme, which is 25% lower than the revised estimates for the previous year, the NREGA Sangharsh Morcha estimated that only ₹54,650 crore would be available for the scheme next year taking all pending liabilities into account. "Every year about 80-90% of the budget gets exhausted within the first six months, resulting in heavy slowdown of work on the ground. The government has not been able to provide employment to all active job card holding families due to inadequate budget allocation," it said. The worker advocacy group added that at a per person per day cost of ₹334, if all active job card workers requested work, the government



would only be able to provide 16 days of employment out of the guaranteed 100 days, given the current budget estimates.

BIG ON HOPES, SHORT ON IDEAS

Finance Minister Nirmala Sitharaman's fourth successive budget, while commonsensical in its approach, is not exactly bubbling with new ideas. With the economy still in search of durable momentum that could help entrench the recovery from the last fiscal year's record contraction, Ms. Sitharaman has missed an opportunity to address the flagging consumer spending in the wake of erosion in real incomes and savings through a combination of tax breaks for the middle class and cash handouts for the poor. And even as the Minister acknowledges the role public capital expenditure could play in crowding-in private investment at a time when "private investments seem to require that support" and help to 'pump-prime' demand in the economy, the Budget outlay of ₹7.50 lakh-crore for the capital account marks just a 24.4% increase from the revised estimate of ₹6.03 lakh-crore for the current fiscal. To be sure, Ms. Sitharaman's speech highlights the PM GatiShakti, a "transformative approach for economic growth and sustainable development" that is to be powered by the 'seven engines' of roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure. While the broad sweep of the public infrastructure envisioned by the programme could potentially be truly transformative if it were to be executed as imagined, the Budget is largely short on details where it concerns the specifics and pencils in some figures only for the roads and railways components. The Budget lists a 'Master Plan for Expressways' that will be formulated in 2022-23 under the scheme and projects the addition of 25,000 kilometres of roads to the National Highways network. The talk of enabling seamless multimodal movement of goods and people and providing multimodal connectivity between mass urban transit systems and railway stations, however, all sound a familiar refrain from past speeches. Spending outlays on several other key sectors including health care, rural development and the vital jobs and income providing national rural employment guarantee scheme have all shrunk as a percentage of overall expenditure in the Budget estimates for fiscal 2023 from the revised estimates for the current year, even if in some cases only marginally. That these sectors have been forced to bear the impact of the Government's keenness to broadly stick to a fiscal consolidation road map — with the Budget projecting a narrowing of the fiscal deficit to 6.4% of GDP in 2022-23, from a revised estimate for 6.9% — reflects on its priorities. Government spending on health care ought to have instead been significantly increased, with the lessons from the ongoing pandemic's first two waves serving to illuminate the need for a sizeable enlargement of the public health infrastructure. A source of some solace, though, is the announcement of a 'National Tele Mental Health Programme' to address mental health problems that have been exacerbated by the claustrophobic lockdowns and plethora of anxieties triggered by the pandemic. In a nod to the ruling party's nationalist moorings and in line with the Government's push to increase self reliance or AtmaNirbharta, the Finance Minister has proposed a series of tariff and policy steps that could help bolster domestic manufacturing in the long run. A key policy element is a commitment to reduce import dependence in procurement for the country's defence forces. To that end the Minister has proposed earmarking 68% of the armed forces' capital procurement budget to domestic industry in 2022-23, a not insignificant increase from the current fiscal's 58% target. The tariff rationalisations, which cover a broad swathe of items ranging from electronics, gems and jewellery, chemicals, inputs used by MSME units and project and capital goods, could, however, have varying short-term impacts. Specifically, the move to phase out the concessional rates in capital goods and project imports gradually and apply a moderate tariff of 7.5% could in the short term hurt infrastructure projects and the setting up of new manufacturing capacity, some proposed exemptions for advanced machinery

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



notwithstanding. The Minister has tried to address the raging debate over how to deal with virtual currencies by adopting a twin-track approach. On the one hand Ms. Sitharaman proposes to introduce in the coming fiscal year a Central Bank Digital Currency that she posits will impart a big boost to the digital economy and “lead to a more efficient and cheaper currency management system”. The RBI-issued Digital Rupee would leverage blockchain and other related technologies. In parallel, she intends to tax income from the transfer of any virtual digital asset at the rate of 30%, with deduction allowed only for the cost of acquisition. It remains to be seen if the Government’s efforts at bringing the mushrooming trade and investment in a multiplicity of virtual digital assets including cryptocurrencies under the tax net would have a salutary impact besides adding a revenue stream to the exchequer. The Minister’s latest budget also skirts mention of the asset monetisation plan mentioned in the last Budget and shows a sharp decline in capital receipts from disinvestment. With just ₹65,000 crore budgeted from asset sale for fiscal 2023, as opposed to ₹78,000 crore as per the revised estimates for the current fiscal, the Minister has had to increase gross borrowings to ₹14.95 lakh-crore, a 24% increase from the current fiscal’s budget estimate but a far sharper 43% jump from the revised estimate of ₹10.46 lakh-crore. The resource crunch manifest in the proposed higher debt issuance is ultimately bound to get more acute in the days ahead, given the Budget’s lack of growth-invigorating proposals.

CENTRE HAS ADOPTED MSP, BUT STATES MUST FACILITATE CROP SHIFT

There is an urgent need for crop diversification in view of the severe water stress in areas where paddy, wheat and sugarcane are grown as well as to increase oil seed production and reduce dependency on imports of cooking oil, the Department of Economic Affairs said in the annual Economic Survey released on Monday. While the Centre had adopted minimum support prices (MSP) for farm produce as a key tool to encourage crop diversification, the onus was on States to take coordinated action to facilitate a shift towards crops with higher value and lower water consumption, the department said. However, there was no mention of the MSP committee which the Prime Minister had promised to set up in November to draft a policy on all these issues. The survey also completely ignored what was arguably the biggest development in agricultural policy over the last year — the repeal of three agrarian reform laws in the wake of widespread, year-long protests by farmers. The survey urged for an increase in funding for agricultural research rather than farm subsidies, noting that “every rupee spent on agricultural research and development yields better returns compared to returns on money spent on subsidies or other expenditures on inputs.” The government noted that agriculture continued to be a major driver of the economy in the pandemic era, with the sector’s growth rate rising from 3.6% in 2020-21 to 3.9% in 2021-2022.

BAD BANK IS READY, HOW WILL IT RESOLVE STRESSED ASSETS?

A key proposal announced in this year’s (2021) Budget, a bad bank to deal with stressed assets in the loss-laden banking system, has received all regulatory approvals.

What is the structure of the bad bank?

NARCL will acquire and aggregate the identified NPA accounts from banks, while IDRCL, under an exclusive arrangement, will handle the debt resolution process, State Bank of India Chairman Dinesh Khara said on Friday in a press conference. Padmakumar Nair, a Chief General Manager from SBI’s Stressed Assets vertical, will manage NARCL, while Manish Makharia, Head of Alternate Investment Fund, SBI Funds Management Pvt Ltd, will head IDRCL. Subrata Biswas, the nominee



director on the Board of NARCL, will be the interim Chairman, and Diwakar Gupta will continue as the Chairman of IDRCL. Khara said that although “certain concerns” were raised, eventually both NARCL and IDRCL have received the requisite approval. The concerns mainly arose on the dual ownership structure and operational mechanism, with the setting up of two separate entities NARCL and IDRCL. “This is a structure which has been envisaged for the first time, and whatever time has been taken, it is essentially to iron out some of the issues which could have possibly come up in future. So, they have all been ironed out and they have been appropriately addressed. And so, that the functioning of both entities should be smooth, and they should be in a position to achieve the objective for which they’re brought into existence,” he said. Majority-owned by state-owned banks, the NARCL will be assisted by the India Debt Resolution Company Ltd (IDRCL), in turn majority-owned by private banks, in resolution process in the form of a Principal-Agent basis.

How will the bad bank work? What does the Principal-Agent mechanism entail?

NARCL and IDRCL will have an exclusive arrangement that will be as per the scope defined in the ‘Debt Management Agreement’ to be executed between these two entities. This arrangement will be on a ‘Principal-Agent’ basis and final approvals and ownership for the resolution shall lie with NARCL as the Principal, Khara said. While he argued that this is as per the structure “originally envisaged”, the Indian Banks Association (IBA) is learnt to have wanted a dual structure with the asset management company or AMC as a privately held entity, to be out of the purview of the regulatory entities. That would have given it requisite flexibility to deal with the resolution process, as normally a single entity is accountable as owner and for recovery of the assets in the asset reconstruction business. But now, with the ‘Principal and Agent mechanism’ that has been put in place to address regulatory concerns, the final approvals will still be done by NARCL as the Principal. So, even though IDRCL is majority-owned by private banks, the final authority will rest with NARCL, which is majority-owned by public sector banks. This has been done possibly to address regulatory concerns around the bad bank structure. Finance Minister Nirmala Sitharaman had in her February 1, 2021, Budget speech proposed a new structure for the resolution of stressed assets. “The high level of provisioning by public sector banks of their stressed assets calls for measures to clean up the bank books. An Asset Reconstruction Company and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realisation,” she had said.

What kind of resolutions are expected?

The asset resolution will be done in a phased manner. A total of 38 accounts aggregating Rs 82,845 crore have been identified for transfer to NARCL. In the first phase, at least 15 accounts worth Rs 50,335 crore will be transferred to the proposed bad bank by March 31. Initially, an estimated Rs 2 lakh crore worth of bad assets was planned to be transferred; however, some of these accounts have already been resolved and further resolutions will happen as and when referred to the bad bank. With a combination of post-Covid moratorium and recoveries, there was an actual decline in NPAs from Rs 8.40 lakh crore in 2020 to Rs 7.80 lakh crore in 2021. In a press statement, SBI said IDRCL is expected to bring in superior resolution techniques, preserve the value, showcase brownfield assets, and attract domestic as well as foreign investors, Alternate Investment Funds, etc. This will free up capital for further bank lending, it said.



What will the government guarantee?

The NARCL will purchase these bad loans through a 15:85 structure, where it will pay 15 per cent of the sale consideration in cash and issue security receipts (SRs) for the remaining 85 per cent. The SRs will be guaranteed by the government. The government guarantee will essentially cover the gap between the face value of the security receipts and realised value of the assets when eventually sold to the prospective buyers. The government approved a 5-year guarantee of up to Rs 30,600 crore for security receipts to be issued by NARCL as non-cash consideration on the transfer of NPAs. This will address banks/RBI concerns about incremental provisioning. Government guarantee, valid for five years, helps in improving the value of security receipts, their liquidity and tradability. A form of contingent liability, the guarantee does not involve any immediate cash outgo for the central government.

POST BACKLASH, SBI PULLS BACK CIRCULAR ON NORMS FOR HIRING OF PREGNANT WOMEN

Faced with widespread criticism from several quarters, including a notice from the Delhi Commission for Women (DCW), the State Bank of India (SBI) on Saturday withdrew its controversial circular stipulating new conditions on recruitment of pregnant women. "In view of the public sentiments, SBI has decided to keep the revised instructions regarding recruitment of pregnant women candidates in abeyance and continue with the existing instructions in the matter," the bank said. Earlier in the day, the DCW issued a notice to the lender seeking withdrawal of its new rules and details of the scheme. An SBI circular dated December 31 said if pregnancy is of more than 3 months, the candidate will be considered temporarily unfit and she may be allowed to join within 4 months after delivery of child. In case of pregnancy which is less than three months, the candidate will be considered fit, the circular had said. In its statement Saturday, the bank said, "it has recently reviewed the various Fitness Standards for Recruitment in the bank, including norms for pregnant women candidates." According to SBI, the revised guidelines were intended to provide clarity on various health parameters where instructions were not clear or were very old. "In some sections of the media, the revision in norms in this regard has been interpreted as discriminatory against women." In its notice to SBI, DCW said, "This is a serious matter. This action of the bank appears to be discriminatory and illegal as it's contrary to the maternity benefits provided under the 'The Code of Social Security 2020'. Further, it discriminates on the basis of sex which is against the fundamental rights under the Constitution." "State Bank of India seems to have issued guidelines preventing women who are over 3 months pregnant from joining service & have termed them as 'temporarily unfit'. This is both discriminatory and illegal. We have issued a notice to them seeking withdrawal of this anti women rule," DCW Chairperson Swati Maliwal tweeted. Several MPs too protested against the SBI's controversial letter. "Insulting pregnancy is a crime towards motherhood. It is a discrimination against women. SBI guidelines in this regard is anti-constitutional. Finance Minister should intervene and withdraw the discriminatory circular with immediate effect," CPI MP Binoy Viswam said. Shiv Sena MP Priyanka Chaturvedi tweeted, "The guideline is extremely discriminatory in nature and debilitates the progress made to empower the women of the country." DMK MP Kanimozhi said, "SBI's new set of rules that prevent women, pregnant over 3 months from joining the workforce is highly condemnable. Apart from being inconsiderate and discriminatory." As per existing rules of SBI, pregnant women candidates are eligible to be appointed in the bank up to six months of pregnancy, provided they furnish a certificate from a specialist gynaecologist that their taking up the bank's employment at that stage is in no way likely to interfere with their pregnancy or the



normal development of the foetus, or is not likely to cause her miscarriage or otherwise to adversely affect their health.

ETHANOL BLENDING OF 8.1% ACHIEVED, TARGET WAS 10%

The ethanol supply in the country to enable blending with petrol is likely to reach 302 crore litres, according to the Economic Survey 2021-2022. The Centre has set a target of 20% ethanol blending with petrol to be achieved by 2025 to reduce the country's crude oil import bill, give a boost to the agriculture sector and reduce environmental pollution. Ethanol supply under the Ethanol Blended Petrol (EBP) Programme is expected to exceed 302 crore litres by the end of Ethanol Supply Year (ESY) 2020-2021 (December 1, 2020 -November 30, 2021) to achieve approximately 8.1% blending, the Survey noted. This is an increase of 74.5% compared with the previous year. The ethanol blending target for ESY 2021-22 is 10%. The government last year notified mass emission standards for E12 (12% ethanol blended with petrol) and E15 (15% ethanol blended with petrol) to enable the automobile industry to manufacture E12- and E15-compliant motor vehicles.

DO NOT GET CARRIED AWAY BY ALTERNATIVE INVESTMENT PRODUCTS

If watches are meant for only time management, then why do some individuals own a Patek Philippe? Similarly, if cars are meant for only transportation, then why desire a Bugatti Chiron? Clearly, our desire to own products goes beyond the utility that these offer. In this article, we shall discuss whether individuals display a similar behaviour for certain investment products.

Status symbols

An individual's desire to own exclusive products is referred to as conspicuous consumption. From a behavioural perspective, you could say that such products carry expressive features. An individual wearing a Patek Philippe watch makes an expressive statement to the world about his/her taste and social status, not to mention the pride of owning a classy watch. Individuals could exhibit such behaviour with investment products too. Investing in alternative investments such as hedge funds and private equity, for instance. The expressive feature comes from the fact that such investments are available only for individuals who can afford to invest a minimum of one crore per fund. Other investments such as ESG (environment, social and governance) show that an individual cares about the ESG factors, which at present, is niche. Then, there are passion assets such as antiques, art, and other rare collectibles. It is not that individuals who invest in the above-mentioned products do so only for the expressive features. These products could offer attractive returns, but they could be complex, and the risks difficult to understand. So, should you invest in such products for their expressive features, given the associated risks?

Non-core investments

Investment products with expressive features should typically be part of your non-core investments. There are several reasons for this argument. One, your core investments are set up to achieve certain life goals such as buying a house and funding your child's college education. It is moot if investments with expressive features such as ESG can generate consistent returns that serve your objectives. It is important to note that institutional investors, driven by social norms, have increasingly moved towards ESG investments. You should consider buying such products if you want to integrate your strong ideologies into your investment decision.



Two, most investments with expressive features such as private equity and passion assets are not liquid. So, timing your exit from such investments to fund your life goals may be difficult. And three, others such as cryptocurrencies and non-fungible tokens (NFTs) are risky and volatile. As discussed previously in this column, you could get rich investing in cryptos and NFTs, but the downside is high. It is, therefore, unlikely to fit within your core or goal-based portfolio. Typically, expressive investments should be made from savings after setting aside capital for your life goals.

Conclusion

The desire to invest in products that offer expressive features is not uncommon, given the emotional satisfaction that they provide. However, it is important to distinguish between expressive features of financial assets and physical (or real) assets. Why? The expressive features of physical assets such as art and antique are what makes passion assets good investments. Such expressive features come from two aspects. One, the exclusivity because of owning a rare asset such as vintage art or a piece of Victorian furniture. And two, the accompanying narrative that makes the asset exclusive and rare — the exclusivity of, say, an author-signed first print of a 1940 classic, and the narrative that you beat others to the winning bid at an auction. While hedge funds and private equity offer exclusivity, they may not provide a compelling narrative. Also, as financial products, they are abstract, not touch-and-feel assets. This is one reason mass affluent investors (those ineligible to invest in private equity) invest in passion assets despite low liquidity. Finally, you should buy such products only after routing your savings into investments earmarked to meet intermediate goals such as child's education and down payment for a house.

HOW TO AVOID REJECTION OF AN INSURANCE CLAIM

In a world of uncertainties, term insurance provides a safety net for grieving families in the unfortunate event of its breadwinner's demise. But have you ever wondered what happens if your term insurance claim is rejected due to some reason? The very thought of a rejected term insurance can make one shudder. This is because, after the death of the policyholder, their family is left in a state of shock if the funds it assumed would flow in, do not. The loss of their breadwinner makes a deep cut into their financial standings. An event like this leaves the family clueless and in desperate need of stability and financial security. To avoid adding to the misery in an already adverse time, it is essential to know what could cause a claim to be rejected.

Lack of transparency

While filling out your information for a term insurance policy, it is extremely important to reveal all the necessary information to the insurers in an honest manner. This is key as the term-insurance policy is the means to safeguard the future of your family, and helps your insurer protect you better. By hiding significant facts from the insurance company, people only give greater cause for rejection. However, this situation can be avoided by ensuring that you provide accurate and true information regarding factors such as age, occupation, income, and existing policy details. Providing details about pre-existing conditions is essential while opting for a new policy as these details surface sooner or later anyway.

Undisclosed choices

Hence, it's best to come clean about such conditions at the time you sign up for the policy. This not only strengthens your case but also helps your insurer process your request without disruptions. The lifestyle choices of an insured person directly impact how much premium they would pay for



their term life insurance. These include unhealthy eating or other lifestyle choices such as smoking, drinking, and the like. World Health Organization data shows India is home to 12% of smokers worldwide, with more than 1 million lives claimed annually due to tobacco-related illnesses. Insurers offering term life insurance approve the policy and decide premium amount based on various lifestyle and health factors. Information regarding such habits must be disclosed to the insurer while applying for term insurance. Also, people with a penchant for dangerous hobbies such as paragliding and deep-sea diving need to mention this to their insurers while applying for a term plan. Doing this will help the insurance company assess your case better and gauge the best premium amount for you.

Delegating paperwork

There are two parts to getting a term plan. The first involves research to find a suitable plan. The second part requires careful perusal of documents and understanding the terms and conditions of the policy. Usually, by the time people finalise a policy after thorough research, they are too drained to go through any more details. So they entrust paperwork to agents. But, it is not advisable to hand over the responsibility of filling and submitting the insurance forms to a third person. Since the financial future of our loved ones depends directly upon it, it is our responsibility to be careful in these matters. Missing out any significant details in these forms and documents such as the family's medical history can cause problems later on.

Pre-existing policies

It is a common mistake for people to overlook the policy declaration rule which dictates they must disclose their existing policies to the new insurer. A lot of buyers are not aware of this. Regardless of how small or large your sum insured is, be sure to inform your insurer about it. Failing to do so will certainly lead to rejection of your claim. During the claims process, the column containing your medical history is taken into account. It is of tremendous significance as it is directly correlated to your overall health graph and makes a huge impact on your claim's acceptance or rejection. As a significant part of the proposal form, this section encapsulates the medical conditions of the proposer and their family. This is what helps the insurer decide the amount of premium to be charged and whether or not the policy may be issued at all.

Nature of profession

While people from all walks of life can opt for a term insurance policy, some professions carry high risk that border on 'life-threatening'. People with jobs that require working in a mine and firefighters are part of this category. It is best to mention the nature of such jobs to your insurer to avoid problems going forward. At the time of claim, if an insurer feels such information was hidden from them at the time of signing up, the claim could be rejected. A policy lapses when it lost its validity on paper - either because the term period has ended or because premiums had not been paid within deadlines. Filing a claim for a lapsed policy is a meaningless exercise that will fetch you nothing. In other words, any claim you raise with a lapsed policy will get rejected.

'Due date is key'

Paying periodic premiums either on or before the due date is necessary to maintain the validity of your term plan. However, insurance firms offer a few days' grace period in case a policyholder fails to pay the premium on time. But it must be remembered that no claim will be paid if the policy is not renewed within the grace period. Hence, it's essential to take utmost care against the lapse of policy for protection against any untoward event.



TURBULENCE AHEAD

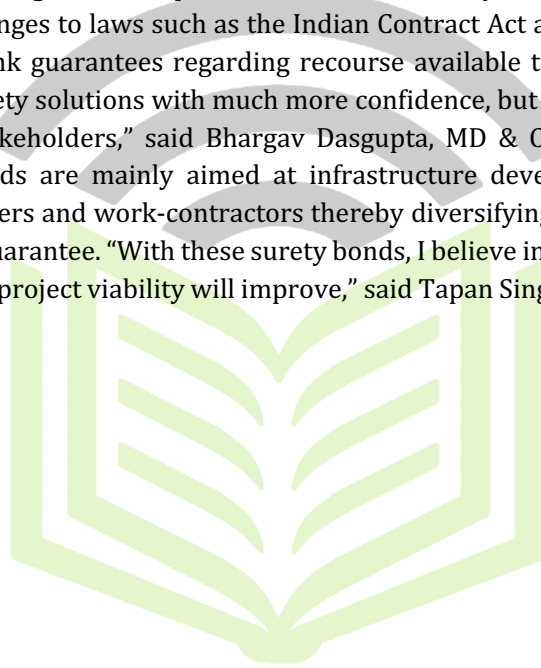
The Tata Group's consummation of its acquisition of Air India last week marks both the culmination of the airline's return to its original founders after an almost seven-decade hiatus, as well as the start of an arduous long-haul flight for the loss-making, formerly state-owned flag carrier. The Tatas' enthusiasm for winning back what was once the country's iconic airline brand notwithstanding, the skies in which the industry operates have changed considerably. A look at the market share data from the domestic air passenger segment clearly shows that budget or low-cost flights now hold a dominant position, commanding about four-fifths of the market. The Tata group's full-service venture, Vistara, with no less a partner than Singapore Airlines on board, has struggled to establish a foothold and with Air India's addition, the Tatas find themselves saddled with a bulk of their combined domestic market share of 23% (as of November) being in the less-in-demand full-service segment. Nor is the group's newly combined share from the low-cost segment, comprising Air Asia India's 5.9% and the fractional share that Air India's Air India Express has, significant enough at the moment to give it scale in the high-volume business. That the group is said to be considering consolidating Air India's domestic low-cost services along with Air Asia India's operations is a clear indication that the Tata bosses realise the need to optimise the varied aviation resources that are now in the group's fold so as to enhance viability. On the international front too, Air India faces multiple challenges, not the least of which is the Government's current pandemic-related curbs on commercial international flights. With foreign carriers restricted to limited capacity under the 'Air Transport Bubbles' arrangement, Air India too has found itself constrained in the number of overseas flights it can operate under the bilateral arrangements with counterpart countries. The Tatas, though, could use the current curtailment of overseas services as an opportunity to undertake a long overdue overhaul of Air India's inflight experience. Also, with Vistara now operating to a few select overseas destinations, the Tatas will need to decide if they would want a younger in-house competitor to Air India once COVID-19 restrictions are lifted and normalcy restored as regards international flights. For the Tata group, the choices going forward will need to be strategic. With the domestic market set to see more churn with at least one new budget airline set to enter and other rivals struggling for capital, the group needs to decide whether it wants to add capacity to budget offerings or stay a predominantly full-service carrier at a time when the more lucrative business class travel has been hit. And with aviation fuel costs set to soar further, Air India will need to tap into all of the Tata group's vaunted managerial expertise if it is to turn into a successful buy.

SURETY BONDS: SLOW TAKE-OFF LIKELY AS PRICING, REINSURANCE CONCERNS REMAIN

The government move to allow the use of surety insurance bonds as a substitute for bank guarantees is likely to take time for implementation by the insurance industry. The insurance sector is yet to achieve expertise on risk assessment of suppliers and work contractors and there's no clarity on pricing, the recourse available against defaulting contractors and reinsurance options, experts said. While insurance regulator IRDAI has given the framework for issue of surety bonds by insurance companies, insurance experts said the guidelines are silent on the right of recourse available to a surety insurance company in the event of a default by the contractor. "These are critical and may impede the creation of surety-related expertise and capacities and eventually deter insurers from writing this class of business," said an insurance sector official. In the Budget speech, Finance Minister Nirmala Sitharaman said the use of surety bonds as a substitute for bank guarantee will be made acceptable in government procurements to reduce indirect cost for suppliers and work-contractors. Business such as gold imports may also find this



useful, she said. Insurance experts said surety bonds, a new concept, are risky and insurance companies in India are yet to achieve expertise in risk assessment in such business. There's no clarity whether surety bonds will get the required reinsurance support. According to KK Srinivasan, former Member, IRDAI, these types of bonds are enormously risky and have the potential to sink reckless insurers. "And insurers are often blindly top line growth oriented. The risk to PSU insurers, whose ability to do cherry picking is relatively limited, is even more. To believe that reinsurers will provide cushion to this bad class of business is naive," Srinivasan said. "Banks which had expertise on credit risks were swamped by NPAs. Insurers here are light-years away from building expertise in assessing the type of risks that these bonds entail," Srinivasan said. As surety bonds is an entirely new line of business, insurance companies would need clarity on various aspects such as pricing, the recourse available against defaulting contractors, reinsurance options and global best practices. "As an industry, we would urge the regulatory bodies to facilitate changes to laws such as the Indian Contract Act and the IBC and bring surety bonds on par with bank guarantees regarding recourse available to issuers. This will help the industry approach surety solutions with much more confidence, but it will be even more a viable proposition for all stakeholders," said Bhargav Dasgupta, MD & CEO, ICICI Lombard General Insurance. Surety bonds are mainly aimed at infrastructure development, mainly to reduce indirect cost for suppliers and work-contractors thereby diversifying their options and acting as a substitute for bank guarantee. "With these surety bonds, I believe initial project cost will slightly reduce and the overall project viability will improve," said Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance.



DreamIAS



LIFE & SCIENCE

CHANDRAYAAN-3 SET FOR LAUNCH IN AUGUST

India plans to execute the Chandrayaan-3 mission this August, Minister Jitendra Singh told the Lok Sabha on Wednesday. Though the government had stated that the mission was scheduled for 2022, this is the first time that a specific month has been announced. The Chandrayaan-3 mission is a follow-up of Chandrayaan-2 of July 2019, which aimed to land a rover on the lunar South Pole. It was sent aboard the country's most powerful geosynchronous launch vehicle, the GSLV-Mk 3. However, lander Vikram, instead of a controlled landing, ended up crash-landing on September 7, 2019, and prevented rover Pragyaan from successfully travelling on the surface of the moon. Had the mission been successful, it would have been the first time a country landed its rover on the moon in its maiden attempt. "Based on the learnings from Chandrayaan-2 and suggestions made by the national level experts, the realisation of Chandrayaan-3 is in progress. Many related hardware and their special tests are successfully completed. The launch is scheduled for August 2022," Mr. Singh said in reply to a query from Ravneet Singh and Subburaman Thirunavukkarasar who wanted to know what delayed the mission. The Minister attributed them to "pandemic linked" delays and a "reprioritisation" of projects. The last major satellite launches by the ISRO (Indian Space Research Organisation) were the Earth Observation Satellite-3 in August last and the Amazonia satellite in February. The ISRO has planned 19 missions until December consisting of eight launch vehicle missions, seven spacecraft missions and four technology demonstrator missions. The ISRO has been allotted ₹13,700 crore for this financial year, nearly ₹1,000 crore more than it spent last year.

SCIENTISTS SPOT A BLINKING STAR'S 'TOTALLY UNEXPECTED' BEHAVIOUR

Reuters Scientists have detected what appears to be an incredibly dense star behaving unlike anything else ever seen - and suspect it might be a type of exotic astrophysical object whose existence has been only hypothesised until now. The object, spotted using the Murchison Widefield Array telescope in outback Western Australia, unleashed huge bursts of energy roughly three times per hour when viewed from Earth during two months in 2018, the researchers said.

First known example

It may be the first known example of what is called an "ultra-long period magnetar," they said. This is a variety of neutron star - the compact collapsed core of a massive star that exploded as a supernova - that is highly magnetised and rotates relatively slowly, as opposed to fast-spinning neutron star objects called pulsars that appear from Earth to be blinking on and off within milliseconds or seconds. The study is published in the journal Nature. The object may be continuously beaming strong radio waves from its north and south poles. As that beam swept through the line of sight from Earth's vantage point, it appeared to switch on every 18 minutes and 11 seconds for about 30 to 60 seconds, then off again. That is an effect similar to a lighthouse with a rotating light that seems to blink on and off from the perspective of a stationary observer. It was found in a broader research effort mapping celestial sources of radio waves. It is located relatively close to Earth in cosmic terms, roughly 4,200 light years away, where a light year is the distance light travels in a year, 9.5 trillion km. Neutron stars including pulsars are among the universe's densest objects. They are roughly 12 km in diameter - akin to the size of a city - but with more mass than our Sun. A neutron star with an extreme magnetic field, a magnetar, could potentially power the radio pulsations, the researchers said.



Slow with age?

As for why its rotation is so slow, it could be that it is very old and has slowed over time, according to Curtin ICRAR node astrophysicist and study co-author Gemma Anderson. “This is more likely to be the ‘first of its kind’ rather than ‘one of a kind,’” Anderson said. The researchers have not detected it since 2018. “We are now monitoring this object using many different radio telescopes in the hope it switches ‘on’ again,” Anderson said.

UNRAVELLING THE MOLECULAR BIOLOGY OF ASAFOETIDA

Readers may recall our write-up in the column dated July 30, 2009 on Asafoetida (hing in Hindi, perungayam in Tamil, inguva in Telugu, ingu in Kannada) and how this smelly spice has been of use in our cuisine and also in traditional medicine. It has been known since the Mahabharata times, and has been imported from Afghanistan. The Bhagavata Purana says that one should not eat hing before worshipping deity. Indian historical records suggest that we have been importing asafoetida since the 12th century BCE. The word asa comes from Persian, meaning mastic, while foetidus refers in Latin to its strong and stinking smell. And Wikipedia suggests that Jewish early literature mentions it as Mishnaha. Rabindranath Tagore wrote about how he would buy from “Kabuliwala” dry fruits, but did not mention asafoetida, since it was surely in his family kitchen already! It is a thick gum, or a resin, which comes from the perennial taproots of the Ferula family. The article in Indian Mirror titled Asafoetida points out that asafoetida has a wide range of applications in the field of medicine. It has been suggested to fight viruses such as influenza. It may thus be worthwhile for current day drug chemists and molecular biologists to study its mode of action. (Indeed, this has been done by Professor M. S. Valiathan of The Manipal Academy of Higher Education, and his collaborators). Ayurveda specifies three types of Dosha, or deficiencies in the body, namely Pitta, Vata and Kapha each of which has specific functions.

Balancing dose

Asafoetida is believed to be one of the best spices to balance the Vata Dosha. The site Home Remedies for Hiccups says that asafoetida is good to stop hiccups! You mix it well with butter, and swallow –and the hiccups stop!

Make in India?

How long do we need to import it? Well, it appears no longer! In a report that has appeared in The Hindu dated November 10, 2020, and cited in The Wire, Science, Dr Sanjay Kumar, who is the Director of the CSIR Institute of Himalayan Biotechnology (CSIR- IHBT), says that the cold desert climatic conditions in the Lahaul–Spiti area in Himachal Pradesh are remarkably similar to those in the Iran and Afghanistan, and wondered whether asafoetida cannot be grown in India too. This led the IHBT to import its seeds from Afghanistan and began growing the plant in the research centre under the guidance of the National Bureau of Plant Genetic Resources. The experiment was a success. Two types of asafoetida resins became available – the milky white type and the red type. He further points out that since currently the farmers in Himachal Pradesh largely limit themselves to growing potatoes and peas, motivating them to grow asafoetida and offer technical support will increase their income. The article mentioned above describes these efforts of the laboratory, colour photographs of the flowers and the large-scale production of the plant at the Centre. Dr. Kumar also told this to the Times of India in the article, Why ‘made-in-India’ heeng is a big thing.

Long history

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



That this herb has been used for long in traditional medicine has a long history. Groups in Egypt have used it since long. Ayurveda scholars have known it for centuries. We had discussed earlier how Prof. M.S. Valiathan and collaborators had shown, using fruitflies as models, that Ayurvedic formulations are effective in vivo. Likewise, Eigner et al., have shown how the herb is effective in the traditional medical practices and diet in Nepal (Journal of Ethnopharmacology, 1999; 67:1-6). It is in this context that an excellent and updated report by Dr. Poonam Mahendra and Dr. Shradha Bisht of the School of Pharmacy, Suresh Gyan Vihar University, Jaipur, titled, Ferula asafoetida: Traditional uses and pharmacological activity, in the journal Pharmacognosy Reviews, July-December 2012, Vol. 6, Issue 12, is of value. Their analysis of its chemical constituents shows that the raw herb has about 70% carbohydrates, 5% proteins, 1% fat, 7% minerals, and has compounds of calcium, phosphorus, sulphur and various aliphatic and aromatic alcohols. It is the sulphide content in the fat that leads to the fecal odour. Chemical trials using rats in the laboratory suggests asafoetida plays an essential role in digestion. The group cites references to the role that the herb might play as an anti-cancer agent, and also against some women's ailments. They list about 30 molecules which form the chemical constituents in the herb that play roles as anti-oxidants, anticarcinogenic, antibacterial and antiviral and even anti-HIV. Given this list, it is time for groups across India to isolate these molecules from this herb and study their roles in these diseases, using modern methods of molecular biology, immunology and drug design. Let us go for it!

INDUCING REGENERATION

Researchers have come a step closer to the goal of regenerative medicine by successfully triggering regrowth of a lost leg in a frog using a five-drug cocktail contained in a silk protein gel and kept in place over the stump for a day. That brief treatment sets in motion an 18-month period of regrowth that restores a functional leg. The research was carried out by scientists at Tufts University and Harvard University's Wyss Institute (Science Advances). The researchers triggered the regenerative process in African clawed frogs by enclosing the wound in a silicone cap, which they call a BioDome, containing a silk protein gel loaded with the five-drug cocktail. Each drug fulfilled a different purpose.. The combination and the bioreactor provided a local environment and signals that tipped the scales away from the natural tendency to close off the stump, and toward the regenerative process, according to a press release from Tufts University. The researchers observed dramatic growth of tissue in many of the treated frogs, re-creating an almost fully functional leg. The new limbs had bone structure extended with features similar to a natural limb's bone structure, a richer complement of internal tissues (including neurons), and several "toes" grew from the end of the limb, although without the support of underlying bone. The regrown limb moved and responded to stimuli such as a touch from a stiff fibre, and the frogs were able to make use of it for swimming through water, moving much like a normal frog would.

NEW STUDY DOCUMENTS THE SONGS OF FROG SPECIES

Frogs have different types of call to suit different occasions, a new study finds. It was known that birds sing different songs depending on context, yet this kind of behaviour has not been documented among the so-called simpler animals, the anurans (frogs and toads). This study, conducted by researchers from Indian Institute of Science (IISc), Bengaluru, and Indian Institute of Science Education and Research (IISER), Pune, has been published in the journal Animal Behaviour.

Semantics and frogs



When we humans speak, we use words to build up sentences. Only some arrangements of words have meaning and this is what we use. The same appears to be true of frogs, too. Some typical needs among frogs are to communicate a mating call to attract a member of the opposite sex and to guard one's territory against other males. It is important that the calls given out in such different contexts be unambiguous, so that both, the calling frog and the listening frog, understand the difference. However, frogs have a limited repertoire of "notes," and hence, using different notes for different contexts is impossible. "We wished to address whether these frogs arrange their notes into sequences in different ways in different contexts," says Ananda Shikhara Bhat, the first author of the paper, who is with the Department of Biology, IISER Pune. The group studied two species of frog – Humayun's Night Frog (*Nyctibatrachus humayuni*) and Amboli Bush Frog (*Pseudophilautus amboli*).

Two species

"While *N. humayuni* produces calls with two notes (ascending and descending), *P. amboli* produces calls with six-note types," says K.S. Seshadri from Centre for Ecological Sciences, IISc, Bengaluru, who along with Anand Krishnan of Department of Biology, IISER, Pune, led the study. Dr. Seshadri explains that they found that alone, individuals of *N. humayuni* produce a single ascending note but in the presence of another male of the same species, the individual adds up to seven descending notes to the ascending note. "In contrast, individuals of *P. amboli* use a different set of note types [note type 1–3, as classified by the authors] when alone or when in the presence of another male but use note types 4–5 when engaging in a physical fight with another male," he adds. Shikhara Bhat and Varun Sane who is now a researcher at the University of Cambridge, U.K., recorded the calls of *N. humayuni* in June–July 2019 from roadside streams in Adarwadi and Matheran in Maharashtra. The calls of *P. amboli* were recorded at Sirsi in Karnataka, in July 2020. "Calls from 19 *N. humayuni* and 50 *P. amboli* individuals were recorded and used for analysis," say the researchers. This is the first study to examine "sequences" of vocalisations in frogs. "To the best of our knowledge, our novel data analysis method, named 'co-occurrence analysis', is the first of its kind that is free of assumptions about the underlying data, and is widely applicable to analysing vocal sequences of all sorts of animals," says Shikhara Bhat.

Endemic to region

"Both species of anurans are endemic to the Western Ghats. The two species were chosen intentionally because they were common where they are found and belong to two distantly related lineages of anurans," says Dr. Seshadri. This allowed the researchers to examine if and to what extent the vocalisations varied. "Ask anyone if they know how frogs call, and they will likely say 'Croak' or 'Ribbit'. Our work shows that anurans go beyond this simplistic [picture]. Some of the anurans, half the size of our thumb, are capable of stringing together sounds with varying levels of complexity depending on the context." says Dr. Seshadri.

PARASITIC PLANT FOUND IN NICOBAR ECO HOTSPOT

A new genus of a parasitic flowering plant has recently been discovered from the Nicobar group of islands. The genus *Septemeranthus* grows on the plant species *Horsfieldia glabra* (Blume) Warb. The parasitic flowering plants have a modified root structure spread on the stem of the tree and are anchored inside the bark of the host tree. The plant was found on the periphery of the tropical forest in one of the biodiversity hotspots referred to as the Nicobar group of islands separated from the Andaman group of Islands by a wide gap of 160 km with heavy tidal flows.



Heart-shaped leaves

The genus *Septemeranthus* has a distinct vegetative morphology, inflorescence architecture and floral characters. The leaves of the plant are heart-shaped with a very long tip and the ovary, fruit and seeds are 'urceolate' (earthen pot-shaped). The flowers have five persistent bracts having conspicuous margins. The name *Septemeranthus* is derived from the Latin word 'septem' meaning 'seven', referring to the arrangement of flowers. The details of the discovery were published in the Journal of Botanical Taxonomy and Geobotany Feddes Repertorium. The genus belongs to the family Loranthaceae, a hemi-parasite under the sandalwood order Santalales and is of widespread importance. Plants which are hemi-parasites are partially dependent on their host plants for nutrition. For instance, the newly discovered plant that derives nutrients from its hosts has green leaves capable of photosynthesis.

Feeds birds

Loranthaceae is currently represented by nine genera and are found all across the country. What makes the new genus unique is that it is endemic only to the Nicobar group of islands. Lal Ji Singh, Joint Director, Botanical Survey of India, who has discovered the genus, said, "During field studies, I found the birds consume viscous seeds of this new genus and seeds have potential of pseudo viviparous germination that deposit on the leaves and branches of their same plant which is already attached to host plants. After germination, the life cycle of the genus starts all over again." Hemi-parasites include are commonly referred to as mistletoes that contain 18 families, 160 genera and over 2,200 species. They need a host tree or shrub in order to thrive and exhibit a worldwide distribution in tropical as well as temperate habitats that evolved approximately five times in the order and are important in forest ecology, pathology and medicine. They play an important role as they provide food for frugivorous birds. In addition to *Septemeranthus*, four other genera on non-parasitic plants, *Nicobariodendron* (Hippocrateaceae), *Pseudodiplospora* (Rubiaceae), *Pubistylis* (Rubiaceae), *Sphyranthera*, (Euphorbiaceae) have also been discovered earlier from Nicobar group of islands, highlighting the ecological significance of the region. Recently a new species in the hemiparasitic family Loranthaceae, *Dendrophthoe laljii* have also been discovered from the Nicobar group of islands.

WHY IS STARLINK OFFERING A 'PREMIUM' SERVICE NOW?

Elon Musk's satellite internet venture Starlink, which has been hit with delays in India owing to pending regulatory approvals, has started offering a "premium" service to its customers in existing markets with a promise of faster internet speeds and improved performance. The new premium offering — at \$500 a month — further flags the technology's cost-prohibitiveness for market like India.

What is the satellite broadband service?

The service offers low-latency broadband internet to remote areas across the globe, using a constellation of satellites in low-Earth orbit. In other words, it allows users to connect to the internet beamed from space onto a dish antenna, much like satellite TV. Amazon and OneWeb are also working on their versions of this satellite internet technology.

What is Starlink's premium service?

The premium service claims to provide internet speeds ranging between 150 and 500 mbps. The latency of the premium service is between 20-40ms. In contrast, the regular Starlink service has

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



speeds between 100 and 200 mbps. According to Starlink's website, the premium offering will come with 24x7 support and assist features through a mobile app.

What has been Starlink's journey in India so far?

India was considered to be a key market for Starlink, and the company was looking to focus on 10 rural Lok Sabha constituencies to provide internet services to begin with. It had even started pre-orders for users in India last year, however, all that came to a nought in November following a government notification, which warned the company to obtain a license for its services before starting bookings. Following the government notification, the company started issuing refunds to those who had placed pre-orders for Starlink's services. The company had received more than 5,000 pre-orders. In January 2022, Sanjay Bhargava, Starlink's India Head quit the company.

Is there a market for satellite broadband in India?

Both Starlink and OneWeb plan to launch their satellite broadband services in India in 2022. And while, in the absence of widespread optic fibre coverage, satellite broadband presents a stopgap solution for government and civic services, the high costs of the technology may not result in wider adoption once Bharatnet coverage reaches. In December 2021, Bhargava had said the service would cost an estimated Rs 1.58 lakh in India per user terminal in the first year, and around Rs 1.15 lakh from the second year onwards. For speeds comparable to Starlink's, internet services offered by state-owned Bharat Broadband Network Ltd (BBNL), on the Bharatnet infrastructure, costs between Rs 32,000 to Rs 57,000 per year.

Can satellite-based internet services challenge terrestrial networks?

Services proposed by companies such as Starlink and OneWeb mainly depend on low-earth orbit (LEO) satellites. And these companies have already launched large fleets of these satellites to enhance connectivity. While in the short term satellite broadband may only be targeted at remote areas where terrestrial networks haven't reached, in the longer term it could end up competing with these networks even in the developed regions given one key benefit, which is that signals travel faster through space than they do through optic fibre cables.

FASTER SPREAD OF OMICRON IS NOT DUE TO HIGHER VIRAL LOAD

The Omicron variant became the dominant variant infecting both vaccinated and the unvaccinated persons in many countries just one month after the World Health Organization designated it a variant of concern on November 26, 2021. Two months since, Omicron has become the dominant variant in every country that is witnessing a new wave. In short, Omicron has replaced the Delta variant, which was considered highly transmissible in almost every country across the world. One of the defining features of a new variant is the higher transmissibility than the existing variant. If the Delta variant was found to be highly transmissible when compared with the Alpha variant, the Omicron variant has been found to be extremely transmissible when compared with the Delta variant.

Early studies

Earlier studies suggested that the extremely high transmissibility of the Omicron variant was probably due to higher viral load in an infected person. The higher the viral load in a person, the greater are the chances that the infected person can successfully spread it to others. This is because the infected person tends to release larger amounts of the virus. While the Delta variant



require a relatively longer period of exposure before a person gets infected, the Omicron variant has been found to spread within a few minutes of exposure. But the results of a study posted in medRxiv preprint server (and is yet to be peer-reviewed) has found that the viral load is nearly the same with both variants — Delta and Omicron.

Backed by mutations

With the Omicron variant possessing many mutations that allows it to escape the immune system better even in previously infected or fully vaccinated people, the extremely high rate at which the Omicron variant is spreading might be due to inherent immune escape capabilities rather than the high viral load as it was previously thought. A team led by researchers from the Harvard T. H. Chan School of Public Health in Boston, Massachusetts, obtained longitudinal, quantitative RT-PCR test results of swabs taken from the nose and throat of over 10,300 players from the National Basketball Association, the organisation responsible for professional basketball in North America. The period of study was restricted between July 5, 2021 and January 10, this year. From the beginning of the pandemic the players and other people associated with the Association have been undergoing regular testing. The league conducts frequent COVID-19 testing of its players and personnel. The researchers used RT-PCR cycle threshold (Ct) values of less than 30 as a proxy for viral load. The PCR test amplifies the genetic material from coronavirus through multiple cycles. Since the coronavirus has RNA, it is first converted into DNA, and each cycle of amplification doubles the amount of DNA. If there is just one DNA molecule to start with, the amount of DNA after 30 cycles of amplification will be one billion molecules. If there is more genetic material to begin with then fewer cycles of amplification would be sufficient to detect the DNA.

Surprising results

While the researchers were expecting that people infected with the Omicron variant would show higher viral load, the results were the just opposite. “The peak viral RNA based on Ct values was lower for Omicron infections than for Delta infections,” they write. For Omicron, the Cycle threshold (Ct) was 23.3, while for Delta the cycle threshold was 20.5. “These results suggest that Omicron’s infectiousness may not be explained by higher viral load measured in the nose and mouth by RT-PCR,” they write. The clearance phase was also shorter for Omicron infections — 5.35 days — while for Delta it was 6.23 days.

Omicron and Delta

Another team led by researchers from the University of Geneva, Switzerland, went a step further to measure the number of infectious virus particles present on the swabs collected from 150 infected people. The results are posted on preprint server medRxiv, and the paper is yet to be peer-reviewed. They found that breakthrough infections caused by the Delta variant had lower number of virus particles than unvaccinated people with Delta infection. Surprisingly, the number of virus particles in vaccinated individuals with Omicron infection was comparable with individuals with Delta breakthrough infections. Contrary to the previous notion that people infected with Omicron have higher viral loads than those infected with the Delta variant, the study by the University of Geneva found that vaccinated people infected with Delta or Omicron had nearly similar viral loads.