



CURRENT AFFAIRS FOR UPSC

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INTERNATIONAL

HARD TIMES FOR THE STATE OF THE UNION

When U.S. President Joe Biden stepped up to the podium to deliver his first State of the Union address before both houses of Congress this week, it was a historic moment for several reasons. Not only have none of his successors since 1945 delivered this address during an ongoing ground war of a similar magnitude to Russia's invasion of Ukraine, but the optics of his speech captured another rare event. The two top Congressional officials who stood behind Mr. Biden as he spoke, the Speaker of the House of Representatives and the Vice President, were both women for only the second time in the country's history.

The hurdles, Ukraine too

Notwithstanding the epochal times marking this event, the reality is that Mr. Biden faces grim challenges on the foreign policy front and a steep upward climb to overcome domestic hurdles before he can claim credit for any policy legacy that purports to improve the lot of his fellow citizens.

On the foreign policy side, Russian President Vladimir Putin's move to call the West's bluff and kick off a military assault of Ukraine has posed complex strategic questions to the Biden administration, which are difficult to explain away to a U.S. domestic audience. Why did Mr. Biden leave Kyiv hanging in the balance without North Atlantic Treaty Organization (NATO) membership and with a virtual target on its back vis-à-vis Moscow's guns, when many among Ukraine's neighbours are treaty allies of NATO? Why, despite so many explicit signs that Russia would invade Ukraine if NATO carried on expanding its footprint eastwards across Europe, did Mr. Biden's administration not do more to either make it harder for Moscow to act in this regard or at least buy more time by persuading Mr. Putin to engage diplomatically?

Shadow of midterm elections

Now that the sweeping economic sanctions that Washington has slapped on Russian political elites and institutions associated with Kremlin have roiled the Russian economy and brought the rouble down to historic lows, how will the Biden administration contain the spill-over effects of economic collapse and prevent them from causing a broader global recession? With the conflict intensifying and the human toll rising fast as Russian troops march on Kyiv, the U.S.'s capabilities as a superpower nation will be scrutinised closely on the world stage in the days and weeks ahead. They will almost certainly be attacked by Republicans back home as the midterm election cycle gains momentum — former U.S. President Donald Trump has already set the tenor for the debate by describing Mr. Putin's Ukraine invasion as "genius" and "savvy".

At home, much depends on the outcome of the midterm elections, especially regarding the prospects for a Democratic White House to carry out any meaningful policy reform in the two years that the Biden administration will have from the time the midterms are complete. Democrats and Republicans are evenly split in the Senate with 50 seats each, while Democrats are clinging on to a narrow 221-212 margin in the House of Representatives, both of which



advantages could be lost to Democrats if the 2022 midterm election results do not favour them.

Critical issues

The keystone issues that Mr. Biden needs to convince voters on, if he is to stave off a deleterious shift in the balance of power on Capitol Hill this November, include jobs and economic recovery in the post-COVID-19 climate of uncertainty, preventing the pandemic from wreaking further havoc in future waves, if any, inflation, and social security and education reforms to ease the financial burden on middle class budgets. Almost without exception, Mr. Biden will need the support of Congress to get the heavy lifting done in these policy areas, particularly where budgetary apportionments require lawmakers' sign off. Certainly, it will matter in the foreign policy space. A recent example demonstrating the importance of Congress here is the fact that negotiations over a \$6.4 billion security and humanitarian aid package for Ukraine hit a stalemate in the Senate over the source of these funds — military spending allocation already agreed, or emergency provisions above and beyond that level. Similarly, on the domestic front, Mr. Biden's omnibus mega-bill in late 2021, seeking \$1.85 trillion for social security and climate change, came to naught in the face of cohesive opposition from Senate Republicans and some rebel Democrats who voted across the line.

The Trump impact

At the heart of the Democratic conundrum is the fact that the Mr. Trump's term in office unleashed forces that have tectonically shifted the ground under Washington politics. Whatever the charges of criminality or wrongdoing by the 45th President of the U.S., whether in terms of tax evasion or his role in spurring on the January 6, 2021 assault on the buildings of Capitol Hill, Mr. Trump's nativist call to white America to reassert its purported supremacy has firmly embedded itself in the broader discourse and heralded a new era where political correctness is eschewed, and facts sometimes matter less than opinion.

Indeed, it is evident that Mr. Biden is seeking to walk a tightrope between traditional mainstream Democratic values and the new paradigm when he spoke at the State of the Union of "the rebirth of pride" and "the revitalization of American manufacturing", which, if it materialises, could help his administration "Lower your cost, not your wages", and ensure the U.S. builds "more cars and semiconductors in America. More infrastructure and innovation in America. More goods moving faster and cheaper in America. More jobs where you can earn a good living in America. Instead of relying on foreign supply chains, let's make it in America".

At the end of the day the old adage of "It's the economy, stupid", continues to resonate deeply across the country as the tagline for the American Dream. The realisation of this — the Biden administration appears to concede — will require the adoption of strong self-interest as a guiding value for policymaking even when it comes at the cost of a gradual erosion of the global rules-based order and the globalisation consensus, and the repudiation of older, constitutional values such as equal protection of the laws.



RUSSIA-UKRAINE WAR: WHY SWITZERLAND IS VEERING FROM ITS TRADITIONAL NEUTRALITY POLICY

As western leaders came together to condemn the Russian invasion of Ukraine, Switzerland broke its 200-year long neutrality policy to sanction Moscow and its leaders. It also announced it would join the European Union (EU) in closing the Swiss airspace to Russian aeroplanes, curtailing entry to the Swiss with Russian connections and imposing financial sanctions on Russian President Vladimir Putin and other leaders.

“Switzerland is implementing the financial sanctions imposed by the European Union on Russian President Vladimir Putin, Prime Minister Mikhail Mishustin and Foreign Minister Sergey Lavrov with immediate effect,” the Swiss federal government said in a statement on February 28.

“We are in an extraordinary situation where extraordinary measures could be decided,” Switzerland’s President and Foreign Minister Ignazio said while announcing the decision.

The famed neutrality

The tiny Alpine nation the size of Haryana has had a neutrality policy in place since 1815. Its official website attests to this, noting that “permanent neutrality is a principle of Swiss foreign policy.” Though it serves as the headquarters of several diplomatic missions and as the venue for historic treaties like the Geneva Convention, Switzerland is not a part of the European Union or NATO. It is a mark of how seriously the Swiss take their neutral foreign policy that it joined the United Nations as recently as 2002, putting an end to years to debate after 54 per cent of its population voting in favour of the move.

Historically, the Swiss had been famed warriors with expansionist ambitions until the 1500s when they lost the Battle of Marignano to the French. The years that followed saw the Swiss shift its foreign policy to that of being an armed impartial state during wartime, a stance which was sorely tested in the decades that followed.

The World Wars

During the Second World War, Switzerland, which shares borders with Germany, France and Italy, found itself surrounded by Axis forces, with Hitler describing the land-locked territory as “a pimple on the face of Europe”.

The Swiss used a combination of military deterrence, strategic planning and economic neutrality to hold its own in 1940s Europe. An Independent Commission of Experts Switzerland – Second World War noted that the country was “completely encircled by the Axis powers between summer 1940 and autumn 1944” and survived by adopting a “fortress mentality”.

Leveraging their unique terrain comprising the mighty mountains and populous plateaus, the Swiss put together an intricate system of defences by packing explosives into structures at strategic locations on its border and major transportation routes, many of which were dismantled only recently. For instance, a bridge connecting Stein in Switzerland to Bad Säckingen in Germany, which was secretly fitted with explosives, was disarmed as recently as October 2014, according to a Financial Times report.

Besides this, the Swiss pursued a policy of armed neutrality, putting into place compulsory military service (which continues till date) to maintain military readiness in event of an invasion.



Equally significant was its policy of economic cooperation with both the Allied and Axis forces, which made them a less attractive target for attack.

The latter has also earned the Swiss flak for colluding with the Nazis—the Independent Commission report quotes a London Times journalist memorandum to the British Foreign Office suggesting that Switzerland will not be occupied both due to Swiss industrial and banking prowess and because Switzerland was the place “where the bigshot Nazis have parked their loot.”

What changed now?

In an official statement, the Swiss government said that “Russia’s unprecedented military attack on a sovereign European country was the deciding factor in the Federal Council’s decision to change its previous stance on sanctions.”

However, this contradicts its stance on the Russian annexation of Crimea in 2014. A Reuters report from the time noted that while Switzerland said it will not be “abused” by those looking to avoid sanctions by the West, it stopped short of adopting measures of its own. Up to now, the exception has been sanctions imposed by the UN Security Council, which it has to implement under international law, reported Reuters.

But Switzerland is not really breaking a precedent, pointed out political scientist Dr Laurent Goetschel, who heads Swisspeace, a research institute based in Bern. In an email to The Indian Express, Dr Goetschel explained that during the war in the Balkans, and the civil war in Syria, Switzerland had taken over sanctions decided by the EU though they were not backed by a UNSC resolution.

In its official statement announcing sanctions, the Swiss federal government had said that it had weighed its neutrality and peace policy considerations into account to reach its decision. Tobias Vestner, who heads the security and law program at the Geneva Centre for Security Policy, spelt out the events that influenced the decision in an email to The Indian Express. Vestner said that the Swiss government has initially adopted a traditional and very narrow interpretation of neutrality, which translated to a decision to not issue any sanctions. However, the Swiss parliament and citizens strongly pushed back, arguing that Russia’s massive military aggression cannot be tolerated. This prompted the government to reconsider its position, said Vestner.

The pushback had been significant indeed. Days after Putin announced “military operations” in Ukraine, thousands of citizens took to the streets in several parts of Switzerland, including Zurich, Bern and Basel. Swiss media service SWI reported that around 20,000 people participated in the Bern demonstration alone and that protesters “jeered whistled the Swiss government” for not supporting the EU sanctions.

When asked if this decision is an exception to its long-standing policy or a deliberate new direction in Swiss politics, Vester said this remains to be seen as the neutrality principle needs to be applied on a case-by-case basis.

“It seems clear, however, that Swiss citizens have increasingly become ‘global citizens’ that care about what happens around the world. Swiss neutrality will thus remain an instrument of Swiss foreign policy, but it will probably not be applied as ‘business-as-usual’ paradigm,” he said.



FINLANDISATION

Soon after Russia's revanchist assault on Ukrainian sovereignty precipitated by the threat of Ukraine joining NATO, its foreign affairs spokesperson, Maria Zakharova, came out with the following statement: "Finland and Sweden should not base their security on damaging the security of other countries and their accession to NATO can have detrimental consequences and face some military and political consequences".

Sweden and Finland responded to Moscow's veiled threats with the Finnish government brushing down Moscow's dictum saying that they have heard such words before and that they don't see this as Moscow threatening them while the Swedish Prime Minister said, "It is Sweden that itself independently decides on our security policy". There seems to be a stark contrast in how both these nations have decided to respond to Moscow.

The origin of Finlandisation within this dynamic can be broadly traced back to the Cold War when Finland did not join NATO and enjoyed years of a relatively non-interfering stance from Moscow as a result of the Finno-Soviet Treaty of 1948. Moscow was, of course, deeply concerned with developments in Finland and did not want them to sway towards Moscow's ideological adversaries. While a claim can be made that Moscow did influence Finland's domestic and foreign policy, it nonetheless 'allowed' them to maintain their sovereignty and didn't actively interfere in their affairs.

THE N-WORD

Russian foreign minister Sergei Lavrov is not a novice. He has been leading Russia's relations with the world for nearly two decades, and before that he was his country's Permanent Representative to the United Nations for a decade. He knows what impact the words of a senior functionary like himself can carry across the world, as the country that he represents has only days ago launched a military invasion of its smaller neighbour. So when he lets drop the sentence (in an interview to the Russian news agency RIA) that "if a third World War were to take place, it would involve nuclear weapons and be destructive", he does so deliberately, knowingly. Read together with Russian President Vladimir Putin's warning to the world as he sent his troops into Ukraine last week that any attempt to "interfere" with the Russian action would lead to "consequences never before seen", his orders putting Russia's nuclear forces on alert, and the Russian Navy's reported drill, complete with nuclear submarines in the Barents Sea, Lavrov's words are alarming.

Lavrov's claims that Ukraine "possesses Soviet technology and means to deliver these weapons" and his accusations against the West for being "fixated" on a nuclear war are escalating the tensions in Europe. For the record, under a 1994 agreement, Ukraine gave up all the nuclear weapons stationed on its territory by the Soviet Union to Russia in return for monetary compensation, and joined the Nuclear Non-Proliferation Treaty. Russia, on the other hand, has the world's largest nuclear arsenal, according to the Stockholm International Peace Research Institute. The nuclear sabre-rattling by Lavrov can only shrink the space for peaceful conflict resolution. Despite tremendous pressure from the US and partners in Europe to join them in condemning the invasion of Ukraine, India was among 35 countries that abstained from voting on a resolution denouncing "Russia's aggression against Ukraine" in the UN General Assembly on Tuesday and at the Security Council last Friday.



EXPLAINED: WHY UKRAINE GAVE UP ITS NUCLEAR ARSENAL

In Ukraine, the nuclear question is playing out very differently. Under an international agreement, and supervised by Russia and the United States, Ukraine had de-nuclearized completely between 1996 and 2001. Now, with invading Russian forces inside its borders, many Ukrainians are wondering whether it had been a mistake to de-nuclearize, and whether having nuclear weapons could have worked to deter Russia's aggression against their country.

This is based on the arguable underlying assumption that countries that possess nuclear weapons rarely go to war against each other, deterred by the prospect of mutually assured destruction. Ukraine's decision to give up nuclear weapons followed three years of national deliberations and with the US and Russia, and hefty security assurances by the three original Non-proliferation Treaty (NPT) powers — the US, Russia, and UK — and by France and China, too. This was buttressed by promises of non-expansion by NATO to assuage Russian concerns.

For more than two decades, Ukraine was seen as a model of non-proliferation, and an example of an ideal NPT signatory, at a time when India and Pakistan went nuclear, and the A Q Khan proliferation network put Pakistan at the centre of the scandal.

At the end of the Cold War, Ukraine's choices

After the fall of the Berlin Wall in 1989, Ukraine set out on the path to independence from the crumbling Soviet Union. Its 1990 Declaration of Sovereignty, passed a year before the USSR broke up, contained an explicit political declaration that it wanted to be a non-nuclear, nuclear weapons-free state.

The Ukrainian republic, one of the 15 in the erstwhile USSR, was at the time just emerging from the Chernobyl disaster (1986). The command and control of the nuclear weapons on Ukrainian soil was in Moscow. Ukrainian leaders of the time feared this could place restrictions on their freedom.

After the break-up of the Soviet Union, however, the mood changed in Ukraine. It now believed that giving up the nukes was no longer necessary for its freedom. At the time, Ukraine had 176 intercontinental ballistic missiles (ICBMs), of which 130 were liquid fuel SS-19s, and 46 were solid fuel SS-24s. In addition, it had 44 cruise missile-armed strategic bombers. Its warhead inventory was nearly 2,000 — in addition, it had 2,600 tactical nuclear weapons.

But the question then turned to who owned these weapons — Russia, as the main successor state of the Soviet Union, or Ukraine or Belarus or Kazakhstan, where this former Soviet arsenal was stationed. Their deterrence value was also in question, given the long range of the ICBMs, and the knowhow and the finances that would be needed to maintain and replace the arsenal at end of their life.

Retaining the weapons would additionally mean that Ukraine would be a nuclear state outside the NPT. (Other than the P5 countries, other signatories have to be non-nuclear states, or must give up nuclear weapons). Ukraine, which desired to be part of Europe, did not want to embark on its new journey with sanctions and isolation on the continent.

The assurance of 1994 in Budapest



The Budapest Memorandum on Security Assurance, signed on December 5, 1994, sealed Ukraine's membership in the NPT and its status as a non-nuclear country in return for security assurances. The signatories were the presidents of Ukraine (Leonid Kuchma), the US (Bill Clinton), Russia (Boris Yeltsin), and the British Prime Minister (John Major). Later, China and France, who became NPT members in 1992, also became signatories.

The Budapest Memorandum came after the Lisbon Protocol of 1992, which made Ukraine, Belarus, and Kazakhstan parties to the first Strategic Arms Reduction Treaty (START I), a 1991 treaty signed by the US and the Soviet Union to reduce the number of nuclear weapons on each side.

The Budapest document committed the powers to "respect the independence and sovereignty and the existing borders of Ukraine" and the "obligation to refrain from the threat or use of force against the territorial integrity or political independence of Ukraine". It also committed them to not using their weapons against Ukraine "except in self-defence or otherwise in accordance with the Charter of the United Nations".

The powers also said they would "seek immediate UNSC action to provide assistance to Ukraine" if it was threatened or attacked with nuclear weapons, and would consult in the event such a situation arose. However, it has been pointed out that this was an assurance, but not a security guarantee.

Ukraine won a political victory by the implicit recognition that it was the owner of the nuclear weapons on its soil. In 1996, within two years of the signing of the Budapest Memorandum, Ukraine handed over all the nuclear weapons on its soil to Russia. Ukraine also managed to strike tough bargains — Russia compensated its neighbour with a payout of 1 billion dollars, and the US paid a massive sum to buy Ukraine's stockpile of enriched uranium.

Although Ukraine continued to have concerns that Russia was not fully reconciled to the new international boundary, the agreement held for over two decades, even as Russia expressed concerns over NATO's expansion. Vladimir Putin, who succeeded Boris Yeltsin as president at the end of 1999, first expressed this concern at the Munich Security Conference in 2007, accusing NATO of pushing the envelope to incorporate former states and satellites of the Soviet Union and lighting into the US, accusing it of considering itself above international law and triggering a new arms race through its unilateral actions.

From annexation of Crimea to invasion of Ukraine

Russia's annexation of Crimea in 2014 was a clear violation of the Budapest Agreement, and the first big test of its security assurance to Ukraine. Despite being a signatory to the agreement, Moscow did not participate in the consultations, and vetoed a resolution against the annexation at the United Nations Security Council. The US imposed some sanctions on Russia, but Europe continued to do business with him.

EXPLAINED: HOW TURKEY CLOSING ITS WATERS TO RUSSIA'S NAVY COULD IMPACT THE WAR IN UKRAINE

When it comes to international affairs in India, Turkey's complex relations with Russia don't often get widespread attention. With Russia's invasion of Ukraine and the rapid developments in Europe, that is changing, particularly because of Turkey's geographical location.



Specifically in focus now are the Bosphorus and Dardanelles straits, under Turkish control, which are strategically important routes because they link the Black Sea with the Mediterranean Sea. Turkey's borders exist on both sides of the Bosphorus and Dardanelles straits, giving Ankara almost complete control over international access to the Black Sea. Now, Turkey has announced its decision to implement the Montreux Convention Regarding the Regime of the Straits, an international convention on naval passage that regulates maritime traffic through the Black Sea that has to pass through these two of its strategic straits. Turkey's intent in implementing this convention is to limit the movement of Russian warships between the Mediterranean Sea and the Black Sea.

Why is this route important to Russia?

Andrew M. Hascher in his paper 'The Black Sea and the Turkish Straits: Resurgent Strategic Importance in the 21st Century' writes that "Modern maritime shipping in the Black Sea and Turkish Straits is responsible for a wide variety of goods being brought to the global market. Perhaps most notable are the energy products of Russia, the South Caucasus region, and Turkey. Oil and natural gas are brought from as far away as the Caspian Sea via pipelines, then transit the Black Sea in both ships and further pipelines."

Beyond being an important global maritime shipping route, specifically for Russia, Hascher explains that this route is directly linked with the country's naval power. "Because Russia's only warm-water naval ports are on the Black Sea, in order to effectively project naval power the Russians must not only exert control of the sea, but also have unrestricted access to the Dardanelles and Bosphorus Straits," Hascher explains.

These straits in control of Turkey are the only maritime passage through which Russia's ports in the Black Sea can access the Mediterranean Sea and the waters beyond.

What were the developments last week?

When Russia started its invasion of Ukraine last week, Ukraine's ambassador to Turkey, Vasyl Bodnar, in a television broadcast appealed to the Turkish government to close its key straits to Russian warships, invoking the provisions of the 1936 Montreux Convention. Turkey said it could only do so if Ankara officially recognised the invasion as a war.

Then, on February 27, Turkey's Foreign Minister Mevlüt Çavuşoğlu announced that the country would now recognise the invasion as "war", which provides Ankara with the grounds for implementing the Convention with regard to military vessels.

What is the 1936 Montreux Convention?

This international agreement that went into effect in July 1936, put to rest the question of who would control these two strategic straits. During peacetime, the agreement guarantees freedom of passage for civilian vessels, including trade vessels, but battleships face certain restrictions.

Some researchers believe that the Convention restricts Russia's control over the region and has been a major driving force in Moscow's repeated demands that it be given greater control of the straits, dating as far back as the 1930s during Stalin's Soviet Union.

Turkey's pro-government daily, the Daily Sabah, quoted the country's Defense Minister Hulusi Akar saying, "We will continue to implement the 19th, 20th and 21st articles of the Montreux Convention like we have until today." The minister said, "We have favorable relations with



Ukraine and Russia...Under these principles, we cannot accept this military operation by Russia, which targets Ukraine's sovereignty, territorial integrity."

How are Turkey's diplomatic relations with Russia & Ukraine?

Turkey has complex diplomatic relations with both Russia and Ukraine, in part due to the region's socio-political history and geography. First, in the case of Turkey and Russia, relations between the Ottoman and the Russian empires were hostile and resulted in several wars. Post the 1920s, during the Turkish War of Independence, Bolshevik Russia offered assistance to Turkey.

Relations deteriorated again during the Second World War, all the way up to the 1950s when Turkey joined NATO. Post Stalin's death in 1953, relations began thawing, but the improvement only came in 1991, after the dissolution of the Soviet Union. Over the past three decades, bilateral relations have significantly improved and Turkey is one of Russia's largest trade partners.

Still, Turkey and Russia find themselves on opposite sides of the debate on several major foreign policy issues, that are again an extension of their complex histories and wider geopolitical interests. One of the major issues includes the Nagorno-Karabakh conflict, the Syrian Civil War, the Libyan Civil War and the Kosovo conflict. The Armenian genocide is another major bone of contention.

Turkey established diplomatic relations with Ukraine in the early 1990s when Ankara became one of the first countries to recognise Ukraine's sovereignty. Two years after Russia's annexation of Crimea, in 2016, Turkey's President Recep Tayyip Erdoğan called the annexation an "occupation" and told Ukraine's President Petro Poroshenko that Turkey would not recognise it. Since then, Turkey has backed Ukraine's territorial claims.

In 2022, as tensions between Russia and Ukraine escalated, during a visit to Ukraine, Erdoğan offered to hold a Ukraine-Russia summit as EU leaders increased outreach to the Kremlin as concerns grew that Moscow could invade Ukraine. Ukrainian President Volodymyr Zelenskyy thanked Erdoğan for the efforts and stated that he was "ready to do everything possible in all platforms and in all formats" to ensure peace. Turkey's rhetoric shifted after Russia's aggression increased and the government called the invasion of Ukraine "unacceptable". "On the fourth day of the Ukraine war, we repeat President Erdoğan's call for an immediate halt of Russian attacks and the start of cease-fire negotiations," Presidential Spokesperson Ibrahim Kalın, a Daily Sabah report quoted him saying. "We will continue our efforts to help the people of Ukraine and end bloodshed in this unjust and unlawful war," he added.

This past week, Turkey also sent humanitarian and military aid for Ukraine, with Zelenskyy thanking Erdoğan for Turkey's support. Zelenskyy added that a "ban on the passage of (Russian) warships to the Black Sea" was very important for Ukraine. In the wider interest of the region and its own interests, Turkey has heeded Ukraine's call.

In many ways, Turkey has found itself caught between Russia and Ukraine, where it not only has friendly ties with both, but also important Black Sea maritime boundaries. "We have political, military and economic relations with Russia. Same with Ukraine. We cannot give this up if you ask me because our country has high interests in this regard," Erdoğan had said last week, the Daily Sabah had reported.



RUSSIA-UKRAINE CONFLICT: WHAT HISTORY SHOWS

The story so far: In an address to the nation on February 21, Russian President Vladimir Putin announced his decision to recognise the two breakaway republics of Ukraine — Donetsk and Luhansk — as independent states, which turned out to be a prelude for Russia’s eventual military operation in the region. In the speech, Mr. Putin blamed Soviet leaders, especially Lenin, the leader of the 1917 Bolshevik revolution, for the disintegration of what he called “historical Russia”. Lenin’s idea of building the country “on the principles of autonomisation” (“the right of self-determination, up to secession”) eventually led to the fall of the Union of Soviet Socialist Republics (USSR), he said. “Lenin’s principles of state development were not just a mistake; they were worse than a mistake, as the saying goes. This became patently clear after the dissolution of the Soviet Union in 1991,” said Mr. Putin. From the speech it appears that Mr. Putin’s main grievance is the collapse of the Soviet Union — not as a communist superpower but as a geopolitical entity.

What was the context of the USSR’s collapse?

The unravelling of Soviet power began in the late 1980s with protests in the Eastern Bloc as well as in Soviet republics and the ignominious Soviet exit from Afghanistan. The Soviet Union sent troops to Afghanistan in 1979 to prop up the communist regime and after 10 years of fighting the Mujahideen, who were backed by the U.S., Pakistan and Saudi Arabia, the Soviets had to pull back in February 1989. Within months, Soviet-backed communist regimes in Eastern Europe started collapsing, practically bringing the Cold War to an end. It started in Poland, which hosted the headquarters of the Soviet-led Warsaw Pact security alliance. Protests spread to Hungary, East Germany, Bulgaria, Czechoslovakia and Romania. In June 1989, the anti-communist Solidarity movement, led by Lech Wałęsa, won an overwhelming victory in a partially free election in Poland, leading to the peaceful fall of communist rule. It triggered a chain reaction across the Eastern Bloc. In November 1989, the Berlin Wall that had separated the capitalist West Berlin and the communist east, fell, leading to the German reunification a year later.

Domestically, the Soviet Union was going through a tough economic phase. Mikhail Gorbachev, the last leader of the Soviet Union, stated that “an era of stagnation” gripped the country in the mid-1960s. By the time Gorbachev became the Soviet leader in 1985, the USSR was already in dire straits. Foreign trade was falling. Lower oil prices led to a fall in state revenues and an explosion in debt. Gorbachev introduced economic reforms, such as decentralisation (perestroika) and opening up of the economy for foreign trade. The reforms made the nationalists in the Soviet republics (administrative units) stronger, but failed to revitalise the economy.

How did the Soviet disintegration unfold?

The fall of communist states in the Eastern Bloc and the economic stagnation within the country had a debilitating impact on Moscow’s hold over the Union. In 1988, Estonia, a tiny republic on the Baltic coast, became the first Soviet administrative unit to declare state sovereignty inside the Union. On March 11, 1990, Lithuania, another Baltic republic, became the first to declare independence from the USSR. The old regime was falling under its own weight. The Eastern Bloc had collapsed. After the German reunification, the North Atlantic Treaty Organization (NATO) expanded to East Germany. Crisis was spreading across the Soviet republics and Gorbachev was planning to decentralise much of the central government’s powers to the 15 republics through the New Union Treaty, which was also a bid to renegotiate the original treaty that established the USSR in 1922. In August 1991, faced with the crisis in the Union, a group of communist hardliners, including top military and civilian leaders, tried to take power in their hands by ousting Gorbachev



in a coup. But the coup failed, and a further weakened Gorbachev continued to cling on to power. On December 8, 1991, leaders of three Soviet republics—Russian President Boris Yeltsin, Ukrainian President Leonid Kravchuk and Belarusian Prime Minister Vyacheslav Kebich — signed Belavezha Accords, announcing that the USSR no longer existed. They also announced the establishment of the Commonwealth of Independent States (CIS) that would replace the USSR. Within weeks, Gorbachev announced his resignation.

What are Russia's equations with the former Soviet States?

Of the former Soviet republics, nine are members of the CIS -- Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Uzbekistan. And Turkmenistan is an associate member. Russia retains enormous influence in these countries. Russia has also formed a security organisation, the Collective Security Treaty Organisation (CSTO), with former Soviet republics. Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan are CSTO members, besides the Russian Federation. Of the 15 republics that became independent after the fall of the Soviet Union, the three Baltic countries — Latvia, Lithuania and Estonia, all sharing borders with Russia — became members of NATO in 2004. Ukraine and Georgia were offered NATO membership in 2008. But in the same year, Russia sent troops to Georgia in the name of protecting two breakaway republics — South Ossetia and Abkhazia — against attacks from Georgian troops. In 2014, Russia annexed the Crimean republic, a Black Sea Peninsula, from Ukraine. This month, Russia recognised two more breakaway republics from Ukraine — Luhansk and Donetsk in the Donbas region — and sent troops there on Thursday. Russia also maintains a military presence in Transnistria, a breakaway republic from Moldova, and has dispatched troops to the borders between Armenia and Azerbaijan in 2020, to end a conflict between the two countries over Nagorno Karabakh (Republic of Artsakh), another breakaway republic.

Why did Ukraine fall out with Russia?

After it became independent in 1991, Ukraine largely adopted a neutral foreign policy. It was one of the founding members of the CIS, but did not join the CSTO, the security organisation. Ukraine stayed away from NATO as well. But the NATO offer of membership in 2008 started changing equations between Moscow and Kyiv. After the regime of pro-Russian Viktor Yanukovich was brought down in the 2014 Euromaidan protests and a pro-West government was established in Kyiv, relations turned hostile. Russia moved swiftly to take Crimea, which also hosts Russia's Black Sea fleet, and started supporting separatist rebels in Donbass. Ukraine later exited the CIS and wrote its desire to join NATO into its Constitution.

These developments pulled the countries apart, setting the stage for permanent hostility, which led to the current conflict.

EXPLAINED: 5 WAYS THE NEW SANCTIONS ARE PLAYING OUT IN RUSSIA

The Russian ruble tanked 30 per cent versus the dollar in offshore trading on Monday morning, trading as low as 117.8170 to a US dollar based on data compiled by Bloomberg, as against around 76 to a dollar on February 22.

As markets opened Monday, the impact of the sanctions package announced by the western nations triggered mayhem in the Russian financial and the global commodities' markets.

There are five areas where impact was clearly visible: A sharp tanking of the Russian ruble, a looming fear of a run on its banks, a panic reaction by the Russian central bank to suspend the

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



execution of all orders by foreigners to sell securities indefinitely starting February 28 morning, a looming shortage of most consumer goods that Moscow sources from the West, and a worsening of terms of trade on future imports. Also, the global commodity markets are seeing an upsurge, with crude, gas and metals spiking.

Currency impact

The Russian ruble tanked 30 per cent versus the dollar in offshore trading on Monday morning, trading as low as 117.8170 to a US dollar based on data compiled by Bloomberg, as against around 76 to a dollar on February 22.

Suspension of sell orders of Russian securities

Reacting to the plans announced by the US and European Union nations to sanction Moscow's central bank and cut off some financial institutions from the SWIFT messaging system, Russia's central bank Monday ordered professional stock market participants "to suspend the execution of all orders by foreign legal entities and individuals" to sell Russian securities from February 28 morning, Reuters reported quoting an internal document.

The document was published by ACI Russia, a leading trade association representing the interests of the wholesale financial markets community. The order stated that the measures were being taken by the regulator "in connection with the current crisis in the financial market and in order to ensure the protection of the rights and legitimate interests of investors in financial markets". It added that the decision was valid from 7 a m (04:00 GMT) on February 28 until the "cancellation of this order".

Consumer goods shortage

The impact of some of these measures would clearly end hurting middle class Russians, given that the country remains highly dependent on the West for many of its consumer goods. It is these goods that are stocked in Russian supermarkets and had catalysed the consumption boom in the economy over the last 6-odd years. This collapse of the ruble will impact the Russian living standards further, while having a deleterious effect on Moscow's "terms of trade" with its partners.

Bank run

Russia's central bank had, late Sunday night, issued an appeal for calm amid fears that new financial sanctions could spark a run on its banks, claiming it "has the necessary resources and tools to maintain financial stability and ensure the operational continuity of the sector".

The US, EU, United Kingdom and Canada had announced that the assets of Russia's central bank will be frozen, which would make it difficult for it from selling them overseas to support its own banks and companies. Also, some Russian banks are to be excluded from the SWIFT payment network.

On Friday, Russia's central bank was forced to increase the amount of money it supplies to ATMs after demand for cash reached the highest level since March 2020, the BBC reported. Reports showed long queues in cities like Moscow and St Petersburg, with people waiting to withdraw their ruble deposits amidst fears of a further tanking of the currency. The rush, combined with the lack of headroom for the central bank, accentuates the possibility of bank runs.



Oil surge

Brent crude surged past \$104 a barrel in the wake of the fresh sanctions on Russia, one of the top global producers of oil, gas, metals and agricultural products. Futures in London jumped as much as 6.5 per cent in early Asian trade on Monday, Bloomberg reported.

EXPLAINED: RUSSIAN SPACE AGENCY'S THREAT ON INTERNATIONAL SPACE STATION AMID UKRAINE CRISIS

In a threatening series of tweets, Russian space agency chief Dmitry Rogozin said that Russia could respond to the US sanctions by letting the ISS fall from space.

A widely circulated comment by the chief of Russian space agency Dmitry Rogozin has ignited fears that the tension following Russia's invasion of Ukraine could have consequences for the International Space Station (ISS), a permanent laboratory in space where the United States, Russia and some other countries work as partners.

In a threatening series of tweets, Rogozin said that Russia could respond to the US sanctions by letting the ISS fall from space. He said the ISS, a 420-tonne spacecraft, the largest man-made structure in space, could drop over US or Europe, or over India and China. Its orbital flight path usually does not take it over most of the Russian territory.

The ISS is not the first space station to be built and operated. Several smaller space stations have been used earlier, the most famous of which have been the Russian Mir space station that operated in the 1980s, and the American Skylab.

The threat

The threat from chief of Russian space agency emanates from the fact that Russia provides the propulsion system of the ISS which keeps it in the pre-defined orbit. The ISS has two broad segments, one each managed by the United States and Russia. While the US manages power and the systems that make the spacecraft habitable, Russia is responsible for keeping it in orbit.

ISS is not entirely in zero-gravity space. It does encounter a little bit of gravity. Also, it loses a bit of energy as it moves around the earth. Left to itself, the ISS would fall down. The Russians periodically send thrusters that attach themselves to the ISS and impart the required momentum to keep it going.

Rogozin's threat implied that the US and other countries would not be able to keep the ISS from falling down if Russia withdrew its support. Incidentally, Elon Musk, the billionaire owner of SpaceX, the largest private space enterprise which has been carrying both astronauts as well as cargo to the ISS, responded by saying that his company could step in and provide the propulsion to the facility in case the Russians abandoned it.

US-Russia space cooperation

The ISS is the most visible part of a wide-ranging space collaboration between US and Russia. The ISS partnership has so far remained immune from geopolitical tensions that regularly prevails between the two countries. For example, the previous crisis in Ukraine, when Russia had annexed Crimea in 2014, did not have any impact on the ISS collaboration.



This time too, Rogozin's threat is not being seen as something that Russia was seriously contemplating to do, and NASA played it down. But the present conflict does have the potential to affect space cooperation in other ways.

Already, there are reports that Russia might decide to keep the United States out from a planned mission to Venus, which the two countries were working to send together. The Venera-D mission to Venus is planned for 2029, and till now it was supposed to be a joint US-Russia mission.

EXPLAINED: HOW DEPENDENT IS INDIA ON RUSSIA'S WEAPONS?

Russia's invasion of Ukraine has long-term implications for India, most significantly on the decades old defence trade between the two. How strong are India's ties with Russia, and what is the value of weapons India has bought from Russia?

Even as the most immediate impact of Russia's invasion of Ukraine on India is the evacuation of thousands of Indian students who are stuck there, it is becoming clear there will be long-term implications too.

New Delhi has been trying to walk a fine line, negotiating its relationships with the United States and other Western nations on one side, and the historically deep and strategic ties with Russia on the other, even as its stand is becoming incrementally critical to Russia as its forces continue to fight in Ukrainian cities.

However, both the sanctions imposed by the United States and other countries on Russia, and how Russia views Delhi's slowly shifting stand are going to have a long-term impact, most significantly on the decades old defence trade between the two.

How strong are Indian and Russian defence ties?

India was reliant, almost solely on the British, and other Western nations for its arms imports immediately after Independence. But this dependence weaned, and by the 1970s India was importing several weapons systems from the USSR, making it country's largest defence importer for decades when it came to both basic and sophisticated weapons systems. In fact, it has provided some of the most sensitive and important weapons platforms that India has required from time to time including nuclear submarines, aircraft carriers, tanks, guns, fighter jets, and missiles.

According to several people, the defence trade, which remains significant, is one of the important causes why India has not taken a critical stand openly against Russia. However, India-Russian ties cannot be viewed only from that perspective.

The legacy of buying weapons from Russia has made India somewhat dependent on it, and even though India has tried to expand the base of countries from which it buys new military systems, Russian-origin weapons still have the lion's share. According to one estimate, the share of Russian-origin weapons and platforms across Indian armed forces is as high as 85 per cent.

According to an April 2020 working paper published by Sameer Lalwani of the Stimson Center, along with other researchers, the "breadth of Russian-origin platforms in the Indian military—which our analysis suggests composes 85 percent of major Indian weapons systems rather than the 60 percent figure often cited—have created a 'lock-in' effect, while the depth of relative support to India's technology base and strategic systems have engendered a relatively high degree of indebtedness and trust in key strategic circles.



However, it added that the paper found “scant evidence that India’s extended arms collaboration and geopolitical relationship with Russia have led to a diffusion of strategic thinking that has directly or indirectly shaped military doctrine.”

What is the value of weapons India has bought from Russia?

Russia is the second largest arms exporter in the world, following only the United States. In the five-year period between 2016 and 2020 America’s share in the global arms trade was 37 per cent, compared to 20 per cent of Russia’s, as per the Stockholm International Peace Research Institute (SIPRI), which tracks the global arms trade and military expenditure.

For Russia, India is the largest importer, and for India, Russia the largest exporter when it comes to arms transfer. Between 2000 and 2020, Russia accounted for 66.5 per cent of India’s arms imports. Of the \$53.85 billion spent by India during the period on arms imports, \$35.82 billion went to Russia. During the same period imports from the US were worth \$4.4 billion, and from Israel it was worth US\$ 4.1 billion.

According to a SIPRI report on international arms transfer trends published in March 2021, between 2016 and 2020 Russia delivered major arms to 45 states. “India remained the main recipient of Russian arms in 2016–20, accounting for 23 per cent of the total, followed by China (18 per cent).

Russia’s share in Indian arms imports was down to about 50 per cent between 2016 and 2020, but it still remained the largest single importer. SIPRI noted that although “several large Russian arms deals with India, including for combat aircraft, were completed by 2020, India placed new orders for a variety of Russian arms in 2019–20. The ensuing deliveries will probably lead to an increase in Russian arms exports in the coming five years.”

What are the kinds of weapons Russia has given India?

Almost everything, over the years. At the moment there are two major defence deals between India and Russia that might be jeopardised by the current crisis. First, and most significant, is the deal to buy five units of the state-of-the-art S-400 Triumf air-defence system. It is among the most advanced in the world, and India placed an order for five units for around \$5 billion in 2018. The first unit was delivered in December 2021, and has been deployed at an Indian Air Force base in Punjab.

The deal has been under the threat of American sanctions, even as the US had not decided on it yet. But the fresh round of sanctions on Russia could sound alarm bells for it.

Similarly, India and Russia had just signed a deal to manufacture around 6 lakh AK 203 rifles at a factory in Amethi.

But apart from these ongoing projects, Russia has also pitched to make six AIP-powered conventional submarines for the Navy under the P75-I project, along with four other international bidders. The final call is yet to be taken.

In fact, the first submarine India ever got was also Soviet. The first Foxtrot Class submarine bought from the USSR entered Indian service in 1967 as INS Kalvari. Of the total 16 conventional diesel-electric submarines with the Indian Navy, eight are Kilo class, of Soviet origins.



India is also in talks with Russia to lease two nuclear-ballistic submarines, Chakra 3 and Chakra 4, the first of which is expected to be delivered by 2025. Earlier too, INS Chakra 1 and INS Chakra 2 were Russian vessels, both of which were returned after their leases expired. India has one indigenously manufactured nuclear ballistic submarine commissioned, of the four that are being built. However, a lot of the technology is based on Russian platforms.

The only aircraft carrier in service with India, INS Vikramaditya is a Soviet-made Kiev-class vessel that came into service for the Indian Navy in 2013. India's first indigenously-made aircraft carrier is expected to be commissioned this year.

India's missile programme has been developed with significant help from Russia or the Soviets earlier. The BrahMos missile, which India will begin exporting soon, has been developed jointly with Russia.

Russia has also been one of main exporters of fighter aircraft to India, including hundreds of Sukhoi and MiG jets.

A US Congressional Research Service report on Russian arms sale and defence industry, published in October 2021 has quoted figures from the Military Balance 2021 report of the International Institute of Strategic Studies (IISS), a global security, political risk and military conflict think tank, that "India's present military arsenal is heavily stocked with Russian-made or Russian-designed equipment."

It mentioned that the Indian Army's main battle tank force is composed predominantly of Russian T-72M1 (66 per cent) and T-90S (30 per cent).

The Indian Navy's sole operational aircraft carrier is a refurbished Soviet-era ship, and its entire complement of fighter and ground attack aircraft are Russian-made or produced in India on license (the Navy's fighter fleet comprises 43 MiG-29K/KUBs). Four of the Navy's 10 guided-missile destroyers are Russian Kashin class, and 6 of its 17 frigates are Russian Talwar class.

The Indian Air Force's 667-plane fighter ground attack (FGA) fleet is 71 per cent Russian-origin (39 per cent Su-30s, 22 per cent MiG-21s, 9 per cent MiG-29s). All six of the service's air tankers are Russian-made Il-78s.

Is India trying to expand its weapons base?

Over the last few years there has been a conscious effort to expand the weapons platform bases to not only other countries, but also domestically as well.

SIPRI noted in its international arms transfer trends report last year that between 2011–15 and 2016–20 arms imports by India decreased by 33 per cent. "Russia was the largest arms supplier to India in both 2011–15 and 2016–20. However, Russia's deliveries dropped by 53 per cent between the two periods and its share of total Indian arms imports fell from 70 to 49 per cent. In 2011–15 the USA was the second largest arms supplier to India, but in 2016–20 India's arms imports from the USA were 46 per cent lower than in the previous five-year period, making the USA the fourth largest supplier to India in 2016–20."

France and Israel were the second and third largest arms suppliers to India in 2016–20, it said.

According to the report, the "overall drop in India's arms imports between 2011–15 and 2016–20 seems to be mainly due to its complex and lengthy procurement processes, combined with its



attempts to reduce its dependence on Russian arms by diversifying its network of arms suppliers. As India perceives increasing threats from Pakistan and China and as its ambitious plans to produce its own major arms have been significantly delayed, it is planning large-scale programmes for arms imports.”

It added that based on India’s outstanding deliveries of combat aircraft, air defence systems, ships and submarines, India’s arms imports are expected to increase over the coming five years.

But it is important for India to diversify its base, to not become too reliant on any single nation, as it can become a leverage that can be exploited by that nation.

The US Congressional report had stated: “Many analysts in India and beyond conclude that the Indian military cannot operate effectively without Russian-supplied equipment and will continue to rely on Russian weapons systems in the near and middle terms... In this sense, much of Moscow’s influence in India comes through its willingness to provide weapons systems and technologies that no other country will export to India. Russia also continues to offer advanced weapons platforms at relatively attractive rates.”

NOT TAKING SIDES

With a convincing majority of 141 of 193 countries, the UN General Assembly voted on Wednesday for a resolution that deplored in the “strongest terms” Russia’s attack on Ukraine and demanded an immediate withdrawal of Russian troops. The resolution, which was discussed in a rare special emergency session and under the rubric of the “Uniting for Peace” resolution invoked after decades, came as a result of an aborted resolution at the UN Security Council, which Russia, as a permanent member, had vetoed. While the UNGA resolution carries little teeth, it does represent a common stand taken by the international public commons, with 96 countries signing up as co-sponsors of the resolution. Russia rejected the outcome as a political vote that came of severe “pressure” from the U.S. and European countries that were the drivers of the resolution, but it seemed clear that it was isolated on the global stage. Belarus, Eritrea, North Korea and Syria voted against the motion, and 35, including India, abstained. While the resolution also decried the Russian decision to recognise Donetsk and Luhansk as independent states, representatives of member states made it clear that it was the relentless bombing of Ukrainian cities that they could not turn a blind eye to.

India’s abstention, not a surprise, disappointed many western countries that have been lobbying for a shift in the Indian position. In the past week, India has abstained from three votes (including two procedural ones) at the UNSC where it is an elected member, one at the UN Human Rights Council, and another at the IAEA on resolutions critical of Russia. In an explanation of vote (EOV), India’s UN representative said that India is calling for dialogue, while officials say that India’s abstention has given it room to play a role in diplomacy with Russia and Ukraine. In a sign of some discomfort with Russian actions, the EOV also dropped the earlier references to the “legitimate security interests”, and included language on respecting the “territorial sovereignty” of members. India has also sent humanitarian aid to Ukraine although its vote of abstention indicates the Modi government still has many reasons not to vote against Russia, a strategic and defence partner that has stood by India. As the conflict continues, and the global community expresses its disapproval, however, India’s desire to remain an “abstentionist” power is being called into question. The Government has also said that it needs to remain on good terms with both sides as its primary focus remains the safe exit of Indians from the conflict zone. While evacuating Indians is an important priority, it cannot be India’s only focus in this crisis, given its aspirations for global



leadership and the oft quoted motto of “Vasudhaiva Kutumbakam”. It may become necessary for India to engage more deeply with the conflict in Europe, which is now a global concern.

THE UKRAINE WAR, INDIA AND A STAND OF NON-ALIGNMENT

Very few sayings are as true as: “Truth is the first casualty in war”. Its corollary is: “No government tells the truth about war to its people”. Certainly not the whole truth. This is true of all governments at all times in all countries. India’s war with China ended in 1962. Sixty years later, we still do not know all the truth about that war. The Henderson Brooks report that delved deeply into the circumstances leading up to the war and the conduct of the military operations has still not been made public, though many claim to have read it. The reason it has not been made public, it is believed, is that it does not reflect well on the army. Even if true, how will it reflect poorly on today’s Indian Army? It is interesting that even BJP governments have refrained from making it public.

For Ukraine and the West

So, we will hear claims and counter claims about the Russian invasion of Ukraine. It is widely recognised that Russia has legitimate security concerns. The North Atlantic Treaty Organization (NATO) is already at its doorstep. The saga of broken promises and commitments, albeit oral, given at the highest level by the West to Russia that NATO will not be expanded eastwards, closer to Russia, is well documented.

However, that does not justify the invasion of Ukraine. Also, it is not clear how this war will take care of Russian security concerns. Even if the West agrees to give such assurance in writing, it will not have much meaning since written commitments can also be equally easily disregarded. The President of Ukraine ought to have been more flexible in devising some formula which would have accommodated Russia’s concerns, as for example by announcing adherence to the Minsk agreements. He knew, and knows, that the only country which would suffer heavy casualties and suffer incalculable destruction, is his own. The West could also have been more innovative. The distrust towards Russia lies deep in the western psyche.

A large part of the world has condemned the Russian invasion. Quite rightly too, since it is a gross violation of the universally accepted principle of respect for the sovereignty and territorial integrity of states. Ukraine is a sovereign state, founding member of the United Nations. It may be recalled that the Soviet Union wanted all the Soviet Republics to be admitted to the newly founded United Nations. Ultimately a compromise was struck and only two republics — Ukraine and Byelorussia as Belarus was then called — were admitted. Thus, Russia has surely violated the most important principle of international law. Does concern about its security perceptions justify the invasion?

Ukraine is in no position to defend itself against Russian might. It was widely expected that it would be a short, decisive war. There is no doubt that Russia can and will prevail, but if it has to take Belarus’s help in doing so, it will not redound well to Mr. Putin’s credit. The resistance put up by the Ukrainian people under President Volodymyr Zelensky’s leadership is impressive. But what thereafter?

Challenging for India

India is in a difficult position. On the one hand, there is the growing relationship with the United States. As is often maintained, India-U.S. relations have never been better. This is true especially



in the defence sector. Much is also made of the famous Quad (India, the United States, Australia and Japan) which is essentially an arrangement to contain China. How that helps India, the only one in Quad having a territorial dispute with China, is not clear.

On the other hand, there is Russia with whom we have a long-standing history of friendship, which is still our principal source of military hardware and which is willing, more than other countries, to share the technology involved. Russia has also helped us out in the United Nations on many occasions. One can hardly forget how they stalled action in the UN for several days at the time of the 1971 Bangladesh war to enable us to 'finish the job'. We might need Russian support in future as and when Pakistan, fully backed by China, brings up the Kashmir issue in the world organisation.

Under the circumstances, the Government had done well by maintaining a kind of neutral position. It is a demonstration of the classical Nehruvian policy of non-alignment. There are influential voices in India that speak derisively of non-alignment but that is precisely what we are witnessing the Government do. Yes, the Russian invasion is wrong by every principle of international law. But the only lasting principle in foreign policy is the principle of national interest. Jawaharlal Nehru even called it a selfish policy. National interest will always trump principles. That is what Nehru did at the time of the Soviet Union marching with tanks into Hungary in 1956; he did not condemn the Soviet action. Our stand stood out in stark contrast to our stand on the Anglo-French-Israeli aggression on Egypt, which we condemned, when it nationalised the Suez Canal the same year.

However, if the war continues, resulting in large number of civilian casualties, and given the nuclear alert, Belarus's renouncing of non-nuclear status, the indiscriminate bombing of major cities, will all make it extremely difficult for us, India, to maintain the non-aligned position for long.

THE ANATOMY OF INDIA'S UKRAINE DILEMMA

New Delhi's response to the Russian aggression against Ukraine appears to have been shaped by harsh geopolitical circumstances, that it is in the middle of, than its normative beliefs or preferences. Late last week, India abstained from a United Nations Security Council (UNSC) resolution which called for condemning the Russian military action against Ukraine, but it went on to note its uneasiness of the Russian action in writing (a first).

Prime Minister Narendra Modi, who spoke to Russian President Vladimir Putin as the war broke out, called for an "immediate cessation of violence" and has so far refused to pay heed to Ukrainian Ambassador to India Igor Polikha's impassioned pleas urging Mr. Modi to mediate with Mr. Putin to halt Russian military advances. With the UNSC deadlocked, friends with both the United States/West and Russia, and passionately urged by Ukraine, New Delhi is uniquely placed to undertake some much-needed mediation between the rival sides. But it has chosen to stay on the margins and do no more than the unavoidable minimum. New Delhi just wants this to be over with.

Let us call it what it really is: New Delhi has taken a subtle pro-Moscow position on the question of Russian attacks against Ukraine. This pro-Russia tilt is not just the position of the Indian government, but is something, somewhat surprisingly, shared by much of the Indian strategic community as well. More notably, one is increasingly hearing subtle, though indirect, justifications of the Russian military actions from the doyens of the Indian strategic community. India's Russia tilt should be seen not just as a product of its time-tested friendship with Moscow but also as a geopolitical necessity.



The Russia tilt

There are four potential options India can/could choose from: Condemn Russian aggression, support Russian aggression, stay silent on Russian aggression, or express displeasure (short of condemning) and call for diplomacy. The first option will pit India against Russia, the second will pit it against the U.S. and its allies, the third option will be read as pro-Russia, and the fourth option — which it has taken — is the least harmful. And yet, a position that does not condemn Russian aggression and one that abstains from voting on a UNSC resolution calling for “condemning Russian aggression and withdrawal of Russian forces from Ukraine” is indeed a pro-Russia position.

There are understandable reasons for India’s (subtle) pro-Russia position. Let me put it this way: an aggressive Russia is a problem for the U.S. and the West, not for India. North Atlantic Treaty Organization (NATO) expansion is Russia’s problem, not India’s. India’s problem is China, and it needs both the U.S./the West and Russia to deal with the “China problem”. I would view India’s response to the crisis in Ukraine in the light of this rather simple logic.

Let us look at the big picture first. There is today a sobering recognition in New Delhi about the weakening of the U.S.-led global order and the rise of China as a counter-pole, geographically located right next to India. U.S. withdrawal from the region and its decline as the principal system shaper has complicated India’s place in regional geopolitics. Neighbouring China as the rising superpower and Russia as its strategic ally challenging the U.S.-led global order at a time when China has time and again acted on its aggressive intentions vis-à-vis India, and when India is closest to the U.S. than ever before in its history, throws up a unique and unprecedented challenge for India. Therefore, having Russia on its side is crucial for India, more than ever. Moscow may or may not be able to moderate Chinese antagonism towards New Delhi, but an India-Russia strategic partnership may be able to temper New Delhi’s growing isolation in a rather friendless region.

Second, there is an emerging dualism in contemporary Indian strategic Weltanschauung: the predicament of a continental space that is reeling under immense pressure from China, Pakistan and Taliban-led Afghanistan adding to its strategic claustrophobia; and, the emergence of a maritime sphere which presents an opportunity to break out of the same.

Herein lies the dilemma for India. New Delhi needs Moscow’s assistance to manage its continental difficulties be it through defence supplies, helping it ‘return’ to central Asia, working together at the Shanghai Cooperation Organization (SCO) or exploring opportunities for collaboration in Afghanistan. Russia, to put it rather bluntly, is perhaps India’s only partner of consequence in the entire Asian continental stretch.

On the other hand, when it comes to the vast maritime sphere, the Indo-Pacific to be precise, Russia is not of great consequence to India. That is where its American and western partners come into play. India is simply not in a position to address the China challenge in the maritime space without the active support of American and western navies and, of course, the Quad. This unavoidable dualism in the contemporary Indian strategic landscape necessitates that India balances the two sides, but doing so without a subtle Russia tilt may not be feasible at this point of time.

That said, the war on Ukraine could have major implications for India’s strategic calculus. For one, Russian action in Ukraine dismissing the concerns of the rest of the international community including the U.S. will no doubt embolden China and its territorial ambitions. Second, the new sanctions regime may have implications for India’s defence cooperation with Moscow. Third, the



longer the standoff lasts, the closer China and Russia could become, which certainly does not help India. Finally, the more severe the U.S.-Russia rivalry becomes, the less focus there would be on the Indo-Pacific and China, which is where India's interests lie.

Impact on foreign policy

India's responses to the Russian aggression on Ukraine underline the fact that India is operating from a position of geopolitical vulnerability. While the Indian stand does reek of realpolitik, it reeks more of strategic weakness. Here is a country located in a hostile neighbourhood trying to make the best of a terrible situation it finds itself in. This then means that, going forward, India's ability to be a "swing state", "major power" or a "leading power" stands diminished. So we must expect more middle-of-the-road behaviour from New Delhi rather than resolute positions on global strategic developments.

India's position also shows the unmistakable indication that when it comes to geopolitics, New Delhi will choose interests over principles. This is nothing new: New Delhi has chosen interests over principles even in the past — for instance, India has violated the principle of non-intervention in the domestic affairs of neighbours. The difference this time may be that India is choosing interests over principles even though the issue at hand is not directly pertaining to India. And yet, a careful reading of India's statements and positions taken over the past few days also demonstrates a certain amount of discomfort in having to choose interests over principles. There is perhaps a realisation in New Delhi that a dog-eat-dog world, where rules and good behaviour do not matter, does not help India in the long run either.

Going forward, if tensions between Russia and the West persist, balancing extremes will be a key feature of Indian diplomacy. India is perhaps already mastering the art. Consider India's "explanation of vote" during the recent vote on Russia's aggression against Ukraine: even though New Delhi abstained from voting on it (thereby siding with Moscow), it made its unhappiness about the Russian action clear in the written note.

On strategic autonomy

Finally, what does this mean for India's 'strategic autonomy'? For sure, India's strategic autonomy has been under a lot of stress for some time now. However, New Delhi's response to the recent crisis, especially its "explanation of vote" at the UNSC indicates a careful recourse to the principle of strategic autonomy: India will make caveated statements and will not be pressured by either party. In that sense, India's indirect support to the Russian position is not a product of Russian pressure but the result of a desire to safeguard its own interests. Therefore, while we may witness a steady erosion of India's strategic autonomy in the longer term — primarily as a function of the need to balance against China — we will continue to witness instances where Indian diplomacy will take recourse to the principle of strategic autonomy.

NO QUICK FIX

The war in Ukraine has brought to the fore the plight of Indian students, many of them pursuing medicine. Amidst the turmoil, Prime Minister Narendra Modi, at a webinar on the Union Budget announcements on the health sector, stated that many young Indians were going to "small countries of the world for medical education" and, therefore, the private sector should be encouraged, along with cooperation from States, to set up more medical colleges and hospitals locally so that such aspirants remain in India. His remarks are well-meaning, but the dynamics of



India's medical education system are complex. The most sought-after international destinations — traditionally, for medical education the U.S., the U.K. and a few west European countries — are, however, too expensive for most Indians. In the last few decades, Russia, China (countries larger than India) and Ukraine (one of Europe's largest countries), with their historical commitment to public health care have been able to offer more affordable, yet quality, education. India's huge population still continues to be predominantly rural, but most of the trained medical doctors, paramedics and nurses gravitate towards cities for well-known reasons. The very nature of medical education, an empirical field, requires significant infrastructure — land, equipment, and trained faculty at the post graduate level — all of which are in short supply and uneven in their spread. Without correcting these deficiencies, India cannot expect to dramatically increase the availability of medical personnel. The Government needs to make health care the centrepiece of its economic rebuilding.

The anaemic spending on health is not unique to this government; for several years, India's spend on health care has consistently trailed several countries comparable to its size which is why there is barely one doctor for every 1,000 Indians and specialists often a tenth of what is required. These shortcomings have lubricated the phenomenon of young Indians seeking affordable, quality, health-care education in other countries. But merely having private establishments start medical schools, without a long-term commitment to offer necessary training and post-graduate education, could lead to a repeat of the engineering fiasco after the dotcom boom: a surfeit of engineering colleges without adequately trained faculty or infrastructure that churn out students who need a further skills upgrade to be employable. The Government must instead ease procedures for establishing medical colleges, spend more on infrastructure, and provide incentives for a health-care ecosystem to develop in rural areas. While not a quick-fix, over time this could facilitate the growth of private and public medical colleges that could stem the outflow of students aspiring to be doctors. Private investment in medical education by itself will nowhere be enough.

RESCUE MISSIONS WITHOUT FANFARE

"Why have you come?" shouted Ambassador Manimekalai Murugesan, a small but commanding figure at the Indian embassy in Tripoli, Libya. "We can't look after you too!" The sound of gunfire was going off every few minutes, sometimes closer to, and sometimes further from, the embassy building, where a small team of officers were burning the midnight oil in tense circumstances. Their task was to ensure that every one of about 15,000 Indians working in Libya had their passport papers in order and received exit clearances from the Muammar Gaddafi government to leave the country, all within a quickly closing window, with armed militia ruling the streets. On February 15, 2011, protests had broken out in the eastern Libyan city of Benghazi. By March 1, the United Nations General Assembly suspended Libya's membership in the Human Rights Council. Anticipating a war, and that Indians would need to be helped out of the conflict zone, my cameraman and I had been despatched to Tripoli, clueless of the kind of trouble we were headed for. When we landed, it was already clear to us that the city was emptying out, with most expecting a UN-authorized 'no-fly zone' over the country. Our flight via Amman had only four passengers going to Tripoli, and at the airport, an entire 'tent city' had been erected for lakhs of foreign workers fleeing the country.

For all the tough welcome, Ambassador Manimekalai and her team were more than hospitable. They helped us with numbers and directions for how to get around the city, even as they organised the thousands of Indian nurses, teachers, engineers and labourers for an exit from Libya by March



15, the unofficial date when the UN Security Council was due to consider a Chapter VII resolution, or force authorisation and was expected to begin a military intervention. Commercial flights had shut down. The Ambassador had to meet Gaddafi to ask him to allow special Air India flights to run services for the week so that Indians could be flown home, all part of 'Operation Safe Homecoming'. The next ask was tougher: India had decided to send in a naval fleet, comprising two destroyers — INS Mysore and INS Aditya — and the biggest ship, INS Jalashwa, which had already set off from Mumbai on February 26, and the Ambassador needed permission for them to steam into Tripoli harbour, even as Gaddafi kept all international vessels in international waters. Since there was goodwill for India, Gaddafi agreed to make an exception for the Indian vessels, which arrived on March 8 and left a few days later, carrying about 2,500 Indians and other nationalities out of the war zone. NATO strikes on Libya began on March 19.

The operation had used the military's experience of another evacuation I had been a part of, when the INS Mumbai and other ships went from Cyprus to Lebanon during the Israeli bombings of 2006. The Indian Ambassador in Beirut, Nengcha Lhouvum, and officials of the Ministry of External Affairs (MEA) back home negotiated a humanitarian "window", when the Israel Defense Forces agreed to stop shelling Beirut and surrounding areas to allow the ships to enter and exit the harbour. When we entered Beirut, there were Indian embassy officials on the port floor, stamping passports and organising transport for Indians stuck in areas under fire.

The two operations are among at least 30 such evacuations, including the biggest one of 1.17 lakh Indians from the Gulf in 1990 during the Iraq war. They were carried out by the MEA's diplomats worldwide, and Navy, Air Force and Air India personnel who often risked their own lives, quietly, and without the need or even the desire for press coverage (as the Ambassador in Tripoli made clear, we were actually in the way). The media was tolerated at best, and certainly not encouraged to glorify these missions, which were seen simply as the duty of Indian officers towards their fellow citizens. When we returned, the welcome was perfunctory, with no senior official, let alone minister, there to address returning citizens. Times have changed.

AN APPETITE FOR WAR BUT NO PLACE FOR PEACE

News has just beamed on television screens that Putin has called off the war, expressed remorse at what he has done, deeply regretted the horror he unleashed. He has also publicly apologised for mass murders and for the suffering he has caused to survivors. This has a tremendous impact on other modern warrior politicians. George Bush and Tony Blair both apologise for the devastation they caused in Iraq. Suddenly, we, humans, are on the verge of a dramatic, revolutionary change in our perspective on the world and the way we think about ourselves. This is a genuine step towards a peaceful world; one in which wars have no place and violent conquests are a thing of the past.

I have allowed my utopian imagination to take flight despite an ongoing brutal war that impacts the entire world — hardly a good time for moral self-indulgence. Yet, I feel justified because something like this has occurred at least once when around 260 BCE, Ashoka famously renounced war and conquest. Ordinary people have railed against war ever since. Massive popular protests against wars have been witnessed in our own times. But there is no other instance, to my knowledge, when a conqueror denounces his own actions and takes humankind in a new moral direction.

It took a cataclysmic act to transform Ashoka. For until then, he was himself a follower of the warrior ethic. In pre-Ashokan elite culture, hyper masculine virtues were eulogised. In the Rig



Veda, Indra, the god of sky, rain and thunder, who, being strong and violent, is also the god of war. Blessed with a muscular physique and terrifying demeanour, he, through sheer brawn, is able to push apart the world into two halves (heaven and earth), release primordial waters, split open the cosmic mountain so as to free imprisoned sunlight and cattle. With his ojas, a Sanskrit word signifying both physical strength and the power to dominate, Indra pulverises rivals. To politically subjugate the enemy, he happily destroys, crushes, splits apart, slays, and breaks his spirit. Real men take Indra, the most important Vedic god, as the role model and are called śūra (“big/strong man; champion”). They are skilled in horse and chariot combat. They flex muscles in cattle raiding expeditions and glorify warfare. Here, violence and conquest are a way of life. Invasion of someone else’s territory and its occupation are considered entirely legitimate.

Anti-war consciousness

Ashoka himself followed this ethic until the conquest of Kalinga when the scale of wanton destruction, the displacement of 1,50,000 people, and the death of at least 1,00,000, left him distraught and changed his perspective. “On conquering Kalinga, the Beloved of the Gods (Ashoka) felt remorse, for, when an independent country is conquered, the slaughter, death, and deportation of the people is extremely grievous... all survivors... suffer violence, murder, and separation from their loved ones. Even those who are fortunate to have escaped its direct impact suffer from the misfortunes of their friends, acquaintances, colleagues, and relatives.” Thus, the war had tragic consequences for practically every resident of Kalinga. He goes on to say, “even if a thousandth of that many were to be slaughtered or deported today, it would have weigh heavily on his mind”.

Romila Thapar rightly notes that ‘the regret and remorse at the suffering in Kalinga is not the regret of a man moved by a passing emotion, but the meaningful contrition of a man who was consciously aware of the sorrow he had caused’. Thenceforth, Ashoka publicly denounced the glorification of conquest and dismissed the idea that fame and glory are goods in themselves. The only kind of fame and glory he wished for is one that is achieved by obeying and following the Dhamma, i.e. public and political morality.

From now on, central to the king’s Dhamma is Sarvajana, sarvalokahita (welfare of all living beings in this world and hereafter). War and conquest upset the physical security of humans as well as the valid pursuit of these goods. Therefore, these must be eschewed. True glory lies in elevating life-sustaining goods of ordinary persons above power and conquest. Thus, by formulating Dhamma, Ashoka attempts to reshape the Brahmana-kshatriya masculine culture in its entirety. By rejecting the warrior ethic, Ashoka launched a radically new vision of kingship in which violence became a contingent rather than a necessary, constitutive feature.

In Ashoka’s ethic, wars, organised violence between or against groups, bring chaos and devastation. They do not spring from human nature nor are they intrinsic to the human condition. They stem from insatiable greed and gargantuan ambition. Although it is hard to imagine a world without anger and aggression, or conflict-free human condition, multiple ways exist to manage and contain them. Large-scale violence and war are avoidable.

Humanity’s refusal to learn

Yet, the human species refuses to learn. Alternatives to organised violence stare us in the face but powerful rulers carry on regardless. Worse, they invariably justify their cruelty, offer puerile rationalisations and incessantly reinforce the belief that war is a part of human nature and violence ingrained in our DNA. A subtler justification of war points to the good results it begets.



Did not the position of women improve after the Second World War? Did war not get Europe its welfare state? Did it not improve longevity by improvements in education, technology and medicine? These arguments are absurd. Of course, bad things have unintended consequences that may in the long run be good for us. But that is not reason enough to aim to bring about the bad. We must seek out the best peaceful alternatives to secure the good. In any case, we cannot forget that wars are instigated by strong, ambitious men to intimidate the weak into giving up something generally valuable. Wars bring devastation to the many in order to bring enormous material gains to the few. It is therefore painful to see our elected governments pay vacuous lip service to peace. At international fora we condemn acts of war and pontificate on their futility. But in the same breath we ridicule peace makers as effeminate. Our public discourse continues to be replete with the glorification of machismo.

No respite from wars

Ironically, human awareness against the inevitability of war has grown at a time when the frequency and scale of war have increased exponentially. The 20th century can be aptly described as the Age of Wars with the first quarter of the 21st century already an extension of the 20th century. I will not be surprised if not a single day in the last 100 odd years has passed without large-scale violence and destruction in one or the other part of the world. And not a single year since the so-called 'long peace' has passed in which the most powerful countries in the world have not bombed one or the other of their perceived enemy. Ordinary people in some or the other region of the world have suffered its brutal consequences long after formal war is over. It is more than 2,000 years since we developed a well-articulated moral consciousness against war. But humanity is nowhere near walking the talk.



DreamIAS



NATION

THE CONTROVERSY AROUND THE \$500 MILLION MCC GRANT TO NEPAL

The story so far: On February 27, the Nepal parliament approved the Millennium Challenge Corporation Nepal Compact — a \$500-million grant from the United States for electricity transmission and road development projects, after five years of keeping it on hold. The grant was ratified with an imperative declaration attached to it.

The declaration states that the U.S. grant is not part of the Indo-Pacific strategy and Nepal's Constitution would be above the provisions of the grant agreement. It also mentions that the grant will solely be perceived as an economic assistance. Political parties and civil society have been divided on the U.S. grant for various reasons.

The grant agreement, which was tabled in the Parliament in Kathmandu on February 20, faced demonstrations against it, which turned violent, with riot police firing tear gas shells and using water cannons to disperse the protesters outside the parliament. Protestors also hurled stones at the police and several people reported injuries on both sides.

What is the Millennium Challenge Corporation?

The Millennium Challenge Corporation (MCC) is an independent U.S. foreign aid agency, which was established in 2004 by the country's Congress to offer "time-limited grants promoting economic growth, reducing poverty, and strengthening institutions," to low and lower-middle income countries through a selection process.

While this is the current official definition of the aid body, MCC was proposed by the George Bush administration post the 9/11 terrorist attack, as a tool to counter global poverty and international terrorism, citing the rationale that poverty and terrorism are linked.

MCC selects countries to award grants through a selection process, which involves evaluating the country's performance on 20 policy indicators ranging from control on corruption to government effectiveness.

The MCC offers assistance in three forms. In the form of compacts, meaning large, five-year grants; concurrent compacts or "grants that promote cross-border economic integration", and threshold programs, which are smaller grants aimed at policy reform. The aid being offered to Nepal is in the form of a compact; the MCC has so far approved about 37 compacts for 29 countries, worth a total of over \$13 billion.

What is the MCC Nepal Compact?

In 2014, after meeting 16 of the 20 policy indicators on which MCC selects countries, Nepal had qualified for a compact, the agreement for which it later signed in 2017.

Under the compact, the U.S. government, through MCC, would provide a grant of \$500 million to Nepal for energy transmission and road development projects, with the latter also chipping in \$130 million from its exchequer. The power project proposed in the compact is a 300-400 km long energy transmission line with a capacity of 400 kilovolt, along a power corridor starting from the northeast of Kathmandu and ending near Nepal's border with India. The project also involves building three power substations along the line. Besides, the grant money is also intended for a



'road maintenance project' which will upgrade roads on the east-west highway, spread across 300 kms.

While the compact says the energy project is meant to augment power generation and economic growth for Nepal, it also states that it will facilitate cross-border electricity trade with India.

Before the work on the projects can begin however, the bill has to be formally accepted or ratified in the country's parliament. Both the U.S. and Nepal governments have said that it is a 'no strings attached' grant, which would not have any conditions, or require repayment and interest payment. However, section 7.1 of the agreement says it will "prevail" over the domestic laws of Nepal and section 6.8 grants immunity to MCC staff in "all courts and tribunals of Nepal." The U.S. Embassy in Nepal described the compact this month as a "gift" from the American people and a "partnership" between the two countries that will "bring jobs and infrastructure to Nepal and improve the lives of Nepalis."

What is the dispute around the MCC grant?

As per the initial agreement, the compact should have come into effect by 2019, but skepticism, politics and now protests, made its course rocky.

The U.S. had been increasing its pressure on Nepal to ratify the agreement, with the Biden administration's Assistant Secretary of State for South and Central Asia, Donald Lu, calling the Nepal Prime Minister Sher Bahadur Deuba on February 10, giving a deadline to ratify the MCC compact in parliament by February 28, or the U.S. would have to "review its ties with Nepal." There have been instances in the past where the U.S. has terminated such compacts with countries for different reasons.

Nepali political parties have been divided on the MCC agreement over fears it would undermine Nepal's sovereignty by pulling it into the US's Indo-Pacific Strategy (IPS), which focuses on countering China-- a country Nepal has close ties with. The compact is also seen by some observers as America's answer to China's Belt and Road initiative, a road development program that the Nepal government signed in 2016.

In May 2019, U.S. State Department's Assistant Secretary for South Asia, David J Ranz, on his visit to Nepal had said that MCC was an important part of the IPS. Besides, the US's November 2019 report clearly states that assistance under the MCC compact is a part of IPS. This further strengthened the skepticism of some of Nepal's parties, that the compact would go against its constitution, which binds the country to a strong principle of non-alignment.

After Nepal received the call from the White House about the deadline, China said it opposes "coercive diplomacy and actions that pursue selfish agendas at the expense of Nepal's sovereignty and interests." The people of Nepal are also afraid that the MCC would make profits from the power project by exporting energy to India. Besides, the call that Donald Lu made to Nepal about meeting the ratification deadline, was made when he was in Australia to attend the Quad meeting. This has led to skepticism that the MCC agreement, involving cross-border energy trade with India, would also benefit the Quad, which has often spoken about making infrastructure partnerships in India's neighbourhood, including Nepal, Maldives and Sri Lanka.

How has the pact played out in Nepal politics?

Nepal has been witnessing bouts of political instability after the 2017 national election, when the leader of the Communist Party of Nepal (UML), K.P Oli and Pushpa Kumar Dahal (Prachanda) of



Communist Party of Nepal (Maoist) formed a coalition government, with Mr. Oli as the Prime Minister. This Government had a power sharing agreement under which Mr. Oli and Mr. Prachanda would assume the post of Prime Minister for two equal periods of time. This agreement did not work out and as a result, the country's parliament was dissolved twice -- first, in December 2020 and then in May 2021, with fresh elections scheduled for November 2022. In July 2021, however, the Supreme Court of Nepal, ordered that the parliament be reinstated with Mr. Oli's rival Sher Bahadur Deuba of the Nepali Congress as the Prime Minister. In this political backdrop, the MCC compact became politicised by parties as a device to strengthen their positions in the upcoming elections. While the two communist parties in the leading coalition, including Mr. Prachanda's party have been against the MCC compact, the PM's party is endorsing it.

JAIN GROUP SEEKS CENTRE'S NOD TO TRAVEL TO PAKISTAN

As India-Pakistan tensions and the land border closure post-COVID hold up all religious pilgrimages between the two countries, a group of 22 members of the Jain faith have appealed to the Union Home Ministry to allow them to go to Pakistan to visit a shrine that has been restored after decades.

The group, led by Jalandhar-based activist Sunil Jain, who heads the World Jain-Muslim Interfaith Harmony Council, received visas to travel to Lahore on February 21. The visas will expire on March 7, unless they receive clearances from the Home Ministry and the Immigration Department to travel via the Atari-Wagah border in Punjab.

Among the shrines they hope to see is a temple in Gujranwala, which was until recently being used as the office of Deputy Superintendent of Police, and another shrine in Lahore that was attacked and damaged in the riots that followed the demolition of the Babri Masjid in Ayodhya in 1992.

Both shrines are among a number of temples being restored by the Imran Khan government after the Pakistan Supreme Court ordered that they be reconstructed and handed over to the minorities welfare board.

The group also received a special visa for a Maharaj, or special cook, who is able to prepare food according to the strict Jain customs which prohibit onions, garlic, root vegetables and other items, Mr. Jain said. The members include Jains from Delhi, Mumbai, Maharashtra, Punjab and Uttar Pradesh.

Both the Home Ministry and the Ministry of External Affairs declined to comment on whether the case would be resolved before their visas run out. As The Hindu had reported a few weeks ago, religious pilgrimages between India and Pakistan, mandated under a 1974 protocol, have been reduced in the past few years due to tensions .

Despite India opening up travel and flights with many countries, the land borders with Pakistan have not yet been reopened, although as a special gesture, India and Pakistan have allowed truck convoys carrying wheat as humanitarian aid for Afghanistan recently.

A proposal forwarded by the Pakistan government to New Delhi to allow Hindu, Sikh and Muslim pilgrims from both sides to take flights has also run into red tape, after the Ministry of External Affairs said the permission could only follow once India and Pakistan open talks to renegotiate the 1974 protocol.



The Imran Khan government has refused to hold talks with India and suspended trade ties after the Modi government's decision to change the status of Jammu and Kashmir in 2019.

The only option open for the Jain group is to fly to Pakistan via a third country like the UAE or Qatar, which is prohibitively expensive. "It is the poor and the devout who are being hit the most by these restrictions," Mr. Jain said, admitting that his hopes of visiting Pakistan appeared to be dimming with each passing day. Mr. Jain, who visited Pakistan once in 2006, is particularly keen on visiting the home his family abandoned in Sialkot during the Partition, after which they moved to Allahabad. Years later, a friend of his grandfather visited the family in Allahabad, and promised him a big welcome there.

No Jains live in Pakistan today, as most of this small community moved to India during Partition, and those that remained are believed to have emigrated to other countries or converted locally given the pressures they faced from the majority Islamic population.

READY TO GIVE AADHAAR CARD TO SEX WORKERS, UIDAI TELLS SC

The Unique Identification Authority of India (UIDAI) on Monday informed the Supreme Court that it was willing to issue Aadhaar card to sex workers without insisting on proof of residence/identity, provided they got a certificate from a gazetted officer of the health departments of the States or from an official with the National AIDS Control Organisation (NACO).

The suggestion came in a petition before a Bench of Justices L. Nageswara Rao and B.R. Gawai on the lack of food security for lakhs of sex workers across the country, especially during the years of pandemic.

The court has been hearing arguments about how authorities and community-based organisations could reach out to sex workers and provide them with ration card, voter card and Aadhaar card without disclosing their identities. Sex workers still battle social stigma even at the cost of food security.

'Secure personal info'

Advocate Zoheb Hossain, for the UIDAI, submitted that it was an obligation to ensure that sections of society did not lack access to their basic rights like food because they did not have an Aadhaar card. Justice Rao said personal information, including their identities, would have to remain confidential. The court further directed that State governments should take steps to issue voter cards to sex workers identified by NACO and community-based organisations after verification of their lists.

The court asked the State governments to submit fresh status reports in three weeks and scheduled the next hearing after a month.

CAPITAL VERDICT

That policies change with governments may appear acceptable in a democracy, but no court will allow a transformation so fundamental that rights and entitlements that accrued during an earlier regime are abandoned or frustrated. In 2014, the Amaravati region was chosen as the site of the capital of Andhra Pradesh, the residuary State left after the creation of Telangana, but work was stopped after the present YSRCP regime took over. Instead, Chief Minister Y.S. Jagan Mohan Reddy mooted the idea of 'decentralised' development, by which he meant that the State will have

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



Amaravati as the legislative capital, while Visakhapatnam will be the executive capital, and Kurnool the seat of the High Court. In a stern rebuff to the 'three capitals' idea of the present regime, a Full Bench of the State's High Court has ruled that it cannot abandon the project to develop Amaravati as the capital city after over 33,000 acres had been given up by farmers and ₹15,000 crore sunk in it over development expenditure. Holding the State government to its promise of developing the region into the capital city, it has directed the government to complete the required developmental work in Amaravati within six months. As a consequential relief to the farmers who had given up their land for the specific purpose, the court has asked the State and the Andhra Pradesh Capital Region Development Authority to develop the surrendered land and deliver reconstituted plots to them within three months.

In political terms, the decision to locate the three organs in different cities was possibly motivated by a wish to undo a key policy measure of the previous TDP regime, as well as negate speculative gains the erstwhile rulers may have allegedly made by choosing Amaravati. However, it was projected as a measure to decentralise governance and take the fruits of development to all parts of the State. After farmers approached the court, the government sought to render the matter infructuous by repealing its decentralisation law, the one that it enacted in 2020 for spreading the capital city and proposing 'inclusive development' of all regions. However, the Bench took note of the government's intention to pursue its multiple capital cities plan and decided that it will adjudicate on the petitioners' grievances. It held that the State legislature lacked the competency to shift the organs of the State. The verdict, if undisturbed by the Supreme Court, may put an end to attempts to shift the capital city out of Amaravati. A welcome feature of the verdict is that it has invoked the doctrines of constitutional trust and promissory estoppel to prevent a regime from going back on its promises to citizens. It sends out a message that governance should not be buffeted by winds of political change or be held hostage to the passing whimsy of a particular regime.

LINES AND ROLES

Signs of a confrontation between Raj Bhavan and the elected government in a State are not infrequent in the country. The onus often appears to be on the Chief Ministers to avert a constitutional crisis, as evidenced by Pinarayi Vijayan trying to buy peace with a miffed Governor, Arif Mohammed Khan, rather than pursue a confrontational course, over several issues in recent times. One way of seeing these developments is to attribute them to the appointment of those who have been politically active in the recent past as Governors and the partisan role they play as agents of the Centre. However, the problems may have to do with the way they understand their own powers. Constrained by the 'aid and advice' clause in their routine functioning, some Governors seem to be using the discretionary space available to them to keep regimes on tenterhooks. A Constitution Bench of the Supreme Court laid down in 1974 that the President and Governor shall "exercise their formal constitutional powers only upon and in accordance with the advice of their Ministers save in a few well-known exceptional situations" — "situations" also illustratively listed. Yet, there is the extraordinary situation of some Governors not acting upon requests to grant clemency or assent to Bills; and, in one instance in Tamil Nadu, a reluctance to reserve for the President's consideration a Bill that expressly requires Presidential assent because of obvious conflict with a central law.

Much of the conflict arises due to the Constitution itself. It fixes no time-frame for the Governors to act, and contains, in Article 163, an unusual power to choose what is in their discretion and what is not, with the courts being barred from inquiring into whether any advice and, if so, what



advice was given. The Sarkaria Commission on Centre-State relations recommended no change in this scheme, but it is time it is revisited. While as the 'lynchpin' of the constitutional apparatus, Governors indeed have a duty to defend the Constitution and encourage or caution the elected regime, the impression that Governors are not obliged to heed Cabinet advice persists in some areas. At a time when regional political forces are actively seeking to be heard by the Centre, it may be time that the provisions relating to the Governor's role are amended. Identifying areas of discretion, fixing a time-frame for them to act, and making it explicit that they are obliged to go by Cabinet advice on dealing with Bills can be considered. Regarding Bills, it is clear that the Constituent Assembly passed the provision for Governors to return Bills for reconsideration only on the express assurance that they have no discretion at all. In addition, as suggested by the M.M. Punchhi Commission, ending the practice of burdening Governors with the office of Chancellor in universities should also be considered.

UNWISE MOVE

A few days ago, the Rajasthan budget, presented by Chief Minister Ashok Gehlot, proposed to revert to the old pension scheme for state government employees appointed after January 1, 2004. Worryingly, Rajasthan does not appear to be an outlier. There are indications of this proposal gaining traction across the country. For instance, the Samajwadi Party has also proposed a similar move if it is voted to office in Uttar Pradesh. There are also reports of something similar being contemplated upon in Chhattisgarh. In the current environment of economic uncertainty, such populist moves may be politically expedient. However, such proposals, passed without a complete appreciation of their fiscal implications, will undermine the hard-won policy gains, and can have ruinous implications for government finances.

The NPS, a defined contribution scheme, was applicable to all employees of the central government joining on or after January 1, 2004. It replaced the defined-benefit old pension scheme under which employees would get a part of their last drawn salary as pension on retirement. The shift to NPS was undertaken due to concerns over the coverage, sustainability, and scalability of the old pension framework. As per research carried out in the early 2000s, India's implicit pension debt, owing to central (civil) employees, state government employees and the funding gap of the employees pension scheme, was reaching unmanageable, unsustainable levels. Moreover, this framework only benefited a tiny portion of the total labour force.

Considering that the rationale to shift to the NPS revolved around the need to manage the government's pension liabilities, states with limited fiscal resources at their disposal must ask themselves whether they can provide for such a scheme? The availability of funds for such a scheme when seen against competing demands that range from the provision of health and education facilities, public transport and infrastructure among others, would suggest otherwise. Then there is also their current fiscal position to contend with. State government debt has risen from 26.3 per cent of GDP in 2019-20 to 31.2 per cent in 2021-22 (budget estimate). This will need to be brought down to manageable levels. States will also have to contend with the GST compensation cess ending in its current form in the coming year. Shifting back to the old pension scheme will only further increase the burden on the state exchequer — as per RBI, the total pension expenditure of all states put together stood at Rs 3.86 lakh crore in 2020-21 (BE). Hence, states must desist from such fiscally unwise moves.



EXPLAINED: WHAT IS 'GENERAL CONSENT' FOR THE CBI, NOW WITHDRAWN BY MEGHALAYA?

Meghalaya has withdrawn consent to the CBI to investigate cases in the state, becoming the ninth state in the country to have taken this step. Meghalaya is ruled by Conrad Sangma's National People's Party (NPP) which is part of the BJP-led National Democratic Alliance.

In November last year, the Supreme Court had expressed concern over a submission by the CBI that since 2018, around 150 requests for sanction to investigate had been pending with the eight state governments who had withdrawn general consent until then.

"It is not a desirable position," a Bench led by Justice S K Kaul had observed, and referred the matter to Chief Justice of India (CJI) N V Ramana.

What is general consent?

The CBI is governed by The Delhi Special Police Establishment (DSPE) Act, 1946, and it must mandatorily obtain the consent of the state government concerned before beginning to investigate a crime in a state.

Section 6 of The DSPE Act ("Consent of State Government to exercise of powers and jurisdiction") says: "Nothing contained in section 5 (titled "Extension of powers and jurisdiction of special police establishment to other areas") shall be deemed to enable any member of the Delhi Special Police Establishment to exercise powers and jurisdiction in any area in a State, not being a Union territory or railway area, without the consent of the Government of that State."

The CBI's position is in this respect different from that of the National Investigation Agency (NIA), which is governed by The NIA Act, 2008, and has jurisdiction across the country.

The consent of the state government to CBI can be either case-specific or general.

General consent is normally given by states to help the CBI in seamless investigation of cases of corruption against central government employees in their states. This is consent by default, in the absence of which the CBI would have to apply to the state government in every case, and before taking even small actions.

Which states have withdrawn consent, and why?

Traditionally, almost all states have given CBI general consent. However, since 2015 onward, several states have begun to act differently.

Before Meghalaya's action on Friday (March 4), eight other states had withdrawn consent to the CBI: Maharashtra, Punjab, Rajasthan, West Bengal, Jharkhand, Chhattisgarh, Kerala, and Mizoram. All these states except Mizoram and Meghalaya are ruled by the anti-BJP opposition.

The first state to withdraw consent was Mizoram in 2015. The state was ruled by the Congress at the time, and Lal Thanhawla was Chief Minister. In 2018, the Mizo National Front (MNF) under Zoramthanga came to power; however, even though the MNF is an NDA ally, consent to the CBI was not restored.

In November 2018, the West Bengal government led by Mamata Banerjee withdrew the general consent that had been accorded to the CBI by the previous Left Front government back in 1989.



West Bengal announced its decision within hours of Andhra Pradesh, then ruled by N Chandrababu Naidu's TDP, taking a similar decision.

"What Chandrababu Naidu has done is absolutely right. The BJP is using the CBI and other agencies to pursue its own political interests and vendetta," Banerjee said.

After Naidu's government was replaced by that of Y S Jagan Mohan Reddy in 2019, Andhra Pradesh restored consent.

The Congress government of Chief Minister Bhupesh Baghel in Chhattisgarh withdrew consent in January 2019. Punjab, Maharashtra, Rajasthan, Kerala, and Jharkhand followed in 2020. At the time of withdrawing consent, all states alleged that the central government was using the CBI to unfairly target the opposition.

What does the withdrawal of general consent mean?

It means the CBI will not be able to register any fresh case involving officials of the central government or a private person in the state without the consent of the state government.

"CBI officers will lose all powers of a police officer as soon as they enter the state unless the state government has allowed them," a former CBI officer who has handled policy during his time in the agency, said.

Calcutta High Court recently ruled in a case of illegal coal mining and cattle smuggling being investigated by the CBI, that the central agency cannot be stopped from probing an employee of the central government in another state. The order has been challenged in the Supreme Court.

In *Vinay Mishra vs the CBI*, the Calcutta HC ruled in July this year that corruption cases must be treated equally across the country, and a central government employee could not be "distinguished" just because his office was located in a state that had withdrawn general consent. The HC also said that withdrawal of consent would apply in cases where exclusively employees of the state government were involved.

The petition had challenged the validity of FIRs registered by the CBI's Kolkata branch after the withdrawal of consent.

So where does the CBI currently stand in these states?

The agency can use the Calcutta HC order to its advantage until it is — if it is — struck down by the SC.

Even otherwise, the withdrawal of consent did not make the CBI defunct in a state — it retained the power to investigate cases that had been registered before consent was withdrawn.

Also, a case registered anywhere else in the country, which involved individuals stationed in these states, allowed the CBI's jurisdiction to extend to these states.

There is ambiguity on whether the CBI can carry out a search in connection with an old case without the consent of the state government. But the agency has the option to get a warrant from a local court in the state and conduct the search.

In case the search requires an element of surprise, Section 166 of the Criminal Procedure Code (CrPC) can be used, which allows a police officer of one jurisdiction to ask an officer of another to



carry out a search on their behalf. And should the first officer feel that a search carried out by the latter may lead to loss of evidence, the section allows the first officer to conduct the search himself after giving notice to the latter.

Finally, consent does not apply in cases where someone has been caught red-handed taking a bribe.

But what about fresh cases?

Again, the CBI could use the Calcutta HC order to register a fresh case in any state. Alternatively, it could file a case in Delhi and continue to investigate people inside these states.

In an order passed on October 11, 2018, Delhi High Court ruled that the agency could probe anyone in a state that has withdrawn general consent, if the case was not registered in that state. The order came on a case of corruption in Chhattisgarh — the court said that since the case was registered in Delhi, the CBI did not require prior consent of the Chhattisgarh government.

In sum, avenues remain unavailable to the CBI to proceed even without consent. “The CBI could register cases in Delhi if some part of the offence is connected with Delhi, and still arrest and prosecute individuals in these states,” a CBI officer said.

Have states started denying consent only after the present government came to power in Delhi?

No. States, including Sikkim, Nagaland, Chhattisgarh and Karnataka, have done this throughout the history of the agency. In 1998, the Janata Dal government of Chief Minister J H Patel withdrew general consent to the CBI in Karnataka. The Congress government of S M Krishna, which took over in 1999, did not revoke the previous government’s order. The home minister of Karnataka then was Mallikarjun Kharge, the current Leader of Opposition in Rajya Sabha.

“Consent wasn’t renewed for eight long years. The CBI had to virtually close down its office (in Karnataka),” said an officer who was with the agency at the time. The CBI had to seek the permission of the state government for every case and every search it conducted on central government employees, the officer said.

Political accusations aside, to what extent is the CBI ‘its master’s voice’?

After the 2018 amendments to the Prevention of Corruption Act, 1988, the Centre has come to exercise power over the CBI not just administratively, but also legally.

In 2018, the government pushed through Parliament amendments to Section 17A of the Act making it mandatory for the CBI to seek the Centre’s permission before registering a case of corruption against any government servant.

Earlier, the Centre had mandated that such permission was required only for officials of the level of joint secretary and higher. The amendments were brought after the Supreme Court struck down the government’s directive.

CBI officers say the 2018 amendment virtually means the agency can investigate only the officers that the government of the day wants investigated. In fact, corruption cases registered by the CBI dropped by over 40 per cent between 2017 and 2019.



RULES FOR DEPUTATION OF DIGS: WHAT CENTRE PROPOSES TO CHANGE, AND WHY

After its proposal to amend the All India Service Rules that would allow it to call any IAS, IPS or IFoS officer on central deputation with or without the state's consent, the Centre has issued another order on central deputation of Deputy Inspector General-level IPS officers that may not be palatable to the states.

What is the order?

In an order issued on February 10, the Department of Personnel and Training (DoPT) has said that IPS officers coming to the Centre at DIG level would no longer be required to be empanelled at that level with the Union Government.

According to existing rules, a DIG-ranked IPS officer with a minimum experience of 14 years could only be deputed to the Centre if the Police Establishment Board empanelled them as DIGs at the Centre. The board chooses the panel on the basis of officers' career and vigilance records. Only Superintendent of Police-level officers do not require empanelment at the Centre.

The new order makes the entire pool of DIG-level officers in a state eligible for central deputation.

Why has it been issued?

Sources in the Ministry of Home Affairs (MHA) said the move is aimed at increasing the pool of DIG-level IPS officers for central deputation in the backdrop of massive vacancies in central police organisations (CPOs) and the Central Armed Police Forces (CAPFs).

According to data sourced from various CPOs and CAPFs, out of 252 posts reserved for IPS officers at DIG level at the Centre, 118 (almost half) are vacant. IPS officers have a quota of 40% in CPOs and CAPFs. The Centre had in November 2019 written to states proposing to decrease this quota by 50%, saying more than 60% posts remain vacant since most states do not spare their officers.

How will the move help?

According to MHA sources, the idea is to ease up the process of central deputation as verification of records takes a long time. "Because the number of DIGs is high, the empanelment process had become cumbersome and it was taking as long as one year to just complete the process," an official said.

Also, it increases the size of the pool of officers available to the Centre.

However, this would not automatically allow DIGs to come to the Centre. Officers would still have to be put on the offer list for central deputation which is decided by the states and the Centre in consultation. Also, states would have to be willing to relieve them.

So why would states have a problem?

If read with the recent proposal on deputation of IAS, IPS and IFoS officers, the new order may be seen by many states as the Centre's attempt at pushing the envelope further on increasing its powers over officers serving in the states.

Under the proposals sent In December and January, the Centre would have powers to demand, within a stipulated time frame, a certain quota of officers from the state for central deputation,



and also to call any IAS officer on central deputation in “public interest”. In case the state failed to relieve the officer, he/she would be deemed relieved following the date fixed.

Most states, including some ruled by the NDA, have opposed the move.

Also, there is little evidence of a waiver of empanelment conditions having an impact on vacancies at the Centre. For example, there is no requirement of empanelment for SP level posts, yet the vacancies are close to 50%.

Why don't states relieve officers?

Because there is a serious paucity of officers in the states too. In a cost-cutting move during the Atal Bihari Vajpayee regime, the size of IPS batches among other government staff was reduced even though sizeable vacancies existed even then. From 80-90 officers each, IPS batches were cut to 35-40 officers (in 1999-2002, the average was 36). The average attrition rate of IPS officers due to superannuation is 85 per year.

“While the number of districts in some states doubled in a decade or so, the availability of officers was one third,” a former MHA official said.

In 2009, against a sanctioned strength of over 4,000 IPS officers, there were more than 1,600 vacancies. During the Manmohan Singh regime, the government began intake of IPS batches as large as 150. The government has continued to increase the size of batches with the 2020 Civil Services Exams taking in 200 IPS officers. According to the MHA, as on January 1, 2020, there were 908 vacancies against a sanctioned strength of 4,982.

The strength of IAS officers too had been impacted due to low intake during the 1990s.

How has this impacted the services?

The anomaly in IPS recruitment adversely affected cadre management over the years. At some levels, there are fewer officers than sanctioned posts, while at others there is a glut. On one hand, states are not providing enough DIGs or SPs to the Centre, while on the other, the Centre does not have enough posts if the total cadre reserve of IPS is calculated.

Uttar Pradesh has a shortage of DIGs and IGs, but too many officers at the level of ADGs.

Then while states should ideally promote batches or parts of it according to the vacancies available, political bosses often promote entire batches to please a certain section, in effect slamming doors on promotional avenues for those below them.

CAPF officers, themselves facing career stagnation, have been demanding removal of the DIG-level quota for IPS officers as they are unwilling to join, so that force cadre officers can instead fill these posts.

Sources say that by 2025, states may have surplus officers at DIG level to spare for the Centre and, if Centre-state relations remain normal, the issue may be resolved.

THE MINISTER IN THE DOCK

On February 24, the special prevention of money laundering act court remanded Nawab Malik, Maharashtra Minister for Minority Affairs, Auqaf and Skill Development in the Maha



Vikas Aghadi government to the custody of Enforcement Directorate (ED) till March 3. When he was being taken to court from ED's office, he told reporters, "We will fight, we will win and we will expose everyone".

The Nationalist Congress Party's (NCP) leader is mired in an alleged money laundering case of 1999. He is believed to have bought an ancestral property from one Munira Plumber through Dawood's sister Haseena Parkar (now deceased) in suburban Mumbai for an amount of ₹55 lakh instead of its then estimated worth of ₹3.3 crore. The offence allegedly committed by Mr. Malik is not giving the owners the due consideration for the said property.

The ED's case is centred on the prime property of three acres belonging to one Ms. Plumber, which is currently valued at ₹300 crore, that was allegedly usurped by Mr. Malik through M/s Solidus Investments Private Limited, a firm owned and controlled by family members of Mr. Malik with active connivance of members of the D-Gang through Parkar.

As per Ms. Plumber's statement, she had given the power of attorney of the said land to Salim Patel (close associate of Parkar) for removing the encroachments from the property and not to sell it. She came to know in 2021 that her property was sold to Mr. Malik. She claims that she has never met Mr. Malik or expressed any desire to sell the property to him. She also states that she has not signed the agreement paper to sell the property to a third party nor authorised Mr. Patel to sell the property. Ms. Plumber has also submitted a complaint dated September 12, 1989 before the small causes court of being threatened by Mr. Malik.

The highest officer of the Centre, the Additional Solicitor General Anil Singh representing the ED in court, said "Mr. Malik has active involvement in terror funding and has usurped this property through members of the D-Gang. They have together connived and executed several legal documents to put a facade of genuinity over this criminal act."

While remanding the 62-year-old to the ED custody, special judge Rahul Rokhade held, "Allegations of money laundering against Nawab Malik are prima facie well-founded. It is imperative to note that custodial interrogation of the accused (Mr. Malik) is necessary to collect seized, recovered documents at the instance of the accused. The proceeds of crime has traversed since the last 20 years and more. Therefore, sufficient time is required to be granted for the investigation of the offence." The case is believed to have come to light because of leader of the opposition in Maharashtra and Bharatiya Janata Party (BJP) leader Devendra Fadnavis.

Mr. Malik, a five-time Maharashtra MLA, was born in Basti, Uttar Pradesh. He entered politics with his protest against a fee hike in Mumbai University in 1979. He joined the Samajwadi Party in 1994 and contested his first election but lost it. In 2004, he joined the NCP and soon became the State Minister for Special Aid and Technical Education.

Defamation case

The national spokesperson of NCP has been making headlines since the former Narcotics Control Bureau's zonal director Sameer Wankhede arrested his son-in-law in an alleged drugs case on January 9 last year. Mr. Malik allegedly leaked a birth certificate on social media, stating that Mr. Wankhede was a Muslim and also posted photos of his sister.



Mr. Wankhede's father soon filed a defamation suit against the Minister before the Bombay High Court. On November 29, the court directed Mr. Malik to refrain from making any public statements or use social media against the Wankhedes. However, the outspoken leader continued with his statements and posts against them in the media.

On December 7, the court noted that "Mr. Malik has wilfully breached his undertaking given to court last month when he made defamatory statements against Mr. Wankhede". Three days later, he tendered an "unconditional apology" before the High Court.

His daughter Nilofer Malik Khan calls him, "Fearless" and says, my father does not beat around the bush, he has the courage to call a spade — a spade."

A HISTORY OF CLOTHING AND WHY IT MATTERS

At a time when history is aggressively being redefined as moral science, and where its only purpose is to list out the 'villains' and 'heroes' of the past, in order to identify and vilify large sections of our society today, nuanced social/cultural histories must be restored to centre stage. Now more than ever, children need to learn ways of thinking historically, from which there may emerge some understanding, some tolerance, and hopefully, new forms of civility. This is the most urgent necessity of our times.

How would a history of clothing, for instance, be of any value at a time when young women are being deprived of an education and acrimonious debates are raging about whether or not the hijab has any meaning and place in the classroom? Since pedagogical efforts take long to bear fruit, this suggestion may even appear quite trivial. Yet, such a chapter on the complex histories of clothing over the last two centuries was indeed a part of the revised NCERT books of 2005-06, (Standard 9), before it was finally withdrawn in 2019.

Signifying power structures

A history of clothing can do several things: it will introduce students to thinking more about what 'dress codes', and opposition to them, have done in the past, and what they signify. For one, dress codes symbolised and affirmed power structures – whether these were colonial, upper caste, religious or patriarchal power structures. By using their power and even violence, states, religious authorities, upper castes, or even male heads of families could insist that people conform to prescribed ways of dressing. Societal hierarchies were thus sustained and perpetuated.

But this is where the history of the last 200 years is crucial, since it equally reveals the numerous and continual attempts made, often with success, to challenge these hierarchies, and adopt new codes of clothing. We need to understand both these processes in order to make sense of an almost irresolvable predicament: when a specific community is under siege, and the language of uniformity is used to naturalise majoritarian choices, the prohibition on the hijab imposes the choices of the majority community on a minority. We also know from history that wearing the hijab has not always been the choice made by young Muslim women, who have spent a good part of the 20th century throwing it off, in a rejection of patriarchal community authority. Thinking historically allows us to see the subversiveness of both these kinds of actions, i.e, adopting the hijab and throwing it off, depending on the context within which the woman makes that choice. Thinking historically allows us to understand what is disturbed when women, who are supposed to be only the bearers of 'culture', tradition and honour (since honour is always the property of men), wear or shed clothes in defiance of those wish to 'save' or 'protect' them.



A history of clothing will allow students to understand how such debates arose in the past and how they were resolved. Consider the issues that arose about headgear and footwear. At the beginning of the 19th century, it was customary for British officials to follow the Indian etiquette and remove their footwear in the courts of ruling kings or chiefs. There were some British officials who were comfortable in Indian clothes. But in 1830, Europeans were forbidden from wearing Indian clothes at official functions. Indians, meanwhile, were required to respect their own customs and take off their shoes when entering a government institution. This was seen as humiliating to the colonised elite, and was challenged by the Parsi Manockjee Cowasjee Entee, who refused to take off his shoes in court, saying, 'in our social intercourse [we] never ever take off our shoes before any Parsee however great...'. It took 20 years of petitioning for the strict 'shoe respect' rules to change.

Debates in India

Those were colonial orders which were defied by the humiliated, usually elite Indians. Meanwhile, dress reform debates had grown to a crescendo between Indians themselves in places like Travancore in southern Kerala, where women and men conventionally did not clothe their upper bodies, especially when they appeared before deities or upper castes. Partly as a result of missionary work, there was a clamour for dress reform and in 1822, women of the 'Shanar' (later called Nadar) caste were attacked by upper caste Nairs in public places for wearing a cloth across their breasts. These disturbances, referred to by historians as the 'breast cloth disturbances', ended successfully when in 1859 the Travancore government passed an order permitting the Nadar women (who belonged to the community engaged in coconut cultivation) to use the breast covering. They thus gained the self-respect that they had long been denied.

These processes of dress reform were far from uniform even in late 19th century Kerala, where it remained customary for women, including upper caste women, to keep the upper body bare. There is a well-known recollection of a married woman who longed to wear a blouse, if only for her husband, but was scolded and thrashed by her mother for wanting to look like a Muslim. In Bengal, on the contrary, there were anguished cries heard from as early as 1872 to reform the scandalously fine and transparent clothing of women, worn without petticoats and underwear, and to urgently produce a more moralised and decent attire. To Gnanadanandini Devi Tagore goes the early credit for bringing the Parsi style of sari-wearing into widespread subcontinental use, adding layers to the draped sari, a blouse and a skirt as well as shoes and socks.

So, there is strength to thinking historically, and to understanding the great deliberation that has gone into the production of styles of dress – and their defiance – over the last two centuries alone. Should our students not know and understand the symbolic strength of M.K. Gandhi's experiments with clothing, and his adoption of the peasant costume after more than 20 years of dressing like his colonial masters? He came in the long line of Indians who had experimented with styles of self-representation, ranging from Ramakrishna (who adopted Mohomedan clothes to understand Islam better) to Vivekananda, Aurobindo Ghosh and Rabindranath Tagore, who all chose very different but deliberate ways of communicating their spirituality or Indianness through their sartorial choices. Should our students also not learn why B.R. Ambedkar's decided to adhere to the three-piece (western) suit as a sign of social mobility, of modernity, and in defiance of upper caste proscriptions on lower caste dress, as did many self-assertive miners at the Kolar Gold Field beginning in the 1920s?



These rich, varied, and contradictory pasts, which are our heritage, must be brought back into the classroom, for discussion, debate, and above all for building greater civility, and respect for difference.

DOCTORS FOR RURAL INDIA

As the need for more quality medical institutions is being debated upon, the key issue of shortage of doctors in rural areas can be addressed by inducting “Licentiate Medical Practitioners”, says this article by Soham D. Bhaduri dated February 19, 2018.

Nearly 600 million people in India, mostly in the rural areas, have little or no access to health care. A widespread disregard for norms, a perpetual failure to reach targets, and an air of utter helplessness are what mark the state of rural health care today. One can add to this another fact: the country is short of nearly five lakh doctors.

Among the range of measures that have been suggested in the past decade is a rather promising proposal which has been sidelined. If properly implemented, it may provide rural India with a lasting pool of primary care physicians.

The contours

A few years ago, the Union Health Ministry drew flak when it put forth a proposal to train a new cadre of health professionals. Under this plan, these professionals, after undergoing a short term, 3-3.5 year course in modern medicine, were to serve the health needs of the rural population, with a focus on primary care.

Such short-term courses aren't new in the Indian health-care scenario. In the 1940s, primary care physicians — who were trained under short-term courses, and broadly termed Licentiate Medical Practitioners (LMPs) — would deliver quality services in the rural sector until the Bhore Committee (1946) recommended abolishing them in the idea that India would produce enough MBBS doctors.

The committee made certain laudable recommendations in connection with the public health system. Back then, however, nobody could have anticipated the country's miserable failure in achieving most of the targets prescribed by the committee, even years after Independence. While a profit-driven, private health-care sector continued to denude the public health system of its qualified physicians, its medical education system kept losing touch with the actual health needs of the country.

Starting a short-term course in modern medicine can provide an opportunity to design a medical curriculum that is much more relevant to the nation's needs. Its entry requirements could be based less on sheer merit and more on an aptitude for medical service and preference should be given to applicants from within the community. Further, a provision for learning in the vernacular languages can be made.

Not quacks

Short-term courses in modern medicine have been consistently equated with producing “cheaply made, poor quality doctors”. However, one begs to differ with this. LMPs cannot be called quacks if they be adequately trained in their field (primary care) and have a well-defined role in health care. The present MBBS curriculum includes a good amount of superfluous detail, including



subjects such as forensic medicine, that is of little relevance to primary care physicians. Here, we should also note that even though nurse practitioners and pharmacist medical practitioners may be capable of serving the same functions as LMPs, they cannot be expected to make up a lasting pool of dedicated grass-rootlevel physicians.

Another concern is that the rural population would be made to feel like second class citizens by appointing a lower tier doctor to treat them. This can be put to rest by not letting LMPs replace MBBS doctors but instead work in a subordinate capacity.

A few changes in the public health system can be envisioned here: LMPs be employed in sub-centres where they perform both clinical and administrative functions at the sub-centre level. This would also allow easier access to primary and emergency care and keep the post of medical officer for MBBS doctors, thereby deterring any competition between the two cadres of physicians.

Medical officers (MBBS) could be employed in primary health centres (PHC), and new recruits imparted mandatory further training of a sufficient duration in basic clinical specialties. Also, inpatient facilities at PHCs can be scaled up. PHCs should deal with cases referred to them by sub-centre LMPs and also supervise their work.

Some spin-offs

This has many advantages. With LMPs working at the grass-root level, a single PHC would be able to handle a bigger population, allowing for more resources to be concentrated on individual PHCs for manpower and infrastructure development and also for increasing the remuneration of medical officers.

Ancillary responsibilities can be taken off an MBBS doctor and their skills put to better use. Quality emergency and inpatient attention can be made available at the PHC-level. Today, less than a handful of PHCs provide inpatient care of significance. Concerns about the clinical and administrative incompetence of fresh MBBS graduates appointed as bonded medical officers can be put to rest.

LMPs could be allowed to take up a postgraduate course in primary care as an option to study further. Those with a postgraduate qualification could choose to move higher up in the public health system, establish their own practice, find positions in hospitals, or serve as faculty in medical colleges training LMPs.

Therefore, reviving LMPs can help address the dearth of trained primary care physicians in rural India. The logistical entailments of implementing this idea would require separate deliberation.

TACKLING THE PLASTIC PROBLEM

A report released by the United Nations Environment Programme (UNEP) last year estimated that emissions of plastic waste into the aquatic ecosystems may triple by 2040 if no meaningful action is taken. Thus, the UN Environment Assembly meeting in February-March 2022 may finalise a way forward for global cooperation in this regard.

A negative externality

Plastic products in the form of bags, bottles, etc. are convenient, but take a very long time to decompose. Increasing global consumption and low participation in recycling programmes have led to more plastic waste. This pushes us to consider plastics as a negative externality. We need

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



to analyse the social costs of plastic consumption, which is mainly the loss of marine life. This affects the livelihoods of a major chunk of population dependent on marine life. Marine fisheries and wildlife are mainly harmed due to plastics. Thus, the size of harm is alarming.

Plastics represent an example of a consumption externality, which involves many people, rather than a production externality, which involves one or multiple firms. Consumption externality is more challenging to address, as it is difficult to differentiate the behaviour of consumers. Imposing the cost of the harm on all consumers may not yield efficient solutions. As the number of consumers is high, the cost of controlling them is also high.

A number of regions across the world have banned plastic bags. This approach promotes a sustainable environment, intergenerational equity, saves marine and wildlife ecosystems, and restores soil quality. But it also causes inconvenience for consumers, increases substitution cost, and creates unemployment shocks as it affects the production of plastics, leading to less economic activity, less income generation and finally less employment. The replacement of plastics, which are low cost, with substitutes results in deadweight loss for the economy.

Other key aspects that may be considered for global cooperation are the options if plastics are banned, the effectiveness of imposing tax and the potential problems with both these approaches. It is difficult to identify the exact tax to be imposed, which may depend on country-specific circumstances.

The environment regulation for plastics may include a 'command and control' approach, and fiscal reforms like eco-taxes or subsidies. The efficiency of such a regulation depends on its architecture — how well it is planned, designed and executed. It should be credible, transparent and predictable. A tax rate, in particular, needs to be carefully determined and should work as a deterrent. In general, the rate of tax on plastics should be higher than the cost of compliance.

Eco-taxes may be imposed in the various stages of production, consumption or disposal of plastics. Pollution due to plastics may happen during the production stage. That is the logic for imposing tax on polluting inputs, as it forces the producer to look for cleaner substitutes. Pollution also occurs during the consumption stage, and thus an eco-tax is recommended to discourage consumption. This may require the polluters or the pollution-controlling authority to install meters for recording the emission or the effluent discharged in the process of production or consumption of plastics.

Estimating the social cost

Social cost should be evaluated differently in the local/regional and global contexts. While health and hygiene are predominant considerations in the former case, climate change is the predominant consideration in the latter. Ideally, eco-tax rates on plastics ought to be equal to the marginal social cost arising from the negative externality associated with production, consumption or disposal of goods and services. This requires evaluation of damage to the environment based on scientific assessment of the adverse impacts on health, environment, etc. The eco-tax rate on plastics may thus be fixed commensurate to the marginal social cost so evaluated.

Thus, comprehensive policy measures against plastics may generally involve three complementary activities: the removal of existing taxes and subsidies that have a negative environmental impact, taking into account the different types or grades of plastics, and restructuring existing taxes in an environmentally friendly manner. There are some other



suggestions too, which may be creative as also effective policy solutions to reduce the amount of plastic consumption. Those include promoting multiple use of plastics through better waste management, educating the public on the harmful use of plastics, providing subsidy for research and development activity for substitute development, appropriate disposal mechanisms and waste management and use of waste for constructive usage like roads.

A DAY TO EMBODY THE TRUE SPIRIT OF SCIENCE

The Government is organising a Science Week, 'Vigyan Sarvatra Pujyate', as a prelude to National Science Day on February 28 that commemorates Sir C.V. Raman's discovery on light scattering. The programme appears to have been designed to make youth be proud about India's scientific achievements. Using this opportunity as nationalistic mission is rather unfortunate. On the contrary, this event should be used to celebrate the true spirit of science that defies all types of intellectual curtailments, thus promoting critical thinking in our academic centres.

The essence

A prominent physicist of our times, Freeman Dyson in his book, *The Scientist as Rebel*, makes a clear argument about why dissent is the soul of science: "There is no such thing as a unique scientific vision, any more than there is a unique poetic vision. Science is a mosaic of partial and conflicting visions. But there is one common element in these visions. The common element is rebellion against the restrictions imposed by the locally prevailing culture, Western or Eastern as the case may be. The vision of science is not specifically Western. It is no more Western than it is Arab or Indian or Japanese or Chinese. Arabs and Indians and Japanese and Chinese had a big share in the development of modern science. And what is true of science is also true of poetry. Poetry was not invented by Westerners. India has poetry older than Homer... Poetry and science are gifts given to all of humanity. For the Arab mathematician and astronomer Omar Khayyam, science was a rebellion against the intellectual constraints of Islam, a rebellion which he expressed more directly in his incomparable verses...."

The main takeaways from Dyson are: one, science is universal, like music, dance or poetry... There is nothing like Indian, American or Chinese science. Science was initially nurtured through exchanges of ideas that moved like merchandise between distant places over the ancient trade routes. Two, Dyson considered evidence-based modern science as an intellectual rebellion or as a form of dissent against social constraints, as exemplified by the Islamic and the European renaissance of science of the Middle Ages, or the reawakening in India around the 19th century that formed the background for the independence struggle.

Then and now

For Indian scientists of those days, science was a double rebellion, against English domination as well as the fatalistic ethos of Hinduism. This rebellious spirit led to a resurgence of science in India in the pre-Independence days and Sir C.V. Raman's discovery cannot be seen independent of the social reformism of those days. With the ideological shift toward the right in recent times, the spectre of conformism that was lying low in our collective consciousness has now returned with a vengeance. And, academic freedom is now under greater pressure to tow the official line than ever before.

If science must excel it needs to promote free spirit, and, as Dyson argues, science is an inherently subversive act — a threat to establishment of all kinds, whether it upends a long-standing



scientific idea, or it questions the received political wisdom or irrationality. He writes: “Science is an alliance of free spirits in all cultures rebelling against the local tyranny that each culture imposes on its children.”

Such ideas must have played in the minds of great physicists like Einstein and others when they turned the scientific theories of the day upside down. Much earlier, Galileo Galilei and Nicolaus Copernicus also took a firm stand against the prevalent wisdom despite their religiosity. As Dyson quotes the British scientist, J.B.S. Haldane: “Let him beware of him in whom reason has become the greatest and most terrible of the passions”. Haldane migrated to India in 1957 and was eternally dissatisfied with the Indian scientific enterprise and its organisational values, centred on hierarchy. He soon began to refer to the Council of Scientific and Industrial Research (CSIR) as the ‘Council for the Suppression of Independent Research’.

The ecology of dominant conformist traits is intertwined with group identity that determines the attitude towards our superiors and subordinates. Sudhir Kakar and Katharina Kakar in their book, *The Indians: Portrait of A People*, trace this culture of conformism to our childhood — as a reflection of our obsession with hierarchy that spills over to institutional setups. The word they use for Indians is *Homo hierarchicus* — a term originally employed by Louis Dumont in his treatise on the Indian caste system.

A setting for pseudoscience

The Indian family landscape is authoritarian and patriarchal, though benevolent to the obedient, in its dealings. Early on, children are sensitised to a collective self. We grow with a loss of self and learn to subsume our worth as an individual. An Indian is thus culturally tuned to uphold the family’s integrity, religion, caste and/or regional identity rather than her individual strengths. So, when the party in power in India criticises the Opposition parties for being led by dynasts, what is being sidelined is the irony of the dynastic blood relation as a prop for personal advancement is a fundamental part of Indian cultural ethos. Such societies with patriarchal moorings automatically generate conditions for authoritarian rule, generating an ambience of fear that may not be conducive for path-breaking enquiries. Rather, it tends to feed the conceit of the rulers by inventing make-belief science or pseudoscience.

Need for a shift

In a guest editorial in *Science* in 2010, R.A. Mashelkar, the former Director-General of the CSIR, discusses why India is unable to break the mediocrity barrier. He concludes that tradition-bound countries such as India need to free themselves from the cultural chains of the past to foster original thinking. In an editorial in the 2010 *Current Science*, P. Balaram, the former Director of the Indian Institute of Science, explains why a “good humoured disdain for perceived wisdom and disregard for authority”, which is called ‘irreverence’ is important in science.

The cultural shifts are not easy to accomplish, particularly in a tradition bound society. And, scientists have a special duty to foster a free and unfettered intellectual ambience by actively engaging in the transformation of values both within and outside workplaces. A fundamental challenge, of course, is how to strengthen the social democratic norms within the institutes, representative of Indian diversity and plurality. Only then will academic centres become a marketplace of ideas. National Science Day should offer forums where freewheeling discussion of such themes are organised, epitomising the true spirit of science, thus unleashing its tremendous transformative power.



LAND PROTESTS OVER DEOCHA PACHAMI COAL BLOCK

The story so far: The West Bengal government's ambitious Deocha Pachami coal block mining project at Mohammad Bazar in Birbhum district has run into hurdles over land acquisition and other issues. On February 20, nine people, including economist-activist Prasenjit Bose, were arrested at a rally to protest against the proposed project, being undertaken by the West Bengal Power Development Corporation. Bail has been rejected, and Bose and others have been sent to judicial custody till March 1 when they will be produced in court again. On Monday, February 21, Chief Minister Mamata Banerjee announced a sweetened relief and rehabilitation package, and said there will be no forcible acquisition of land for the project, which was awarded to the State by the Centre in 2018.

What is the project?

The State government is planning to start mining at the Deocha Pachami coal block, considered to be the largest coal block in the country with reserves of around 1,198 million tonnes of coal and 1,400 million cubic metres of basalt, spread over an area of 12.31 sq. km, which is around 3,400 acres. There are around 12 villages in the project area with a population of over 21,000, comprising Scheduled Castes and Scheduled Tribes.

However, the ₹35,000 crore Bengal government project is facing protests over land acquisition. The government owns 1,000 acres, of which 300 acres is forest land, but needs to acquire the rest to begin coal mining.

Why are locals upset?

Villagers represented by the Birbhum Jomi Jeeban Jeevika O Prakiti Bachao Mahasabha (Birbhum Save Land and Environment Protection Organisation) have been organising protests and rallies against the project, with activists claiming that there is a "misleading propaganda" that locals are willing to "give land voluntarily". Locals, mostly Santhal tribals, have close affinity with the land, with forests and waterways, and rely on it for their needs. Activists said that instead of engaging with the people on their grievances about the coal mining project, they, together with the tribals, were being harassed and had been arrested under false and serious charges. Various other organisations have leant their voice to the protests and spoken out against alleged police atrocities, including the Samyukt Kisan Morcha (which had led the year-long farmers' stir on the borders of Delhi), the Jawaharlal Nehru University Students' Union, Bangla Sanskriti Mancha and the Teachers Against the Climate Crisis. Experts, environmentalists and activists have raised a host of issues concerning the project and the pitfalls of going ahead with plans for open cast mining of coal at a time when there are calls to cut back on fossil fuel to tackle global warming. Also, the project details have not yet been made public; and the environment clearance is awaited.

What is the compensation package?

Chief Minister Mamata Banerjee insists that the State needs the mining project, saying it will create about one lakh jobs. The State government revised the relief and rehabilitation project, which will cost the exchequer ₹10,000 crore, to give land losers a better deal. The Chief Minister claimed that of 4,300 families who will be affected by the project, about 1,600 families have decided to hand over their land willingly.

Under the revised relief & rehabilitation (R&R) package for Deocha Pachami coal block, a person having land in the area will get double the market value along with 100% solatium as land cost

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(i.e. around ₹13 lakh per bigha). “Built-up area of the individual houses to be provided to all families (along with separate houses for all adult members of the family) has been increased from 600 sq ft to 700 sq ft. Compensation in lieu of built-up houses (for those who will opt for money) has been increased from ₹5 lakh per family to ₹7 lakh,” according to the government. While the original R& R package provided for one job for one member of every family at the junior police constable level, in the revised package, those with higher qualifications will be provided with a higher grade posting in the police or an equivalent posting in other departments. A total of 5,100 people will get jobs, the government said.

Along with this, long-term residents of the area who are not landowners will be provided with land patta and a compensation package, the Chief Minister announced. “The government will develop this project and no land will be given to private players. There are some mine owners who are trying to spread misinformation among people. Despite this, if anyone does not want to give land we will not force and will develop the project excluding that portion,” Ms. Banerjee said.

Are the protests similar to Singur and Nandigram?

When Ms. Banerjee was in the Opposition, she spearheaded a massive protest at Singur against forced land acquisition that led the Tatas to exit the State with the Nano small car project. In 2007, land acquisition for a proposed chemical hub during Left rule also turned violent. The protests at Deocha Pachami comes at a time when the Trinamool Congress government, in its third term, has been trying to shed its anti-industry image and bring back jobs to the State and stop large-scale migration of youngsters to other States.

THE HISTORY OF THE KUKI INSURGENCY IN MANIPUR

The story so far: Just before the first of the two phases of the Assembly Elections went underway in Manipur on February 28, all insurgent groups associated with the Kuki tribes in Manipur said they will vote for the Bharatiya Janata Party (BJP). This came days after Union Home Minister and BJP leader Amit Shah said at his rally in Churachandpur district of the State, that his party will end the Kuki insurgency problem in five years, if it is voted to power for the second time. The president of the Kuki National Organisation (KNO), P.S. Haokip, cited talks with the BJP leadership, which he said has promised the speedy settlement of Kuki political aspirations.

Who are the Kukis?

The Kukis are an ethnic group including multiple tribes originally inhabiting the North-Eastern states of India such as Manipur, Mizoram and Assam; parts of Burma (now Myanmar), and Sylhet district and Chittagong hill tracts of Bangladesh. While Kuki is not a term coined by the ethnic group itself, the tribes associated with it came to be generically called Kuki under colonial rule.

In Manipur, the various Kuki tribes, living mainly in the hills, currently make up 30% of the total 28.5 lakh population of the State. While Churachandpur is their main stronghold, they also have a sizable population in Chandel, Kangpokpi, Tengnoupal and Senapati districts.

The rest of the population of Manipur is made up mainly of two other ethnic groups — the Meiteis or non-tribal, Vaishnavite Hindus who live in the valley region of Manipur, and the Naga tribes, historically at loggerheads with the Kukis, also living in the hilly areas of the State. Of the 60 seats in the Manipur Assembly, 40 are held by Meiteis and the rest 20 seats are held by Kukis and Nagas. Both the BJP and Congress are fielding Kuki and Naga candidates this time.



What led to the Kuki insurgencies in Manipur?

The Kuki insurgent groups have been under Suspension of Operation (SoO) since 2005, when they signed an agreement for the same with the Indian Army. Later, in 2008, the groups entered a tripartite agreement with the State government of Manipur and the UPA led Central government under former Prime Minister Manmohan Singh, to temporarily suspend their operations and give political dialogue a chance.

Manipur, formerly a princely state including parts of Burma, made the accession into India after Independence, but was only made a full-fledged State in 1972. The resentment over the “forceful” inclusion into India and delay in granting statehood led to the rise of various insurgent movements. The problem was intensified after Manipur was declared a ‘disturbed area’ in 1980, under the Armed Forces Special Powers Act (AFSPA), which gives sweeping powers to the military and has led to excesses. Post-independence insurgent movements in Manipur, carried out by valley-based groups or Meiteis, can be traced back to around the 1960s, when various groups demanded self-determination and separate statehood for Manipur, inspired by left ideology.

However, this wasn’t the case with the Kuki insurgency. The roots of Kuki militancy lie in conflicts of ethnic identity. First was the demand for self-determination solely for groups belonging to their ethnic fabric, meaning the dream to form a Kukiland which includes Kuki inhabited regions of Myanmar, Manipur, Assam and Mizoram. The second reason for insurgency lies in the inter-community conflicts between the Kukis and the Nagas in Manipur.

While organisations like Kuki Inpi and Kuki National Assembly had already formed in the years following Independence, insurgent activity at the time was jointly carried out by Kuki outfits based in Myanmar and Mizoram for Kukiland. But the Kuki insurgency in Manipur grew in real terms in the 1980s and after the Kuki-Naga conflicts of the 1990s. This is when the Kuki National Organisation (KNO) and its armed wing Kuki National Army (KNA) were formed.

The community could not shed internal differences between tribes and take a single line of action. While some militant Kuki outfits demanded Kukiland, including parts which are not in India, some demanded Kukiland within India. At present, the demand has come to the formulation of an independent district—Kukiland Territorial Council within the purview of the Indian constitution, modelling the Bodoland Territorial Council, which was formed under the sixth schedule of the Constitution, after insurgent groups in Assam signed an agreement with their State government.

The Kuki-Naga conflict was started over securing identity and land as some Kuki inhabited areas coincided with Naga inhabited areas. Wanting to dominate trade and cultural activities in those areas the two communities often engaged in violent standoffs, with villages being torched, civilians killed and so on. Even though clashes have reduced in recent decades, tensions between the two ethnic groups still exist.

Where do the Kukis stand today?

The temporary SoO agreements were made in order to start political dialogue about giving some form of self-determination to the Kukis, but that has not happened, both under the UPA or NDA governments.

The SoO has been extended by the Government almost every year since 2008, with Kuki outfits threatening to breach the agreement by taking up arms again and boycotting the Government. In 2012, the groups held a nearly eight month long blockade of highways around their area, costing



the Government a couple of crores in losses each day. The SoO agreement was last extended by Prime Minister Narendra Modi's government in September last year till February 28 this year. Both BJP and Congress governments have held talks with the representatives of Kuki groups but the Kukis are dissatisfied with the pace of the dialogue and also feel ignored, as the Government has been holding Naga Peace Talks with the main Naga insurgent outfit NSCN (IM), which demands the formation of Greater Nagaland, including parts of Manipur having Kuki inhabited regions.

It has to be seen how the BJP plans to resolve the insurgency and settle Kuki political aspirations as the more than 50% Meitei population of the State, a significant voter base, has always been against Kuki and Naga demands for self-determination, as they fear it would undermine Manipur's territorial integrity.

9 IN 10 INDIANS THINK WIFE MUST ALWAYS OBEY HUSBAND: STUDY

While Indians accept women as political leaders, they mostly favour traditional gender roles in family life, says a report released by the Pew Research Center, a Washington DC-based non-profit.

The study, titled "How Indians view gender roles in families and society" and released on March 2, is based on a survey of 29,999 Indian adults conducted from November 2019 to March 2020.

According to the report, while 55% of Indians believed that men and women make equally good political leaders, "nine-in-ten Indians agree with the notion that a wife must always obey her husband".

Traditional norms

Indian women were only slightly less likely than Indian men to agree with this sentiment (61% versus 67%). Although most Indians expressed egalitarian views on gender roles, with 62% saying that both men and women should be responsible for child care, traditional norms still held sway, with 34% convinced that child care "should be handled primarily by women".

Similarly, while a "slim majority (54%) says that both men and women" should be responsible for earning money, as many as 43% believed that earning an income is mainly the obligation of men. Also, 80% of Indians agreed with the idea that when there are few jobs, men should have more rights to a job than women.

While Indians valued both sons and daughters, nearly 94% said it is very important for a family to have at least one son, with the corresponding figure for daughters being 90%.

About 64% of Indians also said that sons and daughters should have equal rights to inheritance from parents. But while four-in-10 adults said that sons should have the primary responsibility to care for ageing parents, only 2% said the same about daughters.

The report, noting that prevalent gender norms "are part of a wider phenomenon in Indian society where, for a variety of historical, social, religious and economic reasons, families tend to place higher value on sons rather than daughters, found that 40% of Indians saw "sex selective abortion as acceptable in at least some circumstances".

However, 42% found this practice "completely unacceptable".



Noting that Indian women are typically not much more likely than Indian men to express egalitarian views on son preference and gender roles, the study found that similar views prevailed among young Indian adults (18 to 34) relative to their elders.

Findings compared

The Pew Center report also compares gender attitudes in India with its findings in the rest of the world.

The study, noting that a global median of 70% said that it was very important for women to have the same rights as men, found a similar ratio in India, with 72% of Indians saying gender equality is very important.

However, Indians were less likely than people in North America (92% median), Western Europe (90%), and Latin America (82%) to place a high value on gender equality.

They were more likely to do so compared to sub-Saharan Africa (48% median) and the Middle-East-Northern Africa region (44%). In South Asia, Indians were more likely to bat for gender equality than Pakistanis (72% to 64%).

The survey found that Indians with a college degree were less likely to hold traditional views on gender roles, although this did not extend to all gender-related issues.

CARE INFORMED BY DATA

Numbers can often be hustled to tell many tales; but it is the story that is picked on the basis of the desire to do what is morally right that sets the course for meaningful action. The recent Lancet estimates of COVID-19-associated orphanhood, which put the number at over 19 lakh children orphaned as a result of COVID-19, has raised India's hackles. The Lancet study generated numbers based on modelling, and therefore only estimates and not actual numbers are available. Globally, it estimated that 52 lakh children had been rendered orphans by the pandemic. The study, in its original period, March 1, 2020 to April 30, 2021 was revised, with updates based on excess mortality and fertility data used to model increases in estimates of COVID-19-associated orphanhood between May 1 and October 31, 2021 for 21 countries. Orphanhood was defined as the death of one or both parents; or the death of one or both custodial grandparents. The authors claimed their findings showed that numbers of children orphaned by COVID-19 had almost doubled in six months compared with the data after the first 14 months of the pandemic. India has objected strongly to the estimate of 19 lakh, terming it as "sophisticated trickery intended to create panic among citizens". As per data collected by the National Commission for Protection of Child Rights and collated on the Bal Swaraj portal, the number of children orphaned during COVID-19 in India was far lower, at 1.53 lakh.

While the study does include revised estimates for all the nations, the message that it seeks to convey is the absolute urgency with which governments must incorporate childcare into any COVID-19 management programme. The state should proactively draw such children into the umbrella of care to save them from numerous adversities — poverty, violence, destitution, and lack of access to education and health care. The Indian government, to its credit, announced a grand plan of support for children forced into orphanhood by COVID-19. Many States announced rehabilitation plans, including provisions for adoption, foster care, education and health care; some admittedly more progressive than others, but the momentum was certainly built up in the country. It is time to update the status of such programmes, and information on the number of



cases where intervention has occurred, and where it is pending, must be put out in the public realm. Well begun is half done, but the Centre and the States must expand efforts. The Government would do well to allow interventions for children to be informed by a ‘whole-life’ care paradigm, and fresh data from time to time, especially in a pandemic that is not only rapidly evolving, but by all accounts, is nowhere near ending.

REPORTING CYBER ATTACKS

The Ministry of Electronics and Information Technology is likely to come out with new cyber security regulations, as indicated by Minister of State Rajeesh Chandrasekhar at a recent cyber security event. The essence of this regulation will be to put the onus on organisations to report any cyber crime that may have happened against them, including data leaks. Clause 25 in the Data Protection Bill 2021 says that data fiduciaries should report any personal and non-personal data breach incident within 72 hours of becoming aware of a breach. Even the golden standard for data protection, namely the European Union General Data Protection Regulation (EU GDPR), has a clause for reporting data breach incidents within a stringent timeline.

Security breaches

While this, in principle, is likely to improve cyber security and reduce attacks and breaches, why are there continuing breach incidents every minute? According to Cybercrime Magazine, if it were measured as a country, then cyber crime — which is predicted to inflict damages totalling \$6 trillion globally in 2021 — would be the world’s third-largest economy after the U.S. and China.

Apart from private firms, government services, especially critical utilities, are prone to cyber attacks and breach incidents. The ransomware attack against the nationwide gas pipeline in 2021 in the U.S. virtually brought down the transportation of about 45% of all petrol and diesel consumed on the east coast. Hence it is important that even cyber attacks on government and state-owned enterprises be reported so that corrective actions can be taken on the security of critical infrastructure of the nation.

What is the logic behind incidence reporting? If incidences are reported, the Indian Computer Emergency Response Team and others can alert organisations about the associated security vulnerabilities. Firms not yet affected can also take precautionary measures such as deploying security patches and improving their cyber security infrastructure.

But firms are reluctant to notify the breach incidents to the regulators. This is because any security or privacy breach has a negative impact on the reputation of the associated firms. An empirical study by Comparitech indicates that the share prices for firms generally fall around 3.5% on average over three months following the breach. In the long term, breached companies underperformed in the market. After one year, share price of breached firms fell 8.6% on average, resulting in a poor performance in the stock market. So, firms weigh the penalties they face for not disclosing the incidents versus the potential reputational harm due to disclosure, and decide accordingly.

The other important aspect is enforcement of the regulation and associated rules. How will the regulator come to know when a firm does not disclose a security breach? It can be done only through periodic cyber security audits. These audits should be comprehensive enough to identify such incidents that might not have been reported by the firm. Unfortunately, the regulators in most countries including India do not have such capacity to conduct security audits frequently



and completely. If either the probability of such audits is low or the probability of finding breach incidents during such audits is low, there is incentive for the firms not to disclose security attacks.

Possible solutions

Given the above complex nature of disclosure, what could be the possible solutions apart from enacting rules? The first is that the government empanel third party cyber security auditors for the conduct of periodical cyber security impact assessments, primarily amongst all the government departments, both at the national and State level, so that security threats and incidents can be detected proactively and incidents averted. The government can also mandate that periodic security audit reports be published by private firms and arrange to conduct surprise security audits towards enforcements.

The Ministry, as part of cyber security assurance initiatives of the Government of India, to evaluate and certify IT security products and protection profiles, has set up Common Criteria Testing Laboratories and certification bodies across the country. These schemes can be extended towards cyber security audits and assessments as well. Much like IBM, which set up a large cyber security command centre in Bengaluru, other large firms can also be encouraged to set up such centres for protection of their firms' assets. Such measures will also pass the muster of the EU GDPR, thereby moving India closer to the set of countries that have the same level of cyber security and data protection as that of EU, for seamless cross-border data flow.

FIND SPACE FOR NEW SCIENCE, ITS ETHICAL DILEMMAS

In India, because of the election cycle, and because political events oscillate between their significance for an electoral democracy or their implications for an electoral autocracy, we spend little time discussing the advances of modern science and their repercussions for public life. There have been such fascinating developments in science and in technology, such as in artificial intelligence, but these have merely been reported and then have quietly faded from public view.

For India to ponder over

For example, there has been little discussion on the privacy implications of the new Ray-Ban/Facebook smart glasses/spectacles branded as 'Stories'. These allow the wearer to video record or take photos of events and conversations without the permission or knowledge of those in the wearer's vicinity. She has only to press an unobtrusive button and the recording starts. Each video recording can last 30 seconds. It is an elegant device that combines both high technology and high fashion. Reviewers of the glasses were unsure whether to regard the glasses as creepy or as cool. What are their implications for state interference in our privacy?

In India, such advances of science and technology get adopted without even a boo. They soon get normalised without their ethical implications even being debated. This is because the election cycle, a low hanging fruit, dominates our attention. We do not have to, therefore, deal with complex ethical questions that result from advances in science and technology. And yet we need to.

Direction of medical science

The advances in science that I would like to place for public debate come from the field of medical sciences. It is an area labelled 'Xenotransplantation', to refer to its technical name. I am a student of the human sciences and not of medicine and so I shall place the facts as I understand them,



which I have culled from popular news forums such as BBC, Nature, The New York Times, and The Guardian.

In the last four months, three news reports have caught my attention. The first case comes from a successful experiment, in September 2021, at the NYU Langone hospital in New York, one of the most advanced research hospitals in the field of medical sciences. A medical team there attached a kidney from a gene-edited animal to a person declared brain dead to see if the animal kidney was able to do the job of processing waste and producing urine. It did. The details are in the NYT, January 20, 2022.

The family of the person had given its permission for this experiment since the individual had donated her body for medical science. In the United States there are apparently 90,000 persons waiting for a kidney transplant and this successful experiment would go some way towards meeting that need (The Guardian, October 20 2021); another estimate is that there are 1,21,678 people waiting for lifesaving organ transplants in the U.S.).

The second case, reported on January 14, 2022, is from the University of Maryland where a team of doctors used the heart of an animal, which had genetically modified features, as a replacement heart on a patient who had run out of available options. By all accounts the operation seems to have been successful. The Director of the Cardiac Xenotransplant Program of the University of Maryland, Dr. Muhammad Mohiuddin, (originally from Pakistan) had this to say about the significance of the operation. "This is a game changer because now we will have these organs readily available ... and the technique of genetically modifying them... We can thereby customize the heart or the organ for the patient" (the BBC, January 15, 2022).

The third case is the news report that a doctor in Germany, who has been working in the area of xenotransplants, plans to develop a farm to cultivate genetically modified organs for such transplants. In his view, this will ease the pressure on the medical system. In Germany alone there are 8,500 patients waiting for organ transplants (The Guardian, February 3, 2022) In all three cases the animal from which the tissue or organ had been taken was the pig. It is regarded by medical science as the animal whose organs are currently best suited for humans.

Moral and social issues

At the very least there are three ethical issues that these medical advances raise for human societies. In India these developments carry an additional sting. Should we discuss them or, given that they involve community sensibilities, should we pretend they are not there? Do these ethical issues pertain only to the individual or do they also concern the community? Which gets precedence? Are we obliged to discuss them, because Article 51A of the Constitution requires us "to develop scientific temper", or can we ignore them?

The animal rights movement has objected to these advances in medical science, of xenotransplantation, because it ignores the rights of animals. They are hostile to the idea of animal farms with genetically modified animals for the purpose of harvesting organs for humans requiring transplant. Animals, they argue, also have rights and it is our moral responsibility to support these rights. We must, therefore, not walk down the road of organ farms. Such thinking, they argue, stems from a philosophy of anthropocentrism which places human beings at the centre of nature and regards all other living creatures as having only value if they can be of use to humans. Such anthropocentric thinking, they rightly declare, has been the basis of the ecological crises of climate change. Mahatma Gandhi, they add, was opposed to the practice of vivisection.



The animal rights perspective places on us the classic utilitarian dilemma of whether it is better to kill an animal and save a human being or to save an animal and let the human die. Medical science is having to work through such moral dilemmas. In India, where such questions do not even enter the portals of regulatory bodies, such as the Indian Council of Medical Research (ICMR), I think the time has come for us to ask such questions (Nature, January 14, 2022).

But it is the third set of questions that is so incendiary in India. In a society where the pig is considered a dirty animal, where eating pork is considered disgusting, where those who deal with pigs are given low social status, where even asking such questions is taboo, what should the medical fraternity do? If global advances in medical research are moving towards a consensus on the suitability of a pig's heart for patients suffering from terminal heart decline, what should the medical authorities recommend to the government? Imagine that such a patient is a Jain, or a Jew, or a Muslim or just a vegetarian. Should they be allowed to die since their belief system forbids them to have anything to do with a pig, or should they be offered a choice of life?

Further, would not the wide adoption of xenotransplant procedures diminish the illegal and immoral market in human organs, where people, even children, are abducted so that their organs can be harvested? In school we were taught to memorise proverbs. I never quite understood the saying, 'You cannot make a silk purse out of a sow's ear'. Now I do. You can.

WAIT FOR CHEETAH TO GET LONGER

It could be many months before cheetahs from Namibia make it to India. An expert team of wildlife officials from Madhya Pradesh, the Indian Forest Department and the Wildlife Institute of India that visited Namibia for a site visit last week is reportedly "satisfied", but a formal Memorandum of Understanding (MoU) regarding the transfer is yet to be signed.

Union Environment Minister Bhupender Yadav launched an "action plan" at the 19th meeting of the National Tiger Conservation Authority (NTCA) on January 7 saying, "The cheetah that became extinct in independent India, is all set to return." The action plan states that a cohort of 10-12 young cheetahs that are ideal for reintroduction would be imported from Namibia or South Africa as a founder stock during the first year. The animals' lineage and genetic history will be examined to ensure that they are not from an excessively inbred stock and are in the ideal age group, so that they make up a suitable founding population. Mr. Jhala said that around 35 cheetah would be needed over time to establish such a stock.

The proposed site for introduction is the Kuno Palpur National Park (KNP) in Madhya Pradesh, though at least three other reserves in Central India are being considered.

According to the plan, the Central government, along with the Environment Ministry and the Cheetah Task Force, will create a formal framework to collaborate with governments of Namibia and/or South Africa, through the Ministry of External Affairs.

A press release from Namibia noted that a delegation from India had visited the Cheetah Conservation Fund and had held "bilateral and technical discussions" on introducing the animals.

The Kuno National Park was also supposed to be a site for the Asiatic Lion that is now confined to Gir. However, the Gujarat government, as well as the Centre, for more than a decade, has been dragging its feet on sending the lions to this habitat. Independent conservationists have warned that introducing the cheetah, the only big cat that went extinct in Independent India, would mean shifting the focus from the more urgent need for a second home for the lion.



BUSINESS & ECONOMICS

CANADA'S DIGITAL SERVICES TAX AND USTR'S OPPOSITION

The story so far: The Office of the U.S. Trade Representative (USTR) has protested against Canada's decision to impose a digital services tax of 3% on large companies that sell various services in Canada. Companies with a total annual revenue of at least \$850 million and profits of at least \$16 million will be taxed by the Canadian government under the new rules. USTR has argued that the new tax particularly targets large U.S. technology businesses and has stated that it would look into ways available under existing bilateral and other trade agreements to retaliate against Canada's actions.

What is the issue?

The question of how to tax large multinational corporations (MNCs) that have their business spread across countries has been a bone of contention among governments. Many MNCs draw a large share of their revenue and profits from outside their home countries, yet they pay most of their taxes in their home country. These include large technology companies such as Facebook, Apple, and Google which do business in developing countries like India and China but pay most taxes in the US or in tax shelters such as Ireland. Many governments have tried to tax at least a part of the profits of these MNCs.

In a meeting of the Organization for Economic Cooperation and Development in October last year, a total of 136 countries including Canada and the United States came to an agreement on how to tax large MNCs. They agreed, under what is known as the OECD/G20 Base Erosion and Profit Shifting (BEPS) project, that large MNCs will have to pay tax on a certain portion of their profits to the government of the foreign country where they do business. To be particular, companies will have to allocate 25% of the residual profits, which is defined as profits exceeding 10% of revenue, as profits earned in the foreign country and pay tax on these profits. Other than this, the countries also agreed to impose a minimum corporate tax rate of at least 15% on corporations with revenues and profits above a certain threshold level. This was seen as a way to bring an end to tax competition which adversely affected the tax revenues of governments. So, Canada's new digital services tax basically comes at a time when governments are trying to implement new ground rules on how to tax companies and share revenues.

Why is the USTR unhappy about the digital services tax?

USTR has argued that Canada's digital services tax goes against the spirit and the text of the BEPS agreement signed by 136 countries in October last year. It was agreed last year that the signatory countries would not impose new unilateral taxes that work against the spirit of the BEPS agreement. Countries were instead supposed to work together on the swift implementation of the BEPS rules.

Canada has contested that the digital services tax will not come into effect if the BEPS framework is implemented on time (by the end of 2023). It has also assured the United States that it is committed to cooperating with other governments to implement the BEPS framework. It should be noted that in case there is a delay in the implementation of the BEPS agreement that was framed last year, then companies will have to pay the digital service tax from 2024 on all their accumulated profits since 2022.



What lies ahead?

The dispute over Canada's digital services tax is seen as a prelude to the various other problems that are likely to arise as governments across the world try to implement the BEPS agreement. Each government would want to maximise its share of taxes and some may even disagree on the appropriate tax rate that maximises overall revenue collection, so more disputes might be in store. Some also see Canada's decision as a sign that there may be doubts over the timely implementation of the BEPS framework.

THE RUSSIAN INVASION IS MAKING THE GLOBAL CHIP SHORTAGE SITUATION WORSE

The story so far: In October, Intel's chief executive Pat Gelsinger, ahead of the company's third quarter earnings, said he expects the chip shortage to extend until at least 2023. The company's rival, AMD, was a bit more optimistic. At last year's Code Conference, CEO Lisa Su said the situation will likely remain 'tight', and would gradually get better in 2022 as more production capacity opens up.

The two CEOs predicted the supply of chipsets based on the pandemic's effect on a component that has become a life-line for most gadgets we use every day. Now, the ongoing conflict between Russia and Ukraine is worsening the global chip shortage crisis.

How did the shortage crisis begin?

After reaching its peak in 2011, the laptop market growth slowed down with the rise of alternatives such as smartphones and tablets. Then, the pandemic hit. People switched to work from home, children connected to schools through laptops, and get-togethers happened over video calls. This shift led to a surge in demand for laptops and tablets.

The stay-at-home rules also made several people pick up console-based gaming. According to a report by data analytics firm NPD Group, overall total consumer spending on video gaming in the U.S. totalled \$13.3 billion in the September ending quarter of 2021, an increase of 7% when compared to the same period in 2020, and the highest third quarter spend in history.

These devices in high demand run on thumbnail-sized semiconductor piece (or pieces some time), performing various functions on a single device. And manufacturers produce them as 200mm or 300mm wafers. These are further split into tiny chips.

While the larger wafers are expensive and mostly used for advanced equipment, the devices that were in high demand needed smaller diameter wafers. But the manufacturing equipment required to make them were in short supply even before the pandemic began. That's because the industry was moving in the direction of 5G, which required the expensive wafers.

But high consumer demand for low-end products, coupled with large orders from tech firms chocked chip makers whose factories were also closed during lockdowns. As the industry gradually tried to pull itself out of the supply crunch, logistical complexities exacerbated the problem. And then cost of moving containers across the world drove up the price of the core component used in most electronic devices and automobiles.

Why is the Russian invasion impacting chip shortage?

According to a report by Moody's Analytics, Ukraine supplies rare gases used to produce semiconductor fab lasers, and Russia exports rare metals like palladium to make semiconductors.

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This combination is required to build chipsets that power a range of devices, from automobiles to smartphones.

Palladium is often used as an alternative to gold in making various devices as the metal is highly malleable and resistant to corrosion. The rare metal is considered to be softer than gold, but is still much harder and durable than the yellow metal. This quality of palladium gives it more protection against an impact and a greater resistance to denting. So, automobile makers, electronics manufacturers and biomedical device producers prefer the silvery-white metal.

Russia and South Africa are the two largest producers of palladium. In 2021, Russia supplied 2.35 million ounces (66 million grams) of palladium, according to precious metals refiner Heraeus. The silvery-white market would move into a severe deficit without those supplies, pushing the price up. While platinum and rhodium could be substituted for palladium, Russia is also a leading producer of the other platinum group metals.

Palladium is used in nearly all electronic devices, and the metal is a key to make chipsets and circuit boards. It is used to make multi-layer ceramic capacitors (MLCCs), which are important to make smartphone screens, stereo systems, and power circuit breakers.

As Russia's invasion into Ukraine escalates, the country is getting hit by Western sanctions. This could disrupt the country's exports, leaving the semiconductor firms fewer options to source raw materials to make chip sets.

How are businesses and governments adapting to these changes?

The global semiconductor market is projected to grow by 8.8% to US\$ 601 billion, driven by a double-digit growth of the sensors and logic category, according to data from World Semiconductor Trade Statistics (WSTS).

And with the recent trends in electric mobility, automotive safety, and Internet of Things (IoT), the demand for semiconductor is only going to grow. But this growth is coming at a time when products are being built on global supply chains. So, businesses are inverting their offshoring plans. They are considering 'reshoring' as an option to be shielded from global supply chain disruptions.

"Reshoring production can create improvements that may help in the event of a shortage. For one, it is much easier to control production aspects like quality and control processes for onshore manufacturing. There are also fewer governmental restrictions when production is held onshore. There are also benefits for the local community when manufacturing is done locally," according to a research paper titled by California Polytechnic State University.

Intel, one of the few companies that both designs and makes its own chipsets, announced last month, \$20 billion for two new chip fabrication facilities in the state of Ohio. The company plans to invest \$100 billion over the next decade, and build eight more fab factories in the state.

At the other end of the spectrum is government support to provide a conducive environment for businesses to set up facilities to build semiconductor factories. India recently cleared a ₹76,000-crore scheme to incentivise companies to design and make semiconductors.

The U.S. government is looking to pass the CHIPS Act, a law that would provide semiconductor firms with \$52 billion in subsidies to advance chip making in the country.



While business strategies and government policies could help in solving the chip crunch in the long-run, the current semiconductor shortage is here to stay with us in the near-term.

AFTER RUSSIAN ATTACK, WORLD'S LARGEST CARGO PLANE MAY NEVER FLY AGAIN

An aviation wonder and the world's largest cargo aircraft, the Antonov An-225, has been "destroyed" in an attack on its base at Hostomel/Gostomel airport in Ukraine.

Concern grew over the fate of the giant plane after Russian troops began moving into Ukraine, and there were reports of attacks on the airport and its vicinity around February 24, leading to aviation chatter on social media over the last 48 hours about damage, which was largely speculative and based on grainy images of the airport and its hangars.

Confirming the development in an e-mail from Kyiv, Ukraine, to The Hindu on Monday, the Commercial Director of Antonov Airlines, said, "Today the fact was confirmed that as a result of [the] attack and capture of Ukrainian civil Kyiv-Antonov airport (Gostomel) by Russian troops, the largest aircraft in the world, [the] An-225 Mriya, was damaged and burned down. The aircraft was at the home base in Ukraine for maintenance. The loss of this unique aircraft, which was the real piece of technical art, is a great loss not only for [the] Antonov Company and Ukraine, but for the entire aviation world." No other details were shared.

Known formally as the "Cossack", its North Atlantic Treaty Organization (NATO) operating code, the world knew the "super-heavy transport plane" better by its Ukrainian name, "Mriya", or "the Dream".

The six-engine 84-metre-long behemoth, with its 32-wheel landing gear, had its first flight on December 21, 1988, built mainly for the transportation of the Buran shuttle orbiter and components of the Energiya carrier rocket. After an uncertain future following the breakup of the USSR, the aircraft bounced back and reinvented itself to don a variety of roles — and creating cargo transportation records — leaving spectators spellbound with its appearances across the world. It underwent extensive technical upgrades as well.

Indian landing

It made its maiden landing in India, in May 2016, at Hyderabad's Shamshabad airport while en route to Perth to deliver a 117-tonne power generator (from Prague, the Czech Republic) to a mine in Australia. It played an important role too in the COVID-19 fight, ferrying nearly 100 tonnes of medicines, laboratory kits, medical masks and personal protective equipment in various missions across Europe, Canada and to Africa. It was even chartered to transport 'Puma' helicopters from Kabul to the U.K. after U.S. ended its mission in Afghanistan.

There is much speculation about happens next. If the "Mriya" cannot be repaired — aviation sources estimate it to be \$3 billion — there is some hope left in the form of a second but unfinished fuselage that lies in an undisclosed warehouse in Ukraine.

BIG OIL MNCS EXITING RUSSIA

The story so far: British energy major Shell on Monday decided to exit Russia. The company ended its joint venture energy projects with Russian energy company Gazprom including the Sakhalin-2 liquefied natural gas project and projects to develop and explore energy fields in Siberia. Shell is the latest oil company to quit Russia after British Petroleum (BP) on Sunday announced that it



will be ending its joint venture with Rosneft. Many other smaller energy companies are also expected to exit Russia soon.

Why is Big Oil quitting Russia?

Russian President Vladimir Putin's decision to send military troops to invade Ukraine last week has led the U.S. and Europe to impose various economic sanctions on the country. These include cutting off a number of Russian banks from the SWIFT network for international payments as well as freezing the Russian central bank's dollar assets in order to stop the central bank from propping up the rouble.

Many, however, have called for sanctions that directly target Russia's energy sector, which contributed to more than a third of the Russian government's budget last year. It should be noted that Russia's energy sector is heavily dominated by the Russian government with major producers such as Gazprom and Rosneft, which contribute to most of Russia's energy production, being owned by the Government. These companies transfer their earnings to the Russian exchequer and also play a role in Russia's foreign policy that uses energy as a bargaining chip. The CEO of Rosneft, Igor Sechin, for instance, is seen as a close ally of Putin and so BP's collaboration with Rosneft has often been criticised. There have also been calls for western oil companies to quit Russia after the annexation of Crimea in 2014.

Doing business in Russia thus carries significant reputational risk for large western oil companies. However, the massive profits that large oil companies earn from their Russian operations has largely outweighed the reputational costs. Shell's assets in Russia were valued at over \$3 billion at the end of last year while BP derived a fifth of its total profits last year from its investment in Rosneft. This time, however, there has been greater political pressure on these oil companies. U.K.'s Energy Secretary Kwasi Kwarteng, for instance, has been strongly pushing British energy companies to sever ties with Russia.

What will be the impact of Big Oil's exit from Russia?

Most of the impact of Big Oil's exit from Russia on the country's economy is likely to be over the long-run rather than in the immediate future. Foreign companies offer important technical know-how which helps in energy exploration and production. They also bring precious capital to fund energy projects in Russia. These can turn out to be crucial determinants of energy sector efficiency in the long-run.

It is not clear, however, how exactly BP and Shell will exit their investments at the moment. The exit could involve incurring significant losses if the Russian government decides to seize their assets.

Western commodity trading houses such as Trafigura and Glencore also play an important role in the sale of Russian energy in the international market. Their exit from dealing in Russian energy assets, if it happens, can affect liquidity and lead to greater volatility in energy prices in the international market.

What lies ahead?

Given Russia's heavy reliance on the energy sector, tough energy sanctions can cripple Russia's economy and rein in the Kremlin's ability to fund the war with oil revenue. However, the West has been measured in its energy sanctions till date given Europe's heavy reliance on Russian energy supplies; Russia supplies about 40% of Europe's gas needs. At a time when energy prices are



already rising in Europe due to supply-chain disruptions owing to the pandemic and Government measures to cut down the use of fossil fuels, disruptions in Russian supply can cause further pain. This will affect not only European consumers but also the entire world as everyone will have to pay a higher price when supply drops in what is a common, global energy market. In short, given the mutual dependence between Russia and Europe, the West will have to find ways to decrease reliance on Russian energy before it can seriously hurt Putin.

Further, regardless of sanctions, a prolonged war can adversely affect the Russian economy. Unlike the U.S. or Europe which are major economies in the world capable of funding long foreign military expeditions, Russia does not possess the economic might to fund a prolonged and expensive war. The 30% fall in the Russian rouble against the U.S. dollar could simply be a reflection of this fact.

COUNTING THE COSTS

Saturday's announcement by the U.S., the U.K. and European allies, including France and Germany, of a raft of 'further restrictive economic measures' to increase the costs on Russia for its invasion of Ukraine has just raised the risks of a more widespread economic fallout from this war. With a view to further isolating Russia from the international financial system, the western allies decided to block 'selected' Russian banks from the SWIFT messaging system used to validate and complete international payment transactions. They also resolved to impose restrictions on the Russian central bank's ability to access and deploy the country's 'war chest' of an estimated \$630 billion in foreign exchange reserves. The immediate impact of these moves on Russia's economy and financial markets have manifested in a sharp depreciation in the value of the rouble — the currency tumbled almost 30% intra-day to a record low against the dollar in Asian trading on Monday and has weakened about 26% so far in 2022. They also forced the country's central bank to more than double its benchmark interest rate to 20%, the highest in almost two decades, and impose controls on capital flows. Russia's largest lender Sberbank found its European arm facing a run on its deposits, which the European Central Bank warned could lead to the unit's 'failure'. With Russians waiting in long queues outside ATMs on fears of likely cash shortages, the country's citizens face the real prospect of runaway inflation.

But the economic costs of Vladimir Putin's unilateral decision to embark on what he called a 'special military operation' to describe Russia's all-out invasion of its western neighbour last week are already being felt worldwide. European banks and companies with significant business exposure to Russia have taken a beating on the bourses given the extent to which the sharp escalation in the sanctions is certain to hurt their operations and revenues. And though the western allies have carefully avoided any mention so far on closing the tap on Russia's massive exports of oil and gas that contribute substantially to the country's current-account surplus, concerns about possible disruptions to shipments from the world's second-largest producer of oil have pushed the price of Brent crude futures well above \$100 a barrel. With most large European economies majorly reliant on energy supplies from Russia, the spectre of rising energy costs fanning a bruising acceleration in inflation in Europe and worldwide is very real. At a time when a durable recovery from the shock of the COVID-19 pandemic is yet to take hold, the war initiated by Russia, and the consequent sanctions on it, especially if widened to cover countries that seek to bypass the sanctions regime, pose a challenge to the global economy that Rabobank's economists projected could be 'so bad' as to be unquantifiable. Expedient negotiations to end the conflict are the only way forward.



EXCLUSION FROM SWIFT: WHAT IT ENTAILS

The story so far: The U.S., Europe and several other western nations are moving to exclude Russia from the Society for Worldwide Interbank Financial Telecommunication (SWIFT), an international network for banks to facilitate smooth money transactions globally. This could be the strongest economic sanction against Russia over its military moves in Ukraine, as it will potentially cut off the country from receiving international payments.

What is SWIFT?

SWIFT is a messaging network used by banks and financial institutions globally for quick and faultless exchange of information pertaining to financial transactions. The Belgium-headquartered SWIFT connects more than 11,000 banking and securities organisations in over 200 countries and territories.

Each participant on the platform is assigned a unique eight-digit SWIFT code or a bank identification code (BIC). If a person, say, in New York with a Citibank account, wants to send money to someone with an HSBC account in London, the payee would have to submit to his bank, the London-based beneficiary's account number along with the eight-digit SWIFT code of the latter's bank. Citi would then send a SWIFT message to HSBC. Once that is received and approved, the money would be credited to the required account.

SWIFT is merely a platform that sends messages and does not hold any securities or money. It provides standardised and reliable communication to facilitate the transaction.

What happens if one is excluded from SWIFT?

If a country is excluded from the most participatory financial facilitating platform, its foreign funding would take a hit, making it entirely reliant on domestic investors. This is particularly troublesome when institutional investors are constantly seeking new markets in newer territories.

An alternative system would be cumbersome to build and even more difficult to integrate with an already expansive system. SWIFT, first used in 1973, went live in 1977 with 518 institutions from 22 countries, its website states. SWIFT itself had replaced the much slower and far less dynamic Telex.

Are any countries excluded from SWIFT?

Certain Iranian banks were ousted from the system in 2018 despite resistance from several countries in Europe. "This step, while regrettable, was taken in the interest of the stability and integrity of the wider global financial system, and based on an assessment of the economic situation," SWIFT states on its website.

How is the organisation governed?

SWIFT claims to be neutral. Its shareholders, consisting of 3,500 firms across the globe, elect the 25-member board, which is responsible for oversight and management of the company. It is regulated by G-10 central banks of Belgium, Canada, France, Germany, Italy, Japan, The Netherlands, the United Kingdom, the United States, Switzerland, and Sweden, alongside the European Central Bank. Its lead overseer is the National Bank of Belgium.



The SWIFT oversight forum was established in 2012.

The G-10 participants were joined by the central banks of India, Australia, Russia, South Korea, Saudi Arabia, Singapore, South Africa, the Republic of Turkey, and the People's Republic of China.

In 2021, the SWIFT financial messaging platform had recorded an average of 42 million FIN messages per day, as per the data on its website.

The full-year figure was an 11.4% growth on a year-over-year basis.

Europe, West Asia, and Africa, combined sent approximately 4.66 billion messages.

The Americas and the United Kingdom stood second with 4.42 billion interactions, with the Asia Pacific on third with an approximate 1.50 billion messages.

ECGC HALTS CREDIT GUARANTEE FOR SHIPMENTS TO RUSSIA

Amid the ongoing conflict between Russia and Ukraine, ECGC in a communication said: “based on the near-term commercial outlook, it has been decided to modify the country-risk classification of Russia under the short-term and medium and long-term with effect from February 25”.

Revising its underwriting policy on Russia, ECGC, a government-owned entity, has now put that country in the Restricted Cover Category (RCC-I) from the earlier ‘open cover’ category.

Open cover category enables policyholders to obtain cover on a more liberalised basis. Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said, “Such [an] action is a huge setback to the exporting fraternity as the fate of cargoes which are at various Indian ports, some after customs clearance, for shipments will not be covered as ECGC has mandated Bill of Lading cut-off date till February 25.

“Secondly, policies in force hold no good as risks are withdrawn. This... act of ECGC is a setback for exporters as political risks are one of the major components which” it covers, he added.

Sharing similar views, Hand Tools Association President S. C. Ralhan said now ECGC would not cover export shipments meant for Russia and it is a major setback for the exporting community. In the present crisis, the payments against exports made by Indian exporters are at risk because Russian importers cannot make the payments in U.S. dollars, Mr. Ralhan observed.

THE OTHER OIL

While economic commentary post the Russian invasion of Ukraine has largely focused on oil — Brent crude topping \$100/barrel and the likelihood of petrol, diesel and LPG cylinder price increasing once polling in Uttar Pradesh concludes on March 7 — there is also the impact on the “other oil”. Sunflower is India’s fourth most consumed cooking oil, after palm, soyabean and mustard. The country imports about 98 per cent of its sunflower oil requirement — almost 93 per cent of that coming from Ukraine and Russia. Moreover, it’s not only sunflower. India also imports the bulk of its soyabean oil from Argentina and Brazil and palm oil from Indonesia and Malaysia. The ongoing conflict and disruption in shipments from Black Sea ports is rubbing off on these oils too, compounded by dry weather in South America and Indonesia imposing a 20 per cent domestic market sale obligation on its palm oil exporters. Crude palm futures prices in Malaysia scaled record highs of 7,000-plus ringgit per tonne last week.



All these matter for India, given that only 8.5-9 million tonnes of its annual 22-23 million tonnes edible oils consumption demand is met through domestic production. The country's vegetable oil import bill totalled \$11.09 billion in 2020-21 and \$14.02 billion in April-December 2021, which may well cross \$17-18 billion for the whole fiscal. The war in Ukraine, in a sense, exposes India's vulnerability in edible oils similar to what the 1991 Gulf War did vis-à-vis petroleum. Russia is, incidentally, also the world's top wheat exporter, with Ukraine at third position both in wheat (behind Australia) and maize (after the US and Argentina). But for India, the worry is more on the edible oil and fertilisers front: Russia and its neighbouring ally Belarus are the biggest producers of potash after Canada, while the curtailment of natural gas supplies from Russia will certainly push up ammonia and urea prices.

Every crisis, however, opens up opportunities. Mustard is now trading in Rajasthan's mandis at Rs 6,600-6,900 per quintal, way above the official minimum support price (MSP) of Rs 5,050. That's good news for farmers, just days ahead of the harvesting season. The Narendra Modi government should declare higher MSPs — preferably, as a one-time bonus — for groundnut, soyabean, sesamum and sunflower to incentivise farmers to grow these oilseeds in the ensuing kharif season. There is a need for focused campaigns, especially in states such as Punjab, Haryana, Telangana and Andhra Pradesh, to wean farmers away from paddy to oilseeds, pulses and cotton. The best way to do it is through guaranteed MSP procurement — which may not be required if open market prices stay high.

RUSSIA SANCTIONS: RBI, BANKS HUDDLE UP TO DRAW STRATEGY

The Reserve Bank of India (RBI) is likely to take stock of the situation arising from the sanctions announced by the US and many other countries on Russia and work out suitable measures to be followed by commercial banks in the coming days.

Members of the Indian Banks' Association have already discussed the impact of the sanctions on Indian banks. Finance Ministry officials are also watching the developments closely and are in touch with the RBI and top lenders.

Government sources said the geopolitical developments would impact India's import basket, and there may be a need to diversify sources of imports of certain commodities, especially petroleum products and agri commodities. However, the impact of sanctions movement of payments between Russia and India seems "manageable" at the moment despite trade in both US dollars and Euro becoming difficult, sources said. This is because there is always the option of conducting transactions in rupee, just like it was done when sanctions were imposed on Iran.

Trade with Iran was done via a rupee account maintained with UCO Bank, wherein Indian importers deposited payments in rupee in the vostro account of Iranian banks for importing oil. A similar system was used by Indian exporters to receive payments for Iran. It's possible to have same kind of transaction mechanism in this case as well, sources said. The main concern, however, seems to be around a sharp spike in commodity prices, especially oil and gas due to this geopolitical crisis, which is expected to have a significant bearing on the Indian economy.

There's also talk of revival of rupee payment system for trade with Russia. On the other hand, the RBI will have to tackle the impact of rising crude oil prices on retail inflation. RBI Governor Shaktikanta Das has already indicated that the renewed surge in international crude oil prices will require close monitoring as they pose a risk to domestic inflation.



Meanwhile, Commercial Indo Bank LLC, the lone Indian bank operating in Russia, is in the spotlight as the bank is a lead agent of the supporting organisations – State Bank of India and Canara Bank — that conducts operations with Indian companies that do business in Russia. SBI holds 60 per cent stake in the bank while Canara Bank holds 40 per cent. However, the impact of sanctions on Commercial Indo Bank is not clear.

GDP 2ND ADVANCE ESTIMATES: WHAT'S CHANGED SINCE 1ST, WHAT IT MEANS

On Monday, the Ministry of Statistics and Programme Implementation (MoSPI) released the Second Advance Estimates (SAEs) of GDP for the current financial year. These are an update over the First Advance Estimates (FAEs) released on January 7. The key difference between the two is that the SAEs are arrived at by incorporating the GDP data for Q3 (October to December).

How many revisions of GDP estimates are done, and why?

For each financial year, say 2021-22, the GDP estimates go through several rounds of revisions. Each year on January 7, MoSPI releases the FAEs. Then in February end, after incorporating the Q3 data, come the SAEs. By May-end come the Provisional Estimates after incorporating the Q4 (Jan to March) data. Then, in end-January 2023, MoSPI will release the First Revised Estimates for FY22. These will be followed by the Second Revised Estimates (by Jan-end 2024) and the Third Revised Estimates (by Jan-end 2025). Each revision benefits from more data, making the GDP estimates more accurate and robust.

What is the highlight in the SAE?

If the concern was whether India's economic recovery in FY22 — after the slump in FY21 due to Covid-19 — is good enough for overall GDP to scale back the pre-Covid level (that is, FY20) then the SAEs do not provide any new picture. However, the SAEs present a completely different picture of the nature of India's economic recovery from the one presented by the FAEs.

How are the two pictures different?

Before going into that, it is necessary to understand that India's overall GDP has three main engines of growth. The biggest is Private Final Consumption Expenditure (PFCE), the money that everyone spends in their personal capacity, and accounts for over 55% of GDP. The second biggest is the money spent by private firms (and, to a small degree, the government) towards increasing productive capacity. This is investment expenditure. Shown as Gross Fixed Capital Formation (GFCF), it accounts for around 33% of GDP. Then comes the money spent by governments towards their consumption (as against their investments). This is the Government Final Consumption Expenditure (GFCE).

Based on FAEs, the key observations about the nature of India's recovery were:

- Overall GDP was expected to go past the pre-Covid level.
- Recovery was driven by higher investments — as evidenced by the spike in GFCF.
- The main worry was poor levels of PFCE, which was well below the pre-Covid levels — an effect of the 'K-shaped' recovery. The same held true for per capita personal expenditure as well as per capita GDP (or income).



The argument was: Yes, overall GDP is likely to be back at pre-Covid levels, but private income and expenditures are far below pre-Covid levels. This will imply weak consumer demand, and, before long, rob businesses of the incentive to continue investing.

But the altered distribution of the sub-components has changed the evolving story. Even though overall GDP and per capita GDP (read income) have not changed much, PFCE and per capita PFCE (read expenditure) have jumped. GFCE and GFCF show a commensurate decline in SAEs (over FAEs).

Overall, all components are above the pre-Covid level and they are being led by private demand, which augurs well for the future.

How did so much change in a month?

Pronab Sen, former Chief Statistician of India, pointed to the inadequacy of data while making the FAEs. "You must understand that there are no independent estimates on the expenditure side," he said, pointing to the fact that what MoSPI collects is data on Gross Value Added — or the production side of the economy. The GDP estimates are arrived at by adding up the expenditures.

"So what MoSPI does is that it takes the production side data and they classify goods and services as either 'consumption' goods or 'investment' goods," he said.

Is that the final picture?

No, said Sen. "During times of such upheavals, revisions are extremely important. We are still working with incomplete information. For instance, the Ministry of Corporate Affairs' data will become available only in the Second Revised Estimates (Jan-end, 2024). As things stand, if one looks at this GDP data with other estimates such as those of unemployment, one could argue that the upper arm of the 'K' has done better than what was previously imagined".

GOVT. TWEAKS FDI POLICY AHEAD OF LIC PUBLIC OFFER

The Cabinet on Saturday approved changes to India's foreign direct investment (FDI) policy to allow global investors to participate in the initial public offering of Life Insurance Corporation of India (LIC) shares expected to be launched soon.

Foreign investors will now be able to invest up to 20% in LIC shares under the automatic approval route, government sources said. FDI in insurance ventures is already allowed up to 74% under the automatic approval route, but the policy was silent on foreign equity investments into the country's largest insurer LIC, a statutory corporation set up under an Act of Parliament.

"As per the present FDI policy, the FDI ceiling for public sector banks is 20% on government approval route, so it has been decided to allow foreign investment up to 20% for LIC and such other bodies corporate," an official said, adding that the approval has been made automatic for LIC so as to expedite the capital raising plan.

The Centre is offloading 5% of its stake in LIC.

FOR BOND MARKET LIQUIDITY, FINMIN LOOKING AT INSTITUTION FOR BUYING DEBT

In order to help in the development of the corporate bond market, the Finance Ministry plans to set up an institution that will purchase investment-grade debt securities, in stressed as well as

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



normal times. Sources said the Department of Economic Affairs (DEA) has held consultation with the Securities and Exchange Board of India (Sebi) in this regard. The broader structure of the entity and the norms governing its operations will be finalised by the March-end, they said. Several discussions have been held in the Finance Ministry on this proposal in the current year.

The DEA is working closely with Sebi. Such an entity is being seen as crucial especially during times of stress in financial markets, which freezes liquidity sometimes even for investment-grade bonds.

The proposed special purpose vehicle is likely to be an alternate investment fund, which will buy investment-grade bonds from mutual funds and other institutional investors. The fund is likely to be set up with contributions from mutual funds and other institutional investors, with a PSU fund getting majority stake.

This institution is expected to play a crucial role during stressed times, taking a leaf out of the book of a bad bank, promoted by banks, which got approval from the RBI and kicked off operations recently. While bad bank takes over non-performing assets of banks, the proposed bond institution will take over illiquid investment-grade bonds during the period of stress.

However, there's no clarity about the capital requirement of the institution. It is likely to deepen the bond market and create liquidity. Such an entity will be especially useful during stress — such as in case of default on payment by DHFL, which led to significant stress in the bond market in recent years.

Sebi has also proposed to create a set of market makers for further deepening and strengthening the country's corporate bond market. In a consultation paper issued in November 2021, Sebi said these market makers will help bring liquidity to secondary market for corporate bonds, where trading is limited to a small number of highly-rated notes or restricted to trades by financial institutions, banks and mutual funds.

This proposal was announced in the previous Budget, released in February 2021. "To instill confidence amongst the participants in the Corporate Bond Market during times of stress and to generally enhance secondary market liquidity, it is proposed to create a permanent institutional framework. The proposed body would purchase investment grade debt securities both in stressed and normal times and help in the development of the Bond market," Finance Minister Nirmala Sitharaman had said in her Budget speech last year.

With equity markets remaining buoyant in the current year, fundraising through corporate bonds was lower during the April-November period. Companies raised around Rs 3.7 lakh crore in April-November 2021 through issuance corporate bonds. The amount raised through public issues in debt doubled as 20 public issues raised Rs 9,132 crore during April-November 2021, as compared to 10 issues which raised Rs 3,871 crore during the corresponding period of previous year.

However, the number of issues and amount mobilised through private placement declined as Rs 3.6 lakh crore was raised through 851 issues during April-November 2021, as compared to Rs 4.9 lakh crore mobilized through 1,299 issues during April-November 2020, as per data presented in the Economic Survey 2021-22.



'TRADE DEFICIT SEEN HIGH, TO WIDEN CAD'

India's trade deficit, which shot back up to \$21.2 billion in February, is expected to stay elevated in the coming months and the current account deficit could widen to 2.6% of GDP in 2022-23, from 1.7% this year, Nomura said in a report on Thursday.

"The surge in oil prices, amid a pickup in domestic demand, will significantly enhance India's import bill, aided by the broader rise in commodities and fertilizers and an anticipation that gold imports will remain high as investors look to hedge against market volatility and inflation," the Japanese financial services group said.

The situation is 'especially aggravated by the ongoing Russia-Ukraine conflict', Nomura economists Sonal Varma and Aurodeep Nandi noted, adding that there were 'marginal downside risks to exports due to weaker demand from Russia and potentially from global spillover effects'.

"Oil drove much of the widening of the trade deficit in February [as] imports rose by nearly 43% month- on-month, after a 31% decline in January, while core imports (non oil, gold and gems and jewellery) rose by only 1.9%," they pointed out.

'Risks skew wider'

"We expect the current account deficit to widen to 2.6% of GDP in 2022-23 from 1.7% of GDP in 2021-22, assuming oil prices average \$86.6 a barrel; so, if oil prices sustain at current high levels, then risks are skewed towards a much wider deficit," the economists said.

Brent crude oil prices had touched \$120 a barrel by Thursday. The Union Budget for 2022-23 had assumed an average oil price of \$75 a barrel. The trade deficit had shrunk to \$17.9 billion in January after hitting a record high of \$22.9 billion in November 2021 and averaging \$21.7 billion between September and December.

A 10% rise in global oil prices would widen India's current account deficit by 0.3% of GDP, the economists estimated.

"Given the lag between spot oil prices and the signing of new oil contracts, we should see the full effect of the current rise in oil prices in the April/May trade data," they observed.

Russia accounts for just 0.8% of India's exports but risks to export demand would increase if the slowdown in Russia's economy has ripple effects.

Pharmaceutical products, telecom instruments, iron & steel and marine products comprise the bulk of India's exports to the Commonwealth of Independent States (CIS) region.

DID NSE GIVE PREFERENTIAL ACCESS TO SOME BROKERS?

The story so far: The issue of co-location has come into the limelight once again in the wake of the latest order by the markets regulator sanctioning former National Stock Exchange (NSE) MD and CEO Chitra Ramkrishna over decisions taken by her under the alleged influence of a mysterious 'yogi'. In its February 11 order, the Securities and Exchange Board of India (SEBI) had observed that the fact of Ms. Ramkrishna having shared confidential internal NSE information with an unknown person had come to light during the regulator's probe of the co-location matter. SEBI had passed its first order after adjudicating the co-location case in April 2019, when it had fined



the NSE a sum of ₹625 crore. The regulator had also at the time banned OPG Securities and its three directors from the securities market for five years and imposed a fine of about ₹15 crore.

What is co-location all about?

In 2009, the NSE started to offer co-location services to members of the exchange. Co-location allows a member to set up his server in a specifically earmarked data centre within the NSE's exchange premises for a certain price. And even though this data centre is located in a different wing from the exchange's trading systems, the relative proximity allows members wishing to gain access to the entirety of buy and sell orders sent to the exchange by market participants, or tick-by-tick data, a headstart of a few microseconds or nanoseconds. However, these brokers technically will only be able to carry out automated trading using algorithms since the speed and volume of data arriving is too high to process manually. These so-called 'high-frequency' traders also often analyse the data in its entirety in order to refine their trading strategies, which is then incorporated into the algorithms that execute the automated trades.

Other investors including retail participants, on the other hand, view a snapshot of market information that is periodically broadcast to them by the NSE on their broker platforms.

Is there anything illegal about co-location?

Co-location per se is not illegal. Stock exchanges across the world allow the practice to flourish as a paid service. The SEBI, in fact, had allowed exchanges to offer co-location in 2008. So, the NSE co-location case has to do with something else.

A whistleblower in 2015 alleged that some exchange members were able to manipulate NSE's co-location services to their own benefit with the support of certain officials in NSE's IT department. It should be noted that initially NSE disseminated order data to users of its co-location service through the TCP-IP or Internet Protocol technology that as a technology prioritises first comers. It is said that under this older technology members who logged into NSE's servers first and into servers with the least load were able to access data coming from the exchange before others. Some members also attempted to tap into NSE's backup server to bypass competition and are said to have employed various other tactics aimed at crowding out other members.

SEBI, however, has not yet been able to establish that the NSE colluded in such manipulation. It has only penalised the exchange for failing to prevent the misuse of its co-location service. NSE also made changes to the way it disseminated data to users of its co-location services. In 2014, it introduced Multicast Protocol transmission under which data from the exchange was multicast and the members subscribed to a specified address to receive the tick-by-tick data. This ensures that all members availing the co-location facility receive the data streamed by the exchange on a service at the specified address.

Do co-location services give an unfair advantage to some?

The issue of co-location has caused many to question the fairness of today's market infrastructure.

Supporters of co-location services argue that it allows quicker dissemination of market data and improves market liquidity.

They also state that the service is available to anyone who is willing to pay the appropriate fee. It must also be noted that the other connectivity options to access NSE trading data, including the V-SAT and leased line, too are based on a fee.



Critics of co-location, however, believe that it offers preferential access to certain market participants at the cost of others.

This, they argue, goes against the fundamental purpose of exchanges, which is to ensure that securities are sold to the highest bidders among all market participants.

In short, they contend that market efficiency is more important than speed. Some critics have even argued that exchanges should regulate the pace of transmission of order data in such a way that all market participants receive the data at the same time.

ROLE OF MIIS

The story so far: The National Stock Exchange (NSE), the country's largest equities and derivatives exchange, was earlier this month fined for laxity in governance pertaining to actions taken during the tenure of its former MD and CEO Chitra Ramkrishna. Markets regulator SEBI (Securities and Exchange Board of India) passed a 190-page order sanctioning the NSE, Ms. Ramkrishna, her predecessor Ravi Narain and a former Group Operating Officer Anand Subramanian, whose appointment by Ms. Ramkrishna was the primary matter under investigation, and levied financial penalties on each of them. However, the regulator too has come under a cloud for not acting quickly enough on the complaints it had received against the NSE management and on forensic audit reports that had shown irregularities in Ms. Ramkrishna's discharge of her professional duties. In setting the context for its order, SEBI noted that the NSE was a systemically important market infrastructure institution (MII).

What are MIIs?

Stock exchanges, depositories and clearing houses are all Market Infrastructure Institutions and constitute a key part of the nation's vital economic infrastructure. A panel set up under the chairmanship of former RBI Governor Bimal Jalan — to examine issues arising from the ownership and governance of MIIs — in its 2010 report said: "The term 'infrastructure' would mean the basic, underlying framework or features of a system; and the term 'market infrastructure' denotes such fundamental facilities and systems serving this market. The primary purpose of securities /capital market is to enable allocation/reallocation of capital/financial resources." Such movement, it pointed out, helped optimal use of money in the economy and fostered economic development. Well-functioning MIIs, constitute "the nucleus of (the) capital allocation system", are indispensable for economic growth and have a net positive effect on society like any other infrastructure institution, the panel noted.

Why are they considered to be systemically important?

That MIIs are systemically important in India is clear from the phenomenal growth of these institutions in terms of market capitalisation of listed companies, capital raised and the number of investor accounts with brokers and depositories and the value of assets held in the depositories' account, as highlighted by the Jalan committee.

Unlike typical financial institutions, the number of stock exchanges, depositories and clearing corporations in an economy is limited due to the nature of its business, although they cater to the entire marketplace, the panel pointed out. "Any failure of such an MII could lead to even bigger cataclysmic collapses that may result in an overall economic downfall that could potentially extend beyond the boundaries of the securities market and the country," it observed.



Why are governance norms critical in the regulation of MIIs?

Given the potential for a domino effect that a failure of an MII could have on the wider market and economy, governance and oversight are absolutely critical and need to be of the highest standards. Take the example of a technical glitch at the NSE early last year. Investors were not able to trade for about four hours. It prompted the Finance Minister to later state that the loss for the country had been 'immense' due to the delay in resumption of trading on the platform and that switching over to another platform should have been seamless. Markets regulator SEBI later set out norms stipulating timelines within which an exchange has to take action if its technology fails, including rules for switchover to backup servers as part of the disaster recovery in an institution that enables transactions running into thousands of crores of rupees daily. For context, the average daily turnover at the NSE in January this year was ₹64,178 crore.

What are the specific institutions in India that qualify as MIIs?

Among stock exchanges, the SEBI lists seven, including the BSE, the NSE, the Multi Commodity Exchange of India and the Metropolitan Stock Exchange of India. There are two depositories — charged with the safekeeping of securities and enabling their trading and transfer — that are tagged MIIs: the Central Depository Services Ltd. and the National Securities Depository Ltd.

The regulator also lists seven clearing houses including the Multi Commodity Exchange Clearing Corporation. Clearing houses, for their part, help validate and finalise securities trades and ensure that both buyers and sellers honour their obligations.

NEW INDIA ASSURANCE SET TO INSURE KUDANKULAM PLANT WITH GLOBAL PARTICIPATION; SUM ASSURED OF OVER RS 43,000 CRORE

New India Assurance (NIA) will soon complete the placement of property cover for units three and four of Kudankulam Nuclear Power Plant (KKNPP), with a sum assured of over Rs 43,000 crore. The cover is likely to be executed with the participation of major global reinsurers, sources said.

NIA, which has provided the property covers for the first two units of the plant with the participation of state-owned GIC Re, has already won the Nuclear Power Corporation of India Ltd (NPCIL) mandate for insuring two more units of the KKNPP after a competitive bidding last November.

The placement of Kudankulam insurance has to be completed soon, as the reinsurance market has shown a hardening tendency in view of the Russian invasion of Ukraine which has started impacting the reinsurance rates, industry officials said.

GIC Re — which has already participated in reinsuring the first two units of KKNPP, not only in terms of mandatory 5 per cent obligatory and taken much larger share — is currently having discussion with NIA for deciding its share, if any, in the other two units. KKNPP is one of India's largest nuclear plants, being set up by NPCIL.

GIC Re has quoted a higher price of Rs 177 crore for its participation, while NIA has managed a lower quote of Rs 160 crore from a set of international reinsurers located outside India. Going by existing reinsurance norms, in order of preference, NIA has to first approach GIC Re which has the first "right of refusal" for any reinsurance business in India. As phases one and two of the plant



have remained claims-free, NIA — India’s largest insurer — has managed to get a cheaper reinsurance quote from international reinsurers.

As per current regulations, once GIC refuses fully or partly, NIA — following the order of preference — can approach foreign reinsurance branches (FRBs) in India, reinsurers who are present in GIFT City (presently only GIC Re) and lastly cross-border reinsurers registered with Irdai.

Insurance covers for nuclear plants are purely reinsurance driven, like aviation insurance, where the primary insurer reinsures over 90 per cent of the high value cover with large sum assured, and more than one global reinsurer.

Sources said this is done to ensure that in any case of mishaps, that can trigger large claims, financial compensations are easily mobilised from a clutch of large high net-worth reinsurers which would not be possible in the case of a limited number reinsurers.

NPCIL had mandated NIA among the domestic insurers, which had provided the cheapest bidding in terms of premium, after cancelling the first bidding in 2020. A nuclear plant has two covers: a property cover and a liability cover. The liability cover for a nuclear plant is always covered by the Nuclear Pool, formed by the general insurers and managed by state owned reinsurer GIC Re. While the ground-breaking ceremony for construction of units three and four was performed in February 2016, due to technology changes, inflation and insistence of the supplier and operator for additional liability insurance, construction cost of these additional units has already gone up.

CREDIT SCORE ‘MISUSED’: HOW TO FIX THIS KEY METRIC

Multiple cases have recently come to light of miscreants allegedly using other people’s permanent account number and other documents to avail loans without customers’ knowledge from fintech firms and NBFCs. As many of these loans were not repaid, this affected the credit score of a number borrowers without them actually having taken and defaulted on them. Specific instances were reported for Dhani Loans and Services, formerly known as Indiabulls Consumer Finance Ltd.

A deterioration in credit score, and default on existing loans, can have adverse consequences such as denial of future credit or credit being available at rates much higher than market interest rates.

How to get credit score rectified?

A customer can check her credit score and whether any loan (which has not be taken) is outstanding through the reports furnished by respective credit information bureaus. These reports can be obtained by logging into CIBIL, Equifax or Experian or by accessing through one’s bank via net banking facility.

Experts say the easiest way to rectify in the recent cases would be through an institutional process initiated by the Reserve Bank of India (RBI). Affected persons can also directly approach the information provider and the bureaus, even as that is expected to be a tedious process.

“This rectification process has to be case specific...if CIBIL score has been distorted, the customer has to reach out to the specific institution where their security was compromised. The loan provider, who is also the information provider, will have to reach out to CIBIL to put the customers rating in order. In addition the aggrieved parties should also reach out to CIBIL & initiate dispute request online or by writing to them,” said Surya Bhatia, a certified financial planner. An easier



way being suggested by financial sector experts is the RBI intervening to provide relief to aggrieved customers.

“The number of users is few, however, we will leave no stone unturned to mitigate any possibility of identity theft. We have a customer service team of over 6,500 executives to provide speedy resolutions after due diligence. Our risk management and tech teams have been on overdrive, constantly building more robust systems to try and keep such activities at a distance. We have integrated with G-defence which is a global security platform to further re-verify each device against a specific customer and PAN through various data fields. If any individual has a query or needs to connect with us, can reach us on 0124 6555 555 or write to us at support@dhani.com ” said a spokesperson for Dhani Loans and Services.

Where to approach if the issue is still not resolved?

The RBI’s Integrated Ombudsman Scheme provides cost-free redress of customer complaints involving deficiency in services by banks, NBFCs, and payment system operators.

THE MAN OF ‘ECONOMIC SUTRAS’

After five years as the Principal Economic Adviser to the Ministry of Finance, Sanjeev Sanyal has now been appointed as a full-time member of the Economic Advisory Council to the Prime Minister (EAC-PM). The incoming member is a noted economist, author and columnist, and brings his nearly two decades of experience in the financial sector to the table.

Prior to his stint in the Finance Ministry, Mr. Sanyal was the Global Strategist and Managing Director at Deutsche Bank until 2015. He had studied at the Shri Ram College of Commerce in Delhi before moving to Oxford University as a Rhodes scholar.

Mr. Sanyal was instrumental in the preparation and publishing of the Economic Survey (2021-22). He is credited with the transitioning of the Economic Survey from the previous two-volume format to a single volume format alongside a separate volume for statistical tables. He stated that although the two-volume report enabled more space for bringing in new ideas and themes, at almost 900 pages, it was becoming “unwieldy”.

Mr. Sanyal, in a conversation with Elara Capital’s Chief Economist Garima Kapoor in September 2021, said that challenges to the country’s economic growth were stemming from supply constraints. He dismissed that the challenges were not because of lack of demand.

The scrutiny

Like several top government officials, Mr. Sanyal too has been subjected to scrutiny for a potential leaning.

The scrutiny was aggravated with him coming in defence of author Vikram Sampath, who was embroiled in a plagiarism row surrounding his latest book Savarkar: A Contested Legacy. He said the evidence against him was too weak. The economist concluded saying, “...This is just a smear campaign against @vikramsampath by the same old Left cabal who cannot tolerate the fact that their carefully constructed narrative is collapsing. If this is the best they can do against Vikram, they really have no legs to stand on.”

He is the author of The Indian Renaissance, The Ocean of Churn, The Land of Seven Rivers, among others.



Mr. Sanyal is also a well-known urban theorist and environmentalist, with special focus on the economics of cities.

RIL SAID TO BE OPERATING 200 FRL STORES

Billionaire Mukesh Ambani's Reliance Industries Ltd. has taken over the operations of at least 200 stores of Future Retail and has offered jobs to its employees after the Kishore Biyani-led group failed to make lease payments to landlords, sources said.

Reliance Retail, the retail arm of the oil-to-telecom conglomerate, had in August 2020 agreed to take over the retail and logistics business of the Future Group for ₹24,713 crore but the deal couldn't be closed as Future's warring partner Amazon went to the courts citing violation of some contracts. Future denies any wrongdoing.

Sources said several landlords had approached Reliance as Future Retail Ltd. (FRL), which was neck deep in losses, was unable to pay rent. Future has more than 1,700 outlets, including the popular Big Bazaar stores, and has not made lease payments for some of its outlets. Facing closure, Reliance transferred the leases of some stores to its step-down subsidiary, RRVL and sublet them to Future to operate the stores, the sources said.

It has since started rebranding the stores and offered to take all employees employed there on its payroll, they added.

In addition, a majority of inventory at these stores was being supplied by Reliance Jiomart as the cash-strapped FRL could not clear dues to existing suppliers. Reliance will likely replace Big Bazaar signages and branding from these stores with own brand.

Violation of terms

Amazon has argued that Future violated the terms of a 2019 deal the companies signed when the U.S. e-commerce giant invested \$200 million in a Future Group unit. Amazon's position has been backed by a Singapore arbitrator.

Without confirming or denying the takeover of its stores, Future Retail Ltd. in a stock exchange filing said, "The shareholders are aware that FRL is going through an acute financial crisis. The company has defaulted on its loan servicing and as already informed, the account of the company has been classified as NPA by the banks."

FRL said it is finding it difficult to finance the working capital needs and "termination notices have been received for a significant number of stores due to huge outstanding, and we would no longer have access to such store premises.

"The ongoing litigation initiated by Amazon in October 2020, and which is continuing for the last one-and-a-half years, has created serious impediments in the implementation of the scheme (Reliance takeover), resulting in severe adverse impact on the working of the company," it said, adding the firm was scaling down its operations to reduce losses.

"The company has made a loss of ₹4,445 crore in the last four quarters," FRL added in the filing.

**LIFE & SCIENCE****EXPLAINED: READING NEW CLIMATE REPORT**

The latest report of the Intergovernmental Panel on Climate Change (IPCC), released on Monday, has warned of multiple climate change-induced disasters in the next two decades even if strong action is taken to reduce the emissions of greenhouse gas emissions. It has said the ability of human beings, and natural systems, to cope with the changing climate was already being tested, and further rise in global warming would make it even more difficult to adapt.

Noting that over 3.5 billion people, over 45% of the global population, were living in areas highly vulnerable to climate change, the report identifies India as one of the vulnerable hotspots, with several regions and important cities facing very high risk of climate disasters such as flooding, sea-level rise and heat-waves.

The latest warnings have come in the second part of IPCC's Sixth Assessment Report which talks about climate change impacts, risks and vulnerabilities, and adaptation options. The first part report was released in August last year. That one was centred around the scientific basis of climate change. The third and final part of the report, which will look into the possibilities of reducing emissions, is expected to come out in April.

The Assessment Reports, the first of which had come out in 1990, are the most comprehensive evaluations of the state of the earth's climate. Hundreds of experts go through every available piece of relevant, published scientific information to prepare a common understanding of the changing climate. The four subsequent assessment reports, each thousands of pages long, came out in 1995, 2001, 2007 and 2015. These have formed the basis of the global response to climate change.

What is new

The Sixth Assessment Report does not say anything remarkably new. Over the years, each assessment report has built on the work of the previous ones, adding more evidence, information and data, so that most of the conclusions about climate change and its impacts have far greater clarity, certainty and wealth of new evidence now, than earlier.

But that does not mean this is only a reiteration of previous statements. Each of these reports have also progressively expanded the scope of their assessment, and introduced fresh information about different aspects of climate change.

The latest report has, for the first time, made an assessment of regional and sectoral impacts of climate change. It has included risks to, and vulnerabilities of, mega-cities around the world. For example, it has said Mumbai is at high risk of sea-level rise and flooding, while Ahmedabad faces serious danger of heat-waves. Such granular information was not available in previous assessment reports. Flooding in Mumbai and heat-waves in Ahmedabad are common occurrences. What this report has done is to look at granular data affecting these events, and quantified these risks, so that there is a much clearer understanding of the threats posed to these cities.

Also for the first time, the IPCC report has looked at the health impacts of climate change. It has found that climate change is increasing vector-borne and water-borne diseases such as malaria or dengue, particularly in sub-tropical regions of Asia. It has also said deaths related to circulatory, respiratory, diabetic and infectious diseases, as well as infant mortality, are likely to increase with



a rise in temperature. Increasing frequency of extreme weather events like heatwaves, flooding and drought, and even air pollution was contributing to under-nutrition, allergic diseases and even mental disorders.

Other findings

The report has said the impacts of climate change were far greater, more frequent and vastly more disruptive than previously understood.

“Based on increased observations and a better understanding of processes, we now know that the extent and magnitude of climate change impacts on nature are greater than previously assessed. The impacts we see today are appearing much faster, they are more disruptive and more widespread than we expected 20 years ago,” it has said.

The report has said that while strong actions to reduce greenhouse gas emissions in the near term, in the next 20 years, would substantially reduce the threats, and the projected damages, they would not eliminate them all. If the temperature rise crossed the threshold of 1.5°C from pre-industrial times, then many changes could be irreversible.

The need to take adaptation measures is therefore very important, the report has stressed. It has recognised progress being made to adapt to the new situation, but pointed out that, in most places, it was nowhere close to what is required to be done. It has said the gaps in adaptation was a result of lack of funds and political commitment, and also the absence of reliable information and a sense of urgency.

It has pointed out that there were “feasible and effective” adaptation options which could reduce the risks to people and nature. But the effectiveness of these options decreases sharply with further increases in temperature.

“Adaptation is essential to reduce harm, but if it is to be effective, it must go hand in hand with ambitious reductions in greenhouse gas emissions because with increased warming, the effectiveness of many adaptation options declines,” the report has said.

What now

IPCC reports form the scientific basis on which countries across the world build their policy responses to climate change. These reports, on their own, are not policy prescriptive: They do not tell countries or governments what to do. They are only meant to present factual situations with as much scientific evidence as is possible.

And yet, these can be of immense help in formulating the action plans to deal with climate change. The detailed nature of this latest report, with respect to regional and sectoral impacts, presents actionable intelligence, particularly for countries that lack the resources or the capacity to make their own impact assessments. The fact that these findings are the product of the combined understanding of the largest group of experts on climate science lends it a credibility greater than any individual study.

These reports also form the basis for international climate change negotiations that decide on the responses at the global level. It is these negotiations that have produced the Paris Agreement, and previously the Kyoto Protocol. The Paris Agreement, negotiated on the basis of the Fifth Assessment Report, seeks to keep the rise in global temperatures “well below” 2°C from pre-industrial times, while “pursuing efforts” to limit it to 1.5°C. The Sixth Assessment Report,



however, has presented lots of evidence to suggest that pursuing a 2°C target could be disastrous, and more ambitious actions need to be taken to keep the temperature rise within 1.5°C.

Alluding to the Conference of the Parties (COP26) in Glasgow, in November 2021, the report notes that most of the targets that countries have set for themselves are too far in the future to have an impact in the short term at meaningfully reducing the climate impact.

India will achieve net zero emissions latest by 2070, that is, there will be no net carbon emissions, Prime Minister Narendra Modi declared at the COP26 summit. By 2030, India would also ensure 50% of its energy will be from renewable energy sources. However, none of this can help the 1.5°C mark from being breached. A major point of emphasis of the report, particularly for South Asia, is the trend in the 'wet bulb' temperature — an index of the impact of heat and humidity combined — and its effect on health. Lucknow and Patna, according to one of several studies cited in the report, were among the cities predicted to reach wet-bulb temperatures of 35°C if emissions continued to rise, while Bhubaneswar, Chennai, Mumbai, Indore, and Ahmedabad are 'at risk' of reaching wet-bulb temperatures of 32°C-34°C with continued emissions. This will have consequences such as a rise in heat-wave linked deaths or reduced productivity. Global sea levels will likely rise 44cm-76cm this century if governments meet their current emission-cutting pledges. But with higher emissions, and if ice sheets collapse more quickly than expected, sea levels could rise as much as 2 metres this century and 5m by 2150. India is one of the most vulnerable countries in terms of the population that will be affected by sea-level rise. By the middle of the century, around 35 million of its people could face annual coastal flooding, with 45 million-50 million at risk by the end of the century if emissions are high. Experience has shown that partisan economic calculations trump climate considerations, but India must shore up its adaptation measures and urgently move to secure the futures of its many vulnerable who have the most to lose.

NEW GIN BERRY SPECIES DISCOVERED IN T.N.

A team of scientists from the Botanical Survey of India (BSI) have discovered a new gin berry species from the Kanyakumari Wildlife Sanctuary in Tamil Nadu. The species, *Glycosmis albicarpa*, with a distinct large white fruit, is endemic to the southern Western Ghats. The species belongs to the Orange family Rutaceae.

The findings have been published in the latest issue of the Nordic Journal of Botany published from Sweden.

Many of the related plants of these taxonomic groups are being utilised for their medicinal values and food. Most commonly related species of these plants are collected from the wild, mainly for local use as food and medicine.

Berries of the *Glycosmis* species have the unique characteristic of 'gin aroma' and gained in popularity as an edible fruit. The species is also a larval host plant for butterflies like other species of *Glycosmis*, said K.A. Sujana, the leader of the scientific team.

The species, an evergreen small tree, was found as undergrowth in the Tirunelveli semi-evergreen forests at the Panagudi forest section of the wildlife sanctuary as a single population that covers an area of approximately 2 sq. km., said Dr. Sujana.

Though flowering, natural regeneration and seedling recruitment of this taxon is found to be fairly good within the locality, habitat modification causes a major threat to the survival of this species,



she added. “A special conservation effort for this particular region is the need of the hour,” said Dr. Sujana.

The discovery not only re-emphasises the uniqueness and endemism in Western Ghats’ flora but also add to the growing inventory of the region’s flora, said Ragesh Gopala Vadhyar, co-author.

STAYING HEALTHY, EATING LESS

For modern humans, three meals a day may seem to be the ideal formula for being healthy and wise. Yet, evolutionarily speaking, our bodies are adapted to occasional periods of fasting, as a constant supply of food was not always guaranteed. Fasting is certainly a part of our heritage, being prevalent in a range of cultures – from Ekadashi to Karwa Chauth among Hindus; the Yom Kippur for Jews, Paryushana among Jains, Ramzan among Muslims, the Christian period of Lent, and so on. One wonders if widespread prevalence points to health benefits in addition to the discipline of the mind.

In 2016, a study of data from 186 countries in the journal *The Lancet* revealed that obese people now outnumber underweight individuals. Our lifespans, too, are much longer than they were two generations ago. Together, these trends have added greatly to the disease burden of society, and other than exercise, only fasting and caloric restriction (CR) have consistently been shown to extend a healthy lifespan.

Fasting versus CR

Fasting and CR are not synonymous. CR results from reducing caloric intake by 15% to 40%, without leading to malnutrition. There are several strategies for fasting. In intermittent fasting (IF), you alternate a 24 hour period without any food (or with no more than 25% of your dietary norm) with 24 hours of normal eating. In periodic fasting you fast for one or two days followed by five days of normal diet. In time-restricted feeding (TRF), all daily intake is done within a 4–12 hour window. In an example of a fasting-mimicking diet (FMD) you reduce intake to 30% of your energy requirements for five consecutive days, once every month. In addition, the ratio of fats, proteins and carbohydrates may be altered during reduced intake to favour more fat.

Hara hachi bu

The island of Okinawa in Japan has an exceptional number of healthy centenarians because adults practice Hara Hachi Bu – stopping eating when they are 80% full (CR). Buddhist monks of certain sects eat their last meal at noon (TRF).

These strategies have been examined in a large number of studies on rodents and on humans – we humans often have difficulty in sticking to restricted diets! When properly adhered to, these practices have been shown to prevent obesity, to protect against oxidative stress and hypertension. They also mitigate and postpone the onset of several age-related diseases.

Careful monitoring and expert advice is essential for choosing suitable strategies based on individual circumstances such as age.

Glycogen reserves

We store glucose in the form of glycogen in the liver, and the energy demands of the body are met from this reservoir. One day of fasting leads to a 20% decrease in blood sugar levels and depleted glycogen reserves. The body switches to a metabolic mode where energy is obtained from fat-



derived ketone bodies and from glucose outside the liver. Insulin levels are lowered and lipolysis burns away lipid triglycerides in adipocytes.

The metabolic syndrome is a group of risk factors that are predictors of heart disease and diabetes. The work of Satchidanand Panda at the Salk institute has highlighted the benefits of a 10-hour TRF on sufferers, and noted improvements in blood pressure, heart-rate variability and physical endurance (Longo and Panda, *Cell Metabolism*, 23, 1048–1059 (2016)).

Gut microbiome

IF has also been shown to cause a remodelling of the gut microbiome. Bacterial diversity goes up, and there is a rise in bacterial species that produce short-chain fatty acids, which are known to thwart inflammation-mediated conditions such as ulcerative colitis.

In the fruit fly, prolonged overnight fasting promotes a recycling process inside cells called autophagy (Latin for self-devouring). This results in a 15%-20% extension in lifespan (Ulgherait, M. et al, *Nature*, 598, 353–358 (2021)). Autophagy mostly occurs at night and is modulated by the body's circadian clock. Autophagy is essential for the fitness and survival of neurons; errors in this process lead to Parkinson's disease.

A plentiful supply of nutrients represses autophagy and activates pathways that promote the biosynthesis of proteins and thus of rejuvenation (Jouandin et al., *Science* 375, eabc4203 (2022)). This dynamic control of degradation and rejuvenation suggests that IF, TRF, FMD and periodic fasting may be better for the body than chronic caloric restriction.,

A few small organic molecules – rapamycin, metformin and resveratrol – appear to affect our metabolic pathways in ways that mimic the effects of fasting. Could it turn out that some day we could be able to imbibe carefully tailored pills and eat our cake, but not put on weight ?

THE ROLE FUSOBACTERIUM PLAYS IN ORAL CANCER PATIENTS IN INDIA

Since the beginning of the 20th Century, it is known that infections could play a role in cancer, with 18-20% of cancers associated with infectious agents. This could be relatively higher in developing countries like India. Our team at ACTREC-Tata Memorial Centre developed a highly sensitive and specific automated computational tool HPVDetector to quantify the presence of human papillomavirus (HPV). This was done by subtracting human sequences from the cancer genome and comparing the rest with the HPV genome to identify the presence of HPV sequence trace and determine the range of all co-infecting HPV strains in the same individual.

The analysis revealed significant occurrence of HPV 16, 18, and 31, among others, in cervical cancer. But a surprising finding was that Indian patients with oral tumours showing a distinct tobacco usage gene signature were devoid of HPV infection. This was in sharp contrast to the oral tumours among Caucasian patients, wherein tobacco genetic signature is not common but is marked by a significant presence of HPV. Several groups have corroborated this finding, and it is well established that oral tumours among Indian patients are not driven by HPV infection.

In this study published on Mar 4, in *NAR Cancer*, Sanket Desai, the lead researcher from the group, developed another advanced automated computational tool — Infectious Pathogen Detector (IPD). Beyond HPV, IPD can detect the presence of 1,058 pathogens in the human cancer genome from datasets generated from any Next Generation Sequencing platform. This tool is publicly available for download from the ACTREC- TMC website. Using IPD, the DNA and RNA sequence



from 1,407 cancer samples of oral, breast, cervical, gall bladder, lung and colorectal tumours derived from Indians were analysed and compared with Caucasian patients.

Map of microbes

This has led to establishing the most detailed map of the abundance of 1,058 microbes present across Indian cancer patients. Rigorous statistical measures were adopted to distinguish the commensal microbes present as normal flora in a healthy individual compared with the diseased state. Systematic analysis of the data helped the group identify the presence of a bacteria, *Fusobacterium nucleatum*, in the oral tumours at a significantly higher burden than in the oral cavity of healthy individuals.

Previously unknown

Interestingly, *Fusobacterium nucleatum* is known to play a vital role in colorectal cancer, wherein its presence affects the spread of the disease and the patient's response to chemotherapy. However, a similar role of *Fusobacterium* in oral cancer was not known earlier. The presence of the bacteria was found in Indian and Caucasian oral cancer patients, with a much higher incidence among the Indian patients. Moreover, oral cancer patients positive for *Fusobacterium* were found to be negative for HPV infection, suggesting they are present in a mutually exclusive way.

The finding underlines that while oral tumours in the West are more likely to be driven by HPV infection with a lower abundance of *Fusobacterium* infection, the oral cancer incidences in India are caused more by *Fusobacterium* infection. The tumours in oral cancer patients infected with the bacterium were found to spread to lymph nodes in the head and neck region or other distant organs. This sub-class of the tumour was also found to have higher levels of genes responsible for inflammation and pro-cancer immunological response.

Consistent with this finding, infection with virus or bacteria causing chronic inflammation leading to cancer has been known across multiple cancer types, such as HPV in cervical cancer, HBV and HCV in liver cancer, *H. pylori* in gastric cancer, etc. This study also identified three novel small non-coding miRNA molecules among tumours infected with the bacteria. The discovery of these miRNAs allows the investigators to understand the biological pathway targeted by the *Fusobacteria*, when it infects the oral cells, and its detailed characterisation. The study continues in collaboration with IIT Bombay, where the researchers grow the oral cancer cells in the presence and absence of the bacterium.

Vaccines for cancer

Preventing cancer through immunisation against infectious agents such as HPV vaccination has been known to be effective in up to 90% of HPV-related cancers. Similarly, a significant reduction was observed in the incidence of gastric cancer across multiple studies when the patients infected with the bacteria, *Helicobacterium pylori*, were treated with antibiotics specific to the bacterium. The findings from the study carried out at ACTREC- Tata Memorial Centre opens an opportunity to treat oral cancer patients positive for *Fusobacterium*, occurring predominantly among Indian patients, with a *Fusobacterium*-specific antibiotic for selectively targeting the tumours. The study emphasises the impact of *Fusobacterium* infection on modulating conventional chemotherapy treatment or recurrence of the disease as frequently observed in oral cancer patients, similar to its role in colorectal cancer. The utility of community screening for the presence of *Fusobacterium* in the oral cavity in a population or among habitual tobacco chewers remains to be explored —



though it could be a worthy exercise considering the alarming increase in tobacco-associated oral cancer in India.

DRINKING AND BRAIN VOLUME

The science on heavy drinking and the brain is clear. The two don't have a healthy relationship. People who drink heavily have alterations in brain structure and size that are associated with cognitive impairments.

According to a new study, alcohol consumption even at modest levels— a few beers or glasses of wine a week — may carry risks to the brain. An analysis of data from more than 36,000 adults, led by a team from the University of Pennsylvania, found that light-to-moderate alcohol consumption was associated with reductions in overall brain volume.

The link grew stronger the greater the level of alcohol consumption, the researchers showed. As an example, in 50-year-olds, as average drinking among individuals increases from one alcohol unit (about half a beer) a day to two units (a pint of beer or a glass of wine) there are associated changes in the brain equivalent to ageing two years. Going from two to three alcohol units at the same age was like aging three and a half years. The team reported their findings in the journal Nature Communications.

Going from zero to one alcohol units didn't make much of a difference in brain volume, but going from one to two or two to three units a day was associated with reductions in both grey and white matter, according to University of Pennsylvania release.

While strong evidence exists that heavy drinking causes changes in brain structure, including strong reductions in grey and white matter across the brain, other studies have suggested that moderate levels of alcohol consumption may not have an impact, or even that light drinking could benefit the brain in older adults.

COVID-19 MAY CAUSE CHANGES IN THE BRAIN, NEW STUDY FINDS

Covid-19 may cause greater loss of grey matter and tissue damage in the brain than naturally occurs in people who have not been infected with the virus, a large new study finds.

The study, published Monday in the journal Nature, is believed to be the first involving people who underwent brain scans both before they contracted Covid and months after. Neurological experts who were not involved in the research said it was valuable and unique, but they cautioned that the implications of the changes were unclear and did not necessarily suggest that people might have lasting damage or that the changes might profoundly affect thinking, memory or other functions.

The study, involving people 51 to 81 years old, found shrinkage and tissue damage primarily in brain areas related to sense of smell; some of those areas are also involved in other brain functions, the researchers said.

The study involved 785 participants in UK Biobank, a repository of medical and other data from about half a million people in Britain. The participants each underwent two brain scans roughly three years apart, plus some basic cognitive testing. In between their two scans, 401 participants tested positive for the coronavirus, all infected between March 2020 and April 2021.



The other 384 participants formed a control group because they had not been infected with the coronavirus.

With normal aging, people lose a tiny fraction of gray matter each year. For example, in regions related to memory, the typical annual loss is between 0.2% and 0.3%, the researchers said.

But Covid patients in the study lost more than noninfected participants, experiencing between 0.2% and 2% additional gray matter loss in different brain regions over the three years between scans.

CAUSAL LINK BETWEEN BLOOD GROUP AND SEVERE COVID-19

Blood groups may play an instrumental role in whether people develop severe forms of COVID-19, according to a study that could pave the way for potential new targets to treat and prevent hospitalisation from the disease.

The study, published in the journal PLOS Genetics, analysed over 3,000 proteins to identify which are causally linked to the development of severe COVID-19.

The researchers identified six proteins that could underlie an increased risk of severe COVID-19 and eight that could contribute to protection from severe COVID-19.

One of the proteins (ABO) that was identified as having a causal connection to the risk of developing severe COVID-19 determines blood groups, suggesting that blood groups play an instrumental role in whether people develop severe forms of the disease.

Assessing how blood proteins are linked to disease can help understand the underlying mechanisms and identify potential new targets for developing or repurposing drugs, the researchers said.

SRI LANKA LOSES TUSKER RAJA, ITS 'NATIONAL TREASURE'

Sri Lanka is mourning the death a much-loved Indian elephant that made the island nation its home for nearly half a century, and was named a "national treasure" by President Gotabaya Rajapaksa on Monday.

Sixty-nine-year-old Nadungamuwa Raja was known widely as the towering tusker that carried the casket containing the 'Sacred Tooth Relic' at the 'Perahera' festival or annual pageant in Kandy district. Following his passing on Monday, scores of people, including children and Buddhist priests, bid adieu to Raja, offering prayers at the site where the giant was laid. President Rajapaksa instructed officials to preserve Raja's body "for future generations to witness", his office said in a statement. Raja was handed over to taxidermists for stuffing, following Buddhist funeral rites, news agency AFP reported.

Raja was born in Mysuru in 1954 and belonged to Maharaja Jayachamarajendra Wadiyar. The king gifted him to a Sri Lankan monk physician for treating an illness, according to Dr. Harsha Dharmavijaya, an ayurvedic physician, whose family has been caring for Raja from 1978.

A 2021 feature published in the State-run Daily News said the monk, who received Raja as a gift could not maintain him, and sold him to a timber mill in Horana, south of capital Colombo.



Troubled seeing the magnificent elephant — tall and with striking tusks — lifting and transporting logs, Dr. Dharmavijaya’s father purchased him.

In addition to his routine diet of coconut palm and an assorted fruit platter every day, Raja loved a jaggery treat every now and then, his mahout Wilson Koddithuwakku had recalled.

Famously, Raja would walk from north Colombo to the central Kandy district, covering some 90 km over seven days, stopping at Buddhist shrines along the way for a quick bath and food.

Scores of Sri Lankan paid tributes to Raja on social media, sharing images of the tusker. Animal rights activists posted messages such as “Finally free from chains” and “may you find freedom and peace”, reflecting prevalent concerns over the treatment of elephants in captive.



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