



CURRENT AFFAIRS FOR UPSC

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INTERNATIONAL

THE KANSAS WIN ON ABORTION AND ITS BEARING ON OTHER U.S. STATES

The story so far: In a referendum on August 2, voters in the conservative state of Kansas in the U.S. decided to protect rights to abortion. This was the first electoral test in any state after the U.S. Supreme Court overturned *Roe vs Wade* in June, ending the constitutional right to abortion guaranteed by a 1973 judgment. The ‘Kansas No State Constitutional Right to Abortion and Legislative Power to Regulate Abortion Amendment’ was defeated, with almost 59% of voters saying no, according to projections, thus maintaining the legal precedent set by *Hodes & Nauser vs Schmidt* (2019) that the Kansas Bill of Rights provides a right to abortion.

What did the amendment propose?

The amendment, which was to be inserted in Section 22 of the Kansas Bill of Rights, proposed to change the constitution to provide that the state “does not require government funding of abortion and does not create or secure a right to abortion.” It would have allowed elected state representatives and state senators to “pass laws regarding abortion, including, but not limited to, laws that account for circumstance of pregnancy resulting from rape or incest, or circumstances of necessity to save the life of the mother.”

What does it mean for other states and political parties?

The amendment’s failure in the conservative state will boost Democrats’ hopes that the abortion rights issue will lead voters to the party in the November 8 elections. President Joe Biden said the Kansas vote “makes clear what we know: the majority of Americans agree that women should have access to abortion and should have the right to make their own health care decisions.”

Appealing to Congress, Mr. Biden said it should “listen to the will of the American people and restore the protections of *Roe* as federal law.”

How is the situation on the ground?

According to the Center for Reproductive Rights, at the time of the *Roe* overturning, high courts in 10 states — Alaska, Arizona, California, Florida, Kansas, Massachusetts, Minnesota, Montana, New Jersey, New Mexico — “recognised that their state constitutions protected abortion rights independently from and more strongly than the federal constitution.” These protections can be overturned only through referendums. The Kansas referendum win is important because things are difficult on the ground in a conservative state like Kansas, where there has been “continuing efforts to restrict abortion access”. A Center for Reproductive Rights report on state constitutions points out that there are only four medical abortion clinics in Kansas, and that 98% of Kansas counties have no clinics that provide abortions.

It allows pregnancies to be terminated up to 22 weeks with other restrictions, including a compulsory 24-hour waiting period and parental consent for children. The Kansas legislature is controlled by anti-abortion Republicans but the governor, Laura Kelly, is Democrat and will have to slug it out at the mid-terms against her Republican opponent and state attorney general Derek Schmidt.

Abortion is currently illegal in seven states including Oklahoma, Missouri, Louisiana, Mississippi, Alabama, South Dakota and Arkansas, and other states are working to enforce abortion bans like



Kentucky. Calling the referendum verdict an “enormous victory” for the people of Kansas, Nancy Northup, president and CEO, Center for Reproductive Rights, said that the win would “protect the fundamental right to personal and bodily autonomy” of women.

What is happening in Congress?

In July, the House of Representatives voted to restore abortion rights nationwide. It also passed a second bill to prohibit punishment for a woman or child who decides to travel to another state to get an abortion. But the bills do not have a chance of becoming law as support is lacking in the 50-50 Senate. House Speaker Nancy Pelosi told AP: “We have to elect a couple more Democratic senators so that we can get around the filibuster ...[and] can pass legislation that truly impacts a woman’s right to choose. There’s no halfway measure.”

TAIWAN, CHINA, AND THE US — THE BIG PICTURE IN THE INDO-PACIFIC

The Speaker of the United States House of Representatives Nancy Pelosi arrived in Taiwan on Tuesday for what she called a show of American solidarity with the island, defying repeated warnings from Beijing and fueling a new round of US-China tensions. This visit took place at a time when US-China relations are the poorest in decades.

In a phone call with President Joe Biden last week, President Xi Jinping had warned the US against any unilateral moves that would change the island status. “Those who play with fire will perish by it. It is hoped that the US will be clear-eyed about this,” he had said.

China views Pelosi’s visit as a serious violation of the “One China” principle and the provisions of the three China-US joint communiqués. This, according to the Beijing, gravely undermines peace and stability in the region, and sends a wrong signal to the “separatist forces for Taiwan independence”.

What is One China Principle and One China Policy?

It is important to distinguish between the One China Principle (yige zhongguo yuanze) and the One China Policy (yi zhong zhengce) to understand the cross-Taiwan Strait problems. The PRC follows the One China Principle, a core belief that sees Taiwan as an inalienable part of China, with its sole legitimate government in Beijing. The US acknowledges this position but not necessarily its validity.

The US instead follows the One China Policy — meaning that the PRC was and is the only China, with no recognition for the Republic of China (ROC, Taiwan) as a separate sovereign entity. At the same time, the US refuses to give in to the PRC’s demands to recognise Chinese sovereignty over Taiwan — it only acknowledges the Chinese position that Taiwan is a part of China.

“The word ‘acknowledge’ is determinative for the US,” Warren Christopher, who was US Deputy Secretary of State under President Jimmy Carter, told a Senate hearing when the Chinese attempted to change it to “recognise”. The US has stuck to this position ever since — and used the “strategic ambiguity” that it creates to maintain the status quo and preserve stability in the Taiwan Strait.

What is the genesis of the China-Taiwan tensions?

The ROC was founded in 1912 following the collapse of the Qing dynasty and the 1911 Revolution. Dr Sun Yat-sen who assumed the presidency of the ROC, was soon succeeded by Yuan Shikai.



Taiwan was at the time under Japanese colonial rule, having been ceded by the Qing following the 1895 Treaty of Shimonoseki. After the defeat of Japan in World War II, the ROC government began exercising jurisdiction over Taiwan in 1945.

After the communists won the civil war on the mainland, Mao Zedong proclaimed the founding of the People's Republic with its capital in Beijing on October 1, 1949. That December, after the PLA advanced into Sichuan province, Chiang Kai-shek, one of Sun Yat-sen's lieutenants, retreated to the island of Taiwan along with some 2 million nationalist soldiers.

The ROC has exercised effective jurisdiction over the main island and several outlying islands ever since, leaving Taiwan and China under the rule of different governments. The Taiwan Strait is only 130 km at its shortest distance, and the mainland city of Xiamen in Fujian is only 2 km from the Taiwanese-controlled island of Kinmen.

Until the 1970s, the US and most Western governments recognised the ROC as the government of all of China. The US and PRC established diplomatic relations on January 1, 1979, almost thirty years after the communists came to power. There have been three instances of disturbances in the Taiwan Strait in 1954, 1958, and 1995-96, but peace has largely been maintained due to American "strategic ambiguity".

So what has changed now? How did we get here?

Domestic policy aspects of all three countries — Taiwan, China, and the US — have contributed to today's situation.

CHINA: In 2015, China initiated path-breaking military reforms to convert the PLA into a world-class force by 2049. One of China's stated national security objectives has been "reunification with Taiwan". In his Chinese Communist Party (CCP) Centenary speech last year, President Xi said, "Resolving the Taiwan question and realising China's complete reunification is a historic mission and an unshakable commitment of the Communist Party of China."

Since September 2020, China has routinely sent aircraft into Taiwan's air defence identification zone (ADIZ). Meanwhile, between 2018 and 2020, Xi dropped the word "peaceful" while referring to reunification with Taiwan, underlining his aggressive approach to territorial disputes everywhere.

TAIWAN: In 2016, the Democratic Progressive Party (DPP) candidate Tsai Ing-wen was elected President. On December 2 that year, she initiated a telephonic conversation with then US President elect Donald Trump — the first time since 1979 that the two countries spoke at that level.

Under the Tsai administration, US-Taiwan relations warmed. In March 2018, Trump signed into law the Taiwan Travel Act, which allowed American officials to step up exchanges with Taiwan. Over the last six years, the US has approved multiple sales of arms to Taiwan — including 108 M1A2T Abrams tanks, Hercules armoured vehicles, heavy equipment transporters, rocket launchers, sensors, artillery and, most importantly, 66 F-16 Viper fighter jets.

China views all of this as US attempts to use Taiwan to contain the PRC's "peaceful rise", emboldening "Taiwan's pro-independence separatist activities", and "impacting cross-strait harmony."



UNITED STATES: Taiwan is just one aspect of the worsening geopolitical checkerboard between the US and China. Antagonistic stances on security, economics, technology, and ideology have crystallised under the Biden Administration, with limited room for adjustment. The US has carried out a diplomatic boycott of the Beijing Winter Olympics, added more Chinese companies to its trade restriction list, and Congress has passed a bill to counter China's human rights abuses in Xinjiang.

The Trump Administration had opened a more confrontational era in relations with China, and Biden has concretised this approach by signing the AUKUS trilateral security pact with the UK and Australia, and increasing Quad coordination with Japan, India, and Australia to limit Beijing's influence in the Indo-Pacific region.

Following the Russian invasion of Ukraine, there was concern in Western capitals over whether China could carry out similar action in Taiwan. Against this background, Speaker Pelosi's trip to Taiwan has led some security scholars to predict a fourth Taiwan Strait Crisis.

What have been the reactions to Pelosi's visit in China and Taiwan?

China has imposed restrictions on the import of Taiwanese food brands, and has announced military exercises in areas surrounding Taiwan between August 4 and 7. The PLA's Eastern Theatre Command, which is responsible for contingencies against Taiwan, has said that these exercises will include joint maritime-aerial drills in the north, south west and south east of Taiwan, long-range firing in the Taiwan Strait, and conventional missile firing in waters east of Taiwan.

Before Pelosi's arrival on Tuesday, major Taiwanese government websites, including the President's official website, went dark due to an alleged distributed denial-of-service attack. Hours after Pelosi left on Wednesday, 27 Chinese warplanes entered Taiwan's air defence zone, news agency AFP reported, quoting Taiwan officials.

Taiwanese lawmakers cutting across party lines, including the DPP and Chinese Nationalist Party (KMT), have welcomed Pelosi's visit as a high point in US-Taiwan relations. However, some academics have criticised the visit as being reckless, and resulting in needless escalation of tensions in the Taiwan Strait. Taiwan should not be a chip on the table in the great game of the US-China conflict, they argue.

Where do we go from here?

This is a case of China trying to deter Taiwan by using punishment and Taiwan and the US pushing back against Chinese aggression using denial techniques. China is likely to make sure that it punishes Taiwan to the extent that visits such as Pelosi's are deterred in the future. This might include economic measures, limited military measures for signalling, select diplomatic measures across bilateral and multilateral forums, and offensive cyber coercion.

In response, Taiwan and the US will likely continue to build denial defensive capabilities so that China's aggression is not encouraged. The US will also continue signalling its increasing presence and resolve in the region by conducting freedom of navigation operations (FONOPs) in the Taiwan Strait and the South China Sea, but at the same time, keep lines of communication open with Beijing to avoid unintended escalations.



U.S., INDONESIA HOLD JOINT MILITARY DRILLS AMID CHINA CONCERNS

The United States and Indonesian militaries began annual joint combat exercises Wednesday on Indonesia's Sumatra island, joined for the first time by participants from other partner nations, signalling stronger ties amid growing maritime activity by China in the Indo-Pacific region.

More than 5,000 soldiers from the U.S., Indonesia, Australia, Japan and Singapore were participating in this year's exercises, making them the largest since the drills were established in 2009. The exercises are designed to strengthen interoperability, capability, trust and cooperation in support of a free and open Indo-Pacific, the U.S. Embassy in Jakarta said in a statement.

Gen. Flynn and Indonesia's Military Chief Gen. Andika Perkasa opened the joint drills with a ceremony on Wednesday morning in Baturaja, a coastal town in South Sumatra province. The exercises will last until August 14, encompassing Army, Navy, Air Force and Marine drills.

The planned two-week drills opened after China's Defence Ministry said on Tuesday night it would conduct a series of targeted military operations to "safeguard national sovereignty" in response to U.S. House Speaker Nancy Pelosi's visit to self-governed Taiwan.

NEW DELHI MAINTAINS 'STUDIED SILENCE' ON TAIWAN CRISIS

Amid growing number of international reactions to developments in the Taiwan straits and tensions between the U.S. and China, New Delhi chose to maintain a "studied silence" on the unfolding situation, omitting any mention of it even in talks held by External Affairs Minister S. Jaishankar on the sidelines of the Association of South East Asian Nations (ASEAN) summit in Phnom Penh. The decision not to issue a statement, said officials and experts, is deliberate, as New Delhi seeks to avoid a controversy on a sensitive issue between the U.S. and China, and also given that India, unlike other countries in the region, has not referenced the "One China" policy since at least 2010.

On Thursday, Mr. Jaishankar attended the ASEAN-India summit, and held talks with U.S. Secretary of State Antony Blinken, as well as Foreign Ministers of Australia, Sri Lanka and Vietnam.

Officials and experts said New Delhi's decision not to comment on the situation unfolding after the visit to Taipei by U.S. House Speaker Nancy Pelosi followed by China's sharp reaction, military exercises and missile tests, is a "carefully decided" one, aimed at ensuring India does not wish to cause a controversy with China at a sensitive time in border talks, but doesn't wish to claim allegiance to the "One China policy", either. "A loud silence is probably the best response to the situation," a former senior official, now retired, said.

While India has followed the "One China policy" since 1949, indicating it does not recognise any government other than the PRC in Beijing, and only conducts trade and cultural ties with Taiwan, New Delhi stopped mentioning the policy in official statements and joint declarations after 2008. According to officials at the time, the government had taken the decision after a series of Chinese statements claiming Arunachal Pradesh as a part of the Chinese territory, renaming Arunachal towns with Mandarin names, and issuing "stapled visas" to Indian citizens who were residents of Jammu and Kashmir and Arunachal Pradesh. In 2010, during meetings with President Hu Jintao in Brasilia, and Premier Wen Jiabao, joint statements with Prime Minister Manmohan Singh did not refer to the "One China principle". "The thinking was, why is there a need to reiterate the 'One-China policy' when China was not taking our sensitivities into account," said one senior retired



official, adding that it wasn't a change in policy but a decision to not repeat it. "We conveyed that if the Chinese side desired India to state the 'One China policy', then it should respect a 'One India principle'," said another former official. The officials confirmed that in 2014, External Affairs Minister Sushma Swaraj had endorsed the decision too.

In separate statements issued this week, however, ASEAN Foreign Ministers and countries in the region such as Bangladesh, Sri Lanka and Pakistan had pointedly affirmed their commitment to the "One China policy". "Pakistan is deeply concerned over the evolving situation in the Taiwan Strait, which has serious implications for regional peace and stability," said the statement issued by the Pakistani Foreign Office.

AL-QAEDA'S AYMAN AL-ZAWAHIRI

The story so far: Al-Qaeda leader Ayman al-Zawahiri was killed in a U.S. drone strike in Afghanistan on Sunday, President Joe Biden announced on Monday. U.S. intelligence agents had tracked down the safe house in downtown Kabul where Zawahiri was hiding earlier this year and had been watching him ever since to establish a pattern of life. An American drone fired two hellfire missiles at Zawahiri when he appeared in the balcony of the safe house on Sunday morning (local time), killing him instantly, according to U.S. officials.

Who was Zawahiri?

Born into a wealthy family of medical professionals in 1951, a year before the Officers Revolution brought down the monarchy, Zawahiri grew up in Gamal Abdel Nasser's secular Egypt. This was also a period when Egypt saw intense ideological and violent clashes between the Islamists of the Muslim Brotherhood and Nasser's modern secular socialist state. Sayyid Qutb, a Brotherhood-associated cleric, emerged as one of the strongest Islamist critics of the Nasser era. Qutb was hanged in 1966, but his writings would continue to inspire and radicalise generations of Muslims. According to Qutb, the world was divided into Islam and jahiliya (ignorance) and he called for the liberation for the Muslim community "from the false laws and customs that are not even remotely related to Islamic teachings" through jihad. Zawahiri was one of the Egyptian youngsters who was inspired by the revolutionary Islamism of Qutb. But Nasser had driven the Muslim Brotherhood underground. Most of its leaders were behind bars. Zawahiri, already a member of the Brotherhood, had formed an underground Islamist cell in the 1960s whose main goal was to overthrow the government and establish an Islamist state.

A graduate in medicine from Cairo University, Zawahiri, who spoke Arabic, English and French, worked briefly in the Egyptian Army as a doctor, before opening a clinic in Maadi, south of Cairo. He continued his underground activities while practising in the clinic. In the late 1970s, his Islamist cell merged with other radical units to form the Egyptian Islamic Jihad. In the early 1980s, Zawahiri travelled to Peshawar to work with the Red Crescent Society, the Islamic arm of the Red Cross that was involved in treating the wounded Afghan Mujahideen who were fighting the Soviets across the Khyber Pass in Afghanistan. It was during this period Zawahiri met Osama bin Laden, the young Saudi billionaire who was running a camp for the Mujahideen in Pakistan. That was the beginning of a lasting relationship which would see both men planning and executing some of the biggest terrorist attacks in the world, including the September 11, 2001 attack in the U.S.



What was his role in al-Qaeda?

By the time the Soviet troops were forced to withdraw from Afghanistan in 1989, Bin Laden had established an army of Mujahideen under his command and founded al-Qaeda. He was initially offered a hero's welcome in Saudi Arabia. But when the Saudis found him as a threat and expelled him, he moved to Sudan, where dictator Omar Bashir welcomed him. Zawahiri, then leader of the Egyptian Islamic Jihad, followed Bin Laden to Sudan, where they were running training camps for jihadists. When Bin Laden moved back to Afghanistan in the mid-1990s, Zawahiri followed him again. It was in the Taliban-controlled Afghanistan that Bin Laden built al-Qaeda as the world's most potent terrorist machinery. In February 1998, Bin Laden, Zawahiri and their co-jihadists issued a 'fatwa' in the name of the World Islamic Front. In the edict, titled 'Jihad against Jews and Crusaders', they said the U.S., through its occupation of Muslim lands "has declared war on Allah, his Messenger and the Muslims". It said "the ruling to kill the Americans and their allies is an individual duty of every Muslim". Six months after the fatwa was announced, al-Qaeda bombed American embassies in Kenya and Tanzania, killing 224 people. Zawahiri was believed to have played a critical role in the planning of this bombing and many more attacks to come.

There were conflicting accounts on when exactly he merged the Egyptian Islamic Jihad with al-Qaeda. Some say it was in 1998, while some other accounts say it was in 2001, a few months ahead of the September 11 attacks. Ever since the merger, which created Qaeda al-Jihad, Zawahiri has been the second-in-command of the outfit. He went into hiding, along with Bin Laden, in 2001 when the U.S. invaded Afghanistan after the 9/11 attacks. After Bin Laden was killed in 2011 by an American commando raid in Pakistan's Abbottabad, Zawahiri was the obvious choice to be the 'emir' of the terrorist group.

What is his legacy as al-Qaeda chief?

When Zawahiri became the 'emir', al-Qaeda had already been substantially weakened. They lost their safe haven in Afghanistan. Both the leadership and the foot soldiers were driven underground. Osama Bin Laden was killed. And Arab Spring protests were rocking Muslim countries that brought down well-entrenched regimes of dictators such as Zainul Abidin Ben Ali of Tunisia and Hosni Mubarak of Egypt. In his youth, Zawahiri wanted to bring down the Egyptian regime through jihad, but in 2011, he saw street protests achieving that goal. Many experts have pointed out that Zawahiri lacked the charisma of Bin Laden. His authority as the terrorist-in-chief was tested when a leader of an al-Qaeda branch, Abu Bakr al-Baghdadi, announced a new organisation called the Islamic State. Zawahiri refused to recognise the Islamic State, leading to clashes between Jabhat al-Nusra, which was the al-Qaeda arm in Syria, and the Islamic State, which used to be the al-Qaeda in Iraq. It marked a fitna (split) in the global jihadist landscape and the Islamic State quickly rose as a proto-state — what they called a new Caliphate — capturing and holding territories from eastern Syria to the outskirts of Baghdad, the Iraqi capital. Zawahiri's strategy was to retain al-Qaeda as a decentralised network of autonomous terror franchises. He exploited the Syrian civil war to build a Qaeda network in the country, the latest avatar of which is currently controlling Syria's Idlib. He also exploited the vacuum created by the fall of Mohammar Gaddafi in Libya to strengthen al-Qaeda Africa. His focus was on survival. The Islamic State lost the territories it had and suffered huge setbacks. But al-Qaeda still operates through its franchisees.



What is the current state of al-Qaeda?

Al-Qaeda today is a different beast from what it was under Osama bin Laden. There are different branches such as al-Qaeda in the Arabian Peninsula, al-Qaeda in the Islamic Maghreb, al-Shabab and al-Qaeda in the Sinai Peninsula and Hay'at Tahrir al-Sham (Idlib). These groups are ideologically connected to the Salafi-Jihadist ideals of the original al-Qaeda founded by Bin Laden, whose main goal is to uproot the "un-Islamic" governance models through jihad and establish an emirate (on the lines of the teachings of Sayyid Qutb). Most of them also use the al-Qaeda brand. But they have their own leadership and tactics in the geographies they operate in. This has made it difficult for any centralised military action to defeat al-Qaeda. Zawahiri's killing is clearly a setback to the al-Qaeda brand. But it is to be seen whether his death would weaken the operations of the different al-Qaeda networks that have spread across continents.

ALL ABOUT HELLFIRE R9X – THE DRONE MISSILE WITH RAZOR-SHARP BLADES USED TO KILL AL-ZAWAHIRI

The US military used its 'secret weapon' — the Hellfire R9X missile – to kill Al Qaeda chief Ayman al-Zawahiri on the balcony of a safehouse in Kabul on July 31.

Al-Zawahiri, an Egyptian surgeon who had a \$25 million bounty on his head, had helped coordinate the September 11, 2001, attacks that had killed nearly 3,000 people.

What is the Hellfire R9X missile?

Better known in military circles as the AGM-114 R9X, the Hellfire R9X is a US-origin missile known to cause minimum collateral damage while engaging individual targets.

Also known as the 'Ninja Missile', this weapon does not carry a warhead and instead deploys razor-sharp blades at the terminal stage of its attack trajectory. This helps it to break through even thick steel sheets and cut down the target using the kinetic energy of its propulsion without causing any damage to the persons in the general vicinity or to the structure of the building.

The blades pop out of the missile and cut down the intended target without causing the massive damage to the surroundings which would be the case with a missile carrying an explosive warhead.

When did this missile enter active service?

The Hellfire R9X missile is known to have been in active service since 2017. However, its existence became public knowledge two years later in 2019.

It is a variant of the original Hellfire missile family which is used in conventional form with warheads and is traditionally used from helicopters, ground-based vehicles, and sometimes small ships and fast moving vessels. For several years now, the Hellfire family of missiles, including the 'Ninja Missile', are armed on Combat Unmanned Aerial Vehicles or drones that the US Military uses in offensive military operations around the world.

Where has this missile been used on previous occasions?

In 2017, the 'Ninja Missile' was reportedly used to kill the then No. 2 leader of Al Qaeda, Abu Khayr Al Masri, in Syria. It was also used against other targets in Syria at around the same time. The damage caused to the vehicles which carried the targets, particularly the shredded roofs of cars,



gave the first clues that a normal warhead was not used on the missile and that it had sharp blades. It has also been used against Taliban targets in Afghanistan in 2020 and again in 2022.

What is known about the other Hellfire missile variants?

Hellfire is actually an acronym for Heliborne, Laser, Fire and Forget Missile and it was developed in the US initially to target tanks from the Apache AH-64 attack helicopters. Later, the usage of these missiles spread to several other variants of helicopters and also ground and sea-based systems and drones.

Developed by Lockheed Martin and Northrop Grumman, the Hellfire missile has other variants such as 'Longbow' and 'Romeo' apart from the 'Ninja'.

THE POPE'S APOLOGY FOR MASS CANADA GRAVES

The story so far: From July 24, Pope Francis began a five-day visit to Canada to apologise in person for the Church's role in schools meant to assimilate indigenous children. Last June, Cowessess First Nation, an indigenous organisation, found the remains of 751 people, mainly indigenous children, at the site of a former residential school in Canada's Saskatchewan province. This came a month after the discovery of the bodies of 215 children at the site of another residential school in British Columbia. Both schools were run by the Catholic Church.

What did the Pope say?

Speaking on the grounds of a former residential school in Maskwacis near Edmonton, the Pope said, "I am deeply sorry." According to BBC reports, he said his apology is a first step, and that a "serious investigation" into abuses must be launched to foster healing. Pope Francis expressed "sorrow, indignation and shame" for the actions of many members of the Catholic Church, who ran and operated many residential schools in Canada. The 85-year-old Pope said that the schools system were a "disastrous error," seeking forgiveness "for the evil committed by so many Christians" against indigenous people.

How did the indigenous people respond when the graves were found?

Indigenous organisations had urged the government of Prime Minister Justin Trudeau to probe the schools and expedite measures for reconciliation. Last June, Cowessess First Nation signed an agreement with Saskatchewan and the federal government reclaiming its right to look after its own children. Mr. Trudeau said Canadians were "horrified and ashamed of how our country behaved".

What is the history of the residential school system?

The residential school system was a federal government initiative aimed at forcefully assimilating indigenous children into the European way of life. Started around the 19th century, there were at least 130 residential schools spread across the country. The schools were funded by the federal government's Department of Indian Affairs and run by churches, mostly the Catholic Church.

In 1883, Prime Minister Sir John A. Macdonald defended the system in Parliament. "When the school is on the reserve the child lives with its parents, who are savages... It has been strongly pressed on myself, as the head of the Department, that Indian children should be withdrawn as much as possible from parental influence, and the only way to do that would be to put them in



central training industrial schools where they will acquire the habits and modes of thought of white men," he said.

An amendment to the Indian Act in 1894, under Prime Minister Mackenzie Bowell, made attendance at these schools compulsory for indigenous children. They were forcefully taken away from their families. Between 1883 and 1996, an estimated 1,50,000 indigenous children were sent to these schools. Many of them never reunited with their families.

What happened to the children?

At the residential schools, the children were not allowed to speak their language or practise their culture. Many of them were emotionally, physically and sexually abused. The Truth and Reconciliation Commission, set up in 2008, estimated that some 4,100 children attending these schools either died or went missing. The Commission stated that it was impossible to reach a conclusion on the exact number of deaths because of the schools' burial policy and poor record-keeping. In most cases, the authorities did not even hand over the bodies of the children to their families. The Canadian government's Indian Affairs policy was to... "hold the schools responsible for burial expenses when a student died at school". "Parental requests to have children's bodies returned home for burial were generally refused as being too costly," wrote the Commission. The children died mainly due to tuberculosis, malnutrition and other illnesses resulting from the inhuman conditions inside the schools.

Murray Sinclair, a former judge and Senator who headed the Commission, said recently that the actual number of deaths could be "well beyond 10,000". Indigenous organisations have also claimed that the actual number of deaths is more than the official estimates.

What did the Canadian government do?

In 2008, Prime Minister Stephen Harper issued the first formal government-level apology to the indigenous community for the residential schools. The government-appointed Truth and Reconciliation Commission gathered some 7,000 statements from survivors of the schools to prepare a detailed report uncovering the truth behind the system. It also made 94 recommendations for reparation and reconciliation. The Commission report, published in 2015, concluded that the school system amounted to a "cultural genocide". The recommendations included independent investigations into the crimes of the past and measures to protect Aboriginal rights and culture.

Mr. Trudeau had promised during the campaign that addressing the indigenous question would be central to his agenda. But indigenous groups say the federal government has been slow in its response to the implementation of the Commission's recommendations. Several First Nations, which are using ground-penetrating radar technology to mark human remains buried underground, have asked for government help in quickly uncovering graves. The Trudeau government has set aside \$27 million to search for graves, but did not release the funds until after the findings of graves in British Columbia were announced earlier this year.

The Commission had also asked the Catholic Church to issue an apology and take steps of reconciliation. After the latest discovery of graves, Pope Francis had said "the sad discovery further raises awareness of the pains and sufferings of the past", but stopped short of issuing an apology. Now, the Pope has apologised in person but survivors say they want more action from the pontiff.



AUSTRALIAN PM UNVEILS DRAFT INDIGENOUS RECOGNITION VOTE

Australian Prime Minister Anthony Albanese on Saturday unveiled the wording of a draft referendum question as part of moves to enshrine an indigenous voice in Parliament.

The government is seeking a referendum, which is necessary to make changes to the Constitution, on recognising indigenous minorities in the Constitution and requiring governments to consult Aboriginal people on decisions that impact their lives.

The change is a commitment Mr. Albanese's centre-left Labor Party took to May's general election, where it defeated the conservative Liberal-National coalition. The coalition had wanted to establish indigenous representation in Parliament through legislation.

Mr. Albanese, who revealed the plan in a speech at an indigenous festival in remote Arnhem Land, in the Northern Territory, proposed the draft referendum question: "Do you support an alteration to the Constitution that establishes an Aboriginal and Torres Strait Islander Voice?"

Australia's Constitution makes no reference to indigenous people, whose leaders have toiled for generations to win recognition for injustices suffered since European colonisation in the 1700s.

HAGIA SOPHIA: THE STORY OF A WORLD HERITAGE SITE

On my visit to Hagia Sophia some years ago on a nippy day in early spring, the majestic trees starkly bare, there were serpentine queues of people of diverse faiths and nationalities waiting patiently to get in. And this was when it was still a museum.

However, on Friday July 10, 2020, the Turkish President Recep Tayyip Erdogan, with a stroke of his pen, turned the secular clock back on his country's most famous architectural icon. He signed the official decree to reconvert the World heritage Site in Istanbul from a museum to a mosque. In the last two years since it was opened as a mosque, the monument has hosted over 6.5 million visitors, the state news agency Anadolu quoted the the Istanbul Deputy Mufti as saying.

Architecture has always been employed for religious, political and symbolic messaging. With palimpsests of history, socio-religious and political churns, new identities raise claims over great edifices.

In its nearly 1,500 year of existence, Hagia Sophia has had many identities: a cathedral, a mosque, a museum, and now it is back to being a mosque. Its architectural splendour and historicity have made it a cherished monument, revered both by Muslims and Christians.

Originally built as a cathedral by the Roman emperor Justinian I in 537 AD, it stands as the greatest example of Byzantine architecture in the world. Before Justinian's rule, Roman emperor Constantine converted to Christianity, and shifted his capital from Rome to Constantinople (present day Istanbul). The change was both for reasons of defence and better accessibility to the trade routes along the river Bosphorus. The new capital flourished, and when Hagia Sophia was built, Justinian is claimed to have said, "Solomon, I have outdone thee," referring to the legendary monarch and builder of Israel.

However, with the rise of the Ottoman Empire and the conquest of Constantinople by Sultan Mehmed II in 1453, Hagia Sophia, which remained a cathedral for nearly a millennium, was



converted into a mosque. And the Sultan, three days after taking control of the city, held his first Friday prayers here.

Crescendo of cupolas

The majestic monument, with its huge dome and slender, sky-soaring minarets, sketches a mystic silhouette along the Bosphorus river that slices through Istanbul. A number of smaller surrounding cupolas rise in a crescendo, culminating in the grand dome that crowns the large 240 ft x 270 ft nave below and rises 180 ft above the ground. Four pencil-like sharp-edged minarets were added later during the Ottoman Empire to give it the semblance of a mosque.

Hagia Sophia's dome has evoked keen interest among art historians, architects and engineers because of its size and shape. It remained the largest dome in the world until Saint Peter's Basilica was built in 1626 in Rome.

The gigantic size of Hagia Sophia owes to an ingenious technique of resting it on four large columns, and by using pendentives (triangular segments of a sphere). Built in a hurry on the orders of the emperor, the massive dome initially gave in and large brick buttresses had to be added to support the walls.

In India, the biggest dome built in historical times was the Gol Gumbaz, tomb of king Muhammad Adil Shah in Bijapur, completed in 1657. It follows an Indo-Islamic architectural style and also uses pendentives to support the dome. In fact, the innovation of arches, vaults and domes came to India with Islamic builders. The emphasis was more on sculptural adornments on the outside, seen in the exquisite temples of India, than on the interiors.

Common heritage

In 1934, with the end of the Ottoman Empire and evolution of Turkey into a secular Republic, Hagia Sophia was turned into a museum by its rulers. And in 1985, it was bestowed the UNESCO World Heritage Site status.

The interior of Hagia Sophia is a vast space with an ambience of serenity. Shafts of light from fenestrations streak in, bouncing off the gold mosaics and dissolving the walls into ethereal lightness. The huge nave, with two floors of galleries, is richly decorated. A ramp was supposedly necessary to allow the emperor to gallop right up to the upper galleries on horseback.

Several mosaics, calligraphic inscriptions and roundels adorn the ceilings and walls. Notable are the murals with Christian themes along the galleries surrounding the nave. One of the most well-known mosaics is on the apse of the church showing a 13-ft-tall Virgin Mary with baby Jesus.

One of the major concerns of the Christian world about converting it into a mosque was over the fate of its decorations: especially the one depicting the Holy Family and portraits of Christian emperors along the upper galleries. The UNESCO authorities too echoed concerns that modifications could threaten its future heritage status.

Hopefully, the assurances of the Turkish President, "Hagia Sophia, the common heritage of humanity, will go forward to embrace everyone with its new status in a much more sincere and much more unique way" will be adhered to.



THE RAJAPAKSAS' MAN

When Sri Lanka's President Ranil Wickremesinghe appointed long-time Rajapaksa loyalist Dinesh Gunawardena as Prime Minister earlier this month, it was an unexpected promotion for the senior politician.

He is technically the second most powerful man in the Sri Lankan government, taking the job at an exceptional time. The island nation continues weathering a painful economic meltdown for which citizens blame the former rulers and his bosses, the Rajapaksas, but that is only one of many challenges the new Premier faces. Sections among Sri Lanka's protesting citizens see his appointment, as well as Mr. Wickremesinghe's ascent to Presidency, as a continuation of the Rajapaksa government in a different name and form.

Mr. Gunawardena, 73, is the son of noted Marxist politician Philip Gunawardena, a founder of Sri Lanka's oldest political party in 1935, the Lanka Sama Samaja Party (LSSP), that brought the Trotskyist strain of left politics to South Asia. Following Philip Gunawardena's death, Mr. Gunawardena inherited, and leads, his father's Mahajana Eksath Peramuna (MEP or People's United Front), an electoral alliance-turned-party with a "democratic socialist" ideology. During the Second World War, the LSSP faced a crackdown for its anti-British policies, and Philip Gunawardena fled the island taking refuge in Mumbai. Mr. Dinesh Gunawardena's aunt Caroline and her husband S.C.C. Anthonypillai, of Jaffna Tamil Christian origin, both moved to Madras where they provided leadership to labour struggles.

Trade unionist

Mr. Gunawardena himself started out as a trade unionist, and still describes himself as one, although there is not much evidence of his leftism in the last few decades. His position is not unlike many others from Sri Lanka's old left, who aligned themselves with the Rajapaksas on an anti-imperialist platform that is, at its core, Sinhala-Buddhist nationalist. For most part of his political career since his Parliament entry in 1983, he aligned himself with the Sri Lanka Freedom Party, from the time of former President Chandrika Bandaranaike Kumaratunga. He steadfastly backed Mahinda Rajapaksa's prosecution of the war. Like former President Mahinda, he too believes in a unitary state, while rejecting accountability for war-time crimes against Tamils and substantive power sharing with the ethnic minority.

In the period after the civil war that ended in 2009, the Rajapaksa regime and reactionary groups associated with it were frequently blamed for the rising Islamophobia in Sri Lanka. The Muslim community faced at least two bouts of targeted violence in 2014 and 2018, before being subjected to attacks on the heels of the Easter terror bombings in 2019. Mr. Gunawardena firmly stood by the regime through these years.

Educated at one of Colombo's coveted elite public schools, Royal College, Mr. Gunawardena was a classmate of President Wickremesinghe. He studied international business at the University of Oregon and is among Sri Lanka's few politicians who are effortlessly bilingual in Sinhala and English. Modelling himself after his father, he too wears the Sinhala national dress of long-sleeved white collarless shirt and matching sarong as his staple attire, often accompanied by the maroon shawl associated with the Rajapaksa clan.

Amid growing concern from citizens over a "witch hunt" by the state, targeting anti-government demonstrators, PM Gunawardena recently told Parliament that the government is ready to listen



to the democratic public protests but cannot accept “acts of terrorism”. In addition to serving as Prime Minister, he holds the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government.

As Prime Minister, though, Mr. Gunawardena has minimal powers under an executive President. The 20th Amendment passed by the ousted Rajapaksa administration in October 2020 bestowed the President with unbridled powers and great immunity.

Mr. Wickremesinghe has promised to enact yet another constitutional change that will restore some of the Prime Minister’s powers while clipping those of the President. If and when that happens, all eyes will be on Mr. Gunawardena to see his own political leadership. Until then, he will be best known as a placeholder for the Rajapaksas.

WHY IS A CHINESE ‘SPY SHIP’ HEADING FOR A SRI LANKAN PORT, AND WHAT DOES IT MEAN FOR INDIA?

India is closely monitoring the movement of a Chinese “spy ship” that is on its way to Sri Lanka and will dock at its Hambantota port around August 11. The vessel’s visit to the Lankan port comes at a time when the country is battling a severe economic crisis, and India is learnt to have already lodged a verbal protest against the ship’s visit.

What is this Chinese ship that is heading for Sri Lanka?

The ‘Yuan Wang 5’, a Chinese research and survey vessel, is en route to Hambantota, a strategically important deep-sea port developed mostly using loans from Beijing.

‘Yuan Wang’-class ships are used to track satellite, rocket and intercontinental ballistic missile (ICBM) launches. China has around seven of these tracking ships that are capable of operating throughout the Pacific, Atlantic, and Indian oceans. The ships supplement Beijing’s land-based tracking stations.

According to a US Department of Defence report, these space support ships are operated by the PLA’s Strategic Support Force (SSF), which is “a theater command-level organization established to centralize the PLA’s strategic space, cyber, electronic, information, communications, and psychological warfare missions and capabilities”.

The ‘Yuan Wang 5’ was built at China’s Jiangnan Shipyard and it entered service in September 2007. This 222-metre long and 25.2-metre wide vessel has state-of-the-art tracking technology onboard for transoceanic aerospace observation.

Its last monitoring mission was the launch of China’s ‘Long March 5B’ rocket. It was also recently involved in maritime monitoring of the launch of China’s Tiangong space station’s first lab module.

Why is this ship headed to Sri Lanka?

According to the Belt & Road Initiative Sri Lanka (BRISL), ‘Yuan Wang 5’ will enter Hambantota port on August 11 for a week and will likely leave on August 17 after replenishment.

“The Yuan Wang 5 will conduct satellite control and research tracking of China’s satellites in the North Western part of the Indian Ocean region through August and September,” BRISL said on its website.



It added: “The visit of ‘Yuan Wang 5’ to Hambantota Port will be an excellent opportunity for Sri Lanka and the regional developing nations to learn and develop their own space programmes.”

Why is India concerned about this development?

The ‘Yuan Wang 5’ is a powerful tracking vessel whose significant aerial reach — reportedly around 750 km — means that several ports in Kerala, Tamil Nadu, and Andhra Pradesh could be on China’s radar. Reports have claimed that several vital installations in South India could be under threat of being snooped upon.

Talking about the development last week, Ministry of External Affairs spokesperson Arindam Bagchi had said: “We are aware of reports of a proposed visit by this vessel to Hambantota in August...The government carefully monitors any development having a bearing on India’s security and economic interests and takes all necessary measures to safeguard them.”

In response, China’s foreign ministry in a statement reported by Reuters said: “China hopes that the relevant parties will view and report on China’s marine scientific research activities correctly and refrain from interfering with normal and legitimate maritime activities.”

Why is the Hambantota port crucial strategically?

The second-largest Lankan port, Hambantota sits on the route connecting Southeast Asia with Africa and West Asia. For China, it is an important stop in its Belt and Road Initiative. Its development has been largely funded by China, and in 2017, Colombo handed over its majority stake to a Chinese firm after failing to repay the burgeoning debt.

India and the US have repeatedly flagged concerns that Chinese control of this port could harm their interests in the Indian Ocean by becoming a hub for the PLA Navy. Security experts in India have often questioned its economic viability, while pointing out that it fits right into China’s ‘string of pearls’ strategy to surround India in the Indian Ocean through increasing land and maritime footprint.

Hambantota’s proximity to India has the potential of allowing the Chinese navy just the maritime flex aimed at India that it has been seeking for long.

BRINGING EURASIA CLOSER

Last week, RailFreight.Com reported that two 40-ft containers of wood laminate sheets crossed the Caspian Sea from Russia’s Astrakhan port, entered Iran’s Anzali port, continued their southward journey towards the Arabian Sea, entered the waters at Bandar Abbas and eventually reach Nhava Shiva port in Mumbai. The journey signalled the launch of the International North South Transport Corridor (INSTC), a 7,200-km multi-modal transport corridor that combines road, rail and maritime routes connecting Russia and India via central Asia and Iran. The corridor is expected to consolidate the emerging Eurasian Free Trade Area.

What INSTC will do

The INSTC’s launch provides missing pieces of the puzzle about India’s refusal to condemn Russia’s invasion of Ukraine. India’s decision had then been explained in terms of its military reliance on Russia, its aim to keep open alternative supplies of precious oil and gas, and a legacy of its non-alignment. What was neglected is India’s brewing investment in transcontinental



infrastructure, signalled by its involvement in the INSTC alongside Russia and Iran, both of which are subject to sanctions by Western governments.

The legal framework for the INSTC is provided by a trilateral agreement signed by India, Iran and Russia at the Euro-Asian Conference on Transport in 2000. Since then Kazakhstan, Belarus, Oman, Tajikistan, Azerbaijan, Armenia and Syria have signed instruments of accession to become members of the INSTC. Once fully operational, the INSTC is expected to reduce freight costs by 30% and journey time by 40% in comparison with the conventional deep sea route via the Suez Canal. Indeed, the need for an alternative route was deeply felt last year, when the Ever Given container ship was stuck in the Suez, halting maritime traffic between the Mediterranean Sea and the Red Sea.

India's investment in the INSTC is exemplified by its involvement in Iran's Chabahar port and the construction of a 500-km Chabahar-Zahedan railway line. Once completed, this infrastructure will allow India access to Afghanistan and central Asia, a prospect strengthened by the Taliban government's support for the project. The India Ports Global Limited, a joint venture between the Jawaharlal Nehru Port Trust and Kandla Port Trust, will develop the port along with Iran's Aria Banader. IRCON International will contribute to constructing the railway line. A special economic zone around Chabahar will offer Indian companies the opportunity to set up a range of industries; for example, NALCO proposes to set up an aluminium smelter. Lines of credit will be extended to Iran by Exim Bank. The INSTC, thus, provides an opportunity for the internationalisation of India's infrastructural state, with state-run businesses taking the lead and paving the way for private companies.

Non-alignment to multi-alignment

For India, the INSTC achieves several things all at once. Firstly, India can now bypass Pakistan to access Afghanistan, central Asia and beyond. Second, the INSTC can shape a north-south transport corridor that can complement the east-west axis of the China-led Belt and Road Initiative (BRI).

The launch of the INSTC was overshadowed by the Quad Summit held in May 2022 at which the leaders of the Quad re-emphasised the principles of a free and open Indo-Pacific. The Quad Summit declaration went beyond outlining commitments to freedom, rule of law and territorial integrity to reinforce a central purpose of the collective — providing the region with public goods. New initiatives designed to deepen cooperation across the region were announced, which encompassed maritime security, climate change and regional infrastructure.

India's founding role in both the INSTC and the Quad exemplify its departure from non-alignment to multi-alignment. The INSTC offers a platform for India to closely collaborate with Russia, Iran and Central Asian republics. That two of its partners are subject to Western sanctions hasn't prevented India from collaborating with the U.S., Japan and Australia as part of the Quad to create and safeguard a free and open Indo-Pacific. Indian policymaking in international affairs has often been criticised for its moral indecisiveness, diplomatic reticence and ideological confusion. These critics have failed to observe the subtle shifts in Indian foreign policy from non-alignment to multi-alignment.

The INSTC has received far less media attention than initiatives such as the Quad, the BRI and the New Development Bank. However, as a transcontinental multi-modal corridor that aims to bring Eurasia closer together, the INSTC is a laudable initiative in its own right. That it helps India consolidate its multi-alignment strategy sweetens the deal.



NATION

INDIA IS HIGHEST PRIORITY: MALDIVES PRESIDENT

The Maldives on Tuesday signed a cybersecurity agreement with India as both sides affirmed bilateral will to strengthen ties to take on “transnational crimes and terrorism” in the Indian Ocean region.

Addressing the media after the signing of six agreements, President Ibrahim ‘Ibu’ Solih expressed gratitude to India for the help extended to fight the COVID-19 pandemic and for providing a landing craft and utility vehicles to the Maldives National Defence Force.

Before that, Prime Minister Narendra Modi and Mr. Solih participated remotely in the pouring of the first concrete of the Greater Male Connectivity Project (GMCP) that would include a 6.74-km bridge and the causeway linking capital Male with the neighbouring islands.

The \$500-million project is being financed by India. India on Tuesday also extended a \$100-million new Line of Credit to finance infrastructure projects in the Maldives.

In his remarks, Mr. Solih referred to India as the “highest priority” of the Maldives and said, “Maldives-India relation, goes beyond diplomacy. Our values, our cultures and our histories are intertwined, making it a traditional relationship. Our centuries-old relationship is grown with political trust, economic cooperation and coherent strategic policies between our two countries.”

In his remarks, Mr. Modi referred to the threats of terrorism and transnational crime and said that he and Mr. Solih took an “overview” of all the factors in the bilateral relation.

India’s gift to Maldives

To strengthen Maldivian maritime capacity, India has announced the gifting of a second landing assault craft to the Maldives National Defence Force. Mr. Solih thanked India for the gift of 24 utility vehicles to the National Defence Force. Maldives was one of the first recipients of the Covishield vaccine produced by the Serum Institute of India (SII) and the visiting dignitary acknowledged the support that his country received in combating the pandemic from India.

INDIA TO HOST UNSC MEET ON COUNTERTERRORISM

In a first, India will host diplomats and officials from all 15 countries of the United Nations Security Council, including China, Russia and the U.S., for a special meeting on terrorism, in Delhi and Mumbai in October.

The meeting of the Counter-Terrorism Committee (CTC), which India is chairing for 2022 as a member of the UNSC, will focus particularly on challenges such as terrorism financing, cyberthreats and the use of drones, said officials.

New Delhi is expected to highlight cross-border threats from Pakistan and Afghanistan at the meeting, which will come two months before India completes its tenure as an elected member of the UNSC (2021-22). In addition, India has been pushing for the UN members to adopt a Comprehensive Convention on International Terrorism (first proposed in 1996), which is likely to be raised during the meeting.



“The event will showcase India’s role as a victim of terrorism as well as a country at the forefront of global counter-terrorism efforts,” said an official involved in the planning.

New challenges

Sources said that while terror financing was now recognised and dealt with through mechanisms such as the Financial Action Task Force (FATF), it was necessary to build templates and “codes of conduct” for newer threats, including financing through cryptocurrency and the use of drones for terror attacks. They said the CTC meeting in India could also pave the way for a possible visit to New York by Prime Minister Narendra Modi in December, when India will be the President of the UNSC for the entire month.

In August 2021, due to the COVID-19 pandemic, Mr. Modi had chaired a UNSC special session on Enhancing Maritime Security virtually, in which several leaders, including Russian President Vladimir Putin, had attended. Officials said India’s UN Mission, where Permanent Representative Ruchira Khamboj presented her credentials on Tuesday, would be working on ensuring maximum participation at the event, in case the Prime Minister decides to travel.

An earlier plan to travel to Washington in December for the Democracy Summit to be convened by U.S. President Joe Biden may be put off, as the summit is likely to be postponed.

WHAT HAS THE SC SAID ON PMLA’S VALIDITY?

The story so far: Recently, the Supreme Court in the case of Vijay Madanlal Chaudhary vs Union of India gave the judicial stamp of approval to the twin conditions of bail under Section 45(1) of the Prevention of Money Laundering Act, 2002 (PMLA). The conditions were contested as being arbitrary and draconian in as much as they reverse the presumption of innocence at the stage of bail. The judgment is of immense importance given that delay or denial in grant of bail was recently identified by the Supreme Court in the case of Satender Kumar Antil vs CBI as being a leading factor in the perpetration of injustice in our criminal justice system.

The Supreme Court has upheld several provisions of the Prevention of Money Laundering Act (PMLA) that deal with a wide range of issues, from what constitutes the main offence to the powers of the Enforcement Directorate (ED) and the procedure for conducting searches and seizures and effecting arrests. The manner in which the Act is being implemented has come in for much criticism in recent years, as several investigations have been opened against political functionaries opposed to the BJP. The court has given its thumbs up to what are considered ‘draconian’ provisions, rejecting strong challenges to their validity.

What is the verdict broadly based on?

Since the mid-1980s, there has been global concern over the proceeds of criminal activities such as drug-trafficking being ‘laundered’ or and used in financing terrorism. The UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances adopted in Vienna in 1988 (Vienna Convention) was the first treaty that called upon nations to adopt domestic laws to combat drug trafficking. As part of these laws, countries were asked to prohibit the conversion or transfer of property gained through dealing in narcotics to conceal its illicit origin. The Financial Action Task Force (FATF) was established in the G-7 Summit in Paris in 1989 in response to mounting concern over money-laundering. The Task Force made recommendations from time to time to strengthen laws on the subject. The UN Convention against Transnational Organized Crime



of 2000 (Palermo Convention) also advocated legislative and other measures to combat organised crime, and specifically called for ‘criminalising the laundering of proceeds of crime’.

The PMLA was enacted in 2002 but came into force in 2005. Its provisions gave effect to India’s obligations to abide by international conventions. The Union government used this background to argue that PMLA provisions as well as subsequent amendments were valid and necessary to fulfil the country’s obligations to combat the menace of money-laundering. In its verdict, the Supreme Court agreed with the government’s contention. “Every provision in the 2002 Act will have to be given its due significance while keeping in mind the legislative intent for providing a special mechanism to deal with the scourge of money-laundering recognised world over and with the need to deal with it sternly,” it said.

What was a key issue over defining money-laundering?

The offence under this law is mainly the laundering of money made through a crime. It has a three-part schedule of offences (or ‘predicate offences’) listing the various crimes such as terrorism, drug-trafficking, corruption and cheating that give rise to tainted money. A major issue raised by the petitioners arose from an explanation added in 2019 to clarify the scope of the definition of money-laundering under Section 3. They said the original wording meant that only the projection of tainted money as untainted, and its integration into the economy would constitute the offence. The ED, they argued, was registering money-laundering case solely on the basis of the original crimes without any proof that their proceeds were laundered. As a result, even transactions that date back years before the PMLA came into force were being probed for laundering.

The court rejected the challenge, holding that the explanation does not expand the scope of the original definition, and it is only clarificatory. It aims to capture every process and activity dealing with the proceeds of crime. The generation of money through crime and its integration with the formal economy are independent offences. It will be wrong to say that only upon the latter activity that the offence of money-laundering is complete. In this context, the court interpreted the conjunction ‘and’ — used between a part that spoke of ‘possession, acquisition or use’ of proceeds of crime with the part ‘projecting or claiming as untainted’ — to mean ‘or’. This reading will render holding or using the proceeds of crime as much as an offence as the projecting or converting of the proceeds into legal money or property.

At the same time, the court clarified that the offence of money-laundering is dependent on illegal gain through the original crime (the scheduled offence). If a person is discharged or acquitted in respect of the original offence, or gets the case quashed through a competent court, there can be no case of money-laundering.

What were the issues concerning investigation by the ED?

The ED works on the basis of an internal manual. It registers an ‘Enforcement Case Information Report’ (ECIR), the equivalent of an FIR in ordinary cases. The manual is not a public document, and the ED does not share the ECIR with the accused. Therefore, why and how a money-laundering probe is initiated is unknown. When a summons is issued to a person, he is unaware of the reason, but must, nevertheless, attend and answer all questions and submit the documents asked for. The petitioners argued that this left any investigation, issue of summons and decision to order a search, seizure or arrest completely at the whim of ED officials. Unlike in other criminal cases, there is no judicial oversight of the process, and the accused are forced to seek bail after arrest without knowing the exact nature of the charges against them.



The court rejected all these contentions. Its conclusions were that: the ECIR cannot be equated with an FIR; that there are sufficient safeguards in the entire process of survey, search, seizure and arrest, in as much as the law requires the officer responsible to record reasons in writing at every stage. A copy of the ECIR need not be given to the accused, but at the time of arrest, the grounds of arrest should be conveyed. In any case, the Special Court can examine the documents to decide whether the detention of the accused needs to be continued.

The court suggested that the ED may consider the desirability of informing the public through its website the scope of the authority under the Act, the measures adopted by its functionaries and the options or remedies available to the accused.

What did the court say on ED summons?

When a person is summoned by a police officer, it is known whether it is for giving a statement as a witness or an accused. However, the ED has the power of a civil court to enforce the attendance of a person summoned under Section 50. Giving a statement and producing documents are mandatory obligations and it is an independent offence not to do so, and giving a false statement amounts to perjury. Also, such a statement should be signed by the person summoned and it can be used against him in a trial. This was challenged on the ground that the section is unconstitutional as it forces people to be witnesses against themselves, something prohibited by Article 20 of the Constitution.

However, the court rejected the idea that this amounts to testimonial compulsion. Rather, ED officers were not police officers, and the proceedings related to summons, being only an inquiry related to proceeds of crime, do not amount to an investigation. Therefore, it was open to the ED to gather material without treating the person as an accused, but nevertheless prosecute him later, if the information gleaned disclosed a money-laundering offence.

What are the conditions under Section 45(1) of the PMLA?

The PMLA was enacted with the objective to prevent money laundering. The Act provides for a higher threshold for the grant of bail as compared to the standard procedure under the Code of Criminal Procedure (CrPC). Section 45(1) of the PMLA requires that before a person is released on bail or bond, the public prosecutor must initially be given an opportunity to oppose the application and secondly, when the application is opposed, the court must be satisfied that there are reasonable grounds for believing that the accused is not guilty of the offence and is not likely to commit any crime while out on bail.

Are there other Acts which impose such conditions?

A similar provision is provided for in Section 43D(5) of the Unlawful Activities (Prevention) Act, 1967 which requires the court to provide an opportunity to the public prosecutor to oppose the bail application and to not release the accused on bail if there are reasonable grounds for believing that the accusation is prima facie true. Section 37(1) of the Narcotic Drugs and Psychotropic Substances Act, 1985 too is in pari materia with Section 45(1) of the PMLA. Previously, Section 20(8) of the Terrorist and Disruptive Activities Act, 1987 (TADA) also carried similar conditions for grant of bail.

How did the Court uphold the stringent bail provision?

The petitioners had challenged the validity of the 'twin conditions' laid down in Section 45 of PMLA for grant of bail: that the court must be satisfied that there are reasonable grounds for



believing that the accused is not guilty of an offence; and that he is not likely to commit any offence while on bail. In 2018, the Supreme Court had struck down this section, as it was originally worded, on the ground that the conditions only applied to those offences listed in Part A of the Schedule attracting a prison term of three years and more, but not for the offence of money-laundering itself. However, Parliament re-enacted the section with a change: that the conditions would apply to all cases under PMLA, without any reference to the scheduled offence. The court upheld Parliament's power to enact a provision to cure a defect highlighted by the Supreme Court. It also ruled that given the gravity of the offence of money-laundering such stringent provisions related to bail are valid.

What are the implications of the Supreme Court's judgment?

The twin conditions, when examined independently require the Court to take a judicial call on the potential guilt of the offender based on the material supplied by the accused in the bail application and the opposition made to the same by the prosecution. In doing so, the provision overturns the settled principle of presumption of innocence which dictates that an undertrial remains innocent until he is proven guilty. These safeguards have been built into the procedure under the CrPC so as to ensure that the due process values enshrined in our Constitution find practical application.

The Vijay Madanlal case decision comes from a three-judge bench of the Supreme Court and therefore conclusively overrules the judgment by the division bench of the Supreme Court in the Nikesh Shah case. In upholding Section 45(1) of the PMLA, the Court has made the twin conditions for the grant of bail constitutionally valid in the name of national security related expediency. It is trite to say that under such stringent conditions, jail becomes the rule while bail is the exception.

The court did not examine arguments based on the fact that some of the amendments were introduced in the form of Money Bills, as the issue concerning the scope of Money Bills is being separately considered by a seven-judge Bench.

SOP OR WELFARE DEBATE

A general concern over 'freebies' pushing the economy to ruin or unviable pre-election promises adversely affecting informed decision-making by voters seems reasonable. However, few will disagree that what constitutes 'freebies' and what are legitimate welfare measures to protect the vulnerable sections are essentially political questions for which a court of law may have no answer. In this backdrop, the Supreme Court's decision to form a body of stakeholders to examine the issue raises the question whether the legislature can be bypassed on such a far-reaching exercise. The Chief Justice of India, N.V. Ramana, heading a Bench hearing a petition filed in public interest against the distribution or promise of 'freebies' ahead of elections, has made it clear that the Court is not going to issue guidelines, but only ensure that suggestions are taken from stakeholders such as the NITI Aayog, Finance Commission, Law Commission, RBI and political parties. All these institutions, he has said, can submit a report to the Election Commission of India (ECI) and Government. A suggestion that Parliament could discuss this issue was met with scepticism by the Bench, which felt that no party would want a debate on this, as all of them support such sops. The Bench also disfavoured the ECI preparing a 'model manifesto' as it would be an empty formality. The Court's concern over populist measures seems to resonate with the Government too, as the Solicitor-General submitted that these distorted the voter's informed decision-making; and that unregulated populism may lead to an economic disaster.



The Supreme Court, in *S. Subramaniam Balaji vs Government of Tamil Nadu (2013)* addressed these questions and took the position that these concerned law and policy. Further, it upheld the distribution of television sets or consumer goods on the ground that schemes targeted at women, farmers and the poorer sections were in furtherance of Directive Principles; and as long as public funds were spent based on appropriations cleared by the legislature, they could neither be declared illegal, nor the promise of such items be termed a 'corrupt practice'. It had, however, directed the ECI to frame guidelines to regulate the content of manifestos. The ECI subsequently included in its Model Code of Conduct a stipulation that parties should avoid promises "that vitiate the purity of the election process or exert undue influence on the voters". It added that only promises which were possible to be fulfilled should be made and that manifestos should contain the rationale for a promised welfare measure and indicate the means of funding it. Any further step, such as distinguishing welfare measures from populist sops and pre-election inducements, or adding to the obligations of fiscal responsibility and fiscal prudence ought to come from the legislature. That politicians invariably back 'freebies' should be no reason to bypass Parliament.

SC MOOTS VERDICT FOR 'BODILY AUTONOMY'

The Supreme Court on Friday said it may loosen the restrictive grip of a 51-year-old abortion law which bars unmarried women from terminating pregnancies up to 24 weeks old, saying the prohibition was "manifestly arbitrary and violative of women's right to bodily autonomy and dignity".

A Bench of Justices D.Y. Chandrachud and J.B. Pardiwala considered pronouncing a judgment which would put these unmarried women on a par with anguished women with less than 20-week-old pregnancies who run the danger of suffering a mental breakdown because they had conceived due to the failure of "family planning devices or methods".

The Medical Termination of Pregnancy Act of 1971 and its Rules of 2003 prohibit unmarried women who are between 20 weeks and 24 weeks pregnant to abort with the help of registered medical practitioners.

"An unmarried woman suffers an unwanted pregnancy, why should she be excluded from termination up to 24 weeks if a married woman is allowed it... The danger to life is as much in the case of an unmarried woman as in the case of a married woman," Justice Chandrachud, asked the Central government, represented by Additional Solicitor General Aishwarya Bhati.

The court noted that the rules permit termination of pregnancies of up to 24 weeks in seven specific categories, including survivors of rape or sexual assault, minors, in case of physical disabilities and foetal malformation. Ms. Bhati said the intention of the law is "not to allow abortion freely to all, not to liberalise".

But Justice Chandrachud said an unmarried woman whose pregnancy is over 20 weeks may have also conceived in a similarly vulnerable situation.

"Such an unmarried woman may have been exploited... The source of her pregnancy may also be the same vulnerability that applies to other women... You must have a forward-looking interpretation of the law," Justice Chandrachud responded to Ms. Bhati.



‘Medical risk is the same’

“Ultimately what does the legislature intend... The legislature has not just used the word ‘husband’. It has also used the word ‘partner’. So the legislature is not just concerned about women who undergo pregnancy within marriage, but outside marriage too. Medical risk is the same for both married and unmarried women,” Justice Chandrachud observed.

UNDERSTANDING THE PROVISIONS FOR FOREIGN VISITS OF STATE GOVERNMENT MINISTERS

The story so far: Delhi Lieutenant-Governor (LG) Vinai Kumar Saxena recently advised Chief Minister Arvind Kejriwal against attending the World Cities Summit in Singapore as it was for “mayors of cities”. Now, State Transport Minister Kailash Gahlot — who had also sought political clearance for an official visit to London — has moved the Delhi High Court with a plea to set aside the need for travel clearances by the Centre for private foreign visits of State government Ministers. He has also asked for the framing of appropriate guidelines with respect to the clearances for official foreign tours of Chief Ministers and other State government members.

When did Chief Minister Arvind Kejriwal seek approval for Singapore visit?

According to the petition, on April 5, the Chief Minister received an invitation from the Minister in the Prime Minister’s Office and Second Minister of Finance and Development Singapore, to participate in the World Cities Summit scheduled from July 31 to August 3. The State government’s Deputy Security (Protocol), through a letter dated June 3, requested that all necessary clearances and arrangements for the visit be made. On June 7, the file was submitted for sign-off to the LG office. On June 3, the petitioner had applied for political clearance for his official visit to London from June 12 to 19.

Additionally, the petition also mentioned another instance wherein political clearance for the Delhi Chief Minister’s proposed visit to Copenhagen for attending the 7th C-40 World Mayors Summit in October 2019 was rejected by the MEA “without providing any reasons”.

Under which provisions are approvals required?

On August 16, 1982, the Cabinet Secretariat had issued an office memorandum titled “Guidelines regarding foreign travel of Ministers of State government and Union Territories and State government officials”, stating that foreign visits by members of the State governments in their official capacity would require clearances from the Ministry of External Affairs (MEA), Ministry of Home Affairs, Finance Ministry, and the Central Administrative Ministry. It issued another order on March 30, 1995, reiterating the same.

The Secretariat circulated another order on September 3, 2004, modifying the provisions to the extent that the final orders were to be issued by the Finance Ministry. The following directive dated November 2, 2004, stipulated that Chief Ministers required further approval from the Prime Minister’s Office before an official visit. On August 26, 2010, yet another office memorandum made political clearances mandatory before private visits of Ministers in State governments, which was reiterated through an order on May 6, 2015.

The petition seeks a quashing of the 2010 and 2015 office memoranda which require State government Ministers to ask for political clearances for personal visits abroad.



What followed after the approvals were sought?

As no decision on his application was received from the MEA, the petitioner wrote to the Ministry on June 27 raising concerns. He also sought data on the number of such clearances rejected in the past five years. Another letter was sent on July 4, asking for the statutory and constitutional grounds for denial of travel clearances.

Since the LG office had not yet responded on the Singapore visit, the Chief Minister on July 17 wrote a letter addressed to the Prime Minister requesting expedited clearances for the Singapore visit. On July 20, the LG wrote back stating that the visit to Singapore was “not advisable”, pointing out that it was primarily attended by mayoral heads and that, in any case, urban governance in Delhi was not the exclusive domain of the State government. The next day, the State government requested political clearance from the Centre directly. However, no communication on the decision has yet been received from the relevant Central government authorities, the petition said.

On what grounds has the petition been filed?

The petition argues that the need for political clearances from the MEA for personal foreign visits of State government Ministers violates their right to privacy and dignity of their constitutional office; that the “undated” LG letter advising against the proposed Singapore visit is beyond the jurisdiction of his office’s authority; that the use of “gross delay” to effectively deny clearances for official foreign visits, including the Chief Minister’s Singapore visit, is an “arbitrary non-exercise of power”; and that the manner of implementation of the relevant office memoranda on clearances for official visits “suffer from the vice of arbitrariness and un-channeled discretion”. It also states that the “arbitrary and capricious implementation” of the travel clearance Office Memoranda is against national interest and good governance, and impinges upon the right to travel abroad as guaranteed under Article 21.

ROLLING BACK NEW LIQUOR POLICY IN DELHI, REVERTING TO OLD REGIME WHERE GOVT DOMINATES SALE OF LIQUOR, IS A BAD IDEA

The Delhi government’s flip-flops on liquor are detrimental to the policy credibility of the government. In 2020, the government proposed a new liquor policy and by November 2021, it came into effect. On the face of it, the new policy made a lot of sense. It took the government out of the business of selling liquor and opened up space for private sector vendors to provide this service. Selling liquor is not a strategic enterprise and should ideally be dominated by private sector players. According to the government, this reform was aimed at ending the liquor mafia and black marketing apart from increasing government revenues and improving customer experience. The new policy also provided greater flexibility to private vendors to offer discounts and compete in the market to attract customers. Reportedly, this new policy led to the government’s revenue increasing by 27 per cent.

The story seemed to turn sour, however, when the Economic Offences Wing of Delhi Police started investigating allegations of irregularities and corruption in the disbursal of liquor licenses. It was alleged that the Delhi government gave out “illegal” licences to companies that violated the terms and conditions of the excise policy. Manish Sisodia, the minister in charge, was accused of implementing this policy without the approval of the Lieutenant Governor of Delhi, and providing waivers and undue benefits to new licensees. The Delhi government, it was alleged, had revised the rates of foreign liquor (making them cheaper) and removed the levy of import pass fee of 50 per case of beer, and such decisions, it was said, resulted in a loss of revenue to the state



exchequer. As the investigations began, the Delhi government, in an unwise and knee-jerk reaction, overturned its policy and rolled back to the old regime where the government used to dominate the sale of liquor.

This has not just inconvenienced customers but also left the private vendors high and dry. There are, at present, 468 private vendors in Delhi — each employing an array of workers such as salesmen, sanitation staff, security guards and managers. A summary policy reversal means all of them will lose their jobs for no fault of their own. Those who are lucky enough to migrate to a government outlet will likely see a sharp mark down in their salaries. This is apart from the loss to entrepreneurs who spent upwards of Rs 250 crore to acquire the licence of a zonal vendor, which does not include the nearly Rs 25 crore that it could take to set up the actual shop. This raises two questions: Who pays for these losses? Why would anyone invest in a state where government policy can change overnight? These are important questions that the government can ill afford to ignore.

ELECTORAL BONDS: PARTIES MOP UP OVER RS 10,000 CRORE SINCE 2018

Donations to political parties through electoral bonds (EBs) have crossed the Rs 10,000-crore mark, with parties getting another Rs 389.5 crore through such bonds in the 21st sale of EBs conducted between July 1 and 10, according to data available from State Bank of India (SBI).

With this, the total amount collected by parties has gone up to Rs 10,246 crore from various anonymous donors in 21 phases since 2018 when the EB scheme was introduced.

Political parties received EBs worth Rs 648.48 crore from donors in the previous sale in April this year.

As many as 475 EBs worth Rs 389.5 crore were redeemed by parties in the latest phase, SBI, the only bank authorised to sell these bonds, said in its reply to the RTI application filed by Commodore Lokesh K Batra (Retd). Significantly, this amount has been collected by the political parties even though no election is scheduled in any of the states in the near future.

As per the provisions of the EB Scheme, only the political parties registered under Section 29A of the Representation of the People Act, 1951 (43 of 1951) and have secured not less than 1 per cent of the votes polled in the last general election to the House of the People or the Legislative Assembly, as the case may be, are eligible to receive electoral bonds.

SBI data shows that in the July phase, as much as Rs 108.5 crore worth of bonds were encashed at the SBI's Bhubaneswar main branch, Rs 70 crore at New Delhi main branch, Rs 71 crore at Hyderabad main branch and Rs 66.5 crore at the Kolkata main branch of SBI.

However, SBI data reveals that 150 EBs worth Rs 140.1 crore purchased from the New Delhi main branch of SBI and 162 EBs worth Rs 116.5 crore from the Kolkata branch. Although donors shelled out Rs 22 crore for 31 EBs at the Mumbai main branch, not a single EB was encashed here.

Even major political parties have not disclosed the amount they received through electoral bonds. Further, as the bonds are sold through a public sector bank, the government would come to know who is funding which political party.

Non-governmental organisations (NGOs) — Common Cause and Association for Democratic Reforms (ADR) — have legally challenged the scheme that was started in 2018. They, along with



several other critics, have been alleging that the introduction of electoral bonds is “distorting democracy” in India. The Supreme Court has agreed to take up for hearing a pending plea challenging the scheme. Only 23 political parties are eligible for redemption of electoral bonds.

According to the ADR, in the case of continuance of the Scheme, the principle of anonymity of the bond donor enshrined in the Electoral Bond Scheme, 2018 must be done away with. “All political parties which receive donations through Electoral Bonds should declare in their Contributions Reports the total amount of such donations received in the given financial year, along with the detailed particulars of the donors as against each Bond; the amount of each such bond and the full particulars of the credit received against each bond,” ADR said in a report.

Donors gave Rs 1,056.73 crore in 2018, Rs 5,071.99 crore in 2019 and Rs 363.96 crore in 2020, Rs 1502.29 crore in 2021 and Rs 2,252 crore in 2022, SBI had said.

Electoral bonds are purchased anonymously by donors and are valid for 15 days from the date of issue. A debt instrument, these can be bought by donors from a bank, and the political party can then encash them. These can be redeemed only by an eligible party by depositing the same in its designated account maintained with a bank. The bonds are issued by SBI in denominations of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh and Rs 1 crore.

WHY THE GOVT HAS WITHDRAWN THE PERSONAL DATA PROTECTION BILL, AND WHAT HAPPENS NOW

The government has withdrawn the Personal Data Protection Bill from Parliament as it considers a “comprehensive legal framework” to regulate the online space, including bringing separate laws on data privacy, the overall Internet ecosystem, cybersecurity, telecom regulations, and harnessing non-personal data to boost innovation in the country.

Why is this development significant?

The government has taken this step after nearly four years of the Bill being in the works. It had gone through multiple iterations, including a review by a Joint Committee of Parliament (JCP), and faced major pushback from a range of stakeholders including big tech companies such as Facebook and Google, and privacy and civil society activists.

The tech companies had, in particular, questioned a proposed provision in the Bill called data localisation, under which it would have been mandatory for companies to store a copy of certain sensitive personal data within India, and the export of undefined “critical” personal data from the country would be prohibited. The activists had criticised, in particular, a provision that allowed the central government and its agencies blanket exemptions from adhering to any and all provisions of the Bill.

The delays in the Bill had been criticised by several stakeholders, who had pointed out that it was a matter of grave concern that India, one of the world’s largest Internet markets, did not have a basic framework to protect people’s privacy.

“The withdrawal of the Data Protection Bill, 2019 is concerning, for a belated regulation is being junked. It’s not about getting a perfect law, but a law at this point,” Apar Gupta, executive director of the Delhi-based digital rights group Internet Freedom Foundation, said. “It has been close to 10 years since the (Justice) A P Shah Committee report on privacy, five years since the Puttaswamy judgment (right to privacy) and four years since the (Justice B N) Srikrishna Committee’s report



— they all signal urgency for a data protection law and surveillance reforms. Each day that is lost causes more injury and harm.”

Why has the Bill been withdrawn?

A data protection law for India has been in the works since 2018, when a panel led by Justice Srikrishna, a retired judge of the Supreme Court, drew up a draft version of a Bill. The draft was reviewed by the JCP, which submitted its recommendations along with a draft Bill in November 2021.

In a note circulated to Members of Parliament, Union IT Minister Ashwini Vaishnaw explained the reason behind the withdrawal of the Bill: “The Personal Data Protection Bill, 2019 was deliberated in great detail by the Joint Committee of Parliament. 81 amendments were proposed and 12 recommendations were made towards a comprehensive legal framework on the digital ecosystem. Considering the report of the JCP, a comprehensive legal framework is being worked upon. Hence, in the circumstances, it is proposed to withdraw ‘The Personal Data Protection Bill, 2019’ and present a new Bill that fits into the comprehensive legal framework.”

The Bill was also seen as being too “compliance intensive” by startups of the country, The Indian Express had reported earlier. According to government sources, the revamped Bill will be much easier to comply with, especially for startups.

What was the journey of the draft Bill like?

* The Justice Srikrishna panel was set up in 2017 in the backdrop of the Supreme Court’s verdict holding privacy is a fundamental right, and its direction to the government to draw up a data protection framework for the country. The Srikrishna Committee released a white paper that same year, outlining the areas it would be looking at.

* In July 2018, the committee submitted a draft data protection Bill to the Ministry of Electronics and IT, which said that it would draft a fresh Bill borrowing from the ideas presented in the Srikrishna Committee Bill.

* In December 2019, the Bill was referred to the JCP, which was then headed by the BJP’s Meenakshi Lekhi. As the committee started a clause-by-clause analysis of the Bill, it also sought and received extensions for presenting its report in September 2020 and March 2021.

* In July 2021, BJP MP PP Chaudhary was appointed chairperson of the JCP after Lekhi was made Minister of State for External Affairs. The JCP received yet another extension to submit its report after Chaudhary’s appointment.

* In December 2021, the JCP tabled its report in Parliament, which Justice Srikrishna said was heavily in favour of the government. In a media interview, he said that the Bill could turn India into an “Orwellian state”.

What did the JCP recommend?

The JCP tabled its report after 78 sittings spread over 184 hours and 20 minutes, and after having received half a dozen extensions. It proposed 81 amendments to the Bill finalised by the Srikrishna panel, and 12 recommendations including expanding the scope of the proposed law to cover discussions on non-personal data — thereby changing the mandate of the Bill from personal data



protection to broader data protection. In its most basic form, non-personal data are any set of data that does not contain personally identifiable information.

The JCP's report also recommended changes on issues such as regulation of social media companies, and on using only "trusted hardware" in smartphones, etc. It proposed that social media companies that do not act as intermediaries should be treated as content publishers — making them liable for the content they host.

So what could the revamped Bill look like?

Specific provisions or contours of the upcoming new Bill are not known. But a senior official said that on the question of data localisation, the government is considering whether to add it to the planned new version of the Information Technology Act, and whether to allow cross-border data flows only to "trusted geographies". "The thinking is that the data should be stored in a region that is trusted by the Indian government, and that data should be accessible in the event of a crime," the official said.

According to senior government officials, the new data protection Bill will do away with some recommendations by the JCP such as including "trusted hardware", and local storage of some kinds of personal data within the boundaries of India. Instead, it will add these ideas to the larger framework for the Internet ecosystem, which will replace the Information Technology Act of 2000. All these separate laws, it is learnt, will be presented at the same time.

The new Bill could also do away with classification of personal data from the perspective of data localisation, and only use classification for awarding damages to people whose personal data may have been compromised by an entity.

When is the revamped Bill expected to be ready?

Minister of State for Electronics and IT Rajeev Chandrasekhar said the government will table the new legislation in Parliament "very quickly".

"The government has today withdrawn the Personal Data Protection Bill that was formulated in 2018 and re-written by the JCP in 2021," Chandrasekhar said on Wednesday (August 3). "After considerable deliberation and examination of the JCP's report, it was found that there is a need for a comprehensive redrawing of laws and rules taking into account some of the JCP's comments and the emerging challenges and opportunities that arise from there. A comprehensive approach to the laws will be undertaken by the government and we will come back to Parliament very quickly after following the process of consultation," he said.

According to sources in the IT Ministry, the government is aiming to bring the legislation in Parliament's Winter Session. A senior official said that the new Bill would incorporate the broader ideas of data protection as recommended by the JCP, and would be in line with the Supreme Court's landmark privacy judgment of 2017. Given the significant number of amendments suggested by the JCP, it was necessary to comprehensively redraw the contours of the proposed law, the official said.

THE FALL OF A HEAVYWEIGHT

In 2006, when Partha Chatterjee was elected Leader of the Opposition in the West Bengal Assembly, a group of journalists asked him about the new responsibility. "There is no one else



around,” Mr. Chatterjee said. Clearly, in the formative years of the Trinamool Congress, Mr. Chatterjee was one of its tallest leaders after Mamata Banerjee. During the tumultuous times between 2006 and 2011, when protests against forcible land acquisition at Singur and Nandigram rocked West Bengal politics, Ms. Banerjee and Mr. Chatterjee took on the mighty Left Front, which had 235 MLAs compared to the Trinamool’s 30. Mr. Chatterjee was the voice of Opposition both inside the House and outside. Many still recall how he squatted outside the office of former Chief Minister Buddhadeb Bhattacharjee during the Nandigram agitation.

For such a promising political leader whose career spanned several decades, the fall was sudden and steep. The dramatic recovery of cash amounting to ₹50 crore and several kilograms of gold from two properties of Arpita Mukherjee, an associate of the Minister, has not only shocked political circles but even the rank and file of the Trinamool. According to the Enforcement Directorate (ED), the cash and jewellery was seized when the agency was conducting raids in the School Service Commission recruitment scam, which involves irregularities in recruitment of teachers and non-teaching staff in State-run schools. Mr. Chatterjee, along with his associate, was arrested on July 23 and will be under ED custody till August 3. He has been stripped of his ministerial and party responsibilities.

Rise in politics

Mr. Chatterjee rose to the top levels of the party from a student leader in Kolkata’s Asutosh College. After a degree in economics, he completed an MBA. He then left a corporate career to join the Trinamool. When the party came to power in 2011, he was number two in the government holding crucial portfolios like Industries and Commerce, Information and Technology and School and Higher Education.

The 69-year-old leader shared a camaraderie with the party chairperson Ms. Banerjee who would often joke about his girth at Industry summits. Partha Da, as Ms. Banerjee would call him, was the key adjudicator of the Trinamool, maintaining a balance between the party and the government, and taking decisions of the party’s disciplinary committee. Mr. Chatterjee was the Trinamool’s go-to person even for Governors, from Gopal Krishna Gandhi to Jagdeep Dhankhar. Interestingly, Mr. Chatterjee was planning to write a memoir about the Governors at Raj Bhawan he encountered from 2006 till date.

Even when the Trinamool was finding it difficult to defend its leaders in the Saradha chit fund scam and Naradha sting tapes, no aspersions were cast on Mr. Chatterjee. In public perception, he was always ‘Mr. Clean’.

Interestingly, the fall of Mr. Chatterjee comes at a time when the old order of the party is making way for the new. The rise of Abhishek Banerjee, the nephew of Chief Minister Mamata Banerjee, in the party seems to coincide with older leaders and trusted lieutenants of Ms. Banerjee moving away. With Mukul Roy out of active politics, Subrata Mukherjee no more and Mr. Chatterjee behind bars, Ms. Banerjee’s ‘confidants’ are no longer part of the party’s decision making.

More than the old versus new, Mr. Chatterjee’s arrest and related developments point at a rot that has set in West Bengal’s ruling dispensation — and the fact that scandals have haunted it during the entire 11 years of power. From the Saradha chit fund scam of 2013, Naradha tapes of 2016 and the corruption in relief distribution after cyclone Amphan in 2020, the Trinamool has always found itself on a sticky wicket on the issue of corruption.



The leadership has said the onus is on Mr. Chatterjee to probe that the money seized is not from proceeds of a crime. However, if a key Minister and senior party functionary is found sitting on piles of cash in Kolkata, both the State government and the party cannot absolve themselves from the responsibility. Mr. Chatterjee has maintained that only time will tell whether the party decision to dump him was correct or not, but for the Trinamool, time seems to be running out in getting its house in order.

WHAT IS MUMBAI'S PATRA CHAWL CASE, IN WHICH THE ED HAS DETAINED SHIV SENA LEADER SANJAY RAUT?

The Enforcement Directorate (ED) searched Shiv Sena MP Sanjay Raut's home in Bhandup, Mumbai, for several hours on Sunday before detaining the leader and taking him away for further questioning. Raut has been under investigation in a case related to irregularities in a chawl redevelopment project in Mumbai's Goregaon. What is this project, and what is the link to Sanjay Raut?

What is the Patra Chawl redevelopment project?

Siddharth Nagar, popularly known as Patra Chawl, is located in the northern Mumbai suburb of Goregaon. It had a total of 672 houses, spread over an area of 47 acres.

In 2008, the Maharashtra Housing and Area Development Authority (MHADA) took up the redevelopment project and gave the contract to Guru Ashish Construction Private Limited (GACPL) to rehabilitate 672 tenants and to redevelop the locality.

A tripartite agreement was signed between GACPL, the tenants' society, and MHADA. It has been 14 years since then, and the people of Patra Chawl continue to wait to get their homes.

So what is the ED's allegation?

According to the tripartite agreement, GACPL was to provide flats to 672 tenants of Patra Chawl, develop flats for MHADA, and sell the remaining area to private developers.

However, the ED claims, Pravin Raut, a close associate of Sanjay Raut, and other directors of Guru Ashish Constructions misled MHADA, and sold the floor space index (FSI) to nine private developers, collecting Rs 901.79 crore, without constructing either the rehab portion for the 672 displaced tenants or the MHADA portion.

Subsequently, GACPL launched a project called Meadows, and took the booking amount of around Rs 138 crore from flat buyers. The ED has alleged that the total proceeds of the crime generated by Guru Ashish Constructions through these "illegal activities" amount to Rs 1,039.79 crore.

What does ED claim to have found during its probe?

The agency has claimed that Pravin Raut received Rs 100 crore from real estate company Housing Development and Infrastructure Limited (HDIL), and "diverted" it to various accounts of "his close associates, family member, his business entities", including the family of Sanjay Raut.

The ED has alleged that in 2010, Rs 83 lakh, which was part of the proceeds of crime, was transferred to Sanjay Raut's wife Varsha Raut, who used the money to buy a flat in Dadar.



Apart from this, at least eight plots of land were purchased at Kihim beach at Alibaug in Maharashtra in the name of Varsha Raut and Swapna Patkar, the ED has alleged.

CROSSING THE LINE

Maharashtra Governor Bhagat Singh Koshyari was tactless in his tasteless comment at a public event recently, where he brought up the tensions between Marathi speakers and people from other parts of the country who have made the State their home. The Governor, inappropriately for the position that he occupies, taunted Marathi speakers by saying that if Gujaratis and Rajasthanis are removed from Maharashtra, especially from Mumbai and Thane, no money would be left there, and Mumbai would lose its status as India's financial capital. The statement triggered a storm in the State that has a strong stream of regionalism in its politics, forcing even the BJP to distance itself from him. Maharashtra is a growth centre of the country and attracts talent and investments. Ethnic tensions, and the questions regarding the character and status of Mumbai, which were extremely volatile topics in State politics at one point, are now dormant. The Shiv Sena and the Nationalist Congress Party have a distinct regional character, while the Congress and the BJP vie for the support of linguistic minorities too. But no party frames its politics as an ethnic face-off. In this context, Mr. Koshyari's statement was unwise. He has since recanted his statement, and apologised.

The long list of transgressions by Mr. Koshyari, and his latest gaffe, should serve as a reminder to all Governors to be judicious, and mindful of the borders of proper conduct. In November 2019, Mr. Koshyari had sworn in a government after a night of political intrigues, in a hushed manner, and it did not last even to test its majority in the Assembly. Once the Maha Vikas Aghadi (MVA) government was formed under the leadership of Uddhav Thackeray, Mr. Koshyari turned blatantly hostile towards it. In October 2020, he taunted the Chief Minister for keeping places of worship closed to contain the spread of COVID-19, asking him whether he had turned secular. Protests erupted and the Union Home Minister, Amit Shah, was disapproving of the taunt. He refused to accept the list of 12 people that the State cabinet had recommended for nomination to the legislative council. Mr. Koshyari did not allow the election of a new Speaker of the Assembly for more than a year after the resignation of the previous Speaker, citing excuses. He suddenly decided to bury all that to allow the election of a new Speaker immediately after the formation of a new government of the breakaway faction of the Shiv Sena and the BJP, following the fall of the MVA government. He made thoughtless remarks about Chhatrapati Shivaji and Savitribai Phule, icons of Maharashtra's cultural pride and social progress. The Centre, which appoints Governors, must make sure that such conduct is not rewarded or tolerated.

THE NEED FOR A DISTINCTION BETWEEN BLASPHEMY AND HATE SPEECH

The story so far: While Mohammad Zubair of Alt News was arrested for tweeting a still picture from a movie that had some religious context attached to it, Nupur Sharma, a member of the BJP, has been absconding with no coercive action taken against her for her inflammatory remarks on a prime-time TV show. Have the inadequacies of free speech laws been exemplified in these cases? What regulations govern criticism versus hate speech?

What is the history of Section 295 (A)?

As far as laws in India go, there isn't formal legislation against blasphemy. The closest equivalent to a blasphemy law is Section 295(A) of the Indian Penal Code (IPC), which punishes any speech,



writings, or signs that “with premeditated and malicious intent” insult citizens’ religion or religious beliefs with a fine and imprisonment for up to three years.

The history of Section 295(A) of the IPC can be traced back to 95 years. In 1927, a satire was published which had obscene parallels to the Prophet's personal life. It was indeed very offensive to the Muslim community but the erstwhile High Court of Lahore observed that the author of this cannot be prosecuted as the writing did not cause animosity or hostility between any communities. Thus, the offense did not fall under Section 153(A), which dealt with maintaining public tranquility/order. However, this incident gave rise to a demand that there be a law to protect the sanctity of religions, and thus, Section 295(A) was introduced.

The legality of Section 295(A), which had been challenged in the Ramji Lal Modi case (1957), was affirmed by a five-judge Bench of the Supreme Court. The apex court reasoned that while Article 19(2) allows reasonable limits on freedom of speech and expression for the sake of public order, the punishment under Section 295(A) deals with aggravated form of blasphemy which is committed with the malicious aim of offending the religious sensibilities of any class.

How has the legislation been interpreted?

Down the line, the apex court redefined the test it laid down in the Ramji Lal Modi case. It decided that the connection between speech and disorder must be like a "spark in a powder keg".

In the case of Superintendent, Central Prison, Fatehgarh vs Ram Manohar Lohia the Supreme Court stated that the link between the speech spoken and any public disorder caused as a result of it should have a close relationship for retrieving Section 295(A) of IPC. By 2011, it concluded that only speech that amounts to "incitement to impending unlawful action" can be punished. That is, the state must meet a very high bar before using public disturbance as a justification for suppressing expression.

Should there be a difference between blasphemy laws and hate speech laws?

The wording of Section 295(A) is considerably too wide. It cannot be stated that deliberate disrespect to religion or religious sensibilities is necessarily tantamount to incitement. The Supreme Court has said on several occasions that perhaps the goal of hate speech statutes in Section 295(A) is to prevent prejudice and ensure equality. Unfortunately, there is a huge disparity between this interpretation and the actual wording due to which the law is still being exploited at all levels of administration.

Insulting religion or religious figures may be disputed or condemned but it should not be legally outlawed or prosecuted. The reason for this is because hate speech laws are predicated on the critical distinction between criticising or ridiculing religion and encouraging prejudice or aggression towards individuals or a community because of their faith.

Are hate speech cases rising?

As per the data given by the National Crime Records Bureau(NCRB), there has been a huge increase in cases registered promoting hate speech and fostering animosity in society. The data reads that while there were only 323 cases registered in 2014, it had increased to 1,804 cases in 2020.



However, this can also be due to the steep turns in the dynamics of our current society. Section 295(A) is now usually used to penalise religious dissent, satire, and any comedic content with religious references.

Bogus cases of 295(A) have been launched on certain web series like Tandav, which reportedly offended religious emotions. According to the filed FIR, the series purportedly presents Hindu gods in a demeaning manner.

There have also been incidents where citizens performing stand-up comedy have been arrested only because they had religious references in their script.

The inadequacies of the rules of free speech are further exemplified in the previously mentioned cases of Mohammad Zubair and Nupur Sharma.

These cases show how regulations don't draw a line between criticism and premeditated hate speech. Failing to articulate these distinctions diminishes fair use of the Section and makes it more difficult to define and penalise the actual crime of hate speech.

How should one deal with incidents of blasphemy?

Blasphemy laws which prohibit religious criticism in general are incompatible with the principles of a democratic society. In a free and democratic society, there should be no screening of discourse and dissent. The only feasible solution that stands on the thin line of protection of faith and questioning hate speech should be keeping blasphemy in the statutes but de-criminalising it.

INTERNATIONAL BOOKER WINNER'S AGRA BOOK EVENT CANCELLED AFTER COMPLAINT

An event to honour International Booker Prize-2022 winner Geetanjali Shree in Uttar Pradesh's Agra was cancelled on Saturday after a police complaint was filed in Hathras district alleging that her book 'Ret Samadhi' (Tomb of Sand) hurt religious sentiments.

The event was cancelled by the organisers 'Rangleela' and 'Agra Theatre Club' after the author decided not to attend the event when the news of the complaint reached her. The complaint was submitted at the Shadabad police station on July 21 by one Sandeep Kumar Pathak, a local resident.

The Hathras police on Saturday said they were looking into the complaint and no FIR had been lodged so far. 'Ret Samadhi', translated into English by Daisy Rockwell, is the first Hindi novel to be awarded the International Booker Prize.

Anil Shukla, who heads 'Rangleela', said, "We decided to postpone the event indefinitely. People who were supposed to participate in the event are now holding a meeting where they will discuss her writing. After news of the opposition to the event and her writing reached the author, she said that we should not host the programme for now. Shree said she was disturbed over filing of the complaint."

Shukla added, "The event was to be attended by people from different walks of life. There was a lot of excitement among academics, writers, poets and intellectuals to host her."

Speaking to reporters, complainant Sandeep Kumar Pathak said, "There are some objectionable bits on page 222 of 'Ret Samadhi'. I feel it is disrespectful towards the followers of Hinduism..."



He claimed that the language for Lord Shiva and Mata Parvati was “objectionable”. “I felt that the words hurt my religious feelings... It is obscene and I submitted a complaint at the Sadabad police station in Hathras. I have also submitted a complaint on the CM’s portal through social media but no FIR has been lodged.”

Shadabad Station House Officer (SHO) Ashish Kumar Singh said, “We are looking into the allegations and an investigation is on. No FIR has been filed so far.”

AN ALARMING FALL

The refrain that standards of parliamentary functioning have taken a beating in recent years is not without merit. In terms of the time spent on deliberating legislation, the conduct of fruitful debates both in tone and tenor, and in the quality of discussion, the reliance and participation of expert opinion through the agency of standing and parliamentary committees besides other factors, parliamentary sessions have been found to be wanting. Much of this deterioration is a consequence of representatives of political parties utilising Parliament more to showcase political spectacle than to use it as a forum for serious legislative functioning. This practice was given primacy by the Bharatiya Janata Party during the United Progressive Alliance’s tenure in government, and has now been copied by the Congress and other parties, who are utilising the Houses more and more as arenas of protest. Disruption has become the norm, with the Opposition seeking to use the debates as a ploy to gain publicity — just as the BJP did earlier — but nonetheless even more damaging to legislative business, with the ruling party choosing to pass Bills without adequate discussion. Other unseemly scenes in Parliament last week — the furore over a stray usage of a term by Congress leader Adhir Ranjan Chowdhury (he has apologised), and then the heckling of Congress president Sonia Gandhi — have also exemplified the drastic fall in standards.

The officials in charge of maintaining decorum and order meanwhile have chosen to take punitive actions in suspending 27 MPs, many for the entire monsoon session just for displaying placards, giving an impression that they would brook no protest from the Opposition, and in turn furthering its hostility towards the ruling party. This has been exacerbated by the ruling party’s stance on Opposition requests for a debate on key issues such as price rise. Data from the Lok Sabha and Rajya Sabha secretariats showed that suspensions of MPs went up three times during the BJP’s tenure in power compared to the previous eight years. Clearly, an attempt must be made by parliamentarians to tamp down on this hostility with the onus on doing so being more on the ruling party and its representatives. A revocation of the suspensions and dialogue will go a long way in mending relations. As the farmers’ protests that raged on for more than a year showed, the lack of adequate parliamentary process in deliberating legislation of consequence can result in social conflict and a democratic deficit in outcomes. There are enough tools, mechanisms, structures and precedents in India’s parliamentary history that can be relied upon by the current set of legislators to bring back useful deliberation. Parliamentarians must realise that the bedrock of a functioning democracy is a flourishing legislature.

REAPING THE DEMOGRAPHIC DIVIDEND

The UN report, World Population Prospects 2022, forecasts that the world’s population will touch eight billion this year and rise to 9.8 billion in 2050. What is of immediate interest to India is that its population will surpass China’s by 2023 and continue to surge.



A long-time critic of China's population policy and author of *Big Country with An Empty Nest*, Yi Fuxian, believes that without its one child policy, China's population, too, would have naturally risen and peaked at 1.6 billion in 2040, allowing the world's second-largest economy to enjoy a much longer "demographic dividend." Instead, China is enduring an ongoing population implosion, which by 2050, will leave it with only 1.3 billion people, of whom 500 million will be past the age of 60. India's population, by contrast, would have peaked at 1.7 billion, of whom only 330 million will be 60 years or older.

Simply put, India is getting a demographic dividend that will last nearly 30 years. How it handles this windfall will determine if it will rise to the top of the economic league table by the end of this century or continue to eddy at lower middle-income levels. A sceptical world is watching.

India's potential workforce

Most optimistic about India's future rise are major consulting firms. Deloitte's Deloitte Insights (September 2017) expects "India's potential workforce to rise from 885 million to "1.08 billion people over the next two decades from today", and "remain above a billion people for half a century," betting that "these new workers will be much better trained and educated," than their existing counterparts. It contends that "the next 50 years will, therefore, be an Indian summer that redraws the face of global economic power."

McKinsey & Company's report, 'India at Turning Point' (August 2020), believes the "trends such as digitisation and automation, shifting supply chains, urbanisation, rising incomes and demographic shifts, and a greater focus on sustainability, health, and safety are accelerating" to "create \$2.5 trillion of economic value in 2030 and support 112 million jobs, or about 30% of the non-farm workforce in 2030."

The Economist is optimistic about India's future too. In its May 14, 2022 issue, it had this to say about India, "As the pandemic recedes, four pillars are clearly visible that will support growth in the next decade; the forging of a single national market, an expansion of industry owing to the renewable-energy shift and a move in supply chains away from China, continued pre-eminence in IT, and a high-tech welfare safety-net for the hundreds of millions left behind by all this." But not all are so bullish about India.

The Financial Times in an article, 'Demographics: Indian workers are not ready to seize the baton', believes that India's bad infrastructure and poorly skilled workforce will impede its growth.

RAND Corporation's report, 'China and India, 2025, A Comparative Assessment,' commissioned by the U.S. Secretary of Defense endorses this view as does the 2018 report, 'An Indian Economic Strategy to 2035', released by the Australian government and another on India from the Organisation for Economic Co-operation and Development (OECD) titled, "Going for Growth". Their pessimism may be overstated and even outdated today. It is possible that McKinsey & Company and Deloitte are seeing something many others are missing out on.

'India: an open society'

There is so much going on for India today compared to China, the only country it can be reasonably compared to. It is still a young country and in a much better position to transform itself compared to China of the 1970s. It is still an open society where mass protest matters and produces results. Indians have not been traumatised as Chinese were at the time of Mao Zedong's death and in the



aftermath of two events he set off and which roiled China for decades — The Great Leap Forward and the Cultural Revolution.

The IT technologies now available in India, and most importantly the Internet they run on have matured exponentially. Many things right from video conferencing to instantaneous payments and satellite imaging are getting better and cheaper by the day.

Thanks to the COVID-19 pandemic, we know these can revolutionise learning and transform Indian society at an astonishingly low cost, unimaginable through much of China's economic liberalisation.

Creaky and inadequate as they are, India's administrative systems manage to deliver and its infrastructure is in far better shape today than it was for China at the start of its reforms. Nor did India impose the equivalent of China's one child policy that has seen China suffer the consequences of a prematurely ageing society with a skewed gender ratio.

Deep divide in China

India does not have a Hukou system which in China tethers rural folk to rural parts creating a deep divide between a small and prosperous urban China and a much larger, very deprived rural China about which the world knows so little about.

As Scott Rozelle at Stanford University's Centre on China's Economy and Institutions, writes in his book co-authored with Natalie Hell, *Invisible China - How the Urban Rural Divide Threatens China's Rise*, "Thanks to the Hukou system disincentivising migration to urban areas, only about 36% of China's overall population is urban and fully 64% is rural (some 800 to 900 million people)." The huge divide between urban and rural China is, according to Rozelle, almost unbridgeable.

To wring the best out of its demographic dividend, India needs to invest massively in quality school and higher education as well as healthcare — sectors it has neglected for decades — across India on an unprecedented scale, literally in trillions of rupees between now and 2050 when it would have reached the apogee of its population growth.

India must seize the moment and not be incremental in its approach. Given the will it can initiate and see through a transformation that will stun the world, even more than China's has so far.

LS PASSES BILL TO SET UP GATI SHAKTI UNIVERSITY

The Lok Sabha on Wednesday passed the Central Universities (Amendment) Bill, 2022, which seeks to establish the Gati Shakti Vishwavidyalaya as a Central University, changing the form of the National Rail and Transportation University which is currently a deemed to be institution in Vadodara. The Bill also seeks to expand the scope of the deemed university from beyond the railways to cover the entire transport sector to support the ambitious growth and modernisation in the field.

Education Minister Dharmendra Pradhan said the Gati Shakti Vishwavidyalaya would be a multi-disciplinary and multi-dimensional institute, and the first Central university after the roll-out of the National Education Policy.

"The plan is to unify different departments to create a new infrastructure where various transport sector elements — railways, road, waterways, aviation and port along with information and



technology — will coordinate with each other on the platform of Gati Shakti Mission,” Mr. Pradhan said. The proposed global standard institute aimed at not producing job-seekers but job-creators, he added.

The establishment of the Vishwavidyalaya would address the need of talent in the strategically important and expanding transportation sector and meet the demand for trained talent to fuel the growth and expansion of the sector, he said.

LANGUAGE AS BARRIER

The call by Home Minister Amit Shah last week for engineering, law and medicine to be taught in Indian languages is a well-intentioned one. His stand is in sync with one of the focal points of the National Education Policy (NEP) 2020, i.e., the promotion of Indian languages in higher education. The NEP provides for more higher educational institutions and programmes in higher education to use the mother tongue or local language as a medium of instruction, besides offering programmes bilingually. The rationale behind Mr. Shah’s call is that 95% of students, who receive primary education in their mother tongue, should not be left out in their pursuit of higher studies. In recent years, substantive measures have been taken to make engineering courses available in Indian languages, if the statement by Union Education Minister Dharmendra Pradhan in the Lok Sabha in December 2021 is an indication. Effective 2021-22, the AICTE granted approval to 19 engineering colleges in 10 States for having engineering courses in six Indian languages. The Council has also developed an “AICTE Translation Automation AI Tool” that translates English online courses in 11 Indian languages. SWAYAM, an open online courses platform of the Central government, has been offering some popular courses in Indian languages too. The import of this is that the goal of covering all sections as far as higher education is concerned should become a reality. But, at the same time, one should not gloss over the exercise not having yielded results. In Tamil Nadu, for instance, the bid to impart engineering education through the Tamil medium has not created any impact despite the principal political players using language as a political tool. In the field of law — before the subject is taught in the Indian languages — the Central government should try to impress upon the judiciary to allow the use of Indian languages in court proceedings.

While there is no need for haste in making educational materials available in Indian languages, the approach and methodology should be discussed threadbare by policymakers and educationists, without political pressure or interference. What should be made obvious is that the use of English, wherever desirable, should be retained, with no aversion shown on the ground that it is a “foreign” language. It would not be out of place to highlight issues about standards and the quality of teaching of Indian languages in schools. Be it Gujarati or Hindi or even Tamil, students have been found to fail in their public examinations in language papers. There is also the point of diminished employability outside the region of the language. If the Government is serious in taking forward its stated position of creating higher education access to certain sections, it should dispassionately study the advantages and the disadvantages.

TRICOLOUR CAMPAIGN WITH A NEHRU TWIST

Days after Prime Minister Narendra Modi called for all citizens to showcase the National Flag on their social media display picture, Opposition parties and leaders on Wednesday responded with their own twist. While the Congress changed its display picture to one of Jawaharlal Nehru with the Tricolour, former Jammu and Kashmir Chief Minister Mehbooba Mufti changed hers to a photo with both the Tricolour and the flag of the erstwhile state of J&K.



Congress spokespersons took potshots at the RSS and its sarsanghchalak Mohan Bhagwat for not heeding the PM's call yet.

Mr. Modi had made the appeal during his Mann Ki Baat radio address on Sunday to change social media DPs to the Tricolour from August 2 to 15, to mark 75 years of Independence. Mr. Modi and his Cabinet members did the same on Tuesday.

On Wednesday, the Congress's official Twitter handle and those of its leaders, including Rahul Gandhi and Priyanka Gandhi, displayed a photo of Nehru holding the flag. Tweeting the image, Mr. Gandhi said the Tricolour was the pride of the country and was in the heart of every Indian.

Jibe at RSS

Jairam Ramesh, Congress general secretary in charge of communications, said in a tweet that it looked like Mr. Modi's message had not reached "his family".

Those who had not hoisted the National Flag at their headquarters in Nagpur for 52 years, would they listen to their Prime Minister, Mr. Ramesh asked in Hindi, referring to the RSS.

Pawan Khara, the chairman of the party's media and publicity department, took a more direct dig, urging the Sangh to "at least adopt the Tricolour now".

He posted screenshots of Mr. Bhagwat's Twitter handle and that of the organisation, which has a profile picture and the RSS flag, respectively, as DPs.

Responding to criticism, RSS publicity in-charge Sunil Ambekar, who is among several senior RSS leaders to have changed their DP to the Tricolour, said, "We are part of the Azadi Ka Amrit Mahotsav and things will happen in due course. I urge people to celebrate this glorious occasion and not play politics on everything."

Reacting to the Congress's DP debut, a BJP source said Mr. Gandhi's "delayed adoption of the Tiranga campaign was perhaps a grudging admission of its widespread popularity and lack of a counter narrative".

Ms. Mufti's DP showed Mr. Modi seated with her father, former J&K CM and Peoples Democratic Party leader Mufti Mohammad Sayeed with the Tricolour and the flag of J&K in front of them.

"Changed my dp since a flag is a matter of joy & pride. For us our state flag was irreversibly linked to the Indian flag. It was snatched thus breaking away the link. You may have robbed us of our flag but cant erase it from our collective conscience," Ms. Mufti tweeted.

THE DWINDLING FIGHTER STRENGTH OF THE IAF

The story so far: In a tragic accident, a MIG-21 trainer jet of the Indian Air Force (IAF) crashed in Rajasthan last Thursday killing both the pilots onboard, Wing Commander M. Rana and Flight Lieutenant Advitiya Bal. This has once again put the focus on the MIG-21 jets as well as on the IAF's fighter strength and modernisation.

What is the status of the MIG-21 jets in the IAF?

The MIG-21 was inducted into the IAF in the early 1960s and since then more than 800 variants of the supersonic fighter were inducted into service. It remained the frontline fighter jet of the force for a long time. During this period, there were over 400 accidents involving the jet which

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



claimed the lives of around 200 pilots. Currently, there are four MIG-21 squadrons in service consisting of the upgraded Bison variant. IAF officials have stated that there is technical life still left in them.

There are only four squadrons of the MIG-21 aircraft, the IAF informed the Parliamentary Standing Committee on defence as per a report tabled in March this year. "As and when the technical life is complete, we can't keep them extra even for a day, and we don't keep them either. Life extension is done for some aircraft. In that regard, we now have the Bison aircraft remaining, which are upgraded, but still old. There is no doubt about that," an IAF representative told the committee.

With delays in new inductions, the IAF has been forced to continue the last four MIG-21 Bison squadrons in service. One squadron is set to be phased out in the next few months, while the remaining three squadrons are planned to be phased out in the next three years. This phase out was worked out much before last week's tragic incident.

What is the present fighter strength of the IAF?

The IAF has an authorised strength of 42 fighter squadrons. As time passes, the drawdown is increasing as the total technical life is completed. However, the rate of new inductions is not matching the drawdown, depleting the overall number of fighter squadrons. Additionally, several frontline aircraft in the inventory including the Jaguars, MIG-29s will begin phasing out by the end of the decade. For instance, by 2027-28 the first of the MIG-29s, inducted in the late 1980s, will start going out.

In the last few years, the IAF has inducted two squadrons of the indigenous Light Combat Aircraft (LCA) Tejas and two squadrons of Rafale fighter jets procured from France which pushed the squadron strength to 32.

In January 2021, the IAF had signed a contract with Hindustan Aeronautics Limited (HAL) for 83 of the more advanced LCA MK-1A which it will start receiving from early 2024 onwards. Along with that the to-be-acquired 114 Multi-Role Fighter Aircraft (MRFA) will help arrest the drawdown, the IAF said.

A larger and even more capable LCA-MK2 as well as the fifth generation Advanced Medium Combat Aircraft (AMCA) are under development. However, their availability in enough numbers will take some time.

What is the roadmap to shore up the fighter strength?

The IAF has acknowledged that they will not be able to achieve the desired strength for the time being and that they are doing the best they can. In addition to the indigenous aircraft coming up, the IAF is confident that increasing the low availability rates of Su-30 and other fighters in service will offset some of the shortfall in the interim. However, that could be potentially impacted due to the war in Ukraine even though officials have said that they are assessing the impact of the war and western sanctions.

"But the interesting fact is that we have ended up spending a large amount when we got the funds last to last year and last year on revenue spares. There is also a very large number of Sukhoi-30 and other fighters on ground and we are hopeful that when those spares start coming from this year onwards, we will be able to actually add some squadrons," the IAF representative had informed the standing committee.



The representative further added: "Serviceability state, as you are aware, has been low. Once we get that, the existing strength itself we can ramp up before the new aircraft come in. That is the best we are looking at for us as of now." In the last seven to eight years, several steps have been taken to increase the serviceability rates of the Russian equipment in use, especially the Su-30MKI fleet which constitutes a significant number in the IAF inventory. Part of the measures are long term spares and support agreements as well as joint ventures in India with Russian original equipment manufacturers for faster turnaround.

HOW ARE ARMY DOGS RECRUITED AND TRAINED, WHAT DUTIES DO THEY PERFORM?

A two-year-old Army dog named Axel was killed in the line of duty in Jammu and Kashmir on July 30 while taking part in a search operation with a Rashtriya Rifles battalion. Axel was given a ceremonial guard of honour by the Army before his burial in the Army Dog Unit he served in.

How did Army dog Axel die?

Axel was serving in the 26 Army Dog Unit in the Kashmir valley and was deployed in a search mission during an anti-terror operation being carried out by the 29 Rashtriya Rifles. While he was clearing the rooms where suspected terrorists were holed up, one of the terrorists in hiding fired at him leading to fatal injuries. A subsequent post-mortem of Axel conducted at the 54 Army Veterinary Hospital revealed that he had more than ten bullet wounds and a fracture of the femur.

How many dog units does the Indian Army have?

In a statement made in the Parliament in 2019, the Minister of State for Defence had revealed that the Army had 25 full dog units and two half units. A full dog unit comprises 24 dogs and a half unit has 12 of them.

What kind of dogs are inducted in the Army?

The Indian Army has various breeds of dogs in its dog units. These include Labradors, German Shepherds, Belgian Malinois and Great Mountain Swiss Dogs. Axel was reportedly a Belgian Malinois breed dog.

What are the duties performed by Army dogs and where are they trained?

There are a variety of duties which are performed by Army dogs and these include guard duty, patrolling, sniffing explosives including Improvised Explosive Devices (IEDs), mine detection, sniffing contraband items including drugs, assaulting potential targets, avalanche debris detection as well as participating in search operations to locate hiding fugitives and terrorists.

Each Army dog has a dog handler with him who is responsible for the well-being of the dog as also to guide it through various tasks that he is to perform.

Army dogs are trained at the Remount and Veterinary Corps Centre and School located in Meerut. A dog training school came up at this location some time in 1960. Based on the breed and aptitude of the dogs, they are trained in various skills before being inducted.

How long do Army dogs remain in service?



Army dogs are in service for around eight years before they are retired. There was an earlier practice of euthanizing Army dogs after they were no longer in active service. An RTI reply in 2015 giving out this information had caused a public uproar following which the policy was amended.

Army dogs are no longer put to permanent sleep. A PIL had also been filed in Delhi High Court in this regard in 2016 where the then Additional Solicitor General Sanjay Jain had submitted a declaration saying that the policy of euthanizing the animals was being amended and that the dogs will be rehabilitated.

Do Army dogs get decorated for bravery?

In the Indian Army, animals, including dogs, are eligible to be awarded the Chief of Army Staff Commendation Card, Vice Chief of Staff Commendation Card as well as General Officer Commanding in Chief Commendation Card for their acts of gallantry as well as distinguished service. The Dog Handlers are eligible for the gallantry medals and have been awarded Shaurya Chakra and Sena Medal for gallantry while taking part in operations with their dogs.

In the United Kingdom, the highest award for animals in military or police service is the PDSA Dickin Medal. It was instituted in 1943 by Maria Dickin, founder of People's Dispensary for Sick Animals (PDSA) for any animal displaying conspicuous gallantry and devotion to duty while serving with British armed forces or civil emergency services. The bronze Dickin Medal is embossed with words 'For Gallantry' on one side and "We Also Serve" on the other.

In the US, there is a Medal of Bravery, which is awarded to animals and was instituted in 2019. The US also has a K-9 Medal of courage which has been instituted by the American Humane Association.

RECALLING INDIA'S ANTARCTICA ACTIVITIES

Parliament has just passed the Indian Antarctic Bill, 2022 albeit raucously in the Rajya Sabha. It is an important step forward in our engagement with the continent which began way back in February 1956. It was then, at the instance of Jawaharlal Nehru and V.K. Krishna Menon, that India became the first country in the world to request for an item on the agenda of the eleventh United Nations General Assembly entitled "The Question of Antarctica" to 'ensure that the vast areas and its resources were used entirely for peaceful purposes and for general welfare'.

But India did not press the point further because it got caught up later in the year with the almost simultaneous crises in the Suez and Hungary and also because of resistance from countries like Argentina and Chile. But the Nehru-Menon initiative in which India's Permanent Representative at the UN Arthur Lall also played an important part did have one very tangible impact. Twelve countries who believed that they had a direct stake in Antarctica started discussions among themselves and on December 1, 1959 the Antarctica Treaty was signed in Washington DC.

Not surprisingly, since its moves at the UN had irked a number of countries including the USSR, India was neither involved nor invited. But in May 1958, India's Prime Minister had told Parliament: "We are not challenging anybody's rights there. But it has become important more specifically because of the possible experimentation of atomic weapons and the line, that the matter should be considered by the UN...the fact that Antarctica contains many very important minerals—especially atomic energy minerals—is one of the reasons why this area is attractive to various countries. We thought it would be desirable to have a discussion about this at the UN."



Subsequently, Antarctica faded from the Indian geopolitical gaze. The Treaty members worked on the development of the continent among themselves, inviting occasional criticism from other countries, including India, who were actually helpless to make any difference.

Indian expedition

But the morning of January 9, 1982, transformed the international discourse when news of India's first Antarctic expedition reaching its destination not only electrified India but stunned the world. Operation Gangotri, as it was christened by the Prime Minister, had been a hush-hush exercise started as soon as Indira Gandhi had returned to power two years earlier. She had appointed noted marine biologist Syed Zahoor Qasim as secretary of the newly-created Department of Environment in April 1981 and three months later had brought into existence a separate Department of Ocean Development.

The Prime Minister was well aware of the political impact a successful Indian expedition would have since India was not a member of the Antarctic Treaty and no other Asian country, including China, had a presence there. Rather tellingly and reflective of the mindset of members of the Treaty, the well-known British science magazine *New Scientist*, some days later, reported India's expedition under the headline 'Indians quietly invade Antarctica'.

Yet, beyond global geopolitics and strategic consideration, there was another impulse compelling a naturalist Prime Minister to back the expedition. Well aware of Antarctica's mineral wealth, Indira Gandhi was drawn equally—I would venture to suggest even more—to the ecological dimensions of Operation Gangotri: greater knowledge of the Indian Ocean and the monsoons, life in ice-bound regions and marine biodiversity. It was therefore no coincidence that the leader of the expedition was Qasim who had earlier served as the Director of the National Institute of Oceanography in Goa. C.P. Vohra, a member of the successful Indian expedition of 1965 to Mount Everest, was Qasim's deputy.

A second expedition led by one of India's top geologists V.K. Raina landed in Antarctica on December 10, 1982. Incidentally, it was Raina who challenged the very intellectually lazy and loose assertion of the Intergovernmental Panel on Climate Change (IPCC) that Himalayan glaciers would become extinct by 2035. It was his critique that forced the IPCC to revamp the manner in which it carried out peer reviews of climate science literature. Raina's point was limited to questioning such a precise date of extinction: he was not doubting, nor was the government of the day, the reality of the retreat of the preponderant majority of glaciers in the Himalayas that is having serious environmental impacts.

With two expeditions successfully completed within a span of 11 months, India finally became a member of the Antarctic Treaty in August 1983 and China followed in 1985. Today the Treaty has 46 members and has a Convention on Marine Living Resources and a Protocol on Environmental Protection as well.

More achievements follow

1984 saw two more striking Indian achievements: its first Antarctic team started wintering there from March 1, 1984 and a few months afterwards an unmanned Antarctic research base — named by the Prime Minister a few months before her assassination as Dakshin Gangotri — was established. Since then, India has set up two manned (an inappropriate word since women scientists have also been part of expeditions doing the country proud) research stations in



Antarctica — Maitri in 1988 and Bharati in 2012. Forty expeditions to the continent have taken place.

The Bill passed by Parliament has been under discussion in the government for over five years at least. It is largely administrative in nature but nonetheless is a milestone. It provides a detailed legal framework for India's Antarctic activities that is consistent with its international treaty obligations.

The issue of a polar research vessel, however, still needs to be addressed immediately. So far, India has been chartering such ships from countries like Russia and Norway while China has two of its own. Of late, chartering has been presenting its own difficulties. A decision was indeed taken in October 2014 for India to have its own research ship with ice-breaking and other advanced technological capabilities but it remains unimplemented. Surely if fighter aircraft could be acquired from abroad giving a go-by to the Make-in-India policy, a research ship could also be so acquired.

The acquisition of a vessel on a permanent basis is a logical next step to the passage of the Bill as also the revamp of the quite old Maitri research station. The polar research vessel will also be required as India expands its association with and involvement in the Arctic as well. Its research station there called Himadri was inaugurated in July 2008 and five years later India got observer status at the eight-country Arctic Council.

NEW E-WASTE RULES THREATEN JOBS, COLLECTION NETWORK

A proposed framework by the Centre for regulating e-waste in India has upset a key link of India's electronic waste collection system and threatens the livelihood of thousands of people.

Electronic waste, or electronic goods that are past their productive life and old parts, is largely handled by India's vast informal sector.

Spent goods are dismantled and viable working parts refurbished, with the rest making their way into chemical dismantling units. Many of these units are run out of unregulated sweatshops that employ child labour and hazardous extraction techniques. This electronic detritus contaminates soil and aggravates plastic pollution.

To address all of this, the Environment Ministry brought the E-waste (Management) Rules, 2016, which introduced a system of Extended Producer Responsibility (EPR) compelling makers of electronic goods to ensure a proportion of the goods they sold every year was recycled. They are expected to maintain records annually demonstrating this. Most companies however did not maintain an in-house unit in charge of recycling and this gave rise to a network of government-registered companies, called producer responsibility organisations (PRO) which acted as an intermediary between manufacturers of electronic goods and formal recycling units and were technologically equipped to recycle end-of-life electronic goods safely and efficiently.

Certified proof

The PROs typically bid for contracts from companies and arrange for specified quantities of goods to be recycled and provide companies certified proof of recycling that they then maintain as part of their records. Several PROs work on consumer awareness and enable a supply chain for recycled goods.



As of March, the Central Pollution Control Board (CPCB) has registered 74 PROs and 468 authorised dismantlers, which have a collective recycling capacity of about 1.3 million tonnes.

The Ministry estimated 7.7 lakh tonnes of e-waste to have been generated in 2018-19 and around one million tonnes in 2019-20 of which only a fifth (about 22% in both years) has been confirmed to be “dismantled and recycled”.

This May, the Ministry issued a draft notification that does away with the PROs and dismantlers and vests all responsibility of recycling with authorised recyclers, only a handful of which exist in India.

Recyclers will source a quantity of waste, recycle them and generate electronic certificates.

Companies can buy these certificates equivalent to their annual committed target and thus do not have to be involved with engaging the PROs and dismantlers. This update to the 2016 e-waste rules is in draft mode and open to public comment until July 31.

Several PROs have mailed their objections to the Ministry arguing that dismantling a fledgling system was detrimental to the future of e-waste management in India.

“On one hand, the number of categories of e-waste has been increased from 21 to 95 and on the other, PROs and dismantlers have been done away with. Nobody knows what is the trigger for such a move,” said Shobha Raghavan, Chief Operating Officer, SAAHAS Zero Waste, a Bengaluru-based PRO.

Under the new rules, recyclers will likely establish their own supply chains, and companies will no longer bear any responsibility for ensuring that their product is recycled.

Five years of investing and putting in place a system to collect and channel waste were under threat as 25,000 to 30,000 people were employed in this sector, Ms. Raghavan said.

“The PROs provide checks and balances and this is necessary because in the current system, there is a lot of unauthorised recycling and we are an important element in the chain to ensure verifiable recycling,” said Pranshu Singhal of Karo Sambhav, a Delhi-based PRO.

The Centre has not explained its rationale for dismantling the existing system in its draft notification. Calls to officials in the Ministry were not returned.

However, one person in the Ministry, familiar with e-waste policy, on condition of anonymity, told The Hindu that a final policy was yet to emerge.

‘Improve accountability’

The new rules, he said, would improve accountability because it would rely on an electronic management system that would track the material that went in for recycling with the output claimed by a recycler when they claimed GST (Goods and Services Tax) input credit.

Mr. Singhal added that the proposed rules shifted responsibility for controlling e-waste away from producers of goods to recyclers. There were too few recyclers across India and predominant in the big cities and in the absence of dismantlers, goods would now have to travel greater distances to be recycled.



MORE THAN WHAT MEETS THE EYE

Karnataka Chief Minister Basavaraj Bommai was swift in his action on the draft notification of ecologically sensitive areas (ESA) in the Western Ghats region. With the Assembly elections nine months away, the ESA's potential impact on poll prospects pushed his Cabinet to take a stand opposing the notification issued by the Ministry of Environment, Forest and Climate Change. There was immense pressure from his Cabinet colleagues and legislators representing the areas that form the proposed ESA, cutting across parties.

Mr. Bommai took a delegation to the Minister of MoEF, Bhupender Yadav, in New Delhi and later announced that there was no question of implementing it. For the last 10 years, successive governments have opposed the recommendations of the High-Level Working Group headed by Dr. K. Kasturirangan on the ESA. This is the fifth notification issued by the MoEF.

The Western Ghats are spread across six States — Tamil Nadu, Kerala, Karnataka, Goa, Maharashtra and Gujarat. Karnataka has the largest ESA of 20,668 sq. km, as proposed in the draft notification. The area is spread over 1,572 villages across 10 districts. The notification proposes to completely ban mining activities and red-category industries in the area. New townships with 50 hectares of land or 1.5 lakh sq. metre of built-up area are prohibited. Hydropower projects and industries under the orange category are allowed after ensuring compliance with environmental regulations. There is no restriction on repair, extension or renovation of houses. All existing healthcare establishments can continue. The MoEF has made it clear that nobody would be evicted or relocated.

Every time a notification is issued, large sections of farmers, planters, and elected representatives oppose it. Their apprehensions are for varied reasons. Several villages in the hilly Malnad region have not got proper roads and access to electricity due to prevailing restrictions on cutting trees and laying roads in the forest area. As getting basic amenities had been a Herculean task under the existing rules, they are worried that the fresh notifications might worsen their situation.

Though elected representatives echo these sentiments, the real reason for their opposition is perceived to be the restriction on sand mining and quarrying that the notification proposes, considering that many politicians are into these trades. Environmentalists, who are in favour of the implementation of the notification, allege that politicians are misleading the public by spreading wrong information only to serve their vested interests. They also maintain that as the notification would not allow mega development projects in the ESA, politicians are worried about "losing their income" through kickbacks.

Several parts of the Malnad region have witnessed large-scale landslides during heavy rains in recent years. The environmentalists want the State to take appropriate steps for the conservation of the Western Ghats and they argue that implementation of the notification is crucial.

Fears over the ESA also stem from ignorance, as a majority of people in the villages listed in the notification are clueless about its contours. Many could not go through these documents because they were not available in the local language. There were hardly any meetings by the elected representatives or the government to spread awareness on the issue. There has been no effort to consult people at the grassroot level before taking a stand on the issue, which makes the politicians' virulent opposition to the ESA even more suspicious.



THE COAL MINING PROTESTS IN THE HASDEO ARANYA REGION

The story so far: The Hasdeo Aranya forests are called the lungs of Chhattisgarh. Over the past one year, protests against mining in this region have erupted several times and some still continue to sit-in demanding a complete stop to mining. Amidst this, on July 26, the Chhattisgarh Legislative Assembly unanimously passed a private member resolution urging the Centre to cancel allocation of all coal mining blocks in the ecologically sensitive area.

What is a private member resolution?

According to Chakshu Roy, who heads the legislative and civic engagement initiatives at PRS Legislative Research, an MLA who is not a Minister — whether she happens to be from the ruling party or not — is a private member. A private member resolution can be brought in by a private member and if passed, it becomes an expression of what the House thinks. This is different from a private member bill which would become law in case of approval.

Such private member resolutions were passed by the State Assemblies of Punjab and Kerala, during the farm law agitation, where both state legislatures had expressed their displeasure against the then proposed (now withdrawn) farm laws. In the given case, the Chhattisgarh Assembly has passed a resolution urging the Centre to cancel allocation of all coal mining blocks in the Hasdeo region.

Who moved the resolution and why?

Dharmjeet Singh, an MLA who represents Lormi, a segment of the Bilaspur Lok Sabha constituency introduced the resolution. Mr. Singh is one of the three MLAs from the Janata Congress Chhattisgarh (J) or JCC(J). The JCC(J) is a party founded by former Chief Minister Ajit Jogi and is currently being led by his son, Amit Jogi, and has three MLAs in the current Assembly. Mr. Singh has been a vocal supporter of the protests going on in the Hasdeo region and had also tried to move the resolution in the last Assembly session. With Assembly elections scheduled next year, Mr. Singh's party is also looking to ride on the popular and intensifying anti-mining sentiments, say those from other parties.

What is the importance of the Hasdeo-Aranya region?

The Hasdeo Aranya (Aranya means forest) lies in the catchment area of the Hasdeo river and is spread across 1,878 sq km in North-Central Chhattisgarh. The Hasdeo river is a tributary of the Mahanadi river which originates in Chhattisgarh and flows through Odisha into the Bay of Bengal. The Hasdeo forests are also the catchment area for the Hasdeo Bango Dam built across the Hasdeo river which irrigates six lakh acres of land, crucial to a State with paddy as its main crop. Besides, the forests are ecologically sensitive due to the rich biodiversity they offer and due to the presence of a large migratory corridor for elephants.

When did the controversy surrounding coal mining start?

Underneath the Hasdeo Aranya is a coalfield that comprises of 22 coal blocks. In 2010, the Centre categorised Hasdeo Aranya to be a “no-go” zone for mining. It ruled out mining in any of these blocks. However, only a year later, the Ministry of Environment, Forest and Climate Change (MoEF) granted clearance for the mining for one coal block. At present, of the 22 blocks, seven blocks have been allotted to different companies, says the resolution.



Of these, two — the Parsa East Kete Basan (PEKB) and Chotia (I and II) — are operational. The PEBK Phase I has been completely mined while there has been local opposition to mining and deforestation in Parsa, PEBK Phase II and Kete Extension — all three allotted to the Rajasthan Rajya Vidyut Utpadan Nigam Ltd (RRVUNL).

After the gram sabhas opposed mining in the Madanpur South and Gidmudi Paturia blocks that were allotted to the Andhra Pradesh Mineral Development Company (APMDC) and Chhattisgarh State Power Generation Company (CSPGC) respectively, clearances were withdrawn. Mr. Singh's resolution notes that mining activities are halted in all five of these blocks.

Four other blocks had been listed for auction by the Centre but were taken off the list after the State government wrote a letter requesting the Centre to not allow mining in these blocks located in the catchment areas of the two important rivers Hasdeo and Mand. In his resolution, Mr. Singh has urged the State government to use the same principle to stop mining in the already allocated Hasdeo coal blocks where no activity has started thus far. He suggested that these companies may be allotted coal blocks elsewhere in Chhattisgarh or in rest of the mining-rich areas in the country.

Will mining stop after the resolution is passed?

Despite the members of both the ruling Congress and the principal Opposition BJP — that is in power at the Centre — adopting it, the resolution isn't expected to change the status quo. While the Congress says the onus is on the Centre to stop mining, the BJP has been asking the State government to withdraw the clearances it has issued to mine developers and operators (MDOs) who handle all mining activities on behalf of the companies that hold the mining lease. Mr. Singh said in his speech that due to mining in PEBK and Parsa, three lakh trees will be felled which would be detrimental to Chhattisgarh. While urging the Centre to stop mining, he also mentioned the clearances provided by the State government such as the final clearance from the forest department and those under the Air Pollution Act and the Water Pollution Act.

During the discussion on the private member resolution, Chief Minister Bhupesh Baghel said it was for the Centre to decide to whom a coal block should be allocated and that the State government had no role in it. Activists, however, say that the clearances mentioned in Mr. Singh's speech are like a veto power held by the State government that can stop mining activities from starting. They also reiterate, as did Mr. Singh in his speech, about Congress President Rahul Gandhi's promise during a visit to Madanpur village in 2015 where he assured that he would fight for the local tribals opposing coal mining.

CHHATTISGARH: BAGHEL GOVERNMENT STARTS BUYING COW URINE AT RS 4 A LITRE

Expanding the ambit of its Godhan Nyay Yojana, Chhattisgarh government has started purchasing cow urine from 'gauthans' (cow shelters) to make pesticides and fertilisers. Priced at Rs 4 per litre, the cow urine will be procured by gauthan samitis and self-help groups.

Under its flagship programme launched in 2020, the Congress government had started procuring cow dung at Rs 2 per kg to make organic fertilisers. Now, it will procure cow urine to make brahmastra (a pesticide) and Jeevamrit (a fertiliser).

Chief Minister Bhupesh Baghel launched the programme during the Hareli festival celebrations earlier this week. More than 2,300 litres of cow urine was purchased by 63 gauthans in the state on the first day.



Earlier in February this year, Baghel had asked Chief Secretary Amitabh Jain to submit an action plan regarding the scientific usage of cow urine.

Baghel, while speaking during the scheme's inauguration, said, "Taking a cue from the multi-dimensional results of the Godhan Nyay Yojana, many states in the country started adopting the model...rich or poor, all are selling cow dung."

Over 76-lakh quintals of cow dung has been procured in the past two years, 22-lakh quintals of which was converted into organic manure by women self-help groups. The government paid Rs 153 crore to the gauthan samitis for the cow dung procurement.

The scheme aims to minimise the use of expensive chemical pesticides and simultaneously promote organic farming in the state, the CM said.

CLOUD IN RANCHI

Political uncertainty looms large in Ranchi as a series of developments threaten the stability of the JMM-led coalition government in Jharkhand. In the wake of the Presidential election that saw cross-voting among the ruling coalition legislators, three Congress MLAs were apprehended by West Bengal police near Howrah on Saturday with a large amount of cash in their vehicle. A time-bound probe is necessary to clear the air on the cash. Meanwhile, the Congress suspended the three MLAs on Sunday claiming the cash was linked to "BJP's Operation Lotus" to topple the Hemant Soren government. The coalition is already under strain with Chief Minister Soren and his office battling corruption allegations: His aide, Pankaj Mishra, was recently arrested by the Enforcement Directorate, and the Election Commission is looking into a reference by Governor Ramesh Bais regarding a complaint that has sought the disqualification of Soren for allegedly owning a mining lease. The JMM-Congress-RJD coalition had won a reasonable majority in the 2019 assembly elections (49 seats in a House of 81 members), but the suspension of three Congress MLAs and the shadow of disqualification over the CM may force the coalition to unravel.

Incidentally, unstable coalition governments have been a feature of Jharkhand since the state was formed in 2000 — the only CM to complete a full term in office has been Raghubar Das (2014-19). This time a combination of forces — not least the allies themselves — seem to be working against the JMM-led coalition government, which has two more years in office. The backdrop, of course, is the overreaching ambition and organisational might of the BJP that is leaving no stone unturned to regain power in states the party had lost. In recent times, it successfully split the ruling parties in Karnataka and Madhya Pradesh, which it had failed to win in 2018 and 2019 respectively, to form the government. In Maharashtra, it weaned away a section of the Shiv Sena to topple the Maha Vikas Aghadi government. Two, Central agencies such as the ED and CBI under the BJP government at the Centre seem to be closely watching opposition MLAs. The cloud of corruption constantly hovers over a resource-rich, under-developed Jharkhand, where politicians have been often caught with their hands in the till. A shift in political allegiance could possibly offer relief from the heat of investigations. Three, both regional parties and the Congress that used to be the pivot of Opposition coalitions seem to have lost their way and are in no position to challenge an aggressive BJP when the latter makes a serious bid for power. The resolve of the JMM-Congress-RJD coalition will be tested in the coming days.

Clearly, coalition politics, especially in the Opposition space, is at the crossroads as the BJP works to expand its footprint and argues that a "double-engine" government (governments led by the same party at the Centre and the state) is essential for economic growth and development. The



BJP will use all the resources at its command and it surely doesn't help regional parties if they have skeletons of their own in the coalition cupboard.

SANTHALS AND THEIR GREAT REVOLT OF 1855

A couple of generations ago, in June 1855 to be precise, the ancestors of today's Santhals — one of the largest and most dispersed tribal communities and one of whose members, Droupadi Murmu, finds herself occupying the highest constitutional office in the country — revolted against an oppressive system forced upon them by the non-tribals, aided by the British colonial administrations and their local agents like the Daroghas and the local Zamindars.

The epicentres of the movement were the three adjoining districts of Birbhum, Murshidabad and Bhagalpur in the then undivided Bengal, where the Santhals lived in, and around the foothills of the Rajmahal hills in what was demarcated as Santhal Parganas.

The area was allocated for their resettlement through the Damin-i-koh regulation of 1832 by the British after they suppressed the local Paharias in the early decade of the 19th Century, a period when the Chuar, Bhumij and Kol tribes of Bengal and Bihar had already revolted and expressed their anger over their exploitation at the hands of outsiders.

Santhals from many other areas also came and settled in the area. The colonial idea was to use the Santhals as a source of labour for the expansion of agriculture and other works. Over the next century and a half, the Santhals would become the chief and cheap labour force for the British who put them to use in their tea gardens, and for land reclamation and colonisation for agriculture. Santhals were taken everywhere and thus a widely dispersed and disposed community came into being.

On the other hand, in the Damin-i-koh — or the land of the Santhals — the community's hope for a settled agrarian life was soon to turn into a nightmare, with revenue demands from the colonial administration, and greedy and unscrupulous Zamindars and usurious caste groups. Land grabbing was the regular pattern now and begari, the practice of bonded labour of the kind which can easily be defined as slavery, was to throttle the life of the Santhal men and women.

Newly empowered officials in the colonial administration such as the Daroghas were corrupt and unsympathetic to the simple Santhals. For the Santhals, there might have been some sympathetic ears even among the British, but the intermediaries were too powerful and too many in this piece of land. The British too had an interest in the continued supply of revenue and labour.

No wonder then that when the Santhals rose in rebellion, the Daroghas, seen increasingly as the physical manifestation of an evil power, were their first targets.

The "Hull" or the Great Revolt was preceded by many acts of violence against the Zamindars and moneylenders, but were suppressed too easily. However, it was only on June 30, 1855, when a 10,000-strong Santhal force under the leadership of Sido and Kanhu met at Baghnadihi that the exact nature of resentment and resolve to finish off the exploitative system, became known to all.

Other non-tribal caste groups at the receiving end of the exploitative system too came and joined forces with the Santhals. Siddhu and Kanhu invoked magical powers and the divine instruction of Thakur Bonga, their supreme deity, to eliminate the Zamindars and kick out the dikus (outsiders) from the Damin-i-koh.



The Santhal leaders, men and women, fought heroic battles across Santhal Parganas and neighbouring districts, and it took the collective forces of the British artillery, supported by the elephant forces of the local rajas and the local armies of the Bengali Zamindars, to finally suppress the revolt around January 1856 with unparalleled savagery, killing more than 10-15,000 Santhals and destroying thousands of homes and villages. Sido was caught — and hanged — in August 1855, followed by Kanhu in February 1856.

The memories of the Hull and the fighting spirit of its leaders, Sido and Kanhu, have remained enshrined in the collective world of the Santhals. Different forms of histories have tried to appropriate them for their respective causes but the Indian State, and a substantial part of the non-tribal community, despite proclamations to the contrary, view the Santhals as nothing more than a gigantic reservoir of cheap labour even today.

The places where they were transported by the colonial and post-Independence administration, including to tough terrains to build infrastructure for Indian security needs, speaks volumes of this overarching view of the Santhals. In their core region too, namely in Bihar, and now in Jharkhand, and Bengal, they have constantly been displaced with the opening of coal mines and later with the establishment of steel and other industries.

The continued land grab by non-tribals has further marginalised the community, even on their own land.

Life of such continued adversity notwithstanding, in the 1970s, when Shibu Soren showed some fighting spirit as he took on moneylenders, and coal and land mafia, he had rekindled in thousands of dimly lit Santhal hamlets across the country the memories of their folk heroes — Sido and Kanhu — and their great Hull.

At a time when the ever lengthening shadow of ruthless nationalist capital threatens to cause a complete historic amnesia, memories of such revolts against injustice help us in not allowing forgetfulness to become our collective destiny.

DreamIAS



BUSINESS & ECONOMICS

WHAT ARE RARE EARTH ELEMENTS, AND WHY IS INDIA KEEN TO JOIN A GLOBAL ALLIANCE TO ENSURE THEIR SUPPLY?

As part of a global 'China-plus-one' strategy adopted post the Covid-19 pandemic that caused massive supply-chain disruptions, a group of western nations are cooperating to develop alternatives to China to ensure key industrial supplies. A new US-led partnership initiative of 11 nations aims to bolster critical mineral supply chains. India is not part of this arrangement — called the Minerals Security Partnership (MSP) — but New Delhi is working through diplomatic channels to fetch an entry.

What is the Minerals Security Partnership (MSP)?

The US and 10 partners — Australia, Canada, Finland, France, Germany, Japan, the Republic of Korea (South Korea), Sweden, the United Kingdom, and the European Commission — have come together to form the MSP. The new grouping is aimed at catalysing investment from governments and the private sector to develop strategic opportunities.

“Demand for critical minerals, which are essential for clean energy and other technologies, is projected to expand significantly in the coming decades. The MSP will help catalyse investment from governments and the private sector for strategic opportunities — across the full value chain — that adhere to the highest environmental, social, and governance standards,” the US State Department said in a statement issued on June 14.

The new grouping, industry insiders say, could focus on the supply chains of minerals such as Cobalt, Nickel, Lithium, and also the 17 'rare earth' minerals. The alliance is seen as primarily focused on evolving an alternative to China, which has created processing infrastructure in rare earth minerals and has acquired mines in Africa for elements such as Cobalt.

What are rare earth elements?

The 17 rare earth elements (REE) include the 15 Lanthanides (atomic numbers 57 — which is Lanthanum — to 71 in the periodic table) plus Scandium (atomic number 21) and Yttrium (39). REEs are classified as light RE elements (LREE) and heavy RE elements (HREE).

Some REEs are available in India — such as Lanthanum, Cerium, Neodymium, Praseodymium and Samarium, etc. Others such as Dysprosium, Terbium, and Europium, which are classified as HREEs, are not available in Indian deposits in extractable quantities. Hence, there is a dependence on countries such as China for HREEs, which is one of the leading producers of REEs, with an estimated 70 per cent share of the global production.

According to the US Geological Survey, supplies from China had started to become erratic as early as 1990, as Beijing kept changing the amounts that it would allow to be produced and exported. Also, according to the USGS, the Chinese government began to limit the number of companies, both Chinese and Sino-foreign joint ventures, that could export REEs from China.

Why are these minerals important?

Minerals like Cobalt, Nickel, and Lithium are required for batteries used in electric vehicles. REEs are an essential — although often tiny — component of more than 200 consumer products,



including mobile phones, computer hard drives, electric and hybrid vehicles, semiconductors, flatscreen TVs and monitors, and high-end electronics. India is seen as a late mover in attempts to enter the lithium value chain, coming at a time when EVs are predicted to be a sector ripe for disruption.

The year 2022 is likely to be an inflection point for battery technology — with several potential improvements to the Li-ion technology, with alternatives to this tried-and-tested formulation being in advanced stages of commercialisation. India has an ambitious plan to convert a large percentage of its transport to electric, and would require these minerals. According to the plan, 80 per cent of the country's two- and three-wheeler fleet, 40 per cent of buses, and 30 to 70 per cent of cars will be EVs by 2030.

What is India's major concern at this moment?

"If India is not able to explore and produce these minerals, it will have to depend on a handful of countries, including China, to power its energy transition plans to electric vehicles. That will be similar to our dependence on a few countries for oil," an economist said.

Industry watchers say that the reason India would not have found a place in the MSP grouping is because the country does not bring any expertise to the table. In the group, countries like Australia and Canada have reserves and also the technology to extract them, and countries like Japan have the technology to process REEs.

FIRST GRAIN CARGO SHIP HAS LEFT UKRAINE SINCE WAR BEGAN — HOW BIG A DEAL IS THIS?

On Monday, a Sierra Leone-registered ship, 'Razoni', carrying 26,527 tonnes of corn (maize) set sail from Ukraine's Odesa port. This was the first time since Russia's invasion on February 24 that any vessel loaded with Ukrainian grain had departed from its ports on the Black Sea. The bulk carrier, destined for Tripoli in northern Lebanon, passed through a specially-cleared "safe humanitarian maritime corridor" near Ukraine's ports on the Black Sea, whose waters it had mined in order to protect against amphibious attacks by Russia.

How significant a milestone is this shipment? Is there anything beyond symbolic value?

The M/V Razoni ship, which anchored near the Bosphorus entrance off Turkey's coast on Tuesday and was cleared for further voyage after inspection, is the first under a United Nations-backed agreement enabling resumption of Ukrainian farm produce exports through its Black Sea ports. The so-called Black Sea Grain Initiative – involving signing of separate accords by Russia and Ukraine with the UN and Turkey on July 22 – provides for exports from three ports: Odesa, Chornomorsk and Yuzhny. Under the deal, the ships are to be guided through the Black Sea waters by Ukraine's navy to avoid mined areas. The vessels will then proceed to Turkey's Bosphorus Strait along an agreed corridor and, from there, to various ports of the world. The ships are to also be inspected (to ensure only commercial foodstuffs and fertiliser are carried) by teams from a Joint Coordination Centre set up in Istanbul with representatives of the UN, Ukraine, Russia and Turkey.

As far as effectiveness goes, everything hinges upon the agreement's smooth implementation in the midst of a war that's showing no signs of ending. Obviously, the more the successful voyages conducted, the more the confidence it will instill among exporters, importers, vessel owners and insurance companies indemnifying the carriers and cargoes. For now, the resumption of maritime



exports from Ukraine – there are about 17 other ships in the three designated ports with already loaded grain and “waiting permission to leave” – seems to have created some optimism. Since Friday, prices of wheat at the Chicago Board of Trade commodities exchange have fallen from \$296.79 to \$280.63 per tonne. So have corn, from \$242.61 to \$232.86 per tonne.

How important is Ukraine to the global agricultural trade?

Ukraine, before the war, was the world’s fifth largest exporter of wheat (after Russia, European Union, Australia and the US) and barley (after Australia, EU, Argentina and Russia), while No. 4 in corn (after the US, Argentina and Brazil); No. 1 in sunflower oil, oilcake/meal and seed; and No. 2 in rapeseed (after Canada).

According to the US Department of Agriculture, Ukraine’s total agricultural exports were valued at \$27.8 billion in 2021. That included sunflower oil (\$6.4 billion), corn (\$5.9 billion), wheat (\$5.2 billion), rapeseed (\$1.7 billion), barley (\$1.3 billion) and sunflower meal (\$1.2 billion). The country’s top three markets were the EU (\$7.7 billion), China (\$4.2 billion) and India (\$2 billion). Exports to India largely comprised sunflower oil, which was worth \$1.9 billion. Given that much of Ukraine’s trade happens through the Black Sea, the un-blockading of routes is a big deal – both for itself and the world.

How much does Ukraine matter to India?

The country, as already noted, is a major supplier of sunflower oil. India imported 21.76 lakh tonnes (lt) of it in 2020-21 (April-March) and 20.45 lt in 2021-22, valued at \$1.96 billion and \$2.88 billion, respectively. Out of this, Ukraine’s share was 17.40 lt (\$1.60 billion) in 2020-21 and 14.83 lt (\$2.09 billion) in 2021-22. Russia and Argentina were a distant No. 2 and No. 3, at 3.40 lt (\$479.16 million) and 1.85 lt (\$258.66 million) respectively, in 2021-22.

Sunflower oil is India’s fourth largest consumed vegetable oil (22-23 lt), after palm (80-85 lt), soyabean (45 lt) and mustard/rapeseed (30 lt). An estimated 70% of sunflower oil consumption is in the South, with Maharashtra (10-12%) and the rest of India accounting for the balance. The bulk of imports, too, are through the four southern ports of Kakinada, Krishnapatnam, Chennai and Mangalore, with some tanker vessels also coming to Kandla and Nhava Sheva/JNPT in the West. The top three domestic sunflower oil brands players are the Hyderabad-based Gemini Edibles & Fats (‘Freedom’ brand), Chennai-based Kaleesuware Refinery (‘Gold Winner’) and Adani Wilmar Ltd (‘Fortune’).

What has been the war’s impact on this segment?

Before the war, nearly 2 lt of sunflower oil was being imported every month into India, 70-80% of it from Ukraine. These were mostly in bulk vessels of 35,000-45,000 tonnes from the ports of Odesa and Mariupol. Following the invasion, imports collapsed to hardly one lt, even as landed prices (cost plus insurance and freight) in Mumbai crossed \$2,200 per tonne, from \$1,450-1,500 levels till mid-March.

Imports have since recovered, though, to about 1.5 lt a month. But roughly 50% of it is coming from Russia, 30% from Argentina and only 20% from Ukraine. “Russia has stepped up exports, mainly through its ports of Taman and Rostov-on-Don on the Sea of Azov. Landed prices have also eased to \$1,500-1,550 per tonne,” an industry official said.



Will the reopening of Ukraine's Black Sea ports make a difference?

Currently, Ukrainian exports are taking place entirely through the overland route or ports in Romania, Bulgaria and Turkey. "Freight costs from Odesa to Indian ports pre-war were \$40-50 per tonne. Now, it is \$150-200 per tonne to simply move oil cargo from Ukraine (by road or in small 2,000-3,000 tonne barges) to ports such as Mersin in Turkey. Freight from those ports to India is another \$90-100 per tonne," the official added. Resumption of direct trade from Odesa and other Ukrainian ports would definitely be welcome, but may take time: Under the UN deal, evacuation of wheat and corn will receive priority over sunflower oil.

Are there any other commodities that India imports from Ukraine?

It is mainly ammonia used for manufacture of fertilisers. In 2021-22, India imported 3.63 lt of ammonia worth \$220.44 million from Ukraine. The country, in the past, was also a significant wheat exporter to India. These amounted to 29.04 lt (\$603.25 million) in 2016-17 and 6.92 lt (\$149.93 million) in 2017-18. But any import of wheat is unlikely today. Black Sea origin wheat from Russia for August-September delivery is quoting at \$340-360 per tonne, exclusive of freight that will be another \$40-50. At these prices, imported wheat will cost Rs 31-32/kg just at the ports. For India, Ukraine's (and the UN deal's) importance is essentially limited to sunflower oil.

PUBLIC ASSETS SALE AND THE CONCERN OF 'FIDUCIARY DUTY'

The sale of the loss-making national carrier Air India to the Tata Group is a move that evoked a mixed response. While some hailed it on the assumption that it would no longer spell a further loss to the exchequer, its opponents felt that a national asset was being sold at a throwaway price without transparency by the Union government.

On October 8, 2021, the Union government announced that Tata Sons was the winner of the bid for the airline for a consideration of ₹18,000 crore; the Tatas would retain ₹15,300 crore of Air India's debt and pay ₹2,700 crore in cash to the Government. The seller, the Government of India, would retain a liability of ₹46,262 crore that was transferred to a special purpose vehicle, the Air India Asset Holding Ltd (AIAHL) — thereby passing on the liability to individual tax-payer citizens. Thus, what was technically sold was just aircraft routes/landing rights and some core assets of Air India, and not Air India per se.

The sale of an enterprise is different from the sale of its assets (otherwise known as 'asset sale'), where in order to unlock the value of assets, liabilities are retained by the seller either by himself or through a special purpose vehicle, and assets are sold for a competitive price, as otherwise, the liabilities will surpass the value of the assets, rendering the enterprise value to negative. This is the norm in many corporate transactions.

It appears that this is the logic that was the driving force behind the Air India sale, where some assets (aircraft and a 50% stake in an airport services division) were sold to the Tatas and a major portion of the liabilities retained by the Union government through the AIAHL.

Asset sale, some differences

While an asset sale is normal in a corporate private transaction, the Government needs to exercise caution when selling a national asset to a private player. In a private asset sale, there are independent checks and balances, such as regulatory approvals, and the consent of the secured creditors (mostly banks) who will give their consent to park the liability only when they are



satisfied that the promoters or the shareholders of the private enterprise would be able to satisfy the liabilities either from the proceeds of the sale or otherwise.

In a typical asset sale by the Government, these approvals are a mere formality. When the debt is assumed by the sovereign government, no banks that are directly or indirectly controlled by the government can conduct due diligence independently on the nature of the sale and report fairly on whether the proceeds of sale are sufficient to satisfy the debt because the government has given an undertaking to repay the debt or the government may even force banks into a settlement with lesser repayment or even a write-off. Thus, it is citizens who will end up repaying the debts of Air India.

It is prudent to extend the doctrine of 'public trust' to the management of public sector enterprises by the government. There is fiduciary duty cast upon the government to act fairly and in a transparent manner while dealing in public assets. Unlike a private asset sale, a government selling public assets and assuming the liabilities without proper planning will impose an enormous debt burden on citizens.

The Air India asset sale needs scrutiny in light of the Government's new National Monetisation Pipeline (NMP), where public assets will be monetised either as lease or outright sale. Air India's asset sale and retention of liabilities sets a dangerous precedent as it could result in the selling of public assets to government faithfuls and leaving the liabilities on citizens.

The privatisation of loss-making public sector enterprises may prevent the state from incurring further losses. However, unless the sale proceeds are substantial, genuine and transparent, a crisis of legitimacy may arise.

Electoral bonds

One has the example of the anonymous electoral bonds scheme which taps corporate funding to help any political party and where the details are known only to the ruling party, which could fuel mistrust of such asset sales. A Right to Information filing by the Association for Democratic Reforms showed that with the State Bank of India as the sole authorised dealer of electoral bonds, out of ₹3,429 crore of the total value of electoral bonds generated by the bank (FY19-20), the ruling party at the Centre alone devoured a whopping ₹2,606 crore, or 76% of the total bonds issued so far. This is also the period which saw instances of some major privatisation of public sector enterprises.

The recent award of a contract worth ₹1,126 crore to a Chinese firm (Shanghai Tunnel Engineering Co. Ltd.) to construct an underground rail stretch in Delhi and a contract worth ₹170 crore to another Chinese firm, Taizhong Hong Kong International Ltd., for the supply of wheels to Vande Bharat trains cannot be seen in isolation. It is important to remember that China is an aggressor at the Line of Actual Control. Here, the role of discreet political funding through anonymous electoral bonds needs to be assessed more closely.

Consult States

It is vital to recognise the role of States in establishing a public asset such as Air India, They have actively participated in the growth of the airline in the form of land and other infrastructure to its offices. States were not consulted in the whole process which is a breach of the spirit of 'cooperative federalism'.



According to Article 1 of the Constitution, India is a Union of States, i.e., the idea of India as a Union lies with the States, which are the owners of land and responsible for the maintenance of other infrastructure. Hence, any unilateral sale of assets by the Union without consulting States would only deepen the mistrust between the Union and the States.

India follows a mixed economy model, where the state negotiates a free market capitalist economy with social welfare principles. The economists, Andrew Glyn, the author of *Capitalism Unleashed* and John Maynard Keynes, the propounder of 'Keynesian economics' argue that 'unleashed' capitalism leads to widening inequality, diminishing social welfare, lowering demand, and thus slower economic progress. The devastating effect of the 1930s Great Depression is a case in hand. Thus, Keynes, while recognising a profit-driven market place, advocated social welfare policy interventions such as social uplift, full employment, to 'leash' capitalism, and public sector enterprises (with their social obligation) play a constructive role in achieving it.

In a mixed economy, private participation is encouraged in areas where government finds it difficult to perform, without making compromises on the social obligation of the state which is as important as a commercial viability. The role Air India played in the repatriation of Indians stranded abroad during the COVID-19 pandemic, its evacuation flights during wars and connecting remote areas to the mainland are some examples of social intervention that have to be kept in mind. By divesting the assets of Air India, the Government has stripped the assets and nationalised the debts to be serviced by citizens. If this logic and process is extended to the proposed National Monetisation Pipeline with discreet electoral bonds and without consulting States, no privatisation exercise by the Union will ever have any legitimacy.

WHAT LOWERING OF E-INVOICING TURNOVER THRESHOLD UNDER GST TO 10 CRORE FROM OCT 1 SEEKS TO ACHIEVE

In a step to ensure better flow of data on taxpayers to the authorities and higher compliance, the turnover threshold for e-invoicing has been halved to Rs 10 crore effective October 1 this year under the Goods and Services Tax (GST) regime.

What is the decision on the threshold for e-invoice?

Businesses with annual turnover of Rs 10 crore or more will have to generate e-invoices for business-to-business (B2B) transactions from October 1 this year. The existing threshold for this is Rs 20 crore.

Pursuant to the GST Council's decision to introduce e-invoicing in a phased manner, the Central Board of Indirect Taxes and Customs (CBIC) on August 1 notified lowering the e-invoice threshold to Rs 10 crore.

The GST Council approved the standard of e-invoice in its 37th meeting held on September 20, 2019. E-invoicing for B2B transactions was made mandatory for companies with turnover of over Rs 500 crore from October 1, 2020, which was then extended to those with turnover of over Rs 100 crore effective January 1, 2021.

From April 1, 2021, companies with turnover of over Rs 50 crore were generating B2B e-invoices. The threshold was brought down to Rs 20 crore beginning April 1, 2022. The CBIC now plans to further lower the threshold for e-invoice generation to Rs 5 crore.



What is e-invoice generation under GST?

The e-invoice system is for GST registered persons to upload all B2B invoices to the Invoice Registration Portal (IRP). The IRP generates and returns a unique Invoice Reference Number (IRN), digitally signed e-invoice, and QR code to the user.

After following the e-invoicing process, the invoice copy (with QR Code containing inter alia, IRN) issued by the notified supplier to the buyer is commonly referred to as the 'e-invoice'. SEZ units, insurance, banking (including NBFCs), goods transport agencies (transporting goods by road in goods carriages), passenger transport services, and multiplex cinema admissions are exempt from the e-invoice system. A GST invoice is valid only with a valid IRN.

E-invoice does not mean generation of invoices from a central portal of the tax department — rather, it is the generation of invoice in a standard format so that an invoice generated on one system can be read by another system, and then reporting of e-invoice to a central system.

What does the lowering of thresholds for e-invoice signify?

Officials said the e-invoice system will help to curb the actions of unscrupulous taxpayers and reduce cases of fraud as the tax authorities will have access to data in real time. The aim behind adoption of the e-invoice system by tax departments is to acquire the ability to pre-populate the return and to reduce reconciliation problems.

Tax experts said the lowering of the threshold will help curb tax evasion.

“The move to reduce the turnover threshold and increase the ambit of e-invoicing is mainly aimed at resolving mismatch errors and checking tax evasion. Considering the timelines, concerned businesses will have to ramp up their IT systems to comply with the e-invoicing norms,” EY said.

3 REASONS WHY GST COLLECTIONS CONTINUE TO SURGE

The gross Goods and Services Tax (GST) collections have risen 28 per cent year-on-year to Rs 1,48,995 crore for July (for sales in June), the second highest level since the July 2017 rollout of the indirect tax regime, data released by the Finance Ministry Monday showed. High inflation rate, buoyancy in consumption patterns triggered by the economic recovery, alongside greater enforcement actions against anti-evasion activities have contributed to the rise in GST collections.

What is the government view on higher GST revenues?

The Finance Ministry said in a statement Monday that the 28 per cent increase in GST revenue displays a “very high buoyancy”.

What do the improved revenues signify?

Experts say that action against tax evaders, including steps being taken by state authorities, have resulted in better compliance and helped push the growth in GST collections along with economic recovery and higher inflation rate. It will help boost the government’s GST collections beyond the budgeted figures.

After the end of the compensation regime for states in June 2022, the higher GST revenue growth is expected to ease the revenue concerns for some states going ahead. However, states with a



heavy dependence on compensation may find FY 2023 to be a challenging year, with some even resorting to higher enforcement actions to shore up revenue, experts said.

Under GST, as per the Goods and Services Tax (Compensation to States) Act, 2017, the states were guaranteed compensation at the compounded rate of 14 per cent from the base year 2015-16 for losses arising due to implementation of the taxation regime for five years since its rollout. This came to an end on June 30. The GST Council meeting held in June did not take any decision to extend the compensation mechanism despite at least a dozen states making a demand for the same.

More enforcement related measures are being taken by the authorities in the wake of the end of the compensation regime.

What is the detailed break-up of recent GST revenues?

Before this, GST collections had recorded the highest-ever level of Rs 1.68 lakh crore in April 2022 for year-end sales in March. This is the sixth time that monthly GST collections have crossed Rs 1.40 lakh crore mark since inception of GST and fifth month in a row since March 2022. GST collections in July 2021 had stood at Rs 1,16,393 crore.

Total number of e-way bills generated in June were 7.45 crore, higher than 7.36 crore e-way bills generated in May.

The average monthly gross GST collection for the first four months of the financial year 2022-23 has been Rs 1.50 lakh crore against the average monthly collection of Rs 1.12 lakh crore in the same period last fiscal.

Revenue from import of goods was 48 per cent higher in July and the revenue from domestic transactions (including import of services) was 22 per cent higher compared to last year.

Except Daman & Diu, Bihar, Tripura, which recorded a contraction, all other states/UTs recorded a growth in GST generated in their respective regions, with Maharashtra, Karnataka, Gujarat, Tamil Nadu, and Uttarakhand leading among states.

Out of gross GST revenue of Rs 1,48,995 crore, CGST — the tax levied on intra-state supplies of goods and services by the Centre — is Rs 25,751 crore; and SGST — the tax levied on intra-state supplies of goods and services by the states — is Rs 32,807 crore, the Ministry said.

IGST — tax levied on all inter-state supplies of goods and services — is Rs 79,518 crore (including Rs 41,420 crore collected on import of goods) and cess is Rs 10,920 crore (including Rs 995 crore collected on import of goods), it said.

The government has settled Rs 32,365 crore to CGST and Rs 26,774 crore to SGST from IGST.

The total revenue of Centre and the states in July after regular settlement is Rs 58,116 crore for CGST and Rs 59,581 crore for SGST, the Ministry said.

FINANCIAL INCLUSION INDEX INCHES UP, ALL SUB-INDICES RISE: RBI

The Reserve Bank of India (RBI) on Tuesday said that India's financial inclusion index (FI-Index) for the year ended March 31, 2022 improved to 56.4 from 53.9 in the previous year, with growth



seen across all its sub-indices, the central bank said in a press release. The index is published annually in July.

The central bank had in April 2021 announced that it will form the index for measuring financial inclusion, which is the focus area for the government, central bank and other regulators.

The RBI developed the composite financial inclusion index to capture the extent of financial inclusion across the country by including details of banking, investments, insurance, postal as well as the pension sector.

The index comprises of three parameters including access, usage and quality. The FI-Index is responsive to ease of access, availability and usage of services and quality of services, consisting of 97 indicators.

The quality parameter includes aspects such as financial literacy, consumer protection, and inequalities and deficiencies in services.

The index has been constructed without any base year and reflects cumulative efforts of all stakeholders over the years towards financial inclusion. FE

USING A RUPEE ROUTE TO GET AROUND A DOMINATING DOLLAR

A number of countries, including India, are now considering the use of other currencies to avoid the U.S. dollar and its hegemonic role in settling international transactions. As for India, currency hierarchy goes back to colonial times when the Indian rupee was virtually linked to the British pound rather than to gold which it earned through exports. In the post-War period, the neo-colonial currency hierarchy has been clubbed with the continued use, primarily of the U.S. dollar, for the majority of international transactions. The current situation relates, in addition, to geopolitical developments, the Russia-Ukraine war in the forefront followed by the sanctions imposed on Russia by the West.

The present scenario

In recent times, India has been taking an active interest in having the rupee used for trade and the settlement of payments with other countries, which include Russia, now facing sanctions. Even earlier, the annexation of Crimea in 2014 had resulted in the imposition of similar sanctions against Russia over a period of time. Settling payments with Russia by India, especially for mineral fuels and oil imports as well as for the S-400 Triumf air defence system has been continuing on a semi-informal basis through rupee payments by using the Vostro accounts maintained by Russian banks in India. The Reserve Bank of India has recently taken a proactive stand to have rupee settlement of trade (circular dated July 11, 2022). While options for invoicing in rupees were already legal in terms of Regulation 7(1) of the Foreign Exchange Management (Deposit) Regulations, 2016, the current circular aims to operationalise the special Vostro accounts with Russian banks in India, in a bid to promote trade and also gain a better status for the rupee as an international currency.

Possible advantages

The advantages India is currently seeking in these arrangements include avoidance of transactions in the highly priced dollar which has an exchange value of ₹80, impacting the Indian economy with inflation, capital flight (aggravated by interest rate hikes by the Fed and possible



hikes in the European Union as well) and the drop in foreign exchange reserves by \$70 billion since September 2021. Buying oil with a depreciated ruble, and at discounts, is not only cost-saving but also saves transport time with the use of multi-modal routes using land, sea and air routes. In addition, India is looking forward to trade expansion in sanctions-affected Russia (leading to recession and de-industrialisation there). As mentioned by Alexey Yusepov in the IPS Journal on July 20, the impact of sanctions on Russia includes L-shaped stagnation in GDP which has declined by 10% to 15%, with de-industrialisation and unemployment (largely on account of the retreat of most western companies from the country leading to sharp declines in the production of steel, wood and automobiles). With India having a trade deficit with Russia, which has been around \$3.52 billion on average over the last two financial years, India's opportunities include the possible use, by Russia, of the surpluses in the Vostro rupee account in Russian banks for additional purchases from India. Such purchases could include not only pharmaceutical products and electrical machinery (which are currently the major items of India's exports to Russia) but also a range of products that Russia might need, particularly to redress the hardship faced with the sanctions.

Some hurdles

There are quite a few problems that may prevail in implementing the desired rupee payments and avoiding dollar transactions. Apart from issues that concern an agreed exchange rate between the rupee and the ruble (R-R), two volatile currencies, there is also the question of the willingness of private parties (companies, banks) to accept the rupee for trade and settlements. Will they be ready to forego the greenback? Of course if Russia opens its door for exports from India, the 'R-R' route may prove attractive for Indian exporters. Finally, there are official concerns for reactions, particularly from the U.S., to deals, especially for purchase of the S-400 defence equipment. And the fear continues even after the recent Congressional approval of those purchases as a special case in the backdrop of Chinese aggression. Moreover, the deals between India and Russia, especially on oil, can be considered by the West as 'indirect back door support' — as India is importing Russian crude at 30% discount, processing at refineries in Gujarat which include Reliance, and then exporting those to the West. As reported by the Economic Times (June 13, 2021), such exports amounted to \$1.5 billion per day in May 2021. These companies are exporting to the West with 'robust refining margins', as Alex Lawson mentions in The Guardian (June 22).

There were attempts even before the novel coronavirus pandemic to initiate a clearing account on the BRICS platform. An analysis by the writer in the EPW on the quantitative implications indicate a skewed pattern of transactions — with China having most of the trade surplus. It is a pattern similar to what is happening in India-Russia trade at the moment.

Examples to note

Attempts to use the rupee for invoicing and trading is, however, not new to India. A comprehensive bilateral trade and payments agreement was signed by India in 1953 with the Soviet bloc countries (it included those that later formed a part of the Commonwealth of Independent States.) Crucial aspects of the arrangement included: participation by state-trading units alone; fixed exchange rates as agreed upon by trade partners, and the offer of credit by countries that had a trade surplus to countries with a trade deficit. In general, most of the bilateral agreements were marked by scissor-like operations on a continuous basis, in effect clearing the imbalances as the surplus country was importing more from the deficit partner, or offering credit to the latter. The Soviet Union's credit to India enabled the setting up of the Bhilai steel plant, other industrial units, oil refineries and pharmaceuticals — all controlled by India's public sector. The



agreement ended in 1991 following the dissolution of the Soviet Union, leaving behind some issues of a rupee surplus and the 'R-R' rate of exchange.

However, history moves on. The market economies in most parts of the world today negate the possibility of having the state or the public sector at centre-stage. But still, the India-Soviet agreements of the past may provide a clue on how the current 'R-R' trade and the problems can be managed by initiating a push for Indian exports to Russia and, of course, avoiding all deals in dollars — benefiting both trade partners and countering, globally, the on-going currency hierarchy.

TRADE WORRIES

July's provisional trade data should trigger early warning signals among policymakers, as the first year-on-year contraction in exports in 17 months, albeit marginal, and a 44% jump in imports, sharply widened the trade deficit to a third successive monthly record. The export performance is of concern, reflecting a slowdown in overseas demand for Indian merchandise, the competitive advantage gained by the rupee's sizeable depreciation against the U.S. dollar notwithstanding. While the Commerce Ministry has sought to explain away the 0.8% slide in last month's exports as largely being a result of inflation-control curbs, the Ministry's preliminary disaggregated data suggest several key sectors including engineering goods, gems and jewellery, garments and yarn and textiles, and drugs and pharmaceuticals, which were mostly outside the purview of those measures, also suffered contractions. And viewed on a sequential basis, the slide in exports from June's level is a disconcerting 12.2%. Engineering goods, which at more than 26% represented the largest share of merchandise shipped overseas in July, contracted 2.5% from a year earlier and also shrank 2.9% sequentially. Even granting that the Government's introduction in late May of a stiff export tax on a range of steel products, with a view to boosting their domestic availability and cooling price gains, was likely to have constrained exports of this segment of engineering goods, the contraction in the broad category points to a clear slowdown in demand in the advanced economies.

The latest S&P Global PMI data from the U.S. and the eurozone for economic activity in July is also far from reassuring. As per the PMI data, output across Europe's major economies sharing the euro as common currency shrank for the first time since February 2021 as a worsening manufacturing downturn combined with a slowdown in the service sector to drag the composite index into contraction territory. The U.S. economy, which has now contracted for two successive quarters putting it on the edge of a recession, saw manufacturing PMI post its lowest reading in two years as output and new orders declined in July. Given that the U.S. and the eurozone combined consumed almost a third of India's goods exports in the last fiscal year, the prospect of July's export slowdown deepening as demand in these markets weakens appears increasingly more likely. Imports continued to expand at a robust clip, driven largely by the expanding domestic demand for essentials including crude oil, coal, edible oils and electronic items. Coal and coke alone exceeded \$5.1 billion. The augury from the trade data is that the external sector faces increasing vulnerability as the burgeoning trade deficit is set to swell the current account deficit, adding pressure on the rupee at a time when portfolio investments from overseas have been negative, and foreign direct investment has been significantly weaker.



CORE CONSTRAINTS

The eight core sectors of the Indian economy not only account for over four-tenth of its measured industrial output but also serve as an indicator of the momentum in investment activity through demand for items such as cement and steel. Electricity generation is a good proxy for overall demand in the economy while fertilizer production numbers help gauge agricultural activity. So, it is heartening that the official index to measure these sectors' output has registered two successive months of double-digit growth. Factoring in the 9.3% uptick for these sectors in April — it was 19.3% and 12.7% in May and June — the first quarter of 2022-23 has seen output growth of 13.7%, despite the high base of 26% growth in Q1 last year. Total industrial output grew 6.7% in April and 19.6% in May. Based on June's core sectors' data, economists reckon industrial production to rise anywhere between 9% and 13% in June. These high numbers are a tad misleading because the first quarter of 2020-21 was marred by national lockdowns, and though output did not suffer as much during the second COVID-wave in Q1 of 2021-22, economic conditions were not ideal either. In any case, these base effects will start fading from July. For better context to assess where the economic recovery stands, industrial output in May was 1.7% over pre-pandemic levels and core sectors' output in June is 8% over 2019.

What should cause concern is that the recovery is still fragmented and dissonant. Moreover, the rebound momentum seems to be flagging as core output declined 4.08% in June over May 2022. Just four infra sectors drove most of the growth in June, led by coal output jumping 31.1% and cement rising 19.4% from 2021 levels. Crude oil output tanked again in June after a positive blip in May, while natural gas grew a mere 1.2% and steel 3.3%. Refinery products grew 15.1%, driven by higher global oil prices making exports attractive, and electricity rose 15.5%, signalling domestic demand. The monsoon would dampen coal production, pressuring generators to import more coal if electricity demand sustains. The only two sectors to record a month-on-month growth in June — cement and fertilizers — also face headwinds. Cement production is expected to taper off on the same meteorological account as coal, even as an uneven monsoon could hurt fertilizer demand. The good news is that the Centre's capital spending, critical to sustain the recovery, bounced remarkably in June to ₹68,000 crore from an underwhelming ₹28,000 crore in May — ensuring that a quarter of the year's target has been met in Q1. With private capital still shy, global turmoil and local inflation playing spoilsport with the recovery, it is vital that the Centre keep the pedal pressed on this front and cajoles more States into availing the ₹1 lakh crore capex loan window soon.

WINDFALL TAX CUT ON DIESEL, JET FUEL; DOMESTIC CRUDE LEVY HIKED

Amid the moderation in global crude oil prices and drop in refining margins, the government on Tuesday undertook the second review of its recently imposed levies on fuel and cut the windfall tax on diesel by Rs 6 a litre. It, however, raised the tax levy on domestic crude oil production to Rs 17,750 a tonne from Rs 17,000 earlier.

The tax on export of diesel was cut to Rs 5 per litre from Rs 11, while that on aviation turbine fuel was scrapped, a notification issued by the Finance Ministry stated. Export of petrol will continue to attract nil tax. The changes will be effective Wednesday.

This is the second review undertaken by the Finance Ministry after imposing the levies on fuel initially on July 1. In the first review conducted on July 20, the government cut the cesses and levies on diesel and aviation turbine fuel and removed the cess on exports of petrol. The Rs 6-a-



litre export duty on petrol was scrapped, the tax on the export of diesel and ATF was cut by Rs 2 per litre each to Rs 11 and Rs 4, respectively. The tax on domestically produced crude was also cut to Rs 17,000 per tonne. The Ministry is undertaking a review every 15 days for the windfall tax on fuel.

With an aim to address the issue of fuel shortage in the country, the government on July 1 had imposed a special additional excise duty on export of petrol and diesel. Cesses equal to Rs 6 per litre on petrol and Rs 13 per litre on diesel were imposed on their exports.

The government also imposed a cess of Rs 23,250 per tonne (by way of special additional excise duty) or windfall tax on domestic crude being sold to domestic refineries at international parity prices.

Starting June, fuel pumps across the country had been reporting fuel shortages, leading to their closure. The situation of fuel shortage at pumps peaked during the middle of June, resulting in the government issuing a statement on the matter. The statement assured of enough fuel available in the country and asked oil marketing companies to ensure their fuel pumps remain open.

Global crude prices had risen and domestic crude producers were making windfall gains. Private oil marketing companies were exporting petrol and diesel to foreign countries like Australia for better realisation. The shortage of fuel at retail outlets was because oil marketing companies were not willing to sell fuel at a loss since fuel prices have not increased despite rising crude and depreciating rupee — these two factors had led to oil marketing companies losing Rs 20-25 per litre on diesel and Rs 10-15 per litre on petrol.

DIALLING RIGHT

India's latest auction of telecommunications spectrum, including of bands ideally suited for offering fifth generation (5G) technology services, drew bids exceeding a record ₹1.5 lakh crore in a clear sign that the industry is on the path to recovery. As expected, Reliance Jio emerged as the top bidder, cornering 48% of the airwaves that were acquired by offering more than ₹88,000 crore in total. Bharti Airtel bid just under half that amount for 39% of the spectrum sold, while the most debt-laden Vodafone Idea came in a distant third by committing close to ₹19,000 crore for about 12% spectrum. And in an interesting development that will need close watching, the deep-pocketed, and aggressively expanding Adani Group made its first foray into the telecom space by successfully bidding for a very small but targeted quantum of spectrum — ostensibly for captive use — in the highly sought after 26 GHz band that is considered ideal for 5G services. While the Government has netted just over a third of the ₹4.3 lakh crore reserve price it had set for the spectrum on offer, the fact that 71% of the airwaves on the block won bids is testament to the improvement in the industry's health. The Centre's move last year to ease regulatory norms around payment of dues, including a four-year moratorium on outstanding payments and the redefinition of adjusted gross revenues to prospectively exclude non-telecom earnings, allowed service providers a breather and helped them attract investor interest as also spread liabilities over a staggered period.

Separately, industrywide increases in tariffs also helped lift average revenue per user at the telecom service providers, boosting margins. The Government's policy decision to return bank guarantees to telcos must have helped improve their eligibility for debt – crucial for capital expenditure. And with spectrum usage charges also binned, the enhanced flexibility likely allowed enthusiastic participation from all three private players, a far cry from when the very survival of



Vodafone Idea was in doubt. However, the auction also offers crucial lessons. The high reserve price likely dampened enthusiasm for certain spectrum bands. While the 3.3 GHz and 26 GHz were snapped up at the reserve price in several service areas, the 600 MHz was left untouched, and 60% of the 700 MHz spectrum remained unsold. The latter is ideal for rural connectivity as well as signal penetration inside buildings in urban areas. If spectrum is seen as a precious national resource, the Government would do well to not let it lie unused and instead price it in an optimal manner so as to ensure that both the exchequer and the public at large, including in remote rural corners, benefit.

THE GOVERNMENT PACKAGE TO REVIVE BSNL FORTUNES

The story so far: The Bharat Sanchar Nigam Ltd. (BSNL) was incorporated in September 2000 as a company to take over the business of providing telephone connectivity from the central government's Department of Telecom Services. Its operations were meant to service the entire country except New Delhi and Mumbai where MTNL — or Mahanagar Telephone Nigam Ltd — would operate. Last week, the Union Cabinet approved a ₹1.64 lakh crore revival package for BSNL with a cash component of ₹43,964 crore.

What is the plan for recapitalisation?

The non-cash component of ₹1.2 lakh crore, spread over four years, will include administrative allotment of 4G spectrum worth ₹44,993 crore. Capex support of ₹22,471 crore over the next four years to “boost development and deployment of Atmanirbhar 4G stack”, viability gap funding of ₹13,789 crore for commercially unviable rural wireline operations done during 2014-15 to 2019-20, debt structuring by raising of bonds with sovereign guarantee worth ₹40,399 crore and financial support for AGR (Adjusted Gross Revenue) dues worth ₹33,404 crore complete the package.

Previously, in 2019, the Cabinet had cleared a package worth close to ₹70,000 crore for the revival of BSNL and MTNL, mainly to fund the Voluntary Retirement Scheme (VRS) package for the two firms.

How has BSNL's performance been over the last few years?

BSNL had more than 1.5 lakh employees before the VRS was announced in 2019. About 78,000 had applied to exercise the option. Before the VRS, FY20 numbers showed the loss at ₹15,500 crore, and employee costs at a staggering ₹13,600 crore.

As of June 2021, the employee headcount was 64,000. Note that BSNL spent more than 50% of revenue on employees in FY16. That came down in FY21 to 36%, but compares poorly with, for example, Bharti Airtel whose numbers showed employee expense at about 4% for both FY21 and FY22. The government, which said that the 2019 package helped BSNL stabilise and the latest bailout would help it become viable, expects BSNL to become profitable in three to four years from now. Recently, Chairman P.K. Purwar has been quoted as saying that FY22 revenue would be a tad lower than the previous year at ₹17,000 crore.

What went wrong with BSNL, which was profitable for much of the first decade of this century?

A report by the Standing Committee on Information Technology presented to Parliament in 2014 under the Demand for Grants quotes a BSNL representative as saying that though private operators started offering mobile services in the late 1990s, BSNL could do so only in 2002.



Despite this, it was among one of the top mobile service providers in most circles by 2005-06 when its expansion was going on in full swing. The deposition talks of problems to do with 'non-procurement of equipment' beginning at this time.

What was the issue with procuring equipment?

In March 2020, BSNL had floated a tender to procure 4G equipment to help expand its mobile broadband network. The ₹9,000-crore contract included upgradation of 50,000 sites across the country that 'would position the telecom company to offer high-speed Internet access to its users'. The project was seen as critical for the survival of BSNL as it was already four years behind private firms in unveiling 4G services.

In April 2020, the Telecom Equipment and Services Export Promotion Council (TEPC) raised objections to the tender being 'heavily in favour of multinational companies'. The TEPC is an industry association representing domestic telecom equipment manufacturers such as Tejas Networks, Sterlite, HFCL, and Vihaan Networks. They stated that domestic suppliers could not participate in the tender due to stiff conditions, such as the requirement of previous experience of setting up a mobile network for at least 20 million subscribers. The national security angle also came up.

The government asked BSNL to rework the tender, but the question remained — why did private operators not face the same objection when they placed orders for equipment with foreign companies? Airtel, for instance, gave its \$1-billion 4G equipment contract to Nokia of Finland that year. While encouraging domestic OE makers was a good idea, why should the entire burden of supporting indigenously developed equipment meant for 4G, and that too which had not been previously tested, fall on BSNL?

By the looks of it, the pattern of BSNL carrying the burden of proving indigenous technology viable on a mass scale may continue. The government has categorically said that one of the reasons BSNL must be supported is to help in the development of indigenous technology.

Problems surrounding BSNL's access to quality equipment seem to be a recurring issue. In 2008, BSNL came up with an ambitious plan to raise network capacity by 94 million new lines at an investment of \$10 billion. This would have made it the world's largest telecom equipment tender at the time. Allegations of irregularity in the process surfaced and the whole plan was scrapped. Naturally, BSNL slipped in terms of customer preference.

Are skillsets a stumbling block too?

The telecom department was also quoted in the 2014 report by the Standing Committee on IT as saying that BSNL and MTNL are not only beset with a large number of employees, but that the skills of these employees were not suited for rendering services to mobile and broadband customers.

That is surprising because, one, BSNL had no trouble between 2002 and 2005-06 in getting to the top in most circles it operated in, as mentioned. Two, the private operators themselves dipped into the cream of BSNL's manpower to set up or scale up their operations. Though the private sector did have successful global partners (Airtel-Singapore Telecom, Essar-Hutchison (now Vodafone-Idea), nobody prevented BSNL from getting the best global consultants and knowhow for its operations.



Should profitability be the goal for such an enterprise?

The government needs a telecom arm for help in disaster relief, and two, for telecom penetration in every nook and cranny of the country as a social obligation. The private sector cannot be reasonably expected to offer services in an area that is not profitable for them. BSNL's merger with the Bharat Broadband Network (BBNL), whose BharatNet optical fibre network of 5.8 lakh km would make for a combined asset of 14 lakh km of optical fibre, is important for socially backward areas where services may not be commercially viable.

But, is it logical to expect the company to turn profitable? After having lost close to two decades in terms of time to compete, is it even feasible to expect the company to become profitable? To boot, BSNL is not a pan-India 4G service provider at a time when more than 98% of the country has 4G coverage. In fact, the latest package for BSNL was announced even as auctions for 5G spectrum were going on.

WHAT AXIS BANK'S ACQUISITION OF CITI CONSUMER BUSINESSES WILL MEAN FOR CUSTOMERS, INVESTORS

The Competition Commission of India last week approved Axis Bank's acquisition of the consumer banking operations of Citibank, NA and Citicorp Finance (India) Ltd. The deal thus crossed another hurdle and moved a step closer to fruition after Axis Bank had announced its plan to acquire Citibank's consumer businesses for Rs 12,325 crore in March.

What is the deal about?

The acquisition comprises Citi's credit cards, unsecured and secured lending portfolios, wealth management, private banking and retail deposit businesses. The deal also includes the sale of Citicorp Finance (India) Limited. Axis Bank would acquire around 1.2 million retail customers of Citibank India, including 40,000 wealth and private banking clients, which would help it enhance its presence in the highly competitive urban retail market. Its cards balance sheet is set to grow by 57% with an additional 2.5 million Citibank cards, making it one of the top three cards businesses in the country.

"Credit cards are the most sticky product of a bank and if a bank has a good presence in that segment, growth is bound to happen as one can both raise CASA from that customer and sell lending and other products to that customer," the CIO of a top mutual fund said.

As of June 2021, Citi had 2.5 million cards and a book size of Rs 8,900 crore. Also, monthly card spends are among the highest for Citi cards.

How will it impact the customer?

Citibank customers, who become part of Axis, will get access to a much wider network of branches across India and thereby better service, while Axis customers will have access to high-quality private banking and wealth management services through the talent pool of Citibank.

And how will it benefit investors in Axis Bank?

With access to high-value clientele, wealth management business, and a sizeable high-quality credit card portfolio, Axis Bank may witness not just a growth in its retail operations but also a rise in revenue per customer on account of the enhanced services it can offer. Analysts say the acquisition will enhance Axis's presence in the major cities.



“Most banks are looking to increase their unsecured portfolio as it provides higher yield. Through this deal, Axis Bank is getting what other banks are chasing and this will help improve its spread. Also it will provide cross selling opportunities as they will have a database of good quality customers and that will help in profitability and share price rise of the bank in the medium to long term,” the research head of a leading brokerage firm.

However, it is not without challenges, as all Citibank customers may not stay back. Officials of some private banks say several high-net-worth individual (HNI) customers of Citibank have been approaching them.

Analysts, however, say the Axis Bank management would have accounted for this, and so it is not a big concern. “Axis Bank will get to increase its retail base of high value customers, increase its unsecured portfolio and a bigger customer base to cross-sell lending and other products,” said the analyst.

CROPS OF LAST RESORT

Pulses are referred to as “orphan crops”. This is not only because of their being mostly grown in marginal lands prone to moisture stress, but also because farmers often switch to more high-yielding crops when they have access to irrigation — or even if the rains are good. Take the current kharif season from June, where surplus rainfall in much of the South Peninsula, Central and Northwest India has led to the overall pulses area sown till July 29 increasing by 2.9 per cent over the same period of last year. But area under the main kharif pulses crop, arhar (pigeon-pea), has fallen by 13.5 per cent, while rising for moong (green gram) and urad (black gram). The latter pulses are of shorter duration (60-90 days), unlike arhar that takes 160-180 days. Farmers, especially in the two major pulses-growing states of Maharashtra and Karnataka, have basically diverted arhar area to soyabean and cotton.

The primary driver in this is, however, prices. Soyabean is trading roughly 50 per cent above its minimum support price (MSP). Also, its yields are more or less the same as arhar with hardly 90-100 days’ maturity time. Cotton prices soared to record Rs 12,000-13,000 per quintal levels in March-April and are even now ruling at Rs 9,000-10,000, as against the MSP of Rs 6,080 for medium-staple varieties. Bountiful rains have given an added boost to cotton and further tilted the scales against pulses. To cut the story short, the lack of price certainty and a better than normal monsoon have resulted in pulses acreage going up mainly in Rajasthan and MP. Even there, farmers have opted for moong, urad and other short-duration pulses, which can be harvested early to enable planting of their main rabi winter-spring crop of wheat or mustard.

Such treatment to pulses is unfortunate. Apart from being a valuable protein source for many in India whose diets are vegetarian and cereal-based, pulses harbour bacteria that naturally “fix” atmospheric nitrogen and their extensive root systems keep the soil porous and well-aerated. Pulses should become a commercial crop rather than a crop of last resort. That requires assured MSP, a stable import policy and breeding of varieties that are of shorter duration and amenable to mechanical harvesting. MSP procurement of pulses is both erratic and inadequate today. Imports of arhar, urad and masur (red lentil) are allowed at zero duty. There is nothing more perverse than policies that encourage farmers to grow more rice, wheat and sugarcane than crops requiring less water and chemical fertilisers.



LIFE & SCIENCE

AS CHINESE ROCKET DEBRIS PLUNGES INTO OCEAN, THE RISKS OF SPACE JUNK AND ITS UNCONTROLLED DESCENT

Ending over a week of global anxiety and alarm, the debris from a large Chinese rocket – the Long March 5B — crashed to earth over the Pacific and the Indian oceans. As the 22-tonne core stage of the rocket hurtled uncontrollably back to earth, there were fears that it might hit a populated area. China, however, had dismissed these fears despite widespread criticism for rocket re-entry risks imposed by it on the world.

The Long March 5B blasted off on July 24 to deliver a laboratory module to the new Chinese space station under construction in orbit, marking the third flight of China's most powerful rocket since its maiden launch in 2020.

What is an uncontrolled re-entry?

Generally, the core or first stage of a rocket is made up of heavy pieces that usually don't reach orbit after liftoff, and fall back safely along a near-precise projected trajectory.

If they do enter an orbit, then a costly de-orbit manoeuvre is required for a steered, controlled return using engine burn. Without a de-orbit manoeuvre, the orbital core stage makes an uncontrolled fall.

Gigantic remnants from China's Long March 5B rockets' core stage are known to make such fiery, out-of-control descents back to earth. The reason is a difference in the mission sequence where the core stage reaches orbit, and then crashes back.

Most nations' rockets, according to a report in the Guardian, separate the launcher from the payload before leaving the atmosphere. An extra engine then gives the payload a final boost. But China's 5B series does not use a second engine and pushes right into orbit, the report points out.

In May 2020, Long March 5B debris had apparently fallen in Ivory Coast; and a year later in May 2021, remains of a Chinese rocket had dived uncontrolled into the Indian Ocean near Maldives.

Why is it difficult to track uncontrolled descents?

The variables involved make it difficult to precisely track the re-entry time and drop zone of rocket debris in uncontrolled descents. The factors that make this prediction extremely challenging include atmospheric drag, variations in solar activity, angle and rotational variation of the object among others.

A miscalculation of even a minute in re-entry time could result in the final resting place of the debris changing by hundreds of kilometres.

"It's important for people to understand that among the 10 tough things that we do in space, debris re-entry is probably one of the toughest ones to predict," Dr Darren McKnight from satellite tracking company LeoLabs told Cosmos Magazine.

Are there laws regulating space junk?



The Space Liability Convention of 1972 defines responsibility in case a space object causes harm. The treaty says that “a launching State shall be absolutely liable to pay compensation for damage caused by its space objects on the surface of the earth or to aircraft, and liable for damage due to its faults in space. The Convention also provides for procedures for the settlement of claims for damages.”

However, there is no law against space junk crashing back to earth. In April this year, suspected debris from a Chinese rocket was found in two Maharashtra villages.

In 1979, re-entry of NASA’s 76-ton Skylab had scattered debris over uninhabited parts of Australia, and the space agency was fined \$400 for littering by a local government.

The only settlement using the Liability Convention was between the erstwhile Soviet Union and Canada over debris of Soviet Cosmos 954 falling in a barren region.

Canada was paid CAD 3 million in accordance with international law for cleaning up the mess.

ALPHAFOLD: A TOUR DE FORCE IN SCIENCE

The story so far: DeepMind, a company based in London and owned by Google, announced this week that it had predicted the three-dimensional structures of more than 200 million proteins using AlphaFold. This is the entire protein universe known to scientists today.

What is AlphaFold?

AlphaFold is an AI-based protein structure prediction tool. It is based on a computer system called deep neural network. Inspired by the human brain, neural networks use a large amount of input data and provides the desired output exactly like how a human brain would. The real work is done by the black box between the input and the output layers, called the hidden networks. AlphaFold is fed with protein sequences as input. When protein sequences enter through one end, the predicted three-dimensional structures come out through the other. It is like a magician pulling a rabbit out of a hat.

How does AlphaFold work?

It uses processes based on “training, learning, retraining and relearning.” The first step uses the available structures of 1,70,000 proteins in the Protein Data Bank (PDB) to train the computer model. Then, it uses the results of that training to learn the structural predictions of proteins not in the PDB. Once that is done, it uses the high-accuracy predictions from the first step to retrain and relearn to gain higher accuracy of the earlier predictions. By using this method, AlphaFold has now predicted the structures of the entire 214 million unique protein sequences deposited in the Universal Protein Resource (UniProt) database.

What are the implications of this development?

Proteins are the business ends of biology, meaning proteins carry out all the functions inside a living cell. Therefore, knowing protein structure and function is essential to understanding human diseases. Scientists predict protein structures using x-ray crystallography, nuclear magnetic resonance spectroscopy, or cryogenic electron microscopy. These techniques are not just time-consuming, they often take years and are based mainly on trial-and-error methods. The development of AlphaFold changes all of that. It is a watershed movement in science and structural biology in particular.

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AlphaFold has already helped hundreds of scientists accelerate their discoveries in vaccine and drug development since the first public release of the database nearly a year back.

What does this development mean for India?

From the seminal contribution of G. N. Ramachandran in understanding protein structures to the present day, India is no stranger to the field and has produced some fine structural biologists. The Indian community of structural biology is strong and skilled. It needs to quickly take advantage of the AlphaFold database and learn how to use the structures to design better vaccines and drugs. This is especially important in the present context. Understanding the accurate structures of COVID-19 virus proteins in days rather than years will accelerate vaccine and drug development against the virus.

India will also need to speed up its implementation of public-private partnerships in the sciences.

The public-private partnership between the European Molecular Biology Laboratory's European Bioinformatics Institute and DeepMind made the 25-terabyte AlphaFold dataset accessible to everyone in the scientific community at no cost.

Learning from this, India could facilitate joint collaborations with the prevalent hardware muscle and data science talent in the private sector and specialists in academic institutions to pave the way for data science innovations.

Is AlphaFold one-of-a-kind tool in predicting protein structures?

Although a tour-de-force in structural biology, like any other method, AlphaFold is neither flawless nor the only AI-based protein structure prediction tool. RoseTTaFold, developed by David Baker at the University of Washington in Seattle, U.S., is another tool. Although less accurate than AlphaFold, it can predict the structure of protein complexes.

The development of AlphaFold is sure to make many scientists feel vulnerable, especially when they compare their efforts from years of hard work in the lab to that of a computer system. However, this is the time to adjust and take advantage of the new reality.

Doing this will reinvigorate scientific research and accelerate discovery.

TOKENISM

Last year, when former Australian Prime Minister Scott Morrison announced that a word would be changed in 'Advance Australia Fair', the country's national anthem, from "For we are young and free" to "For we are one and free," the move was criticised by many for being tokenistic. Every now and then, we read critical pieces about how cinema often displays token characters to represent marginalised communities, thus perpetuating stereotypes about them. We hear the word 'tokenism' everywhere these days: in discussions on politics, in debates on representation in films, and at workplaces.

Counter-productive and dangerous

Tokenism is the act of doing something in order to show that a person/company is including people from minority or marginalised groups, but without sincerity and without showing an intent to increase diversity and promote inclusivity. The members of a group — whether women, or black people, or people from lower castes — are hired only because of their difference with



other dominant members —i.e., men, white people, people of higher castes. Tokenism serves the interests of the dominant group. For example, in a company, hiring more women is the easy, temporary fix to a structural problem and gives the company “evidence” to show that there is no discrimination at the workplace. In such scenarios, the hires, or tokens, become mere props or symbols.

Tokenistic acts can be dangerous and counter-productive for the tokens. One, they do not change prejudices about the community in question; on the contrary, they may, in fact, only reaffirm them — for example, if a black man in a film dominated by white men and women is depicted as brutish and hypersexual. Two, they don’t contribute to diversity, for diversity is more than just mere representation. For instance, if a woman is hired at a male-dominated workplace but her ideas or inputs are not considered, this defeats the purpose of hiring her so that the company can have diverse views. And three, they provide some ammunition to those engaging in these acts to ward off critics. For instance, in films, having tokenistic characters allows directors to escape the responsibility of doing some serious research on the character’s historical, political and cultural background and accurately portraying her with nuance.

In “Tokenism and Women in the Workplace: The Limits of Gender-Neutral Theory”, Lynn Zimmer wrote, “Perhaps Judith Long Laws (1975) can be credited with popularising the concept of tokenism with her analysis of the special problems faced by women who entered the male-dominated academic setting.”

Fighting tokenism

Let’s take the two examples given in the first part of this article — of the Australian anthem and depiction in films. In the first instance, Mr. Morrison was criticised because the health conditions, life expectancy and other determinants of well-being are all higher among non-indigenous Australians compared to indigenous Australians, also referred to as First Nations Australians. Conversely, rates of incarceration and deaths in custody are higher among First Nations Australians. So, how can all Australians feel “one” when there are clear differences and discrimination between the treatment of non-indigenous Australians versus indigenous Australians? The solution is to ensure that non-indigenous Australians have better access to healthcare and a good life and are also not discriminated by the police and other arms of the state. In other words, to be inclusive requires effort, time and a long-term view. While symbolic gestures, such as replacing a word in the anthem, are important, they are far from sufficient. Symbols must be backed by concrete action.

Similarly, simply portraying a gay character in a film or series is mere tokenism unless that character is well written, has a definite arc like the other characters, and has some purpose in the story.

Tokenism can be felt at the individual level, the institutional level and at the systemic level. Unless there are efforts, both short and long term, at all three levels, true diversity and inclusivity will remain a chimera.

AS INDIA STRENGTHENS ITS CLIMATE TARGETS, A LOOK AT THE PROGRESS SO FAR, WHAT’S NEW

Nine months after Prime Minister Narendra Modi made a few headline-grabbing promises at the climate change conference in Glasgow last year, the government, on Wednesday, converted two



of those into official targets, which would now be part of India's international climate commitments for 2030.

India's NDC, or nationally determined commitments, have been updated with these two promises, both of which are enhancements of existing targets, and would be submitted to the UN climate body. The 2015 Paris Agreement requires every country to set self-determined climate targets which have to be progressively updated with more ambitious goals every few years. India's first NDC was submitted in 2015, just before the Paris Agreement was finalised.

India's original NDC contained three main targets for 2030:

- * A 33 to 35 per cent reduction in emissions intensity (or emissions per unit of GDP) from 2005 levels
- * At least 40 per cent of total electricity generation to come from non-fossil renewable sources
- * An increase in forest cover to create an additional carbon sink of 2.5 to 3 billion tonnes of carbon dioxide equivalent

At the Glasgow meeting last year, Modi promised to strengthen India's climate commitments. He made five promises, and called it the 'Panchamrit', the nectar that Indians prepare using five ingredients. Two of these were upward revision of existing targets, the ones that have been made official and put in the updated NDC on Wednesday.

Accordingly,

- * India will now reduce its emission intensity by at least 45 per cent, instead of just 33 to 35 per cent, from 2005 levels by 2030.
- * Also, it would now ensure that at least 50 per cent of its total electricity generation, not just 40 per cent, would come from renewable sources by 2030.
- * The forestry target has not been touched.

Apart from these, Modi had said that at least 500 GW of India's installed electricity generation capacity in 2030 would be based on non-fossil fuel sources. Also, he had promised that the country would ensure avoided emissions of at least one billion tonnes of carbon dioxide equivalent between now and 2030.

These two promises have not been converted into official targets. But these are closely linked with others, and any progress on official targets would get reflected in these goals as well.

Modi had also announced a net zero target for India for the year 2070. Net zero is a situation in which a country's greenhouse gas emissions are offset entirely, either by absorption of carbon dioxide through natural processes like photosynthesis in plants, or through physical removal of greenhouse gases using futuristic technologies.

But net zero is a long-term target and does not qualify to be included in the NDC which seeks five to 10 year climate targets from countries.

India's progress



The upward revision of the two climate targets — those relating to reductions in emissions intensity and proportion of non-fossil sources in electricity generation — do not come as a surprise. India is on way to achieve its existing targets well ahead of the 2030 timeline.

India's emissions intensity was 24 per cent lower than the 2005 levels in the year 2016 itself, the last year for which official numbers are available. It is very likely that the 33 to 35 per cent reduction target has already been achieved, or is very close to being achieved. A further reduction of 10-12 per cent from here, to meet the new target, does not appear too challenging, even though these reductions get progressively tougher to achieve.

The other target — having at least 40 per cent of electricity coming from non-fossil fuels — has officially been reached. According to the latest data from the power ministry, 41.5 per cent of India's current installed electricity capacity of 403 GW is now powered by non-fossil fuels. Renewables (wind, solar and others) alone account for more than 28 per cent of this capacity while hydropower contributes over 11 per cent.

With most of the new capacity additions happening in the renewable energy sector, a 10 per cent rise in the share of non-fossil fuels in electricity generation is not a unrealistic target.

Tricky Glasgow promises

Two promises that Modi had made in Glasgow have not been converted into official targets. The Prime Minister had announced that India's non-fossil fuel electricity generation capacity would touch 500 GW in 2030. He had also said that India would cut at least one billion tonnes of carbon dioxide equivalent from its net projected emissions between now and 2030.

Both these promises were tricky. The 500 GW non-fossil fuel electricity capacity target for 2030 is not easy. Of the current installed capacity of 403 GW, over 236 GW, or 58.5 per cent comes from fossil fuel sources, while non-fossil fuels, which include not just renewables like solar or wind but also hydropower, nuclear and others, make up only 167 GW. Capacity additions from non-fossil sources would have to triple in the next 10 years to reach the 500 GW target.

The total installed electricity capacity has more than doubled in the last 10 years (from 199 GW in 2012 to 403 GW now), but it is not only because of non-fossil fuel sources. While renewables have seen an impressive increase, installed capacity from fossil fuels have also doubled during this period.

The promise to reduce at least one billion tonnes of carbon dioxide equivalent from the cumulative projected emissions till 2030 was even more problematic. It was also the target with least clarity. It was the first time that India had enunciated any climate target in terms of absolute emission reductions. But it appears it was announced without much preparatory work. India does not have any official projection of its emissions in 2030. The emissions pathway from now to 2030 is also not clear. In the absence of a baseline, the target would have been meaningless.

According to some estimates, India's annual projections are expected to rise from about 3.3 billion tonnes in 2018 to about 4 billion tonnes by 2030. Thus, India could be emitting anywhere between 35 to 40 billion tonnes of carbon dioxide equivalent in total by the year 2030. A reduction of one billion tonnes from this would represent 2.5 to 3 per cent. Some officials argue that if India achieves its official targets, the gains in terms of avoided emissions could be far in excess of one billion tonnes.



The updated NDC also removes some of the confusion that had arisen due to a lack of clarity in the Prime Minister's speech in Glasgow. The written speech had mistakenly used 'energy' for 'electricity' and 'renewables' for 'non-fossil energy sources'.

Financial and technological support

Environment Secretary R P Gupta had told The Indian Express in Glasgow last year that India's enhanced climate commitments were likely to be contingent on the availability of international finance and technology from the developed countries. He had suggested that it would be difficult for India to achieve its higher targets in the absence of such international support.

The updated NDC does talk about the need for low-cost international finance and transfer of technology, but does not make achievement of targets contingent on their availability. This was the case in the previous NDC as well.

WHAT IS A CARBON MARKET, AND WHY DOES INDIA WANT TO CREATE ONE?

In order to facilitate the achievement of more ambitious climate change targets and ensure a faster transition to a low-carbon economy, the government is seeking to strengthen a 20-year law, called the Energy Conservation Act of 2001, which has powered the first phase of India's shift to a more energy-efficient future.

The Bill to amend the Energy Conservation Act, 2001, which was introduced in Parliament on Wednesday, has two main objectives. First, it seeks to make it compulsory for a select group of industrial, commercial and even residential consumers to use green energy. A prescribed minimum proportion of the energy they use must come from renewable or non-fossil fuel sources. And second, it seeks to establish a domestic carbon market and facilitate trade in carbon credits.

Importantly, the amendment Bill seeks to widen the scope of energy conservation to include large residential buildings as well. Till now, the energy conservation rules applied mainly on industrial and commercial complexes.

Energy Conservation

The 2001 law defined standards for energy conservation and efficiency to be followed by a select group of industries and commercial complexes. Efficiency standards were also prescribed for equipment and appliances like air conditioners or refrigerators. This law set up the Bureau of Energy Efficiency (BEE) to promote the use of more efficient processes and equipment in order to save energy. The star ratings on various household appliances and the largescale shift to LED bulbs were some of the successful initiatives of BEE that have resulted in massive energy savings over a period of time.

The overall objective has been to improve energy efficiency across sectors, so that much more productivity can be obtained from the same amount of energy. Over the years, India's energy intensity, or the amount of energy consumption per unit of GDP, has declined significantly.

New provisions

The amendment Bill seeks to build upon the progress made so far. For example, just like the standards for appliances and equipment, energy consumption standards would be specified for motor vehicles, ships and other water vessels, industrial units, and buildings. In the case of vehicles and water vessels, fuel consumption norms would be defined. And just like it is for



appliances and equipment, the new provisions would empower the government to prohibit the manufacture or import of any vehicles or water vessels if it does not conform to the prescribed energy standards.

New sustainable building codes are to be defined which every building with a certain threshold of energy consumption, whether industrial, commercial or residential, would have to adhere to. Every such building would have to ensure that at least a part of its total energy consumption comes from renewable or non-fossil fuel sources. This would help in reducing the proportion of fossil-fuel based energy being used in the economy and push the demand for renewable or other non-fossil fuels.

What are carbon markets?

The creation of a domestic carbon market is one of the most significant provisions of the proposed amendment Bill. Carbon markets allow the trade of carbon credits with the overall objective of bringing down emissions. These markets create incentives to reduce emissions or improve energy efficiency. For example, an industrial unit which outperforms the emission standards stands to gain credits. Another unit which is struggling to attain the prescribed standards can buy these credits and show compliance to these standards. The unit that did better on the standards earns money by selling credits, while the buying unit is able to fulfill its operating obligations.

Under the Kyoto Protocol, the predecessor to the Paris Agreement, carbon markets have worked at the international level as well. The Kyoto Protocol had prescribed emission reduction targets for a group of developed countries. Other countries did not have such targets, but if they did reduce their emissions, they could earn carbon credits. These carbon credits could then be sold off to those developed countries which had an obligation to reduce emissions but were unable to. This system functioned well for a few years. But the market collapsed because of the lack of demand for carbon credits. As the world negotiated a new climate treaty in place of the Kyoto Protocol, the developed countries no longer felt the need to adhere to their targets under the Kyoto Protocol. A similar carbon market is envisaged to work under the successor Paris Agreement, but its details are still being worked out.

Domestic or regional carbon markets are already functioning in several places, most notably in Europe, where an emission trading scheme (ETS) works on similar principles. Industrial units in Europe have prescribed emission standards to adhere to, and they buy and sell credits based on their performance. China, too, has a domestic carbon market.

A similar scheme for incentivising energy efficiency has been running in India for over a decade now. This BEE scheme, called PAT, (or perform, achieve and trade) allows units to earn efficiency certificates if they outperform the prescribed efficiency standards. The laggards can buy these certificates to continue operating.

However, the new carbon market that is proposed to be created through this amendment to the Energy Conservation Act, would be much wider in scope. Although the details of this carbon market are not yet known, it is likely to be on the lines of the European ETS, facilitating the buying and selling of carbon credits.

TREATING DIABETES WITHOUT INSULIN INJECTIONS: STUDY HOLDS OUT HOPE

A study by Australia's Monash University has identified a new way to restore insulin production in the pancreatic cells. The development is being seen as a major breakthrough that could one day

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lead to eliminating the need for daily insulin injections, and develop no therapies for diabetes treatment. The research, published in the Nature journal Signal Transduction and Targeted Therapy, was led by diabetes experts Professor Sam El-Osta, Dr Keith Al-Hasani and Indian-origin Dr Ishant Khurana, from the Monash Department of Diabetes.

Breakthrough

Insulin, a hormone produced by beta cells in the pancreas, helps regulate blood sugar levels in the body. In Type 1 diabetes, beta cells produce less or no insulin at all.

As part of their study, researchers at the Monash University used donated pancreatic stem cells of a deceased 13-year-old Type 1 diabetes patient, and were able to “reactivate” them to produce insulin. This was done using a drug — GSK-123 — which is approved by the US Food and Drug Administration, but is not licensed for diabetes treatment. In principle, this shows that insulin-producing cells (beta cells), which have been destroyed in Type 1 diabetes, can be replaced with new insulin-generating cells, the university said.

Way forward

The scientists admit that their approach requires further work before a therapy reaches patients. But they say that the research has the potential to help develop new ways to treat Type 1 and Type 2 diabetes, especially for insulin-dependent diabetes.

At present, the only way to treat insulin-dependent diabetes is through daily insulin injections or through pancreas/pancreatic islet transplantation that relies on donors and therefore has a limited widespread use.

MONKEYPOX VACCINE

The story so far: With the World Health Organization (WHO) declaring monkeypox as a Public Health Emergency of International Concern (PHEIC) and cases rising globally to around 19,179 in 78 countries as of July 27, governments around the world are initiating steps towards developing or even sourcing a vaccine against monkeypox.

Are there vaccines for monkeypox?

The monkeypox virus belongs to a family of viruses called orthopoxviruses, which is different from that of the coronaviruses. According to the WHO, it is a viral zoonosis — a virus transmitted to humans from animals — with symptoms similar, but less severe to smallpox. It is also an enveloped double-stranded DNA virus, unlike the RNA virus, that makes it far more stable and less prone to rapid mutations. There are two distinct genetic clades of the monkeypox virus: the central African (Congo Basin) clade and the West African clade. The Congo Basin clade has historically caused more severe disease and was thought to be more transmissible.

There is yet no dedicated monkeypox vaccine, but vaccinations against smallpox was found to be 85% effective in preventing smallpox, a disease eradicated in 1980. In 2019, the United States Food and Drugs Administration (FDA), approved the JYNNEOS vaccine for the prevention of smallpox, monkeypox and other diseases caused by orthopoxviruses, including vaccinia virus, in adults 18 years of age and older and categorised as having a “high risk of infection.” These include contacts of those who have been confirmed to have contracted a monkeypox infection, sexual



partners (with contact within previous two weeks) of those confirmed with an infection and those whose immune systems are compromised.

How does JYNNEOS work?

JYNNEOS, developed by Danish biotechnology company, Bavarian Nordic, contains a live vaccinia virus that does not replicate efficiently in human cells. The vaccinia virus is the smallpox virus but made incapable of replicating within the body. It is administered as two injections 28 days apart. The immune response takes 14 days after the second dose.

The evidence for JYNNEOS' effectiveness against monkeypox rests on 22 clinical trials that tested the vaccine's safety on 7,859 people, aged 18-80, who were administered at least one dose of the vaccine. Like in other vaccines, a percentage of individuals reported pain, fever, rashes, nausea and chills following the doses. The vaccine's effectiveness was inferred only indirectly by comparing the immunogenicity of JYNNEOS to a licensed smallpox vaccine (ACAM2000) based on a laboratory test called the Plaque Reduction Neutralisation Test (PRNT). This test evaluates what quantity of the vaccine was needed to kill the virus made to replicate in a petri-dish. Because of structural similarities to the smallpox virus, the effectiveness of the JYNNEOS is estimated based on comparison to another licensed, smallpox vaccine called ACAM2000. There is no data yet on JYNNEOS' effectiveness. This is because smallpox has been eradicated and the monkeypox outbreak has risen too rapidly for a traditional phase 3 trial to have evaluated the vaccine's effectiveness. However, there is evidence that the precursor for ACAM2000 was effective in eradicating smallpox.

The US-based Centers for Disease Control and Prevention said public health officials are concerned about the lack of effectiveness data for JYNNEOS. "We do not know if JYNNEOS will fully protect against monkeypox virus infection," the CDC said.

Is the vaccine easily available?

As of July 29, doses were available in Brazil, Canada (Toronto, Montreal,) Cyprus, the Democratic Republic of Congo, Denmark, Europe, France, Germany (Berlin), Israel, Mexico, Nigeria, Portugal (Lisbon), Scotland, Spain (Madrid) and the U.K. (London) with the company claiming to have delivered around 3,00,000 doses.

What about India?

Health Ministry officials said discussions were in progress with international and local companies for a vaccine. The Indian Council of Medical Research and the National Institute of Virology Pune have isolated the virus strain from samples of people confirmed with the infection in India; there have been four confirmed cases of monkeypox in India so far. Officials said the genomic sequence of the Indian strain has a 99.85% match with the West African strain circulating globally. The ICMR has invited tenders from local companies to develop a vaccine. The Serum Institute of India said it was in talks with international partners regarding a potential vaccine but that it would take time. However, despite its infectiousness, monkeypox is largely a contained disease that doesn't attack vital organs and is as yet, not airborne. For COVID-19, Indian companies made billions of vaccine doses — most of which were locally consumed — but were also shipped internationally. Some experts have expressed reservations on whether approaching it as a COVID vaccine is the right way forward.

TWO MONKEYPOX CASES IN INDIA NOT LINKED TO EUROPE

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Telegram: http://t.me/DreamIAS_Jamshedpur



Genome sequences of the first two imported cases of monkeypox detected in Kerala clearly show that they belong to a small cluster — A2 — that was very different from the one that was first detected in the U.K. on May 6 this year and has since spread to more than 75 countries. The genomes from the major outbreak of monkeypox cases in Europe and the rest of the world belong to the B1 lineage.

The genomes of the virus collected from the first two cases in Kerala were sequenced by ICMR's nodal lab, National Institute of Virology, Pune and deposited without delay in the global database GISAID.

Two distinct outbreaks

In the first week of June, the CDC found that three of the 10 genomes sequenced from viruses collected in the U.S. were different from the viruses sequenced in Europe. The genetic sequences of monkeypox cases strongly suggested that there were two distinct monkeypox outbreaks outside the endemic countries in Africa. The two distinct clusters indicated that human-to-human transmission outside Africa was taking place for a longer time than what was assumed initially. The small cluster predominantly seen in the U.S., Thailand and now in India is the A2 cluster.

All the three imported cases detected in Kerala were in men who had arrived from the Middle East. Writing in STAT, Helen Branswell noted that the three genomes from the viruses collected in the U.S. that belonged to the A2 cluster were in people who had got infected from different parts of the globe — one in Nigeria, one elsewhere in West Africa, and the third in either the Middle East or East Africa.

Based on the wide geographical spread of the virus belonging to the A2 cluster, Inger Damon, director of CDC's division of high-consequence pathogens and pathology told STAT that the virus has been silently spreading outside the endemic countries for a longer time.

While all the three imported cases detected in Kerala were in people who had arrived from the Middle East, some of the cases detected elsewhere and falling in this cluster too are from people who have a travel history to Middle East or East Africa.

Superspreader events

The large outbreak that began in Europe in early May this year and since grown to over 21,000 cases globally has been spreading primarily through human-to-human transmission. The sustained transmission among humans has predominantly been among men who have sex with men (MSM) and had spread across Europe in a matter of few days due to two superspreader events. The small A2 cluster is starkly different from the large B1 cluster that represents the virus that began spreading in Europe.

According to Dr. Vinod Scaria, a senior scientist at the Delhi-based Institute of Genomics and Integrative Biology (CSIR-IGIB), the small A2 cluster containing very few genomes and dating back to July 2021 does not show signs of being spread by any superspreader event.

"The earliest sample in the cluster from the U.S. is indeed from 2021 suggesting the virus has been in circulation for quite some time, and earlier than the European events," Dr. Scaria tweeted.

"The A2 seems to have a quite distinct origin and is unrelated to the large outbreak in Europe," Dr. Scaria told The Hindu. "The A2 cluster has a long tail suggesting that it originated quite some time ago. The virus belonging to the A2 cluster was possibly spreading silently. But there are no



intermediate genomes [sequenced at regular and short intervals between July 2021 and early June 2022] available, though.”

Considering that the A2 cluster found in the U.S. and now in India is very small with only a handful of genomes, it is possible that the spread of the virus belonging to the A2 cluster was not present in the MSM network; the B1 lineage is predominantly found in the MSM networks. It is based on the premise that had A2 cluster also been found in the MSM networks, then the number of people infected with the virus of A2 cluster and the geographical spread would have been comparable with the B1 lineage.

Dr. Scaria, however, cautions about drawing such conclusions based on a few samples sequenced. “The A2 cluster could have been found in the MSM networks but wouldn’t have spread as widely as the B1 lineage due to the absence of any superspreader events,” he says. “It is too early to draw any conclusions as we don’t have sufficient information from genome sequences.”

The U.S. leading in cases

As of July 28, 4,907 monkeypox cases have been detected in the U.S., by far the highest number for any country. And 37 countries in Europe have altogether reported 13,043 cases of monkeypox as of July 26.

Based on the results of a case series in the U.K. published in The BMJ on July 28, nearly 99% of cases are restricted to the MSM networks with sexual contact with an infected person being the prime driver of virus spread. And a significant proportion of cases are people with HIV.

“Although the outbreak is concentrated in MSM at this time, as case numbers increase, we will see cases in other demographic groups. There have been cases in children and women albeit few comparatively so far. This is why it is so important to act quickly to contain this,” Dr. Boghuma Titanji from the Emory University School of Medicine, Atlanta, tweeted. That said, there has so far not been any case of onward transmission among people outside the MSM networks.

Arguing that monkeypox virus is not highly transmissible compared with SARS-CoV-2 virus and the fact that it requires close, intimate contact to spread from one person to person, Dr. Francois Balloux from the UCL Genetics Institute tweeted that the virus can only maintain itself in demographics where people have many sexual partners, such as MSM networks.

“Monkeypox virus is not a pathogen that has the potential to become an STD in the heterosexual population. The reason is that those infected can pass it on effectively to others for no longer than about four weeks, and afterwards clear it, and become essentially immune for life,” he tweeted.

However, Dr. Titanji disagrees. “I do not agree that transmission facilitated through sex cannot happen in the heterosexual population. It certainly can and is probably happening though in may not be as sustained as in more dense sexual networks which have higher numbers of contacts,” she tweeted.

Increasing risk

While scientists debate whether the virus can spread in the heterosexual population and to what extent, it is abundantly clear that longer the virus continues to circulate and infect a greater number of people, the virus will gain the ability to become more transmissible and evolve to spread more easily through multiple routes.



DO WE HAVE FRESH EVIDENCE ON COVID-19 ORIGINS?

The story so far: A paper in Science Magazine, published on July 26, contained a post-facto analysis that the emergence of SARS-CoV-2 occurred via the live wildlife trade in China and established the Huanan market in Wuhan as the epicentre of the pandemic. While this is unlikely to seal forever the controversial debate over two years, including counter theories of a lab leak that led to the virus causing havoc in the world, it brings the issue to the first-of-its-kind empirical evidence-based averment and declaration on the origin of the SARS-CoV-2 virus. It is important to produce and examine the evidence on this account, as understanding how the virus emerged is perceived as essential to preventing further outbreaks of zoonotic diseases.

What does the Science paper show?

During the early stages of the COVID-19 pandemic, the dominant hypothesis was that animals sold at the Huanan market were the likely source of the unexplained pneumonia cases. This led to the closure of the Huanan market on January 1, 2020.

The paper underlines the original theory that the “earliest known COVID-19 cases from December 2019, were geographically cantered on this market.” It shows that live SARS-CoV-2 susceptible mammals were sold at the market in late 2019. The analysis indicated a clear and present link between the market and the emergence and spread of the deadly virus. The authors record: Of the initial 41 people hospitalised with unknown pneumonia by January 2, 2020, 66% had direct exposure to the Huanan Wholesale Seafood Market. These first cases were confirmed to be infected with a novel coronavirus, subsequently named SARS-CoV-2, and were suffering from a disease later called COVID-19. These early reports were free from ascertainment bias as they were based on signs and symptoms before the Huanan market was identified as a shared risk factor.

A systematic review of all cases notified to China’s National Notifiable Disease Reporting System by hospitals in Wuhan showed that 55 of 168 of the earliest known COVID-19 cases were associated with this market. However, this alone could not indicate that the pandemic started there.

What methodology did the authors use?

The authors, comprising researchers from across the world, ‘obtained data from a range of sources to test the hypothesis that the COVID-19 pandemic began at the Huanan market.’ Michael Worobey et al say: “We were able to reliably extract the latitude and longitude coordinates of 155 cases from maps in the 2021 WHO mission report.”

While early COVID-19 cases occurred across Wuhan, the majority clustered in central Wuhan near the west bank of the Yangtze River, with a high density of cases near to, and surrounding, the Huanan market. In a kernel density estimate (KDE) using the 120 cases with no known linkage to the market, the market remains within the highest density 1% contour. Using a COVID-19 assistance app on Sina Weibo, the researchers discovered that unlike early COVID-19 cases, by January and February, many of the sick who sought help resided in highly populated areas of the city, and particularly in areas with a high density of older people.

The authors considered three categories of cases, and they were all significantly closer to the Huanan market than expected — all cases, cases linked directly to the Huanan market and cases with no evidence of a direct link to the Huanan market. They also performed a spatial relative risk analysis to compare December 2019 COVID-19 cases with January-February 2020 cases, reported



via Weibo. The Huanan market is located within a well-defined area with high case density. No other regions in Wuhan showed a comparable case density, they reported.

A report in a recent preprint, stated that only lineage B (of the two identified, A and B) sequences had been sampled at the Huanan market. Eleven lineage B cases from December 2019 resided closer than expected to the Huanan market. The authors went on to show that both identified lineage A cases had a geographical connection to the market, supporting the assumption that the virus was spreading outwards of the Huanan market.

They reported that multiple plausible intermediate wildlife hosts of SARS-CoV-2 progenitor viruses, including red foxes, hog badgers and common raccoon dogs, were sold live at the Huanan market up until at least November of 2019. The authors “reconstructed the floor plan of the market and integrated information from business registries of vendors at the market as well as an official report recording fines to three business owners for illegal sale of live mammals. From this, we identified an additional five stalls that were likely selling live or freshly butchered mammals or other unspecified meat products in the southwest corner of the western section of the market.” With further analyses, they discovered that the region of increased positive sample density in the southwest corner of the western section of the market remained consistent.

What were the limitations to the study?

Clearly, “events upstream of the market, as well as exact circumstances at the market, remain obscure, highlighting the need for further studies to understand and lower the risk of future pandemics.”

In a post-facto analysis, not having access to the precise latitude and longitude coordinates of all these cases, lacking direct evidence of an intermediate animal infected with a SARS-CoV progenitor virus, and the lack of a line list of early COVID-19 cases are acknowledged as drawbacks.

The authors have called for maximum effort to elucidate the upstream events that might have brought SARS-CoV-2 into the Huanan market, culminating in the COVID-19 pandemic. “To reduce the risk of future pandemics we must understand, and then limit, the routes and opportunities for virus spillover,” the authors concluded.

AFRICAN SWINE FEVER REPORTED IN KANNUR

Barely a week after about 500 pigs were culled in Kerala’s Wayanad district to prevent the spread of African swine fever detected there, new cases of the disease have been reported from there and Kannur.

The disease was confirmed on a private pig farm at Kanichar grama panchayat in Kannur on Sunday evening after samples of 15 pigs that died in the last 10 days tested positive at the High Security Animal Disease Laboratory in Bhopal. Two cases were confirmed on a pig farm at Poolakundu, near Nambiarkunnu in Wayanad, on the Kerala-Tamil Nadu border on Monday after the samples tested positive at the Bhopal lab. The farm is owned by Biju Muchilode at Nenmeni grama panchayat.