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GS 2 : Polity, Governance, International Relations

1. Enter the peace process

Heart of Asia-Istanbul Process (HoA-IP)

- It was founded in 2011 in Istanbul, Turkey.
- It provides a platform for sincere and results-oriented regional cooperation by placing Afghanistan at its centre.
- It was established to address the shared challenges and interests of Afghanistan and its neighbours and regional partners.
- The Heart of Asia is comprised of 15 participating countries, 17 supporting countries, and 12 supporting regional and international organizations.

Context

- At the Heart of Asia Ministerial Conference, Union Minister S Jaishankar said peaceful Afghanistan is the basis for peace and progress in the region.

Dealing with the Taliban

- In the 1990s and 2000s, India was vocal in its opposition to the Taliban regime.
- But its position seems to have evolved over the years. In 2018, when Russia hosted Afghan and Taliban talks, India had sent a diplomatic delegation to Moscow.
- In 2020, at the intra-Afghan peace talks in Doha, India reaffirmed the long-held Indian position that any peace process should be Afghan-led, Afghan-owned and Afghan-controlled.
- In the latest move at the Heart of Asia conference, India has been supportive of all efforts being made to “accelerate the dialogue” between the Afghan government and the Taliban.

Biden’s Afghanistan plan

The Biden plan includes two key proposals –

- A unity transition government

- This would enable the Kabul government and the Taliban to push discussions around developing the country's future constitution, government and the terms of a ceasefire.
- The agreement includes a political roadmap for the creation of a transitional peace government, which shall exist temporarily until a new constitution and permanent government are formed.
- A UN-led multilateral conference
 - This would include a meeting between foreign ministers of countries (including Russia, China, Pakistan, Iran, India and the US) to discuss a common approach towards supporting peace.
 - This is an important move that will ensure that all the regional countries (and the US) are on the same page towards charting their respective political, economic and developmental contributions towards Afghanistan.

India has supported the UN-led process, in an apparent climb-down from its earlier position, and now shown willingness to deal with the Taliban.

The evolution of India's position is in sync with the evolution of the reality in Afghanistan.

The Taliban is no longer an untouchable force and controls much of Afghanistan's rural territories.

- The U.S. has already signed a deal with the Taliban, wherein American troops are scheduled to pull back from Afghanistan.
- China had long ago reached out to the Taliban.
- Russia has hosted talks between the two sides.
- European powers have also shown interest in sponsoring talks.
- So, India has to be more flexible and adapt to the new strategic reality.

India's Strategy in Afghanistan

- Ever since the Government has controlled significant regions in Afghanistan and the country has witnessed a drop in the influence of the Taliban, India managed to increase its clout in the region by deepening the ties with the Afghan people and the government, with investments in multiple projects dealing with education, power generation, irrigation and other infrastructure development.
- Some of the initiatives include:
 - The first batch of vaccines Afghanistan got was from India.
 - India signed an agreement to build the Shahtoot dam near Kabul.

Inference

- Thus, its economic, strategic and security ties could be disrupted if the Taliban were to take over.
- The question that bothers India and other stakeholders in the region is how to help Afghanistan end the violence without total submission to the Taliban.

Way forward

- Afghanistan Government which is currently negotiating on weaker terms may get a stronger backing if India is actively engaged in talks.
- Therefore, India must use its regional influence as well as its deep ties with both the U.S. and Russia, strive for what Mr. Jaishankar called “double peace”, both inside Afghanistan and in the region.

2. Still no recognition of the third tier

Context

- The article critically analyses the recommendations of the Fifteenth Finance Commission with regard to local governments.

Primary task of the Union Finance Commission

- The Finance Commission is constituted by the President under Article 280 of the Constitution, mainly to give its recommendations on the distribution of tax revenues between the Union and the States and amongst the States themselves.
- After the passing of the 73rd and 74th Constitutional Amendments, the Finance Commission has allocated resources from the central divisive tax pool to local governments.

Recommendations of the Fifteenth Finance Commission

Higher vertical devolution

- The vertical devolution recommended to local governments is raised remarkably high. From a meagre share of 0.78% of the divisible pool with an absolute sum of ₹10,000 crore by the Eleventh Commission, the Fifteenth Finance Commission raised it to 4.23% with a reasonably estimated amount of ₹4,36,361 crore.
- Compared with the Fourteenth Finance Commission there is a 52% increase in the vertical share.

The 15th Finance Commission has recommended two types of grants – basic and tied

- Basic grants are untied and can be used by the local bodies for location-specific felt needs except for salary or other establishment expenditure.
- The tied grants can be used for the basic services of (a) sanitation and maintenance of open defecation free (ODF) status and (b) supply of drinking water, rainwater harvesting and water recycling.
 - Previously the finance commissions like the 11th FC have tied specific items of expenditure to local grants and now the Fifteenth Finance Commission has raised this share to 60% and linked them to drinking water, rainwater harvesting, sanitation and other national priorities in the spirit of cooperative federalism.
 - However, it reduced the performance-based grant to just ₹8,000 crore – and that too for building new cities, leaving out the Panchayati Raj Institutions (PRIs) altogether.

Performance-Based Grants (PBGs)

13th FC

- Performance-Based Grants (PBGs) link performance in pre-determined areas with access to and size of funding, applying clear and transparent allocation formulas.
- The performance-based grants which were introduced by the Thirteenth Finance Commission **earmarked 35% of local grants** specifying six conditions for panchayats and nine for urban local governments and covered a wide range of reforms: from the establishment of an independent ombudsman to notifying standards for service sectors such as drinking water and solid waste management.

14th FC

- The Fourteenth Finance Commission, however, cut the **performance grant share to 10% for gram panchayats** and 20% to municipalities with the conditionality that all local governments will have to show improvements in own source revenue.
- Municipalities are additionally required to publish service level benchmarks for basic services.

15th FC

- An important recommendation of the Fifteenth Finance Commission is the entry-level criterion to avail the union local grant (except health grant) by local governments which is performance-linked.

- For panchayats, the condition is online submission of annual accounts for the previous year and audited accounts for the year before.
- For urban local governments, two more conditions are specified: after 2021-22, fixation of the minimum floor for property tax rates by the relevant State followed by consistent improvement in the collection of property taxes in tandem with the State's own Gross State Domestic Product.

Entry-level criteria a significant move

- The Eleventh to the Fourteenth finance commissions had recommended measures to standardize the accounting system and update the auditing of accounts, but there was limited progress.
- Therefore, the entry-level criteria of the Fifteenth Finance Commission are timely.

Will it bring substantial change in the system?

- The Eleventh Finance Commission published the fiscal data of all tiers of panchayats and municipalities in its report. But the data proved defective.
- The Twelfth Finance Commission did not publish any local fiscal data.
- The Thirteenth Finance Commission published data online and some researchers did use them.
- Unlike the previous commissions, the Fourteenth Finance Commission conducted a sample survey covering 15% gram panchayats, 30% block panchayats and all the district panchayats besides 30% municipalities, presumably to ensure quality in canvassing data. The results too were not published.

Concerns

- The Fifteenth Finance Commission nor the earlier finance commissions have examined how and where the financial reporting system has failed.
 - Without reliable data ensuring good governance would not be successful.
- The Fifteenth Finance Commission claims that it seeks to achieve the "desirable objective of evenly balancing the union and the states".
 - Recognition is not awarded to the third tier in this balancing act.
- Although the Fifteenth Finance Commission outlines nine guiding principles as the basis of its recommendation to local governments, there is no integrated approach (in contrast to the recommendations of the Thirteenth Finance Commission). It is forgotten that public finance is an integrated whole.

- The Fifteenth Finance Commission though stresses the need to implement the equalisation principle, it is virtually silent when it comes to the local governments.
- Efficiency Compromised: In the criteria used by the Fifteenth Finance Commission for determining the distribution of grants to States for local governments, it employed population (2011 Census) 90% and area 10% weightage, the same criteria followed by the Fourteenth Finance Commission.
 - While this ensures continuity, equity and efficiency criteria are sidelined.

Conclusion

- If decentralization is meant to empower local people, the primary task is to fiscally empower local governments to deliver territorial equity.

3. Plea in SC against uniform civil law on divorce and alimony

Context:

A petition has been filed in the Supreme Court against a uniform civil law for divorce, maintenance and alimony.

- The petition calls Uniform Civil Code (UCC) a blatant attempt to take away the fundamental right of Muslim women to practise their religion, in the guise of providing a uniform law across all faiths.

Uniform Civil Code Debate

Historical perspective - The debate for a uniform civil code dates back to the colonial period in India.

- **Pre-Independence (colonial era)**
 - The Lex Loci Report of October 1840- It stressed the importance and necessity of uniformity in the codification of Indian law, relating to crimes, evidence and contract. But, it also recommended that personal laws of Hindus and Muslims should be kept outside such codification.
 - The Queen's 1859 Proclamation- It promised absolute non-interference in religious matters.

So while criminal laws were codified and became common for the whole country, personal laws continue to be governed by separate codes for different communities.

- **Post-Colonial era (1947-1985)**
 - During the drafting of the constitution, prominent leaders like Jawaharlal Nehru and Dr B.R Ambedkar pushed for a uniform civil code. However, they included the UCC in the Directive Principles of State Policy (DPSP, Article 44) mainly due to opposition from religious fundamentalists and a lack of awareness among the masses during the time.

Some of the reforms of this period were:-

The Hindu code bill -The bill was drafted by Dr.B R Ambedkar to reform Hindu laws, which legalized divorce, opposed polygamy, gave rights of inheritance to daughters. Amidst intense opposition of the code, a diluted version was passed via four different laws.

Succession Act-The Hindu Succession Act, 1956, originally did not give daughters inheritance rights in ancestral property. They could only ask for a right to sustenance from a joint Hindu family. But this disparity was removed by an amendment to the Act on September 9, 2005

The Hindu Marriage Act

Minority and Guardianship Act

Adoptions and Maintenance Act

Special Marriage Act:

- It was enacted in 1954 which provided for civil marriages outside of any religious personal law.
- Judicial interventions:

Shah Bano case (1985):-

A 73-year-old woman called Shah Bano was divorced by her husband using triple talaq (saying "I divorce thee" three times) and was denied maintenance. She approached the courts and the District Court and the High Court ruled in her favour. This led to her husband appealing to the Supreme Court saying that he had fulfilled all his obligations under Islamic law.

The Supreme Court ruled in her favour in 1985 under the "maintenance of wives, children and parents" provision (Section 125) of the All India Criminal Code, which applied to all citizens irrespective of religion. Further, It recommended that a uniform civil code be set up.

Facts about the case:

- Under Muslim personal law, maintenance was to be paid only till the period of iddat. (three lunar months-roughly 90 days).
- Section 125 of CrPC (criminal procedure code) that applied to all citizens, provided for maintenance of the wife.

Impact - After this historic decision, nationwide discussions, meetings and agitations were held. The then government under pressure passed The Muslim Women's (Right to protection on divorce) Act (MWA) in 1986, which made Section 125 of the Criminal Procedure Code inapplicable to Muslim women.

Uniform Civil Code and Arguments For & Against

Arguments in favour of the Uniform Civil Code:

- It will Integrate India- India is a country with many religions, customs and practices. A uniform civil code will help in integrating India more than it has ever been since independence. It will help in bringing every Indian, despite his caste, religion or tribe, under one national civil code of conduct.
- Will Help in Reducing Vote Bank Politics- A UCC will also help in reducing vote bank politics that most political parties indulge in during every election.
- Personal Laws Are a Loophole- By allowing personal laws we have constituted an alternate judicial system that still operates on thousands of years old values. A uniform civil code would change that.
- Sign of a modern progressive nation- It is a sign that the nation has moved away from caste and religious politics. While our economic growth has been significant, our social growth has lagged behind. A UCC will help society move forward and take India towards its goal of becoming a truly developed nation.
- It will Give More Rights to Women- Religious personal laws are misogynistic in nature and by allowing old religious rules to continue to govern the family life we are condemning all Indian women to subjugation and mistreatment. A uniform civil code will also help in improving the condition of women in India.
- All Indians Should be Treated the Same- All the laws related to marriage, inheritance, family, land etc. should be equal for all Indians. UCC is the only way to ensure that all Indians are treated the same.
- It Promotes Real Secularism- A uniform civil code doesn't mean that it will limit the freedom of people to follow their religion, it just means that every person will be treated the same and all citizens of India have to follow the same laws regardless of any religion.

- Change has been the law of nature-A minority of people should not be allowed to pick and choose the laws they want to be administered under. These personal laws were formulated in a specific spatiotemporal context and should not stand still in a changed time and context.
- Many provisions of specific personal laws are in violation of human rights.
- Article 25 and Article 26 guarantee the freedom of religion and UCC is not opposed to secularism.
- The codification and unification of the variegated personal laws will produce a more coherent legal system. This will reduce the existing confusion and enable easier and more efficient administration of laws by the judiciary.

The Way Forward for UCC: Gradual Change

India has a unique blend of codified personal laws of Hindus, Muslims, Christians, Parsis. There exists no uniform family-related law in a single statute book for all Indians which is acceptable to all religious communities who co-exist in India. However, a majority of them believe that UCC is definitely desirable and would go a long way in strengthening and consolidating the Indian nationhood. The differences of opinion are on its timing and the manner in which it should be realized.

Instead of using it as an emotive issue to gain political advantage, political and intellectual leaders should try to evolve a consensus. The question is not of minority protection, or even of national unity, it is simply one of treating each human person with dignity, something which personal laws have so far failed to do.

GS 3 : Economy, Science and Technology, Environment

4. Food sector incentive gets Cabinet nod

Context:

The Union Cabinet has approved a production-linked incentive scheme for the food processing industry with an outlay of ₹10,900 crores.

Details:

- The scheme would cover ready-to-cook and ready-to-eat foods, processed fruits and vegetables, marine products and mozzarella cheese.
- Organic products, free-range eggs, poultry meat and egg products are also covered.
- The applicants selected for the scheme would be required to invest in plant and machinery in the first two years.
- The implementation of the scheme would facilitate the expansion of processing capacity to generate processed food output of ₹33,494 crores and create employment for nearly 2.5 lakh persons by the year 2026-27.

Objectives:

- To support the creation of global food manufacturing champions.
- To strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets.
- To increase employment opportunities of off-farm jobs.
- Ensuring remunerative prices of farm produce and higher income to farmers.

5. Govt. sharply cuts rates on small savings instruments

Context:

The government has sharply slashed the rates on all small savings instruments for the first quarter of 2021-22.

Small saving Instruments

- The small savings schemes basket comprises 12 instruments including the Savings Deposit, National Saving Certificate (NSC), Public Provident Fund (PPF), Kisan Vikas Patra (KVP) and Sukanya Samriddhi Scheme.
- The government resets the interest rate at the beginning of every quarter.
- Theoretically, since 2016, interest rate resetting has been done based on yields of government securities of the corresponding maturity with some spread on the scheme for senior citizens.
- However, in practice, the interest rate changes are made considering several other factors.

Details:

- Yields on benchmark government bonds have fallen over the last year as the Reserve Bank of India cut rates to support the economy.

- The fall in small savings rate comes in the backdrop of a similar reduction in overall deposit rates by commercial banks.
- Small savings have emerged as a key source of financing the government deficit, especially after the Covid-19 pandemic led to a ballooning of the government deficit, necessitating a higher need for borrowings.
- While the lowering of interest rates will help the government reduce costs, it will hurt investors, particularly senior citizens and the middle-class. With banks too reducing rates on fixed deposits, income avenues have shrunk for small investors.

6. Govt. retains 4% inflation target for RBI's rate panel for 2021-26

What's in News?

The Centre has decided to retain the inflation target of 4%, with a tolerance band of +/- 2 percentage points for the Monetary Policy Committee of the RBI for the coming five years.

- The inflation target has been kept at the same level as it was for the previous five years.
- The decision puts to rest speculation about the government considering a looser inflation target to enable a more growth-oriented focus in monetary policy.

7. What are Military Farms?

What are Military Farms?

- The farms were set up with the sole requirement of supplying hygienic cow milk to troops in garrisons across British India.
- The first military farm was raised on February 1, 1889, at Allahabad.
- Post-independence, the farms flourished with 30,000 heads of cattle in 130 farms all over India.
- They were even established in Leh and Kargil in the late 1990s.

Why are they shutdown?

- The major task was the management of large tracts of defence land, production and supply of baled hay to animal holding units.
- There have been several recommendations in the past to shut down the farms.
- In 2012, the Quarter Master General branch had recommended their closure.

- Again in December 2016 by Lt. Gen. DB Shekatkar (ret'd) committee was appointed to recommend measures to enhance combat capability and rebalance defence expenditure of the armed forces.

Their significance

- For more than a century, the farms with dedication and commitment supplied 3.5 crore litres of milk and 25,000 MT of hay yearly.
- It is credited with pioneering the technique of artificial insemination of cattle and the introduction of organised dairying in India, providing yeoman service during the 1971 war.
- It also supplied milk at the Western and Eastern war fronts as well as during the Kargil operations to the Northern Command.

Another initiative: Project Freiswal

- It utilizes Friesian-Sahiwal cross-breeds as a base for the evolution of a new milch strain - "Frieswal" - through interbreeding, selection and progeny testing of bulls.
- It was introduced on 3 November 1987 at the Military Farm School and Research Centre in Meerut.
- It had the objective of studying the genetic aspects of Holstein x Sahiwal crossbreeds and those of important indigenous cattle breeds for their improvement through selection.

THE INDIAN EXPRESS

GS 2 : Polity, Governance, International Relations

1. Article 244 (A) of the Constitution

A national party leader has promised to implement Article 244 (A) of the Constitution to safeguard the interests of the people in Assam's tribal-majority districts.

What is Article 244(A)?

- Article 244(A) allows for the creation of an 'autonomous state' within Assam in certain tribal areas.
- Inserted into the Constitution in 1969 by the then government, it also has a provision for a Legislature and a Council of Ministers.

How is it different from the Sixth Schedule of the Constitution?

- The Sixth Schedule of the Constitution – Articles 244(2) and 275(1) – is a special provision that allows for greater political autonomy and decentralized governance.
- It is applicable to certain tribal areas of the Northeast through autonomous councils that are administered by elected representatives.
- Article 244(A) accounts for more autonomous powers to tribal areas.
- In Autonomous Councils under the Sixth Schedule, they do not have jurisdiction of law and order.

How did the demand arise?

- In the 1950s, a demand for a separate hill state arose around certain sections of the tribal population of undivided Assam.
- In 1960, various political parties of the hill areas merged to form the All Party Hill Leaders Conference, demanding a separate state.
- After prolonged agitations, Meghalaya gained statehood in 1972.
- The leaders of the Karbi Anglong and North Cachar Hills were also part of this movement. They were given the option to stay in Assam or join Meghalaya.
- They stayed back as the then government promised more powers, including Article 244 (A). Since then, there has been a demand for its implementation.
- In the 1980s, this demand took the form of a movement with a number of Karbi groups resorting to violence. It soon became an armed separatist insurgency demanding full statehood.

2. US foreign policy has changed, India can't bank on being its 'ally' anymore

Changes in the U.S. foreign policy

- US foreign policy is no longer based on old **friend-or-foe classification** under which transgressions by a “friend” or an “ally” were overlooked if the country was helpful to US self-interests.
- Instead, the US foreign policy paradigm has shifted to one where a country’s position on an issue – trade, climate change, security, or human rights – is the **categorising principle** and not the country.
- Put differently, **engagement with countries** will be done on issues **with little or no trade-off among them**.
- **Competition, cooperation, and confrontation** can all characterise the US’s bilateral engagement depending on the specific issue.
- For example, trade will involve competition while **climate change and pandemics will necessitate cooperation**.
- **Human rights and national security** issues could be confrontational.

Smart sanctions

- A key instrument of foreign policy will be the now well-honed system of “smart” sanctions.
- Sanctions in the past were directed at a country as a whole but such sanctions were counterproductive and created anti-US sentiment.
- In its latest version, **smart sanctions do not target countries**, but specific individuals, firms, and institutions for a variety of alleged transgressions.
- US businesses and individuals cannot transact with sanctioned entities.
- The **Magnitsky Accountability Act of 2012**, for example, targeted those involved in the death of Russian lawyer Sergei Magnitsky and others responsible for human rights abuses in Russia.
- When this was found to be successful, an executive order, passed in 2017, extended the provisions in the Magnitsky Act, **to all who are corrupt or violate human rights in the world**.

What does this mean for India

- Unlike in the antiquated **rational-actor paradigm** where there are imagined trade-offs across issues, in the new framework the US engages with countries **on parallel lines**.
- The engagement is multifaceted across **trade, intellectual property rights, climate change, security, terrorism**, and, importantly, human rights, **with limited trade-off across them**.
- Whether cooperation, competition, or confrontation dominate the nature of the engagement will depend on the specifics not **whether India is a friend or a foe**.

Conclusion

This marks the shift in the U.S. foreign policy, if others, including India, do not adapt to this paradigm shift, then they will find engagement with the US starkly different and surprisingly difficult.

3. Pakistan allows import of cotton, sugar from India

Partially reversing a two-year-old decision to suspend all trade with India, Pakistan recently announced that it would allow the import of cotton and sugar from across the border.

India-Pakistan trade relations

- Trade between the subcontinental neighbours has always been linked to their political interactions, given their tumultuous relationship.
- For instance, India's exports to Pakistan dropped by around 16 per cent to \$1.82 billion in the 2016-17 financial years from \$2.17 billion in 2015-16.
- This coincided with the rise in tensions between the two countries following the terrorist attacks in Uri in 2016 and the surgical strikes by India against Pakistan-based militants.

How much is the volume of trade?

- Trade between the two countries grew marginally in subsequent years despite continuing tensions.
- India's exports to Pakistan increased to nearly 6 per cent to \$1.92 billion in 2017-18, and by around 7 per cent to \$2.07 billion in 2018-19.
- Imports from Pakistan, though much lower than India's exports to the country, also increased by 7.5 per cent to \$488.56 million in 2017-18 from \$454.49 million in 2016-17.
- Growth of imports from Pakistan slowed to around \$494.87 million in 2018-19 – an increase of around 1 per cent – before political relations between the two countries took a turn for the worse in 2019.

Why did Pakistan ban trade with India?

- Pakistan's decision to suspend bilateral trade with India in August 2019 was primarily a fallout of India's decision to scrap Article 370.
- Pakistan called the move "illegal", and took this trade measure as a way of showing its dissatisfaction.
- However, an underlying reason for suspending trade between the two countries was also the 200 per cent tariff imposed by New Delhi on Pakistani imports.

- This was a move that India implemented earlier that year after revoking its status as a Most Favoured Nation following the suicide bomb attack on the CRPF in Pulwama.
- Pakistan's announcement, coupled with India's decision to revoke its MFN status and hike duties on its goods, was considered by some experts to be one of the most drastic measures ever taken in diplomatic tensions.

Why is Pakistan allowing cotton and sugar import now?

- Textiles from Pakistan are its value-added export.
- The proposal to lift the ban on cotton imports came in the backdrop of a shortfall in raw material for Pakistan's textile sector, which has reportedly been facing issues due to a low domestic yield of cotton in the country.
- On top of this, imports from other countries like the US and Brazil have reportedly been more expensive and takes longer to arrive in the country.

Why only these two commodities?

- Even when we had a very small positive list (of goods for trade with Pakistan), agricultural commodities were always there in the list.
- Cotton has been one of Pakistan's major imports from India. In 2018-19, Pakistan imported \$550.33 million worth of cotton from India.
- When coupled with \$457.75 million worth of organic chemicals, these products made up around half of its total imports from India.
- Where sugar is concerned, trade experts feel it is a result of a long-standing interdependence between India and Pakistan over such agricultural commodities and a potential shortage in domestic supply.
- If finally approved, cotton and sugar would be the second and third commodities allowed for export from India after Islamabad lifted the ban on medicine and related raw material imports during the Covid-19 pandemic.

4. Places in news: Whitsun Reef

China's aggressive expansion in the South China Sea has found a new ground, Whitsun Reef, where 220 Chinese vessels are currently anchored under the Philippines' Exclusive Economic Zones (EEZ).

Whitsun Reef

- Whitsun Reef is a reef at the northeast extreme limit of the Union Banks in the Spratly Islands of the West Philippine Sea.
- It is the largest reef of the Union Banks.

- The reef is V-shaped with an area of about 10 sq. km.
- Until at least the 1990s it was submerged most of the time and was visible above the water only during the low tide, at other times the reef could be detected due to the pattern of breaking waves.
- At the end of the 20th-century small sand dunes had developed on the reef making a territorial claim possible (an International Court of Justice judgment in 2012 stated that “low-tide elevations cannot be appropriated”).
- The development of the dunes could have occurred naturally, but the rumours had it that the island was being built up by Vietnam and China.

Territorial disputes

- As of 2016, the reef was unclaimed, the reports to the contrary (Chinese control) were based on confusion.
- However, due to the reef’s strategic importance, it was expected that the reef would be occupied “soon”.
- On 21 March 2021, about 220 Chinese fishing ships were moored at the reef ostensibly taking shelter due to the sea conditions.

Why is the Philippines concerned?

- The Philippines considers the reef to be a part of its exclusive economic zone and continental shelf and protested the Chinese presence.
- Currently, Philippine military aircraft and navy are monitoring the situation daily, and China has been warned that there will be an increased military presence to conduct ‘sovereignty patrols’.
- If China is successful with its moves, the Philippines may lose another fishing ground, similar to what happened in 2012 when China took control of Scarborough Shoal.

The larger dispute

- China and the Philippines, along with other Southeast Asian countries, have long been part of disputes over sovereign claims over the region’s islands, reefs and seabeds.
- A third of the world’s maritime trade travels through the South China Sea annually.
- The seabeds here are believed to be reserves of oil and natural gas while being home to fisheries essential for the food security of millions in South Asia.
- The majority of the disputes concern the lack of adherence to the international ‘Exclusive Economic Zones’ which stretch up to 200 nautical miles from the coast of any state.

- China, especially, has been notorious for disregarding the law on various occasions.

What does China have to say?

- On the present matter, the Chinese have reiterated that the vessels are mere fishing boats seeking shelter from unruly weather, though no bad weather has been reported in the area.
- It is also unlikely that fishermen would have the financial capital to remain stationary for weeks on end.
- Experts say through their present occupation, China might be looking to create a civilian base on the reef, an artificial island or even just control the airspace.
- It is widely assessed that Philippines's soft approach has further strengthened China's ambitions in the South China Sea.

GS 3 :Economy, Science and Technology,Environment

5. Trade Between India and Pakistan

Why in News

Pakistan will allow the import of cotton and sugar from India, partially reversing a two-year old decision to suspend all trade with India.

- The decision to cancel trade was taken by the Pakistan government in August, 2019, days after the Indian government **amended Article 370** and reorganised Jammu and Kashmir.

Key Points

- **Pakistan's Trade Ban:**
 - Pakistan's decision to suspend bilateral trade with India in August 2019 was a fallout of the constitutional changes in Jammu and Kashmir.
 - However, an **underlying reason for suspending trade was the 200% tariff imposed** by India on Pakistani imports earlier that year after India revoked Pakistan's **Most Favoured Nation (MFN) status** in the aftermath of the **Pulwama terrorist attack**.
 - Trade between the two countries suffered greatly.

- India's exports to Pakistan dropped nearly 60% to USD 816.62 million, and its imports fell 97% to USD 13.97 million in 2019-20.
- **India-Pakistan Trade Before Ban:**
 - Over the years, **India has had a trade surplus with Pakistan**, with much less imports than exports and trade has always been linked to politics.
 - India's exports to Pakistan fell around 16% to **USD 1.82 billion in 2016-17 as compared to 2015-16** after relations deteriorated in the aftermath of the **Uri terror attack** and the **Indian Army's surgical strikes** on militant launchpads in Pakistan-occupied Kashmir in 2016.
 - Despite continuing tensions, trade between the two countries grew marginally in subsequent years.
 - **Indian exports rose** nearly 6% to USD 1.92 billion in 2017-18, and then by around 7% in 2018-19.
 - **Imports from Pakistan**, though much less in volume, **also increased by 7.5%** to USD 488.56 million in **2017-18** as compared to **2016-17**.
- **Major Products Traded:**
 - Pakistan was among **India's top 50 trade partners in 2018-19**, but was pushed out of the list in 2019-20.
 - It had been anticipated that **a trade ban between the countries would affect Pakistan more**, since it relied heavily on India for key raw materials for its textiles and pharmaceuticals industries.
 - **Indian Export to Pakistan:**
 - In 2018-19, **cotton and organic chemicals** accounted for around **half of Indian export to Pakistan**.
 - Other major items included **plastic, tanning/dyeing extracts, and nuclear reactors, boilers, machinery, and mechanical appliances**.
 - **After the ban**, imports of many items fell drastically, while cotton imports stopped altogether.
 - The only increase has been in **pharmaceutical products**. Pakistan has so far imported **drug products and organic chemicals** to ensure sufficient supplies of medicines during the **Covid-19 pandemic**.
 - **Indian Import From Pakistan:**
 - India's major imports from Pakistan in 2018-19 were **mineral fuels and oils, edible fruits and nuts, salt, sulphur, stone and plastering materials, ores, slag and ash and raw hides and leather**.
- **Removal of Trade Ban by Pakistan:**

- **Shortage in Raw Material:** Pakistan decided to lift the ban on cotton imports as there is a shortage in raw material for **Pakistan's textile sector**, which has suffered due to **low domestic yields of cotton**.
- **Cheaper Imports from India:** Cotton and sugar imports from countries like the USA and Brazil are **costlier and take longer to arrive**.
- **High Domestic Demand and Prices:** The decision on sugar was dictated by high demand and high domestic prices.
 - The decision to import from India is a measure to stabilize the market prices.
- **Implications:**
 - The decision by Pakistan to allow trade in the selected items will **gradually lead to restoration of normalcy in India-Pakistan trade**.
 - This might be a **good time for India to explore a reduction in its 200% import duties** on products that its industries can benefit from.
 - The move by Pakistan has **raised hopes for further measures** besides the granting of sports related visas by India after a gap of three years, scheduling a much-delayed meeting of the **Indus Water Commissioners** in Delhi, peace at the **Line of Control (LoC)** after more than 5,000 ceasefire violations, as well as the exchange of salutary messages between Indian and Pakistan Prime Ministers.

6. Economic and Social Survey of Asia and the Pacific 2021: UNESCAP

Why in News

A report 'Economic and Social Survey of Asia and the Pacific 2021: Towards post-Covid-19 resilient economies' has recently been released by the **United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)**.

- According to the report, **India is estimated to record an economic growth of 7% in 2021-22, over a contraction of 7.7% witnessed in the previous fiscal** on account of the pandemic's impact on normal business activity.

Key Points

- **Other Observation Regarding India:**
 - **India's 2021 economic output, however, is expected to remain below the 2019 level** despite a robust reduction in new **Covid-19** cases and the start of **vaccine roll-out**.
 - India entered the pandemic with already subdued **GDP (Gross Domestic Product) growth and investment**.

- Moreover, one of the most stringent lockdowns in the world caused the severe economic disruptions that the country experienced in the year 2020.
 - A subsequent **change in lockdown policies** and **success in reducing infection rates** supported an impressive economic turnaround in the later months of 2020.
- **Challenges:** The report mentions two major challenges for India on its path to faster recovery.
 - **Maintaining low borrowing costs**, and
 - **Keeping non-performing loans in check.**
- **Observation Regarding Asia Pacific Countries:**
 - The **socio-economic impact** of the Covid-19 pandemic was amplified due to **lack of resilience and investments** in people and the planet.
 - **China's** swift and effective response to Covid-19 enabled it to become the **only major economy worldwide to achieve a positive annual economic growth rate in 2020.**
 - On an average, developing Asia-Pacific economies are expected to grow 5.9% in 2021 and 5% in 2022.
 - The prospect of a **K-shaped recovery**, characterized by uneven post-pandemic recovery across countries and **widened inequality gaps within countries**, is highlighted as a **primary policy challenge.**

K-Shaped Recovery

- A K-shaped recovery occurs when, following a recession, **different parts of the economy recover at different rates, times, or magnitudes.** This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.
- A K-shaped recovery leads to **changes in the structure of the economy** or the broader society as economic outcomes and relations are fundamentally changed before and after the recession.
- This **type of recovery** is called K-shaped because the path of different parts of the economy when charted together may diverge, resembling the two arms of the Roman letter "K."
- **Suggestions:**
 - For a more **robust and inclusive recovery**, the report calls for a more **synchronised Covid-19 vaccination programme** across countries. There is a need to **leverage regional cooperation.**
 - It recommends that **fiscal and monetary support** should be sustained, as premature tightening could increase long-term scars.

- Continuity in **policy support is a must and recovery policy packages** should focus on building resilience and investing in the **2030 Agenda for Sustainable Development**.
- To deal with various economic and non-economic shocks, a more **integrated risk management approach** to planning and policymaking is needed.

Economic and Social Survey of Asia and the Pacific

- Produced annually **since 1947**, the Economic and Social Survey of Asia and the Pacific is the **oldest United Nations report on the region's progress**.
- The **Survey monitors regional progress, provides cutting-edge analyses and guides policy discussion** on the current and emerging socio-economic issues and policy challenges to support inclusive and sustainable development in the region.
- Since 1957, the Survey has also contained a study or studies focusing on a significant aspect or challenge relevant to the economies of the Asia-Pacific region.
- The Survey of 2021 studies the impact of Covid-19 pandemic and provides insights for post-Covid-19 resilient economies.

United Nations Economic and Social Commission for Asia and the Pacific

- The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) is the **regional development arm of the United Nations for the Asia-Pacific region**.
- It has **53 Member States and 9 Associate Members** from Asia-Pacific Region including India.
- Established: **1947**
- Headquarters: **Bangkok, Thailand**
- **Objective:** To overcome some of the region's greatest challenges by providing results-oriented projects, technical assistance and capacity building to member States.

Prelims Practice Questions

1. Which of the following banks was established through the Fortaleza Declaration of 2014?

- a. Asian Development Bank
- b. New Development Bank
- c. Asian Infrastructure Investment Bank
- d. African Development Bank

Answer: b

Explanation:

- NDB was set up by the BRICS nations in 2014 at the 6th BRICS Summit at Fortaleza, Brazil through the Fortaleza Declaration of 2014.
- In the Fortaleza Declaration, the leaders stressed that the NDB will strengthen cooperation among BRICS and will supplement the efforts of multilateral and regional financial institutions for global development.
- It is a multilateral development bank headquartered in Shanghai, China.
- The bank is set up to foster greater financial and development cooperation among the five emerging markets.

2. Which of the following country has proposed to create world's first Energy Island?

- a. Iceland
- b. Ireland
- c. Norway
- d. Denmark

Answer : d

Energy Island

- An energy island is based on a platform that serves as a hub for electricity generation from surrounding offshore wind farms.
- The idea is to connect and distribute power between Denmark and neighbouring countries.

- Denmark has already entered into agreements with the Netherlands, Germany and Belgium to begin the joint analysis of connections in the energy island.
- One of these islands will be located in the North Sea and the second island, called the island of Bornholm, will be located in the Baltic Sea.
- It will be able to store and produce enough green energy to cover the electricity requirements of over 3 million households in the European Union (EU).
- Denmark wants to become the first country in the world to begin working on such energy islands with a total capacity of about 5 GW offshore winds.
- The construction of both islands is expected to be complete by 2030.

3. Consider the following statements with respect to Vajra Prahar:

1. It is a bilateral exercise between the special forces of India and the US.
2. Vajra Prahar started off in 2010 and has been held every year ever since.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer: a

Explanation:

- Vajra Prahar is a bilateral exercise between the special forces of India and the US.
- The joint military exercise Vajra Prahar between India and the US started off in 2010. Between 2012 and 2015, the exercise Vajra Prahar did not take place.
- Exercise Vajra Prahar takes place alternately between the two countries – India and the US.
- Its aim is to promote military relations between the two countries by enhancing interoperability and mutual exchange of tactics between Special Forces.

4. Consider the following statements:

1. Trojans are the asteroid found in the main asteroid belt between Mars and Jupiter.
2. The Near-Earth Asteroids (NEA) shares the orbit with Earth.

Which of the statements given above is/are correct?

- A 1 only
- B 2 only
- C Both 1 and 2
- D Neither 1 nor 2

Answer : D

Explanation

- Asteroids are divided into three classes:
 - **First Group:** Those found in the main asteroid belt between Mars and Jupiter, which is estimated to contain somewhere between 1.1-1.9 million asteroids.
 - **Second Group:** It is that of **trojans**, which are asteroids that **share an orbit with a larger planet**. NASA reports the presence of Jupiter, Neptune and Mars trojans. In 2011, they reported an Earth trojan as well. **Hence, statement 1 is not correct.**
 - **Third Group:** It is **Near-Earth Asteroids (NEA)**, which have orbits that **pass close by the Earth**.
 - Those that cross the Earth's orbit are called Earth-crossers.
 - More than 10,000 such asteroids are known, out of which over 1,400 are classified as **Potentially Hazardous Asteroids (PHAs)**.
 - **Hence, statement 2 is not correct.**

5. Who among the following were the members of the State Reorganization Commission of 1953?

1. Pandit Hridayanath Kunzru
2. Fazal Ali
3. K M Panikkar
4. Pattabhi Sitaramayya
5. Sardar Vallabhbhai Patel
6. S.K Dhar

Choose the correct option:

- a. 1, 4, 5 and 6 only
- b. 1, 2 and 3 only
- c. 3, 4 and 5 only
- d. 2, 3, 4 and 5 only

Answer: b

Explanation:

- The States Reorganisation Commission (SRC) was constituted by the Central Government of India on 22 December 1953 to recommend the reorganisation of state boundaries.
- In 1955, after nearly two years of study, the Commission recommended that India's state boundaries should be reorganised to form 14 states and 6 territories.
- States Reorganisation Commission consisted of Fazal Ali, K. M. Panikkar and H. N. Kunzru.
- Some of its recommendations were implemented in the States Reorganisation Act of 1956.

6. Consider the following statements about GOBAR-Dhan Scheme:

1. It is launched by the Ministry of New and Renewable Energy.
2. The is implemented as a part of Swachh Bharat Mission (Grameen and Urban).

Which of the statements given above is/are correct?

- A 1 only
- B 2 only
- C Both 1 and 2
- D Neither 1 nor 2

Answer : D

Explanation

GOBAR-DHAN Scheme

- The **ministry of Jal Shakti** has launched the **GOBAR** (Galvanizing Organic Bio-Agro Resources) - **DHAN** scheme. Hence, **statement 1 is not correct.**

- The scheme is being implemented as part of the **Swachh Bharat Mission (Gramin)**. Hence, **statement 2 is not correct**.
 - The Swachh Bharat Mission (Gramin) comprises two main components for creating clean villages – creating open defecation free (ODF) villages and managing solid and liquid waste in villages.
- Aim of the scheme is keeping villages clean, increasing the income of rural households, and generation of energy from cattle waste.
 - The scheme also aims at creating new rural livelihood opportunities and enhancing income for farmers and other rural people.

Mains Practice Questions

1Q. For decades, India has tried to appoint an anti-corruption ombudsman. Discuss the efforts made and challenges remaining in this regard.

Approach:

- Briefly state the legislation and other provisions that deal with appointment of anti-corruption ombudsman in India.
- Explain the steps that have been taken to ensure the appointment.
- Explain the challenges to the appointment.
- Suggest measures that can simplify and ensure the timely appointment of the ombudsman in the country.

2Q. Discuss the advantages and challenges/ concerns related to GM crops in India.

Approach:

- Discuss the current status of GM crop production in India.
- List the advantages.
- State the concerns and challenges associated with GM crop production.
- Suggest ways in which advantages and challenges can be balanced in the society.