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GS 2 : Polity, Governance, International Relations

1. Staging a comeback, re-energising India's Africa policy

Context:

- The article analyzes the **India-Africa bilateral relations** and carries out a critical review of India's Africa foreign policy implementation.

India-Africa relations:

- The relations between India and Africa have long **historical roots**. For many centuries, the peoples of the two parts of the world have interacted at the levels of economics, politics, and socio-cultural practices.
- After independence, India rapidly built up political ties with the newly independent countries and freedom movements in sub-Saharan Africa as well as with the countries in northern Africa. In the 1950s, 60s and 70s, India enjoyed strong political and brotherly bonds with many of the African nations.
 - India was one of the key organizers of the **Asian-African Conference, held in Bandung, Indonesia, in 1955.**
- India's ties with Africa have been stepped up in the last two decades both bilaterally and with the regional economic communities, initially with the Southern African Development Community (SADC) and Team-9 and continentally through the **African Union (AU)**.
- A structured engagement with Africa took shape in 2008 with the First **India Africa Forum Summit (IAFS-I)**. The Third India Africa Forum Summit (IAFS-III) of 2015 was a landmark event with delegations representing all African countries.
- The '**Delhi Declaration 2015-Partners in Progress: Towards a Dynamic and Transformative Development Agenda**' was adopted at the conclusion of IAFS-III and so was the **India-Africa Framework for Strategic Cooperation**.
- The current administration too has designed a forward-looking strategy to deepen relations with African countries and has backed it with the requisite political will in expanding the **multi-faceted engagement with African nations**.

Significance of Africa for India:

- Africa is considered a foreign policy priority by India for the following reasons.

Economic aspects:

- Africa today is definitely a 'happening continent'.
- **Africa is home to over half a dozen of the fastest-growing countries of this decade** which has led to some referring to **Africa as the future growth pole of the world**. Africa has witnessed rapid expansion in sectors like tourism, banking, telecommunications, manufacturing and agriculture.
- Most of Africa is experiencing moderate to healthy economic growth rates, which is fuelling the growth of its middle class and demand for more goods and services. **Africa's growing middle class**, already expected to be bigger than India's, continues to boost consumption, construction and private investment.
- Thus Africa will be a **high priority area for India in the economic and commercial sphere**.
- Indian exports to Africa of manufactured products like medicines, automobiles, two-wheelers, iron and steel products, plastics, machinery and engineering processes, etc. as well as refined petroleum products are quite substantial and growing. Africa provides an alternate destination to such manufactures from India whose exports to traditional destinations in Europe and North America are on the decline, and helps to **prop up the 'Make in India' campaign**.
- India is among Africa's largest trading partners. **India's exposure in terms of investments in Africa is also considerable**. Thus bilateral trade and investment compel India to pay attention to the African market.
 - The bilateral trade is valued at \$55.9 billion in 2020-21.
 - India's top five markets today are South Africa, Nigeria, Egypt, Kenya and Togo. The countries from which India imports the most are South Africa, Nigeria, Egypt, Angola and Guinea.
 - India's top three exports to Africa are mineral fuels and oils (processed petroleum products), pharmaceutical products and vehicles.
 - Mineral fuels and oils (essentially crude oil) and pearls, precious or semi-precious stones are the top two imports accounting for over 77% of our imports from Africa.

Geographical aspects:

- India and Africa share a millennial old connection given the geographic proximity of India and Africa. In that sense, **Africa is a neighbour and both share large coastal areas along the strategic Indian Ocean region**.

Substantial Diaspora population:

- A significant number of people of Indian origin have, over two centuries of outward migration, made large parts of southern and eastern Africa their home.
- Members of the Indian diaspora reside in around 46 countries of Africa. **Indians in Africa account for 12.37% of the total diaspora in India over time.**
- The large populations of Indians within Africa could be the cause of the political support Africa is seeing from India now.

Source of critical commodities:

- Africa supplies a vast basket of goods to India which is dominated by commodities, particularly **crude oil, gas, pulses and lentils, leather, gold** and other metals, all of which India lacks in sufficient quantities.
- **The diverse sources in Africa** provide some protection against the vulnerability of depending on just one or two regions for their supply.

Geopolitical aspects:

- African countries tend to take a unified stand on such multilateral issues after discussions and deliberations at the African Union consisting of 55 members. **Africa's support would be inevitable for India's policy agenda** of UN reforms and India's bid for a permanent UN Security Council seat.
 - India and Africa have often held common positions in global platforms and worked together to guard the interests of other developing countries.
- A robust relationship with Africa constitutes an important part of **India's South-South Cooperation platform.**

China factor:

- Trade between China and Africa has been increasing at an exponential pace and China is currently Africa's largest trading partner.
- The increasing economic heft of China has resulted in China enjoying critical political support among the political classes of Africa.
- China enjoys a significant military presence in the region.
 - In July 2017, China set up its first overseas **military base in Djibouti** as a logistics facility for peacekeeping missions on the continent.
- There have been increasing **international concerns over the significant political, economic, and military roles that China is playing in the African continent**, more so for India given the increasing Chinese presence on the coastline of the strategic Indian Ocean.

- Various security analysts have described the increasing presence of China as part of its “**String of Pearls**” **geopolitical and military strategy in the Indian Ocean**.
- Thus cultivating good relations with African nations is an inevitable need for India to counter the Chinese plans in the Indian Ocean region.

Significance of India for Africa:

Developmental aid:

- Through its **Technical and Economic Cooperation (ITEC) programme** India has been providing technical assistance through human resource development to other developing countries, with African countries being the greatest beneficiaries of it.
- India has been aiding development in Africa by contributing to African institutions through **training and capacity-enhancing assistance**.
 - India has invested substantial amounts to establish educational institutions and training programs in several African countries.
 - In 2006, India launched its flagship aid initiative in Africa by constructing the \$125 million **Pan-African e-Network**, the continent’s largest tele-education and telemedicine initiative. The network links 47 African countries with schools and hospitals in India through satellite and fibre-optic links.
- The values that steer India’s development cooperation – **demand-driven, conditionality free and based on the principle of partnership among equals** – are appreciated in Africa.

Aiding economic growth:

- India has been a major aid contributor to economic development in the African continent through **grants and concessional lines of credit**.

Medical aid:

- The availability of **Indian-manufactured drugs** has also been essential in the fight against the HIV and AIDS pandemic in Africa.
- Even as the COVID-19 era began in March 2020, New Delhi took new initiatives to assist Africa through prompt despatch of medicines and later vaccines.

Security aspects:

- In security matters, India has also assisted African countries to fight against terrorism through the **provision of arms and training of military personnel**.

- India also participates in **UN-led peacekeeping missions across Africa.**

Concerns:

- Following are some of the concerns with regard to India-Africa relations.

Bilateral economic relations:

- **India-Africa trade is on a decline.** According to the Confederation of Indian Industry, bilateral trade in 2020-21 has fallen by \$10.8 billion compared to 2019-20, and \$15.5 billion compared to the peak year of 2014-15.
- The composition of the India-Africa trade has not changed much over the two decades thus indicating the **failure to diversify the bilateral trade relations.**
- **India's investments in Africa too have witnessed a decline** from \$3.2 billion in 2019-20 to \$2.9 billion in 2020-21. Total investments from India into Africa over the last 25 years account for only about one-third of China's investment in Africa.

Global competition for Africa and India found lagging:

- Africa has experienced a sharpened international competition, known as '**the third scramble**', in the first two decades of the 21st century.
- A dozen nations from the Americas, Europe and Asia especially the United States, the European Union (EU), China, Japan and India have striven to assist Africa in resolving the continent's political and social challenges and, in turn, to benefit from Africa's markets, minerals, hydrocarbons and oceanic resources, and thereby to expand their geopolitical influence.
- Africans have been deeply affected by the COVID-19 pandemic and remain ill-equipped to tackle it.
- While China has successfully used the pandemic to expand its footprint by increasing the outflow of its vaccines, unfortunately, **India's 'vaccination diplomacy' has suffered** during the devastating second wave of the pandemic in India. India which has traditionally ensured the flow of aid to Africa has been found wanting as it has been caught up in coping with the novel coronavirus pandemic.

India's changed foreign policy priorities:

- **Geopolitical tensions in Asia** and the imperative to consolidate its position in the Indo-Pacific region have compelled India to concentrate on its ties with the United Kingdom, the EU, and the Quad powers, particularly the U.S. Consequently, the **attention being paid to Africa is on the wane.**

Way forward:

- For mutual benefit, Africa and India should **remain engaged at all levels – political and economic.**
- The future engagement must recognize and acknowledge the historical and current context of relations between India and Africa and the effect of cross-cutting multilateral issues between the two as envisaged in the Delhi Declaration.
- India should focus on according Africa an important place in its diplomacy and economic engagement.
 - The third India-Africa Forum Summit was held in 2015. The **pending fourth summit of the India-Africa Forum Summit should be held as soon as possible.**
 - **Fresh financial resources for grants and concessional loans** to Africa must be allocated.
 - India should seek to improve the economic relations with emphasis on developing and deepening **collaborations in health, space and digital technologies.**
- To overcome the China challenge in Africa, **increased cooperation between India and its international allies seems inevitable.**
 - Just like the recent **India-EU Summit where Africa has been identified as a region for a partnership-based approach,** similarly, India should propose a robust partnership plan for Africa in the Quad deliberations.

2. PM backs delimitation exercise, grassroots democracy in J&K

Context:

In the **first outreach meeting between the Union government and mainstream political leaders of Jammu and Kashmir,** the Prime Minister met 14 leaders of eight mainstream political parties in the Union Territory.

Details:

- At the meeting, the PM reiterated the **government's commitment to fostering grassroots democracy in Jammu and Kashmir.**
 - In the backdrop of the establishment of a **three-tier Panchayati Raj System** with the election and **constitution of Block and District Development Councils,** there were detailed deliberations on how to give further fillip to the democratic process in Jammu & Kashmir.
- Cooperation was sought in completing the **delimitation exercise for Assembly seats in the Union Territory.**
 - Elections will be held after the delimitation process, and an Assembly constituted once again.

- Delimitation will be conducted in the rest of the country in 2026.

Issues raised by the parties:

- Every party spoke about the **restoration of statehood in Jammu and Kashmir**.
- The contentious issue of **special status to Jammu and Kashmir, which was removed by the abrogation of Article 370, was also raised**.
 - Most of them did not demand its restoration since the **matter is in the Supreme Court**.
- Suggestions were made to include a special provision to **secure jobs and land for locals under Article 371**.

3. In contact with stakeholders on Afghanistan, says India

Context:

The government of India has said that it was **in contact with various stakeholders in and around Afghanistan**.

Background:

- The **National Security Adviser** addressed a meeting of his counterparts of the **Shanghai Cooperation Organisation (SCO) in Dushanbe**.
- The confirmation came in the backdrop of this meeting.

Details:

- India has confirmed that it has adopted a **broad-based approach to discuss the future of Afghanistan** and the region around with various parties involved.
- Analysts say the use of the word “stakeholders” gives it an air of ambiguity which could include the Taliban.
- There have been **questions about whether India has established contact with the Taliban**.
 - The Taliban belong to the dominant Pashtun group which accounts for about 50% of Afghanistan’s population.
 - The Sunni rebel **Taliban group has been fighting the internationally recognized Ashraf Ghani government**.
- India’s confirmation that it is in contact with various stakeholders in and around Afghanistan **could refer to India being in touch with the Taliban as well as Uzbek, Tajik and Hazara origin leaders within Afghanistan**.

- The move marks a significant shift from **India's long-standing position of not engaging with the Afghan Taliban.**
- It comes at a time when key world powers are veering round to the position that the **Taliban will play some part in any future dispensation in Kabul.**
- Also, earlier the external affairs minister had virtually participated in the inaugural ceremony for the **intra-Afghan talks in Doha.**
 - The intra-Afghan talks marked the **first time that Indian officials were present in the same venue as a Taliban delegation.**
- However, some analysts are also of the view that **given that Pakistan is the main backer of the Taliban** and that Islamabad has tried to ensure a Taliban takeover in Kabul to keep Indian influence to a minimum, it is unlikely that New Delhi would have had contacts with Taliban leaders.

Afghan Peace Process:

- The Afghanistan Peace Process is a **series of compromises and negotiations** bid to end the **ongoing war in Afghanistan** that first began in 2001.
- As a neighbour, **India is concerned about peace and security in Afghanistan and the region.**
- **India has made massive investments** in the war-ravaged country.
- **Rising terror attacks in Afghanistan** is a worry for India as well because such a phenomenon will have a **spillover impact across Afghan boundaries.**

4. Russia, U.K. spar over Black Sea incident

What's in News?

Russia has accused Britain of spreading lies over a warship confrontation in the Black Sea.

Details:

- Russia has warned London that it would respond resolutely to any further provocative actions by the British Navy off the coast of Russia-annexed Crimea.
- Russia believes that a Britain warship breached its territorial waters (which Britain and most of the world say belong to Ukraine).
- Britain in its defence said that it **does not recognise the Russian annexation of Crimea.**
- Also, under **international law of the sea, innocent passage permits a vessel to pass through another state's territorial waters so long as this does not affect its security.**

Note:

- Russia uses the **Black Sea to project its power in the Mediterranean.**
- The Black Sea has for centuries been a **flashpoint between Russia and its competitors** such as **Turkey, France, U.S. and the U.K.**
- **Russia seized and annexed the Crimea peninsula from Ukraine in 2014** and considers areas around its coast to be Russian waters.
- **Western countries deem Crimea to be part of Ukraine** and reject Russia's claim to the seas around it.

GS 3 : Economy, Science and Technology, Environment

5. The rural economy can jump-start a revival

Context:

- The second wave of the COVID-19 pandemic and its economic impact

Details:

- As against the official claims of an ongoing economic recovery, the **article argues that the economic recovery post the second wave of the pandemic would be difficult** based on the following arguments.

Flaws in official estimates:

- Though the GDP growth has been better than estimated in the previous fiscal year, this is attributable to the **methodological issue of underestimation of the economic distress in the unorganised sector observed in the official estimates** like Gross Domestic Product (GDP) growth from the National Statistical Office (NSO).
- The article also warns that given that the economy has already suffered last year, any economic recovery will largely be driven by the **base effect** rather than a real recovery.
 - The base effect refers to the effect that the choice of a basis of comparison or reference can have on the result of the comparison between data points.

Continued trend of economic slowdown:

- What makes economic recovery challenging is that the current decline follows **three years of a sharp decline in GDP** even before the novel coronavirus pandemic hit India. This could be **indicative of the structural issues** that could be plaguing the Indian economy.
- The pandemic has only worsened an already fragile economic situation. The sharp decline in GDP was partly a result of the trend of a slowdown in economic activity since 2016-17.

Impact on incomes:

- The economic impact of the pandemic has **resulted in lost jobs and incomes for the households** which have **depressed demand** in the economy which is so very important for economic recovery.

Insufficient response from the government:

- The less than **adequate response from the Government in terms of increased fiscal support** will undermine economic recovery.
- The article argues that the government interventions to help small and medium enterprises as well as the large unorganised sector which bore the brunt of the restrictions in economic activity are insufficient.

Impact on rural areas:

- As compared to the first wave of the pandemic, when the agriculture sector remained a key driver of the Indian economy, **in the second wave the rural areas have been severely impacted both in terms of health and livelihoods.**
- The loss of earning members to the pandemic and the expenditure of large sums on private healthcare could have pushed a **large proportion of the rural population into indebtedness from non-institutional sources.** Thus the rural areas are under considerable economic distress.

Inflation threat:

- **The rising inflation threatens to reduce the purchasing power** of the rural economy already struggling with declining incomes and job losses.
- The increased input costs of raw materials into agricultural activities could **adversely impact the profit margins in the sector** which will, in turn, have an impact on the incomes of the rural population.

Way forward:

- The rural economy including the **agricultural economy continues to remain crucial for any strategy of economic revival.**

- The government will have to focus on the following measures.
 - **Speed up vaccination** coverage in rural areas.
 - Provide **greater fiscal support** to rural areas in terms of **direct income support** to revive demand in the economy and also through **subsidies**.

6. NHAI seeks Odisha govt.'s nod for coastal highway

Context:

The National Highway Authority of India has sought the Odisha government's consent for an ambitious coastal highway project.

Details:

- The 348 Km long coastal highway project was first proposed six years ago under Bharatmala Pariyojana.
- It will connect **Odisha's Tangi with West Bengal's Digha**.
- **It is a greenfield project.**

Issue:

- The major hurdle has been **environmental concerns**.
- The road was initially planned through **ecologically sensitive Chilika, Balukhanda Konark Wildlife Sanctuary, Bhitarkanika Sanctuary Area and some of the important Olive Ridley turtle nesting sites**.
- After environmentalists raised an alarm, **Chilika was struck off from the plan**.
- Some portions of the highway project will require **approval under coastal regulation zone guidelines**.

7. NCB arrests key accused in Pak.-based drug ring

Context:

The Narcotics Control Bureau (NCB) arrested an alleged key member of a Pakistan-based drug trafficking syndicate.

Issue:

- The international community has long regarded **Pakistan as a transit point for narcotics trafficking**.

- **Pakistan is geographically vulnerable to drug trafficking as it shares a long porous border with Afghanistan.**
 - Afghanistan is the world's largest producer of illicit opium.
 - Also, Cannabis is produced in large quantities in the sub-region. Most of the cannabis trafficked in the region also originates from Afghanistan.
- The free flow of drugs has abetted terrorism in Pakistan as this generates quick money without paperwork.
- The **Line of Control (LoC)** which is around 700 kilometres in length witnesses **constant infiltration** by terrorists and Pakistan army regulars.
- India-Pakistan border in the **Kutch sector** which has **not been demarcated** also facilitates intrusion and infiltration.

Note:

- Due to its **proximity to the Golden Crescent and Golden Triangle**, India faces the menace of drug trafficking.
 - Golden Crescent and Golden Triangle are the major opium production regions in the world.
- Drugs arrive in India from Afghanistan, Iran, Pakistan, Thailand, Myanmar, Bhutan **through its shared borders with these countries.**

THE INDIAN EXPRESS

GS 2 : Polity, Governance, International Relations

1. 60 Years of Antarctic Treaty

The 1959 Antarctic Treaty (wef 1961) recently celebrated its 60th anniversary.

Antarctic Treaty

- The Antarctic Treaty and related agreements are collectively known as the Antarctic Treaty System (ATS).
- It regulates international relations with respect to Antarctica, Earth's only continent without a native human population.
- For the purposes of the treaty system, Antarctica is defined as all of the land and ice shelves south of 60°S latitude.
- The treaty entered into force in 1961 and currently has 54 parties.

- The treaty sets aside Antarctica as a scientific preserve, establishes freedom of scientific investigation, and bans military activity on the continent.
- The treaty was the first arms control agreement established during the Cold War.
- India is a signatory of this treaty since 1983.

Why is it significant?

- Negotiated during the middle of the Cold War by 12 countries with Antarctic interests, it remains the only example of a single treaty that governs a whole continent.
- It is also the foundation of a rules-based international order for a continent without a permanent population.

Key provisions

- The treaty is remarkably short and contains only 14 articles.
- Principal provisions include promoting the freedom of scientific research, the use of the continent only for peaceful purposes, and the prohibition of military activities, nuclear tests and the disposal of radioactive waste.

What the treaty says about territorial claims

- The most important provision of the treaty is Article IV, which effectively seeks to neutralise territorial sovereignty in Antarctica.
- For the Antarctic territorial claimants, this meant a limit was placed on making any new claim or enlargement of an existing claim.
- Likewise, no formal recognition was given to any of the seven territorial claims on the continent, by Argentina, Australia, Chile, France, New Zealand, Norway and the United Kingdom.
- Russia, the United States and China – signatories with significant Antarctic interests who have not formally made territorial claims – are also bound by the limitations of Article IV.
- And one sector of Antarctica is not subject to the claim of any country, which effectively makes it the last unclaimed land on earth.
- The treaty also put a freeze on any disputes between claimants over their territories on the continent.

How the treaty has expanded

- Though the compact has held for 60 years, there have been tensions from time to time.
- Argentina and the UK, for instance, have overlapping claims to territory on the continent.

- When combined with their ongoing dispute over the nearby Falkland (Malvinas) Islands, their Antarctic relationship remains frosty.
- Membership of the treaty has grown in the intervening years, with 54 signatories today.

Where to from here?

- While the Antarctic Treaty has been able to successfully respond to a range of challenges, circumstances are radically different in the 2020s compared to the 1950s.
- Antarctica is much more accessible, partly due to technology but also climate change.
- More countries now have substantive interests in the continent than the original 12.
- Some global resources are becoming scarce, especially oil.

2. Tax Inspectors Without Borders Programme

Why in News

Recently, the Tax Inspectors Without Borders (TIWB), a joint initiative of the **United Nations Development Programme (UNDP)** and the **Organisation for Economic Cooperation and Development (OECD)**, launched its programme in Bhutan.

- **India was chosen as the Partner Jurisdiction** and has provided the Tax Expert for this programme.

Key Points

- **About:**
 - This programme is expected to be of about 24 months' duration.
 - It **aims to aid Bhutan in strengthening its tax administration** by transferring technical **know-how and skills to its tax auditors**, and through sharing of best audit practices. The focus of the programme will be in the area of **International Taxation and Transfer Pricing**.
 - Transfer price, also known as transfer cost, is the price at which related parties transact with each other, such as during the trade of supplies or labor between departments. **Multinational companies** can manipulate transfer prices in order to shift profits to low tax regions.

- This programme is another **milestone in the continued cooperation** between India and Bhutan and India's continued and active support for **South-South cooperation.**
- **Tax Inspectors Without Borders:**
 - TIWB is a **capacity-building programme.**
 - It is a **joint OECD/UNDP initiative** launched in **July 2015** to strengthen developing countries' auditing capacity and multinationals' compliance worldwide.
 - It deploys qualified **experts in developing countries across** Africa, Asia, Eastern Europe, Latin America and the Caribbean to help build tax capacity in the areas of audit, criminal tax investigations and the effective use of automatically exchanged information.
 - TIWB assistance has led to increased domestic resource mobilisation in some of the least developed countries in the world.

3. Covid-19 Delta Plus Variant

Why in News

Recently, the **Union Ministry of Health and Family Welfare (MoHFW)**, has warned people against the new **Covid-19** strain 'Delta Plus' (DP).

- There is fear that this new variant **may spark the third wave of Covid-19.**

Key Points

- **About:**
 - **Delta plus (B.1.617.2.1/(AY.1)** is a new variant of the SARS-CoV-2 coronavirus formed **due to a mutation in the Delta strain** of the virus (B.1.617.2 variant). It is technically the **next generation of SARS-COV-2.**
 - This mutant of Delta was **first detected in Europe in March 2021.**
 - The **Delta variant** that was **first detected in India (in February 2021)** eventually **became a huge problem** for the whole world. However, the **Delta Plus variant**, at present, is **limited to smaller areas** in the country.
 - It is **resistant to monoclonal antibodies cocktail.** Since it's a new variant, its **severity is still unknown.**
 - People **reported symptoms like** headaches, sore throats, runny noses, and fever.

- The **World Health Organisation (WHO)** is tracking this variant as part of the Delta variant, it is doing so for other **Variants of Concern** with additional mutations.
- **Transmissibility:**
 - It has **acquired the spike protein mutation called K417N** which is also found in the Beta variant first identified in South Africa.
 - The spike protein is used by SARS-CoV-2, the virus which causes Covid-19, to enter the host cells.
 - Some scientists fear that the mutation combined with other existing features of the Delta variant could make it more transmissible.
- **Major Concerns:**
 - Multiple studies are ongoing in India and globally **to test the effectiveness of vaccines against the Delta plus** Covid-19 mutation.
 - India's **health ministry warned** that regions where it has been found **"may need to enhance their public health response by focusing on surveillance, enhanced testing, quick contact-tracing, and priority vaccination."**
 - There are worries **Delta Plus would inflict another wave of infections on India** after it emerged from the world's worst surge in cases only recently.
 - **Just over 4% of Indians are fully vaccinated** and about **18% have received** one dose so far.

Virus Variant

- Variants of a virus have one or more **mutations** that **differentiate it from the other variants that are in circulation**. While most mutations are deleterious for the virus, some make it easier for the virus to survive.
- The **SARS-CoV-2** (Corona) virus is evolving fast because of the scale at which it has infected people around the world. High levels of circulation mean it is easier for the virus to change as it is able to replicate faster.
- The original pandemic virus (founder variant) was Wu.Hu.1 (Wuhan virus). In a few months, variant **D614G** emerged and became globally dominant.
- **Indian SARS-CoV-2 Consortium on Genomics (INSACOG)** is a multi-laboratory, multi-agency, pan-India network **to monitor genomic variations in the SARS-CoV-2**.
- **Global Initiative on Sharing All Influenza Data (GISAID)** is a public platform started by the **World Health Organization (WHO)** in 2008 for countries to share **genome sequences**.
 - The GISAID Initiative **promotes the international sharing of all influenza virus sequences**, related clinical and epidemiological data associated with human viruses, and geographical as well as species-specific data associated with avian and other animal viruses.

GS 3 : Economy, Science and Technology, Environment

4. Bad bank lessons from China

Bad bank in China and issues

- In the aftermath of the **Asian financial crisis**, China set up dedicated bad banks for each of its big four state-owned commercial banks.
- These bad banks were meant to **acquire non-performing loans** (NPLs) from those banks and resolve them within 10 years.
- In 2009, their tenure was extended indefinitely.
- Chinese banks can currently **transfer NPLs** only to the national or local bad banks.
- One of China's biggest bad banks is the **China Huarong Asset Management Co. Ltd. (Huarong)**.
- The Chinese government is its **principal shareholder**.
- Recently this bad bank stoked **financial stability concerns** when it skirted a potential bond default.
- **An incentive to conceal:** Recent research at the National University of Singapore and others highlights that Chinese bad banks effectively **help conceal Non-Performing Loans**.
- The banks finance over 90 per cent of NPL transactions **through direct loans to bad banks** or indirect financing vehicles.
- The bad banks resell over 70 per cent of the NPLs at inflated prices to **third parties, who happen to be borrowers of the same banks**.
- The researchers conclude that in the presence of binding financial regulations and opaque market structures bad bank model could create **incentives to hide bad loans instead of resolving them**.
- **Broadening of tenure:** In case of Huarong, the main source of the problem appears to be the **gradual broadening of the original mandate** and tenure of Chinese bad banks.

Four lessons for India

- India is about to operationalise a new bad bank, the National Asset Reconstruction Company Ltd. (NARCL).
- The Chinese experience holds four important lessons for India.

1) Finite tenure of bad bank

- A centralised bad bank like NARCL should **ideally have a finite tenure**.
- Such an institution is typically a swift response to an abrupt economic shock (like Covid) when **orderly disposal of bad loans via securitisation or direct sales may not be possible**.
- The banks could transfer their crisis-induced NPLs to the bad bank and **focus on expanding lending activity**.
- The bad bank in turn can **restructure and protect asset value**.
- Over time, it could gradually dispose of the assets to private players.

2) Narrow mandate

- A bad bank must have a specific, narrow mandate with clearly defined goals.
- Transferring NPLs to a bad bank is not a solution in itself.
- There must be a clear resolution strategy.
- Otherwise, allowing a bad bank to exist in perpetuity risks a potential mission creep, which might in the long run threaten financial stability itself.

3) Diversify the sources of funds for ARC

- Indian banks **remain exposed to these bad loans** even after they are transferred to asset reconstruction companies (ARCs).
- The RBI Bulletin (2021) notes that sources of funds of ARCs have largely been **bank-centric**.
- The same banks also continue to hold **close to 70 per cent of the total security receipts (SRs)**.
- To address this problem, RBI has tightened **bank provisioning** while liberalising **foreign portfolio investment norms**.

4) Resolution of bad loans should be through market mechanism

- In a steady state, the resolution of bad loans should happen through a market mechanism and **not through a multitude of bad banks**.
- In India, **the Narasimham Committee (1998)** had envisaged a **single ARC as a bad bank**.
- Yet, the SARFAESI Act, 2002 ended up **creating multiple, privately owned ARCs**.
- As a result, **regulations have treated ARCs like bad banks**, although functionally they are closer to stressed asset funds registered as **Alternative Investment Fund Category II (AIFs)**.
- With the setting up of NARCL as a centralised bad bank, the regulatory arbitrage between ARCs and AIFs must end.

- While AIFs should be allowed to **purchase bad loans directly from banks** and enjoy enforcement rights under the SARFAESI Act.
- ARCs should be allowed to **purchase stressed assets from mutual funds, insurance companies, bond investors and ECB lenders.**
- ARC trusts should be allowed to **infuse fresh equity in distressed companies, within IBC or outside of it.**
- Lastly, the continued interest of the manager/ sponsor of ARCs should be at par with AIFs, that is, **at least 2.5 per cent in each scheme or Rs 5 crore, whichever is lower.**

Conclusion

The Chinese experience should nudge Indian policymakers to limit the mandate and tenure of NARCL, while facilitating market-based mechanisms for bad loan resolution in a steady state.

5. Proposal for Integrated Theatre Commands

The Chief of Defence Staff has held a meeting with the Vice Chiefs of the Army, the Navy and the Air Force, and others in the backdrop of concerns about the proposed model of the integrated theatre commands.

What are integrated theatre commands?

- In the simplest words, it is a unified command under which all the resources of the Army, the Navy and the Air Force are pooled, depending on the threat perception.
- The commands could be geographical – like looking at a border with a particular country – or thematic, like a command for all maritime threats.
- Several nations in the world have theatre commands, including the United States and China.

Is theatre commands a new idea?

- The idea of creating an integrated tri-Services command in India is not new – it had been recommended at various levels after the Kargil conflict.
- When Gen Rawat was appointed Chief of Defence Staff in January 2020 with a mandate to raise such commands within his three-year tenure, the idea was finally brought to the design table.
- After his appointment, Gen Rawat had commissioned studies within each of the armed forces to come up with ideas of what these commands could look like.
- These were headed by the Vice Chiefs of the forces.

- Last year, Gen Rawat had suggested that the first of these commands, the Air Defence Command, could come up by the end of 2020.
- However, the process has been delayed due to multiple factors, including the Covid-19 pandemic.
- Officials are now suggesting that some of the new commands could be rolled out by the end of this year.

What is the proposal under discussion?

- A model with four to five integrated tri-Services theatre commands is under discussion, with each command headed by a three-star officer.
- This officer, the theatre commander, will report to the Chiefs of Staff Committee (COSC), which, as the name suggests, includes the three Service Chiefs, and is headed by the CDS as its permanent chairman.
- This brings in a major change – the Service chiefs currently have all the operational control over their forces; operational powers will now move to the COSC.
- Each of these commands will have the needed assets from all the three forces. Operational control over all of those assets, regardless of the force, will lie with the commander of that theatre.

The proposed commands are:

- A **Maritime Theatre Command**, which will take care of all the maritime security needs of the country on both the eastern and the western seaboard, and will include air strike assets and amphibian forces of the Army.
- An **Air Defence Command**, which will be mandated with air defence across the country and beyond. The fighter jets will have reconnaissance and surveillance assets as well.
- Two or three **land-based commands** are proposed. If there are two commands, there will be one each for India's borders with China and Pakistan.
- But there is also a proposal to have another command looking at India's borders with Pakistan and China in Jammu and Kashmir, and Ladakh.
- There will be a **Logistics Command**, which will have the logistics of all the Services under one person; and there will be a **Training and Doctrine Command**, so that all Services work under a common doctrine and have some basic common training.

What will be the role of the Services, if not operational?

- As of now, the Services have to speak to each other in times of need and urgency to request their assets to conduct a particular operation.

- The proposal is to have a theatre commander who will have operational control of the assets under his command, thus enhancing jointness among the forces, and also reducing duplication of resources.
- However, this would leave the Service chiefs with no direct control over their assets operationally.
- This does not mean their roles will be made redundant. Now the Services will have the core tasks to Raise, Train and Sustain their respective forces.
- Also, as each chief will be a member of the COSC and an expert of his/her domain, his or her inputs will be necessary for all operational decisions.

Readiness of the services

- Sources within the Services and the Defence Ministry have mentioned that while the Army and the Navy are on board with the proposal, the Air Force has certain reservations.
- One, the Air Force does not want the Air Force chief to lose operational control of Air assets, according to the sources.
- Two, the Air Force is concerned that all of its assets might be divided within these integrated theatres.
- Sources in the Air Force said that all such concerns need to be addressed before such a significant transformation of the defence set-up takes place.

How many commands are there now; are any of them tri-Service commands?

As of now, the three forces have 17 commands between them.

- The Army has seven commands: Northern, Eastern, Southern, Western, Central, Southwestern and Army Training Command (ARTRAC).
- The Air Force has seven as well: Western, Eastern, Southern, Southwestern, Central, Training, and Maintenance commands.
- The Navy has three: Western, Eastern and Southern, of which Southern is largely about training.
- Even if these commands operate in the same region, they are not co-located, and their areas of operational responsibility are not necessarily the same.
- There are two existing tri-Service commands as well – the Andaman and Nicobar Command (ANC), which is headed by rotation by officers from the three Services.

6. GIMAC: India's first maritime arbitration centre

The Gujarat Maritime University signed a Memorandum of Understanding (MoU) with the International Financial Services Centres Authority in GIFT City to promote the Gujarat International Maritime Arbitration Centre (GIMAC).

What is GIMAC?

- The GIMAC will be part of a maritime cluster that the Gujarat Maritime Board (GMB) is setting up in GIFT City at Gandhinagar.
- The Maritime Board has rented about 10,000 square feet at GIFT House which is part of the Special Economic Zone (SEZ) area with clearance from the development commissioner.
- This will be the first centre of its kind in the country that will manage arbitration and mediation proceedings with disputes related to the maritime and shipping sector.
- The centre is expected to be ready by the end of August.

Why is such a centre needed?

- It is required because, for instance, the ship owners belong to a different country and the person leasing the ship is from another country.
- Any dispute arising between them can be resolved within this centre.
- There are over 35 arbitration centres in India. However, none of them exclusively deals with the maritime sector.
- The arbitration involving Indian players is now heard at the Singapore Arbitration Centre.
- The idea is to create a world-class arbitration centre focused on maritime and shipping disputes that can help resolve commercial and financial conflicts between entities having operations in India.
- Globally, London is the preferred centre for arbitration for the maritime and shipping sector.

What is the current status of the project?

- The process of recruiting staff for the arbitration centre is currently underway.
- A 10-member advisory board for GIMAC, consisting of international experts and professionals, has been created, which will help in the framing of rules for the arbitration centre and in empanelling arbitrators.

7. Renewable Power Generation Costs in 2020: IRENA

Why in News

Recently, the International Renewable Energy Agency (IRENA) released the 'Renewable Power Generation Costs in 2020' report.

Key Points

- **Replacing Coal with Renewables:**
 - **810 gigawatts (GW) capacity** of the world's existing coal-fired plants i.e. 38% of the total global energy capacity now **have higher operating costs than new utility-scale photovoltaics and onshore wind energy.**
 - The cost range for generation of fossil fuel-fired power in **G20 countries** is estimated to be between **USD 0.055 per kilowatt-hour (kWh)** and **USD 0.148/kWh.**
 - **Replacing this expensive coal power with renewables** will save operators **USD 32 billion a year** and **reduce annual carbon dioxide emissions** by **around three billion tonnes.**
 - Renewable capacities added in 2019 would have **saved** emerging and developing nations **USD 6 billion per annum** compared to the same capabilities from conventional sources.
- **Growth of Renewables in 2020:**
 - The year **2020 was a record year for renewables deployment** despite the **Covid-19- pandemic**, with **261 GW** installed. The addition was almost **50% higher than that made in 2019** and represented **82% of the global new power capacity.**
 - Around **162 GW** or **62% of total renewable power capacity** added last year had **lower costs than the cheapest new fossil fuel option.**
- **Supplies from Sources Added in 2020:**
 - **Geothermal > Photovoltaics (PV) > Wind power > Hydropower > Bioenergy > Concentrating solar power.**
- **Reasons for Growth:**
 - Between **2000 and 2020**, renewables capacity **grew more than three times, increasing by 754 GW to 2,799 GW.**
 - The growth was occasioned by **advancements in technologies, consistent fall in component costs, cost-competitive supply distribution channels, learning by using and commercial-scale availability.**
- **Reducing Cost of Renewables:**

- In about 10 years (2010-2020), the cost of power produced from commercial solar PVs fell by 85%, CSP 68%, onshore wind 68% and offshore wind 48%.
 - The outlook till 2022 sees global renewable power costs falling further.
- **Indian Initiatives for Renewable Energy:**
 - Hydrogen Energy Mission.
 - Jawaharlal Nehru National Solar Mission (JNNSM).
 - International Solar Alliance.
 - PM- KUSUM.
 - National Wind-Solar Hybrid Policy.
 - Rooftop Solar Scheme.

International Renewable Energy Agency

- **About:**
 - It is an **intergovernmental organisation**, it was officially **founded in Bonn, Germany, in January 2009**.
 - Currently it has 164 members, **India is the 77th Founding Member** of IRENA.
 - It has its **headquarters in Abu Dhabi, United Arab Emirates**.
- **Major Functions:**
 - It **supports countries in their transition to a sustainable energy future**, and serves as the **principal platform for international cooperation**, a centre of excellence, and a repository of policy, technology, resource and financial knowledge on renewable energy.
 - It **promotes the widespread adoption and sustainable use of all forms of renewable energy**, including bioenergy, geothermal, hydropower, ocean, solar and wind energy in the pursuit of sustainable development, energy access, energy security and low-carbon economic growth and prosperity.

Way Forward

- Renewables in all intent and purposes are **the most affordable energy sources**. **Countries should consider deploying these at scale to achieve the Paris Agreement targets and shield their economies from external shocks from fossil fuel markets**.
- **Right policy incentives and financial incentives** to de-risk the sector as well as **political support is the need of the hour** as most countries have already signaled their commitments towards deploying renewables.

Prelims Practice Questions

1. Electoral Trust can receive contributions from which of the following individuals/companies?

1. Indian citizens
2. Domestic companies which are registered in India
3. Foreign Entity
4. Firm or Hindu Undivided Family
5. Any other electoral trust

Options:

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

Answer: b

Explanation:

An Electoral Trust is a non-profit company established for orderly receipt of the voluntary contributions from any person (or company) for distributing the same to the respective political parties, registered under Section 29A of the Representation of People Act, 1951.

Electoral trust can receive voluntary contributions from:

- Citizens of India
- A company registered in India
- A firm or Hindu undivided family or an association of persons or a body of individuals, resident in India.

The electoral trust cannot accept contributions from:

- An individual who is not a citizen of India
- Any foreign entity whether incorporated or not
- From any other electoral trust

2. Which of the following organizations has published the *House Price Index (HPI)*?

- a. NITI Aayog
- b. Ministry of Housing and Urban Affairs
- c. Reserve Bank of India
- d. Ministry of Tribal Affairs

Answer : c

House Price Index (HPI)

- It is compiled quarterly by the Reserve Bank of India (RBI) for ten major cities.
- The indices are based on the official data of property price transactions collected from registration authorities of respective state governments.
- The HPI is a weighted average Laspeyres index based on the transaction price, where transactions are stratified into three categories i.e. small, medium and large houses and in different geographical wards/zones.

3. Which of the following authorities hold the office during the pleasure of the President?

1. Advocate General
2. Attorney General of India
3. Chief Election Commissioner
4. Civil Services of the centre
5. Governor

Options:

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

Answer: b

Explanation:

- The doctrine of pleasure has its origin in England.

- It means that the holder of an office under the pleasure of the president can be removed at any time, without notice, without assigning cause, and without there being a need for any cause.
- Governors of the states, Attorney General of India, Civil Services of the centre hold the office during the pleasure of the President.
- Chief Election Commissioner, though appointed by the president, does not hold the office under the pleasure of the President.
- Advocate General holds the office at the pleasure of the Governor.

4. Consider the following statements with respect to *Pygmy Hog*

1. It is an indicator species, which reflects the health of its primary habitat, the tall, wet grasslands of the region.
2. It is listed as Vulnerable under IUCN Red List

Which of the statement(s) given above is/are correct?

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

Answer : a

Pygmy Hog

- It is one of the very few mammals that build its own home, or nest, complete with a 'roof'.
- It was once found along a narrow strip of tall and wet grassland plains on the Himalayan foothills from Uttar Pradesh to Assam, through Nepal's terai areas and Bengal's duars.
- At present it is found mainly in a small population in Assam.
- It is listed as Endangered under IUCN Red List and CITES: Appendix I, Wildlife (Protection) Act, 1972: Schedule I

5. Consider following statements about the Thanjavur Maratha kingdom:

1. Venkoji was the founder of the dynasty.
2. The Thanjavur Maratha Rajas were more in favour of Tamil as it was the language of the land.

Which of the above statements is/are correct?

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: a

Explanation:

- The Thanjavur Maratha kingdom of the Bhonsle dynasty was a principality of Tamil Nadu between the 17th and 19th centuries.
- Venkoji was the founder of the Thanjavur Maratha kingdom.
- The language used in the kingdom was Sanskrit and Telugu. The Thanjavur Maratha Rajas were more in favour of these two languages.
- This period saw a decline of the Tamil language.

6. Ramgarh Vishdhari Wildlife Sanctuary is located in which of the following states?

- a. Maharashtra
- b. Gujarat
- c. Uttar Pradesh
- d. Rajasthan

Answer : d

Ramgarh Vishdhari Wildlife Sanctuary

- It is the fourth tiger reserve of Rajasthan after Ranthambore, Sariska and Mukundra tiger reserves.
- It is like a buffer for the Ranthambore National Park.
- It is home to wild predators like hyena, tigers, panthers, antelopes and wild boars.
- It comprises of hilly dry deciduous forests on Vindhyan formations.

Mains Practice Questions

Q1. Discuss the role that rural centric policies can play in reaping India's demographic dividend.

Approach

- Briefly explain the demographic dividend concept and state of India's demographic dividend with focus on rural areas.
- Highlight how rural India's demographic dividend can be reaped by specifically focusing on certain areas with help of government programmes.
- Also highlight challenges that these areas face.
- Highlight other measures that will remove barriers in development of such areas

Q2. Globalisation refers to the growing interdependence between different peoples, regions and countries in the world. Explain. (250 words)

Approach:

- Briefly highlight what globalisation is and its nature in different times.
- Highlight how interdependence among people, nations has led to globalisation.
- Highlight how globalisation has led to interdependence among people, nations.

