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# CURRENT AFFAIRS

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## THE HINDU

### GS 2 : Polity, Governance, International Relations

#### 1. Trade talks of India and UK begins from November 1

##### Context:

- The Union government has announced that **formal negotiations for a proposed India-United Kingdom Free Trade Agreement (FTA)** will begin on November 1.

##### Early harvest agreement:

- The first step in the India-United Kingdom Free Trade Agreement (FTA) would be an **interim “early harvest” agreement** to ensure early progress in trade talks. This agreement is to be completed by March 2022.
- It would involve the constitution of trade working groups to help both sides better understand each other’s position on issues like tariffs, standards, IP and data regulation. The interim trade pact would **involve early tariff or market access concessions on certain high priority products and services**.

##### Issues to be addressed:

- India seeks **better access for its service trade to the U.K.** given its strength in the services sector. India has also pitched for **curbing non-tariff barriers to goods trade** by aligning standards and simplifying burdensome customs procedures and steps such as IP protection and alignment of data protection rules to ease the trade of goods.
- The U.K. is seeking lower tariffs on alcoholic spirits, automobiles and medical devices**, among other items.

##### Conclusion:

- India and the UK enjoy high complementarities in trade**, and an early trade deal serves the **geopolitical and economic interests** of the two countries.
- Given that the proposed trade agreement between India and U.K. would help **unlock business opportunities and generate jobs**, there is the need to strike a fine balance between the interest of the two countries through appropriate concessions in goods and services trade.

#### 2. Petrol, diesel may come under GST : GST Council

The GST Council might consider taxing petrol, diesel and other petroleum products under the single national GST regime.

## **GST Council**

- The GST Council is a constitutional body that aims to bring together states and the Centre on a common platform for the nationwide rollout of the indirect tax reform.
- It is an apex member committee to modify, reconcile or to procure any law or regulation based on the context of goods and services tax in India.
- It dictates tax rate, tax exemption, the due date of forms, tax laws, and tax deadlines, keeping in mind special rates and provisions for some states.
- The predominant responsibility of the GST Council is to ensure to have one uniform tax rate for goods and services across the nation.

### **How is the GST Council structured?**

- The GST is governed by the GST Council. Article 279 (1) of the amended Indian Constitution states that the GST Council has to be constituted by the President within 60 days of the commencement of Article 279A.
- According to the article, the GST Council will be a joint forum for the Centre and the States. It consists of the following members:
  1. The Union Finance Minister will be the Chairperson
  2. As a member, the Union Minister of State will be in charge of Revenue of Finance
  3. The Minister in charge of finance or taxation or any other Minister nominated by each State government, as members.

### **Terms of reference**

- Article 279A (4) specifies that the Council will make recommendations to the Union and the States on the important issues related to GST, such as the goods and services will be subject to or exempted from the Goods and Services Tax.
- They lay down GST laws, principles that govern the following:
  1. Place of Supply
  2. Threshold limits
  3. GST rates on goods and services
  4. Special rates for raising additional resources during a natural calamity or disaster
  5. Special GST rates for certain States

### **Why bring Petro/Diesel under GST?**

- GST is being thought to be a solution for the problem of near-record high petrol and diesel rates in the country, as it would end the cascading effect of tax on tax.
- The state VAT is being levied not just on the cost of production but also on the excise duty charged by the Centre on such output.

### Why were they left out of GST?

- When a national GST subsumed central taxes such as excise duty and state levies like VAT on July 1, 2017, five petroleum goods – petrol, diesel, ATF, natural gas and crude oil – were kept out of its purview.
- This is because both central and state government finances relied heavily on taxes on these products.
- Since GST is a consumption-based tax, bringing petroleum under the regime would have meant states where these products are sold get the revenue and not the producer ones.
- Simply put, Uttar Pradesh and Bihar with their huge population and a resultant high consumption would get more revenues at the cost of states like Gujarat.

### 3. Partners in the Indo-Pacific

#### In News:

- Recently, India's Defence Minister and External Affairs Minister held the inaugural '2+2' talks with their Australian counterparts.
- Both countries are taking several steps to implement their vision of a peaceful and prosperous Indo-Pacific region.

#### Deepening India-Australia partnership:

- Prime Ministers of both countries elevated the bilateral strategic partnership to a Comprehensive Strategic Partnership in June 2020 and the bond is deepening.
- Their personal connection is providing the political framework and impetus to this partnership.
- There is a growing convergence of views on geo-strategic and geo-economic issues backed by a robust people-to-people connection.
- Collaborations have been stepped up through institutions and organisations on many issues in bilateral, trilateral, plurilateral and multilateral formats.
- Further, the elevation of '2+2' Foreign and Defence Secretaries' Dialogue to the ministerial level emphasises the positive trajectory of deepening relations.
- Both countries have an interest in a free, open, inclusive and rule-based Indo-Pacific region.
  - It includes stability and freedom of navigation for all nations in the region.

Given their common security challenges and in order to enhance regional security architecture, both countries have intensified bilateral security cooperation.

They have also stepped up security dialogue with key partner countries to deepen coordination in areas where security interests are mutual.

- The Malabar naval exercise by the Quad (Australia, India, Japan, the U.S.) is a step in this direction.
- While exercise Malabar signals deeper engagement and cooperation between the Quad countries at the strategic level, at the tactical level, it also allows the navies to develop and enhance advanced warfare tactics.

### **Trade Relations:**

- Trading between India and Australia has seen remarkable growth in recent years.
  - Two-way trade was valued at \$24.4 billion in 2020.

The Indian economy is not only one of the largest economies in the world, but it is also going through a tectonic economic transformation. In this attempt, Australia is a valued partner as both countries draw their congruence from a rule-based international order, believe in inclusive economic integration in the Indo-Pacific region, and face challenges from China.

Trade is rapidly growing and encompasses agribusiness, infrastructure, healthcare, energy and mining, education, artificial intelligence, big data and fintech.

Both countries are working to build a long-term sustainable economic relation.

In a joint communique in August 2021, India's Commerce and Industry Minister and the Australian Trade Minister announced that an early harvest agreement shortly will pave the way for an early conclusion of a bilateral Comprehensive Economic Cooperation Agreement between both countries.

### **Way Forward:**

- Despite the growth in trade, both countries must resolve old issues that pose a barrier to deeper economic integration.
  - India has a high tariff for agriculture and dairy products which makes it difficult for Australian exporters to export these items to India.
  - At the same time, India faces non-tariff barriers and its skilled professionals in the Australian labour market face discrimination.

India-Australia relations have deepened in the last few decades owing to the alignment of strategic interests driven by a common value system. Both are vibrant democracies which have respect for international laws and a belief in the equality of all nations irrespective of their size and strength.

It is expected that the '2+2' dialogue will provide substance to this partnership.

Expected meetings between the two Prime Ministers will further deepen political understanding and open more avenues for collaborations.

Additionally, both countries are also entering into partnerships with like-minded countries, including Indonesia, Japan and France, in a trilateral framework.

As Quad has gained momentum in recent months, the time is ripe for these countries to deliberate on a 'Quad+' framework.

The geopolitical and geo-economic developments in international affairs make it imperative for India and Australia to develop a partnership guided by principles with a humane approach.

#### **4. Great Indian Internet shutdown**

##### **Issue:**

India's tag of the world's 'Internet shutdown capital' has come about from a lack of compliance with Supreme Court guidelines.

##### **Background:**

- In *Anuradha Bhasin vs Union of India* (Jan 2020), the Supreme Court of India held that access to information via the Internet is a fundamental right under the Indian Constitution.
- It also ruled that any restriction on Internet access by the Government must be temporary, limited in scope, lawful, necessary and proportionate.
- The Court reiterated that the Government's orders restricting Internet access are subject to review by Courts.
- Public emergency or a threat to public safety is the legislatively mandated prerequisites for restricting Internet access.

##### **Issue:**

- India remains infamous as the Internet shutdown capital of the world.
- While the expectation was that this decision would limit the instances of Internet suspension to exceptional situations only, these promises have remained unfulfilled.
- The year following the decision, India saw more instances of Internet shutdown than the year preceding it.
- India's Internet restrictions also accounted for more than 70% of the total loss to the global economy in 2020.

##### **Recent restrictions:**

- The Government of the Union Territory of Jammu and Kashmir (J&K) has restricted access to mobile data in the Valley of Kashmir. It has also faced complete internet services shut down.
  - Restrictions were issued in the wake of the death of hardline separatist leader Syed Ali Shah Geelani.

Similar restrictions have been ordered by the government of Haryana in five different districts following farmers' protests that were organised there.



While in these instances, the governments have published the orders restricting access, such publication remains an exception and not the rule.

In a few instances, the suspension orders have not been uploaded on the government's websites.

Compliance with the Anuradha Bhasin judgement remains low in other parts of India as well.

### **Concerns:**

- Publication of Internet suspension orders is important as those aggrieved with the restriction cannot approach a court of law to question an order's legality in the absence of the order.
- Non-publication of orders also undermines public confidence in the Government.
  - The Internet is a necessity in this day and age, and restrictions without publicly disclosed reasons create a trust deficit.

The Union Government has not done enough to give statutory recognition to the directions in Anuradha Bhasin.

- In 2020, it amended the Telecom Suspension Rules 2017 to limit Internet suspension orders to a maximum of 15 days.
- However, the amendment did not include an obligation on the Government to publish orders nor did it include the Supreme Court's direction to undertake periodic review of these orders.

As a result, the governmental non-compliance with the law is difficult to comprehend.

If Supreme Court decisions are not statutorily recognised, the officials enforce the law incorrectly simply because of a lack of awareness.

- The experience with Section 66A of the Information Technology Act is a case in point.
- The State of Meghalaya in reply to an RTI application stated that it was not even aware of the judgment in Anuradha Bhasin.

Internet suspension also remains a problem independent of non-compliance with the directions of the Supreme Court.

In 2020, the Indian economy suffered losses to the tune of \$2.8 billion due to 129 separate instances of Internet suspension, which affected 10.3 million individuals.

Internet restrictions are often justified on the ground that they are limited to mobile data services.

- But, according to a 2019 Telecom Regulatory Authority of India (TRAI) report on Indian Telecom Services Performance Indicators, mobile device users (dongle and phone) constituted 97.02% of total Internet users. Only 3% of users have access to broadband Internet.

- It follows from this that Internet restrictions adversely affect those from lower socio-economic backgrounds more.

#### Way Forward:

- The Internet is a source of information, entertainment, health care, education, livelihood and a platform for the members of Indian society to interact with each other and the world at large.
- The economic, psychological, social, and journalistic harm caused by such suspensions outweighs any speculative benefits.
- Internet suspensions must be imposed in times of emergency and not to stifle the democratic exercise of the right to protest.
- Furthermore, the internet must be seen as also a tool to verify rumours, and enables individuals and the Government to disseminate the truth.

Internet restrictions are much more common than desirable and cannot be challenged because of a lack of transparency. More faithful compliance with the Supreme Court guidelines on the part of the executive government is needed to rid India of the tag of the “internet shutdown capital” of the world and fulfil Digital India’s potential.

## GS 3 : Economy, Science and Technology, Environment

### 6. Positive climate

#### In News:

India and the United States have jointly launched the Climate Action and Finance Mobilization Dialogue (CAFMD) of the Agenda 2030 Partnership.

#### Climate Action and Finance Mobilization Dialogue (CAFMD):

- CAFMD will provide both countries with an opportunity to renew collaborations on climate change.
- It will strengthen India-US bilateral cooperation on climate and environment.
- It will help in addressing the financing aspects and deliver climate finance primarily as grants and concessional finance, as envisaged under Paris Agreement to strengthen climate action.
- Engagement with the U.S. would help India expand mitigation, adaptation action.

#### Focus on India for Prevention of Climate Change:



- India is the third highest emitter of greenhouse gases.
- This has sharpened focus on its course of future policy to mitigate carbon emissions under the Paris Agreement.
- While India has an indisputable claim to a big part of the remaining global carbon budget, along with other smaller nations with low historical emissions, there is less scope for this as the world is facing record temperatures and calamitous weather events.
- As Net Zero goals have been set by the U.S. and the European Union for mid-century, and 2060 by China, there is an increasing pressure on India to commit itself to a date when it can achieve net zero.

### **The US Support:**

- Declaring a net zero plan under the Paris pact is a worrisome prospect for India as it would impose expensive choices for India, particularly in energy production.
  - This concern has been addressed to an extent by the visiting U.S. Special Presidential Envoy for Climate who has promised finances and technology to make renewable energy the core of future development in India.

### **Note:**

- At the end of 2020, the Environment Ministry declared that India had achieved 21% of its 33%-35% target to cut emissions intensity of GDP by 2030, and was generating 37.9% of the 40% of power from renewables.

### **Way Forward:**

- Specific areas of cooperation to bring down emissions in fields such as the expansion of transport, buildings and industry and facilitating funding for 450 GW of renewable energy by 2030 can advance the India-U.S. Climate and Clean Energy Agenda 2030 Partnership.
- India needs to get all States to mitigate emissions and help them adapt to climate-linked extreme weather and atmospheric pollution caused by fossil fuels.
- India's immediate challenge lies in coming up with an adaptation framework to help those at highest risk due to climate change (cyclone-prone areas, coastal areas, heat stress have been causing higher mortality among the vulnerable elderly).
  - This requires planning, funding and political commitment.

Making low-cost insurance available for houses against climate-related losses is the need of the hour.

- It will raise resilience, and lead to audits, encouraging governments to reduce risks.

The Paris Agreement can easily fund much-needed urban retrofitting and boost employment.

There lies an opportunity to steer post-COVID-19 policies towards green development. For a low-emissions future, policies must put nature at the centre.

## 7. Places in news: Pilibhit Tiger Reserve

A herd of around 25 elephants from Nepal's Shuklaphanta National Park reached the tiger reserve in Uttar Pradesh almost a month back.

### Pilibhit Tiger Reserve

- Pilibhit Tiger Reserve is located in Pilibhit district of Uttar Pradesh and was notified as a tiger reserve in 2014.
- It is one of the few well-forested districts in Uttar Pradesh.
- It forms part of the Terai Arc Landscape in the upper Gangetic Plain along the India-Nepal border.
- The habitat is characterized by sal forests, tall grasslands and swamp maintained by periodic flooding from rivers.
- The Sharda Sagar Dam extending up to a length of 22 km is on the boundary of the reserve.
- The tiger reserve got the first international award TX2 for doubling the tiger population in a stipulated time.

## 8. What is Input Tax Credit?

The Supreme Court has confirmed a Madras High Court judgment which upheld a fiscal formula included in the Central Goods and Service Tax Rules to execute refund of unutilized Input Tax Credit (ITC) accumulated on account of input services.

### What is Input Tax Credit?

- Input credit means at the time of paying tax on output, you can reduce the tax you have already paid on inputs.
- Say, you are a manufacturer – tax payable on output (FINAL PRODUCT) is Rs 450 tax paid on input (PURCHASES) is Rs 300 You can claim INPUT CREDIT of Rs 300 and you only need to deposit Rs 150 in taxes. See here:

### The case in discussion

- The apex court Bench led, by Justice D.Y. Chandrachud, passed the judgment in the face of two contradicting judgments of Gujarat and Madras High Courts on the validity of Rule 89(5) of the Central GST Rules, 2017.
- Rule 89(5) provides a formula for the refund of ITC, in “a case of refund on account of inverted duty structure”.
- The Gujarat High Court had held that by prescribing a formula in sub-Rule (5) of Rule 89 to execute refund of unutilized ITC accumulated on account of input services.
- The Madras High Court, while delivering its judgment declined to follow the view of the Gujarat High Court.

### 9. Gross NPAs of banks will exceed Rs. 10 lakh crore in March 2022'

#### Context:

- Assocham and Crisil's joint report on gross NPAs in the Indian economy.

#### Details:

- The **gross non-performing assets (GNPAs) of commercial banks are expected to exceed Rs. 10 lakh crore by March 2022**. NPAs are expected to rise to 5-9% by March 2022.
- The high GNPAs are being **attributed mainly to fresh slippages in retail, micro, small and medium enterprise (MSME) accounts**, besides some restructured assets.
  - The current asset quality stress cycle will be different from that witnessed a few years back. NPAs then came primarily from bigger, chunkier accounts.
  - According to the study, this time, smaller accounts, especially the MSME and retail segments, are expected to be more vulnerable than large corporates, as the latter have consolidated and deleveraged their balance sheets considerably in the past year.

**Notably, however, the GNPAs of banks had declined from the peak seen in March 2018** and were lower as of March 2021 vis-à-vis March 2020 on account of supportive measures, including the six-month **debt moratorium, emergency credit line guarantee scheme (ECLGS) loans and restructuring measures**.

#### Concerns:

- There would be a **potential spike in NPAs** as the standstill on initiation of fresh insolvency cases for a year has ended in March 2021 and most of the pandemic-induced policies or measures are unlikely to be continued further.
- A large NPA would adversely **impact the financial viability of the Indian financial system** which could prove to be detrimental to India's economic prospects.

## THE INDIAN EXPRESS

### GS 2 : Polity, Governance, International Relations

#### 1. Foreigners' Tribunals

The Assam government has directed the Foreigners' Tribunals (FTs) to stick to giving "opinion" on a person's nationality, and refrain from passing any "consequential orders."

- The government says that, the FT members were passing "consequential orders/directions", while giving opinion. **"This may not be a correct approach."**
- Apart from NRC drop-outs, FTs have been adjudicating **cases of 'doubtful voters'** and other references **made by the Border Police in Assam.**

#### About Foreigners' Tribunals:

- Set up by the **Ministry of Home Affairs in 1964**, FTs are **quasi-judicial bodies** that adjudicate **citizenship in Assam.**
- As per the Foreigners (Tribunals) Order, 1964, FTs were constituted to give **an "opinion" on whether a person is a foreigner or not**, as per Foreigners Act, 1946.
  - Earlier, the powers to constitute tribunals were vested only with the Centre.
- The Act is unique to Assam, in other parts, once a 'foreigner' has been apprehended by the police for staying illegally, he or she is produced before a local court under the **Passport Act, 1920, or the Foreigners Act, 1946.**
- The FTs get **two kinds of cases:**

- Those against whom a “reference” has been made by border police, and
- Those whose names in the electoral rolls have a D (Doubtful) against them.
- **Section 9 of the Foreigners Act** says that “the onus of proving that such person is not a foreigner or is not a foreigner of such particular class or description, as the case may be, shall, notwithstanding anything contained in the Indian Evidence Act, 1872, lie upon such person”.
  - Thus, the **accused has to prove he or she is an Indian**.
- The amended Foreigners (Tribunal) Order, 2019 empowers **individuals to approach the Tribunals**.
- Earlier, only the **State administration could move the Tribunal against a suspect**, but with the final NRC, if a person doesn't find his or her name in the final list, they could move the Tribunal.

## 2. Slide in democratic values, India must work to fix it

### Context

India has performed poorly in every major global democracy report in the past few years.

### India's declining performance

- The Freedom House Index for 2021 pushed India down four points from last year, bringing its score from 71 to 67.
- V-Dem, the world-renowned think-tank from Sweden, has similarly downgraded India.
- It has labelled India an “electoral autocracy”.
- The **Economist Intelligence Unit (EIU)** study has shown India's ranking has taken a nosedive from 27 to 53 out of 167 countries.
- The Reporters without Borders' Press Freedom Report has placed India 167th out of 183 countries.
- Freedom House has also given India a score of 2 out of 4 in terms of press freedom.

### Factors pointed out by the rating agencies

- The country has seen **increased pressure** being put on human rights organisations and civil rights groups.
- Journalists and activists have been intimidated and incarcerated, and minorities have been specifically targeted.
- Hate and polarisation are rampant.
- The most worrying trend has been the **crackdown on freedom of speech**, with statistics showing a 165 per cent increase in sedition cases between 2016 and 2019.

### Issues with rejecting of global democratic indexes

- Indian government sought to challenge the rating of EIU after it released its 2021 report earlier this year.
- An offer made by the Indian government to supply 'accurate' data pertaining to the democratic index was firmly refused by the EIU.
- **Shooting the messenger:** This seeming retraction of Indian democratic values in global reports and the Indian indignation regarding it seems to be a clear case of shooting the messenger.
- **Harming democracy:** The Indian refusal to acknowledge and remedy them is irreparably harming its democracy.
- Trying to influence the rating agencies to doctor data to suit us is reprehensible.
- **Difficulty for policymakers:** Kaushik Basu, formerly the chief economist of the World Bank, commenting on this episode has said that the tendency of fabricating data to present an alternative image has beset the Indian administration.
- Not showcasing actual data is making it difficult for policymakers to attempt to remedy the situation.

### Way forward

- A committee of secretaries' meeting on January 30, 2020 discussed how India fared on various important parameters based on 32 internationally recognised indices in order to improve the performance on these indices.
- The desire to introspect and analyse what needs to be done to improve is correct and laudable.
- Let NITI Aayog and all concerned organisations focus on improving our performance in all the declining indicators.

### 3. Can the SCO be the regional body that stabilizes Afghanistan?

On the face of it, the summit meeting of the Shanghai Cooperation Organisation (SCO) this week in Dushanbe, Tajikistan, is well placed to lead the stabilization of Afghanistan after the American retreat.

#### SCO

- After the collapse of the Soviet Union in 1991, the then security and economic architecture in the Eurasian region dissolved and new structures had to come up.
- The original Shanghai Five were China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan.
- The SCO was formed in 2001, with Uzbekistan included. It expanded in 2017 to include India and Pakistan.



- Since its formation, the SCO has focused on regional non-traditional security, with counter-terrorism as a priority.
- The fight against the “three evils” of terrorism, separatism and extremism has become its mantra. Today, areas of cooperation include themes such as economics and culture.

### **India's and the SCO**

- India and Pakistan both were observer countries.
- While Central Asian countries and China were not in favor of expansion initially, the main supporter — of India's entry in particular — was Russia.
- A widely held view is that Russia's growing unease about an increasingly powerful China prompted it to push for its expansion.
- From 2009 onwards, Russia officially supported India's ambition to join the SCO. China then asked for its all-weather friend Pakistan's entry.

### **Afghanistan and SCO**

- Afghanistan has been engaged with the SCO for over 15 years.
- In 2012, Afghanistan became an observer in the SCO when then-Afghan president Hamid Karzai visited China.
- In 2015, Kabul applied for full membership in the group.
- Kabul sought to be a member of the SCO as it believes that it is a natural candidate.
- Geographically, Afghanistan is a part of the SCO region.

### **Limited (or No) progress made by SCO**

- For all the political hype, the SCO has not deepened regionalism in Central Asia.
- Two decades after its formation — it was set up just weeks before the 9/11 attacks on New York and Washington — the institutional promise of the SCO remains just that — a promise.
- Seen from the subcontinent, the SCO certainly looks better than the South Asian Association of Regional Cooperation (SAARC).
- That India and Pakistan, whose differences have prevented even regular meetings of SAARC, are actively participating in the SCO, would point to its attractiveness.
- But then SAARC is such a low bar.

### **Opportunities for role-play in Afghanistan**

The crisis in Afghanistan presents a major opportunity for the SCO to realize its regional ambitions.

- **Involvement of regional superpowers:** The SCO's importance for Afghanistan seems self-evident when you look at its sponsors and members. Its founding leaders are the two great powers of the east — Russia and China.

- **Neighborhood are members:** Its other initial members were Uzbekistan, Tajikistan, Kyrgyzstan, and Kazakhstan to the north and northeast of Afghanistan.
- **Observers vested interest:** Besides Afghanistan, Iran, Belarus and Mongolia are observers. Iran is said to be on track for full membership.
- **Many dialogue partners:** The SCO has a number of “dialogue partners”. They include Armenia and Azerbaijan from the neighboring Caucasus region and Turkey a step further to the West. Nepal and Sri Lanka from the subcontinent and Cambodia from southeast Asia are also dialogue partners.

### Issues with SCO

- **China centrism:** For an organization that bears the name of Shanghai, but is focused on Central Asia, its associates look disparate.
- **Lack of coherence:** The Central Asian members of the SCO have quarrels of their own, and have struggled to develop collective approaches to their common regional security challenges.
- **Dint go beyond dialogues:** As it broadened its membership, the SCO has, unsurprisingly, struggled to deepen institutional cooperation.
- **Not comprehensive:** There is also one important country missing in the mix. It is Turkmenistan, which shares an 800 km border with Afghanistan and a 1,150 km border with Iran.
- **Neutrality of members:** The organizing principle of Turkmenistan rulers is absolute “neutrality” – think of it as an extreme form of “non-alignment”. It refuses to join any regional institution, political or military.
- **Individual interests:** Russia’s effort to build a regional institution in its Central Asian periphery ran parallel to its plans for the so-called “strategic triangle” with China and India. India and Pakistan, needless to say, are poles apart on the Taliban.

### No common interest in Afghan Peace

- The US military retreat from Afghanistan has brought cheer to both Moscow and Beijing, although publicly they criticize President Joe Biden’s hasty retreat.
- The US retreat might weaken the glue that binds Moscow and Beijing in Central Asia or tightens it.
- Although Russia and China are closer to each other than ever before, their interests are not entirely the same in Central Asia.

### Russian alternatives to SCO

#### (1) Central Security Treaty Organisation

- While military confidence-building measures have grown under the SCO banner, Russia had its own security organisation for the region, called the Central Security Treaty Organisation (CSTO).

- Three of the SCO members – Kazakhstan, Kyrgyzstan, and Tajikistan – along with Armenia and Belarus are members of the CSTO.
- Russia sees itself as the sole protector of the former Soviet Republics and may not be ready to share that role with China – “yes” to coordination, but “no” to a Sino-Russian security dyarchy.

## **(2) Eurasian Economic Union**

- Moscow also appears reluctant to back Chinese proposals to promote trade integration under the SCO banner; it prefers the Eurasian Economic Union (EAEU) under its own leadership.
- China is not a member of either CSTO or EAEU. This is one reason for the weakness of SCO regionalism.

### **Other deterrents**

#### **(1) Affinity with Taliban**

- China has openly admitted to cooperating with the Taliban by restoring all formal diplomatic ties. It is the first such country to acknowledge the Taliban.
- Turkmenistan too, which is not part of SCO, has been quite open to engaging the Taliban in sync with its principles of neutrality.
- Some Russian analysts see Turkmenistan as the potential weak link in the defense against the Taliban’s potential threats to the region.
- Uzbekistan seems open to a cautious engagement with the Taliban.

#### **(2) Iranian aspirations for unwarranted interference (just like Turkey does regarding Kashmir)**

- Iran, which has ethnic and linguistic links with the Persian-speaking Tajiks, appears equally worried about the Taliban’s policies towards minorities.
- As Moscow and Beijing, Tehran was happy to see the Americans leave in humiliation and appeared hopeful of a positive engagement with the Taliban.
- Those hopes may have been suspended for now, if not discarded.

### **What can the SCO do now?**

- The Afghanistan debacle presents an opportunity for the SCO to play a constructive role in meeting the region’s burgeoning security challenge.
- Providing humanitarian relief, tending to refugees, facilitating an inclusive dialogue and national reconciliation constitute immediate and long-term goals in which the organization can fill a role.
- The SCO can also pressure the Taliban to share power with other domestic actors and refrain from providing sanctuary to foreign terror organizations (through foreign funds from Saudi\*).

- It can suspend Afghanistan's observer status, curtail border traffic or withhold recognition, investments, and aid, should Kabul be found wanting.

### Way forward

- While the SCO is not an impressive regional institution, it remains an important diplomatic forum.
- India has sought to make full use of the SCO's diplomatic possibilities without any illusions about its effectiveness.
- At the SCO summit this week, PM Modi would remind other leaders of the "three evils" that the SCO set out to defeat — terrorism, extremism, and separatism.
- Few would disagree that the Taliban embodied all the three sins in the past. Today, the Taliban and its mentor Pakistan say the sinner wants to become a saint.
- India must focus on finding common ground with those members of the SCO who do share India's concerns about Afghanistan.

### Conclusion

- Given this divergence, it is unlikely that the SCO can come up with a "regional solution" for the Afghan crisis.
- The only real Afghan convergence today is between Pakistan and China.
- Expect them to try and nudge the SCO towards a positive engagement with the Taliban.

## 4. Govt. curbs funding for 10 NGOs

The **Ministry of Home Affairs** has limited the funding of **ten** non-governmental organizations (NGOs) related to climate and child labour.

### Major Highlights:

- **Reserve Bank of India (RBI)** has sent an internal note to all the banks directing them to put a specific number of foreign organizations in the PRC list (**Prior Reference Category**) under the Foreign Contribution Regulation Act (FCRA) 2010.
- These NGOs include-
  - NGOs from USA named Omidyar Network International, Humanity United and Stardust foundation.
  - NGOs from Australia named Walk Free Foundation and Minderoo Foundation.
  - NGOs from the UK named Children's Investment Fund Foundation, Freedom fund and Laudes foundation etc.
- The RBI has instructed that **any fund flow** from the (specified) donor agencies to any NGO/Voluntary organization/ persons in India should be

brought to the **Ministry of Home Affairs** so that the funds are allowed to be credited to the recipients only after clearance/ prior permission from the MHA's Foreigners Division of the FCRA wing.

#### Key facts:

- The FCRA approval of foreign funded NGOs including the **Commonwealth Human Rights Initiative** was suspended in June 2021.
- More than **6600** NGOs' FCRA licenses were cancelled with around 260 of them suspended by the government during the period 2016-2020.

#### Foreign Contribution Regulation Act (FCRA):

- Foreign Contribution (regulation) Act, 2010 is a consolidating act whose scope is to regulate the acceptance and **utilisation of foreign contribution** or foreign hospitality by individuals or associations or companies.
- The act **regulates foreign donations** and ensures that such contributions do not adversely affect internal security.
- It is implemented by the **Ministry of Home Affairs**.

#### Salient Features:

- FCRA is applicable to all associations, groups and NGOs which intend to receive foreign donations.
- It is mandatory for all such NGOs to **register themselves** under the FCRA.
- The registration is **initially valid for five years** and it can be renewed subsequently if they comply with all norms.
- **Registered associations** can receive foreign contribution for social, educational, religious, economic and cultural purposes.
- Filing of annual returns, on the lines of Income Tax, is **compulsory**.
- The NGOs must give an undertaking that the acceptance of foreign funds is not likely to prejudicially affect the **sovereignty and integrity of India** or impact friendly relations with any foreign state and does not disrupt communal harmony.
- All such NGOs would have to operate accounts in either **nationalised or private banks** which have core banking facilities to allow security agencies access on a real time basis.
- The Act makes **Aadhaar number mandatory** for all office bearers, directors or key functionaries of a person receiving foreign contribution, as an identification document.



### Restriction on use of foreign funding:

- All funds received by an NGO must be used **only for the purpose for which they were received**. No funds other than foreign contribution is deposited in the Foreign Contribution account.
- Such funds must **not use in speculative activities** identified under the Act.
- Except with the prior approval of the Authority, such funds **must not be given or transferred to any entity** not registered under the Act.
- Every asset purchased with such fund must be in the **name of the NGO** and not its office bearers or members.
- Any **organisation of a political nature** and any association engaged in the production and broadcast of audio- or audio-visual news have been placed in the category prohibited to accept foreign contribution.

## GS 3 : Economy, Science and Technology, Environment

### 5. UPI-PayNow linkage

The Reserve Bank of India (RBI) and the Monetary Authority of Singapore (MAS) announced a project to link their respective fast payment systems which is expected to be operationalised by July, 2022.

#### Background:

- This initiative is in line with the central bank's vision of reviewing corridors and charges for inbound cross-border remittances outlined in the **Payment Systems Vision Document 2019-21**.
- The linkage builds upon the **earlier efforts of NPCI International Private Limited (NIPL) and Network for Electronic Transfers (NETS)** to foster cross-border interoperability of payments using cards and QR codes, between India and Singapore.

#### Major highlights:

- While **India uses Unified Payments Interface (UPI)** as a fast payment method, **Singapore uses the PayNow system**.
- The UPI-PayNow linkage will enable users of each system to make instant, low-cost fund transfers on a reciprocal basis without a need to get onboarded onto the other payment system.
- The linkage will be a **significant milestone in the development of infrastructure** for cross-border payments between India and Singapore.



- It will also closely **align with the G20's** financial inclusion priorities of driving faster, cheaper and more transparent cross-border payments.

Unified Payments Interface (UPI):

- UPI is India's mobile based, 'fast payment' system that facilitates customers to make round the clock payments instantly **using a Virtual Payment Address (VPA)** created by the customer.
- This **eliminates the risk of sharing bank account details** by the remitter.
- UPI supports both **Person to Person (P2P) and Person to Merchant (P2M) payments** as also it enables a user to send or receive money.

PayNow:

- PayNow is also an **electronic fund transfer service** that allows a user to transfer funds instantly to a payee, using his/her mobile number or **NRIC/FIN or UEN number** instead of his/her bank account number.
- PayNow supports nine participating banks and three Non-Bank Financial Institutions (NFIs).

## 6. Digital Agriculture

**Context:** Ministry of Agriculture and Farmers welfare signs 5 MOUs with private companies for taking forward Digital Agriculture

- A Digital agriculture mission has been initiated for 2021 -2025 by government for projects based on new technologies like artificial intelligence, block chain, remote sensing and GIS technology, use of drones and robots etc.
- - To imbibe an ecosystem thinking and a digital ecosystem.
  - The Agriculture value chain extends from crop selection to crop management and the market; it involves public and private players in agricultural inputs and services and also logistics.
  - Establishing a digital ecosystem of agriculture needs to take a long-term view of aspects like interoperability, data governance, data quality, data standards, security and privacy, besides promoting innovation.
  - A significant requirement is adoption of a decentralized, federated architecture that assures autonomy to the service providers and all other actors and ensures interoperability at the same time.
- Creation of a federated Farmers Database and building different Services around this Database – to build Digital Ecosystems of Agriculture.
- Federated farmers' database will be linked by the land records of farmers from across the country and unique Farmer ID will be created – Information of all benefits and supports of various schemes will be provided.

**Advantage:**

- Based on these pilot projects farmers will be able to take informed decisions on what crop to grow, what variety of seed to use and what best practises to adopt to maximise the yield.
- Plan their procurement and logistics on precise and timely information.

**7. Richest 10% in India own over 50% of assets: NSS**

National Sample Survey has released the findings of **All-India Debt & Investment Survey, 2019**.

**Major Highlights:**

**About the survey:**

- The survey was conducted from January to December 2019.
- **Objective:** To collect basic quantitative information on the **assets and liabilities** of the households as on 30.6.2018.
- The survey gathered information on the **amount of capital expenditure** incurred by the households during the Agricultural Year 2018-19.
- Assets were calculated by putting a **monetary value** on everything owned by households, including:
  - **Physical assets** like land, buildings, livestock and vehicles
  - **Financial assets** like shares in companies, deposits in bank, and post offices, etc.

**Findings of the survey:**

- The **richest 10%** of Indians own over half of the country's physical and financial assets while the **bottom 50%** own less than **10%**.
  - The richest 10% own **55.7%** of the total assets in urban areas and **50.8%** in rural areas.
- The **total physical and financial assets** owned by people living in the rural areas was Rs 274.6 lakh crore.
  - Out of which **Rs 139.6 lakh crore** was owned by the richest **10%**.
- The **bottom 50%** owned 10.2% of assets in rural areas and an even smaller 6.2% in urban areas.

**Inequality in distribution of assets:**

- Within rural areas, where close to **two-thirds** of India lives, the skew was the highest in **Delhi**.

- In Delhi the top 10% owned **80.8% of assets** and the **bottom 50%** just 2.1%.
- **Among large states**, after **Delhi**, asset inequality in rural areas was highest in **Punjab** where the richest 10% own over 65% of assets and the bottom 50% just over 5%.
- **Uttarakhand**, Madhya Pradesh and Haryana had high inequality in **asset ownership** in the villages.
- **Among large states** (and UTs), the **rural skew** was the least in Jammu and Kashmir with the top 10% owning 32% and the bottom half 18%.



**Prelims Practice Questions**

1. Consider the following statements regarding 'Pilibhit Tiger Reserve':

1. It forms part of Terai Arc Landscape in the upper Gangetic Plain.
2. The Surahi range links the Pilibhit Tiger Reserve with Dudhwa National Park.

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 : A

Explanation

- The **Pilibhit Tiger Reserve** is located in Pilibhit district, Lakhimpur Kheri District and Bahraich District of Uttar Pradesh.
  - It was designated as a Tiger Reserve in 2014 and was India's 45th Tiger Reserve Project.
- It forms part of **Terai Arc Landscape** in the **upper Gangetic Plain**. Hence, **statement 1 is correct**.
  - The northern edge of the reserve lies along the Indo-Nepal border while the southern boundary is marked by the river Sharada and Khakra.
- **Corridor Linkages:**
  - Pilibhit is an important habitat for tigers owing to its connection with several tiger habitats within the State and outside. They are used by tigers and other wild animals.
  - The important linkages are:
    - **Surahi range - Corbett**
    - **Lagga-Bagga - Shuklaphanta National Park (Nepal)**
    - **Kishanpur Wildlife Sanctuary - Dudhwa**. Hence, **statement 2 is not correct**.

2. Climate Action and Finance Mobilization Dialogue (CAFMD) recently seen in news, was launched by India and

- a. UK  
b. France

- c. Germany
- d. USA

**Answer: d**

**Explanation:**

- The Climate Action and Finance Mobilization Dialogue (CAFMD) which is one of the main tracks of the U.S.-India Agenda 2030 Partnership, was initiated during the recently concluded official visit of the U.S. Special Presidential Envoy for Climate to India.
- Climate Action and Finance Mobilization Dialogue (CAFMD) would be based on the following three pillars.
  - Climate action: It would consist of joint proposals looking at ways to reduce greenhouse gases emissions in the next decade.
  - Renewable energy: It would set out a roadmap to achieve the 450GW renewable energy target in transportation, buildings and industry.
  - Finance: This would involve collaborating on attracting finance for renewable energy projects. It will focus on delivering climate finances primarily as grants and concessional finance as envisaged under the Paris Agreement.

**3. Consider the following statements:**

1. Almost 100% of hydrogen produced in India comes from natural gas.
2. Hydrogen produced from natural gas is known as grey hydrogen.

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 : C**

**Explanation**

- **Coal (a Hydrocarbon Fuel)** is one of the important sources of hydrogen making apart from natural gas and renewable energy through Electrolysis.
  - Cost of hydrogen produced from coal can be cheaper and less sensitive to imports.
- However, Coal has not been encouraged in hydrogen production because of the fear of Carbon Emission while extracting hydrogen via coal.

- Almost **100% of hydrogen produced in India** is through natural gas. **Hence, statement 1 is correct.**
- Grey Hydrogen is hydrogen produced using fossil fuels such as natural gas. **Hence, statement 2 is correct.**

**4. Which of the following statements about SVAMITVA Scheme is/are incorrect?**

1. It is an initiative of the Ministry of Panchayati Raj.
2. It is a Centrally Sponsored Scheme for creating accurate land records.

**Options:**

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

**Answer: b**

**Explanation:**

- SVAMITVA (Survey of Villages Abadi and Mapping with Improved Technology in Village Areas) scheme is a Central Sector Scheme of the Ministry of Panchayati Raj.
- The scheme is a reformative step towards the establishment of clear ownership of property in rural inhabited (Abadi) areas, by mapping of land parcels using drone technology and providing 'Record of Rights' to village household owners with the issuance of legal ownership cards (Property cards/Title deeds) to the property owners.

**5. Consider the following statements:**

1. Permafrost regions are always covered in snow.
2. The reduction in Arctic permafrost is expected to release greenhouse gases.

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 : B

Explanation

- **Permafrost** is any ground that remains completely frozen - 32°F (0°C) or colder - for at least two years straight.
  - These permanently frozen grounds are most common in regions with high mountains and in Earth's higher latitudes - near the North and South Poles.
  - Permafrost covers about 15% of the land area of the globe.
  - Although the ground is frozen, permafrost **regions are not always covered in snow. Hence, statement 1 is not correct.**
- Landscapes with large stretches of permafrost are often called tundra. The word tundra is a Finnish word referring to a treeless plain. Tundra is found at high latitudes and at high altitudes, where the permafrost has a very thin active layer
- According to the latest IPCC report, increasing global warming will result in reductions in **Arctic permafrost** and the thawing of the ground is **expected to release greenhouse gases like methane and carbon dioxide.**
  - Permafrost entombed and froze the organic material in the ground.
  - If the ground begins to thaw, this material will become available for microorganisms to break down.
  - In some environments, the microorganisms will release carbon dioxide, and in others release methane which is about 25 to 30 times more potent as a **greenhouse gas than carbon dioxide. Hence, statement 2 is correct.**

**6. Groundswell Report is a series of reports published by?**

- a. World Bank Group
- b. Food and Agricultural Organization
- c. Sustainable Development Solutions Network
- d. Office of the UN High Commissioner for Human Rights

Answer : a

- The World Bank has recently released the second part of Groundswell report: Acting on Internal Climate Migration.

**The Groundswell Report Series: Bridging the Gap**

**First Groundswell Report, 2018**

- It helps to understand the scale, trajectory, and spatial patterns of future climate migration within countries, with a focus on three regions: Sub-Saharan Africa, South Asia, and Latin America.
- Specifically, it examined how slow-onset climate change impacts on water availability and crop productivity, and sea-level rise augmented by storm surge, could affect future internal migration.

### **Second Groundswell Report, 2021 (Acting on Internal Climate Migration)**

- It builds on the work of 1st report, applying the same approach to three new regions: the Middle East and North Africa, East Asia and the Pacific, and Eastern Europe and Central Asia.
- Qualitative analyses of climate-related mobility in countries of the Mashreq and in Small Island Developing States (SIDS) are also provided.

### **Highlights of the report**

- According to the report, climate change can force some 216 million people in six world regions to move within their own countries by 2050.
- Hotspots of internal climate migration can emerge as early as 2030 and continue to spread and intensify by 2050.

It also found that immediate and concerted action to reduce global emissions and support green, inclusive and resilient development, could reduce the scale of climate migration by as much as 80 per cent.

**Mains Practice Questions**

**1Q. The Socio-Religious reformers of the 19-20th century aimed at modernization rather than westernization. Discuss. (150 words)**

**Approach**

- In the introduction briefly explain about the socio-religious reforms of the 19-20th century.
- Write a line about the difference between modernization and westernisation.
- Discuss how such socio-religious reforms aimed at modernisation rather than westernation.
- Conclude with the positive impacts of the reforms on Indian society.

**2Q. "Next to war, famine and pandemic the worst thing that can happen to agriculture is absentee-landlordism". Analyse this statement with reference to the land revenue system of Britishers in India. (250 words)**

**Approach**

- In the introduction briefly explain the meaning of absentee landlordism.
- Establish the relationship of absentee landlordism with the land revenue system of Britishers.
- Highlight the implications of absentee landlordism on the agriculture sector.
- In the body, starting with the cause, analyse the effects of absentee landlordism under various headings in such a way that their implications are elaborated.
- Conclude by summarising the effects of absentee landlordism and with the future changes brought about by it.