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# CURRENT AFFAIRS

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

**1. China-Taiwan relations**

The European Parliament's first official delegation to Taiwan has come in support of Taiwan and said that the diplomatically isolated island is not alone. It called for bolder actions to strengthen **EU-Taiwan** ties as Taipei faces rising pressure from Beijing.

Taiwan, which does not have formal diplomatic ties with any European nations except tiny **Vatican City**, is keen to deepen relations with members of the European Union.

- Also, China has ramped up military pressure, including repeated missions by Chinese warplanes near democratic Taiwan, which Beijing claims as its own and has not ruled out taking by force.

**Background:**

China has claimed Taiwan through its **"one China" policy** since the Chinese civil war forced the defeated Kuomintang, or Nationalist, to flee to the island in 1949 and has vowed to bring it under Beijing's rule, by force if necessary.

- While **Taiwan is self-governed** and de facto independent, it has never formally declared independence from the mainland.
- Under the **"one country, two systems" formula**, Taiwan would have the right to run its own affairs; a similar arrangement is used in Hong Kong.

Presently, Taiwan is claimed by China, which refuses diplomatic relations with countries that recognise the region.

**Indo- Taiwan relations:**

- Although they do not have formal diplomatic ties, Taiwan and India have been cooperating in various fields.
- India has refused to endorse the **"one-China" policy** since 2010.

## 2. Hamas and Gaza Strip

Egypt is seeking to reach **an agreement on a cease-fire between Israel and the Palestinian resistance group Hamas** in Gaza.

### The Agreement includes:

Long-term cease-fire, a prisoner swap, humanitarian aid to Gaza and reconstruction.

### Who are Hamas?

- Hamas is a Palestinian Islamist political organization and militant group that has waged war on Israel since the group's 1987 founding, most notably through suicide bombings and rocket attacks.
- It seeks to replace Israel with a Palestinian state. It also governs Gaza independently of the Palestinian Authority.

### Need for an agreement:

Gaza has been under a tightened Israeli blockade since 2007 in which most basic goods still enter the region under highly restricted measures.

- In May, an Israeli offensive left nearly 260 Palestinians dead and thousands wounded as well as a vast trail of destruction in Gaza. Palestinian resistance groups responded with rocket barrages into Israeli areas, killing at least 13 Israelis.

### Where is the Gaza Strip?

The **Gaza Strip** is an entirely artificial creation that emerged in 1948 when roughly three-fourths of Palestine's Arab population was displaced, in some cases expelled, during the course of Israel's creation. And most of the refugees, they were sort of scattered across the region in neighboring countries like Jordan, Syria and Lebanon.

- Some went to **the West Bank**, which came under Jordanian rule after 1948. And a very large number went to the Gaza Strip, which is this **tiny little coastal strip between Egypt and what is now Israel**. Today, the population of Gaza, **about 70% of Gaza's population are refugees**.

### Who controls it?

Hamas forcibly took control over the Gaza Strip in 2007. Shortly thereafter, the Israelis imposed a complete closure on Gaza's borders. They declared Gaza to be an enemy entity. Of course, Gaza is not a state.

- **Hamas**, of course, is viewed by Israel and by much of the international community as a terrorist organization, including the United States, for their history of attacks on civilians and so forth.

### Present scenario:

- Israel still occupies the West Bank, and although it pulled out of Gaza the UN still regards that piece of land as part of occupied territory.
- Israel claims the whole of Jerusalem as its capital, while the Palestinians claim East Jerusalem as the capital of a future Palestinian state.
- The US is one of only a handful of countries to recognise Israel's claim to the whole of the city.

### What's happening now?

- Tensions are often high between Israel and Palestinians living in East Jerusalem, Gaza and the West Bank.
- Gaza is ruled by a Palestinian militant group called Hamas, which has fought Israel many times. Israel and Egypt tightly control Gaza's borders to stop weapons getting to Hamas.
- Palestinians in Gaza and the West Bank say they're suffering because of Israeli actions and restrictions. Israel say it is only acting to protect itself from Palestinian violence.
- Things have escalated since the start of the holy Muslim month of Ramadan in mid-April 2021, with nightly clashes between police and Palestinians.
- The threatened eviction of some Palestinian families in East Jerusalem has also caused rising anger.

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

### 3. The right time for India to have its own climate law

The United Nations Climate Change Conference (COP26, from October 31 to November 12, 2021), at Glasgow, Scotland is important as it will call for practical implementation of the 2015 Paris Accord, setting the rules for the Accord.

#### Indian proposals

- Prime Minister Narendra Modi announced, on November 1 at Glasgow, a **'Panchamrit solution'** which aims at reducing fossil fuel dependence and **carbon intensity**.
- This also includes ramping up India's renewable energy share to 50% by 2030.
- Union Minister of Environment, Forest and Climate Change Bhupender Yadav has reasserted the call for the promised \$100 billion a year as support (from the developed world to the developing world).
- But as we consider new energy pathways, we must also consider the question of **climate hazard, nature-based solutions and national accountability**.
- This is the right time for India to mull setting up a climate law while staying true to its goals of climate justice, carbon space and environmental protection.

#### Why India needs climate law

- There are a few reasons for this.
- **Existing laws not adequate:** Our existing laws are **not adequate** to deal with climate change.
- We have for example the Environment (Protection) Act (EPA), 1986, the Air (Prevention and Control of Pollution) Act, 1981 and **Water (Prevention and Control of Pollution) Act, 1974**.
- Yet, climate is not exactly water or air.
- The Environment (Protection) Act is grossly inadequate to deal with violations on climate. Clause 24 of the Act, **"Effect of Other Laws"**, states that if an offence is committed under the EPA or any other law, the person will be punished under the other law (for example, Code of Criminal Procedure).
- This makes the **EPA subordinate to every other law**.
- **There is a need to integrate climate action:** Integration includes adaptation and mitigation – and monitoring progress.

- **Comprehensive climate action** is not just technological such as changing energy sources or carbon intensity, but also **nature-based** such as emphasising restoration of ecosystems.
- **India's situation is unique:** Climate action cannot come by **furthering sharpening divides** or exacerbating poverty, and this includes our stated renewable energy goals.
- The 500 Gigawatt by 2030 goal for renewable can put critically endangered grassland and desert birds such as the Great Indian Bustard at risk, as they die on collision with wires in the desert.

### Suggestions on climate law

- A climate law could consider two aspects.
- **Commission on climate change: Creating an institution** that monitors action plans for climate change.
- A 'Commission on Climate Change' could be set up, with the power and the authority to issue directions, and oversee implementation of plans and programmes on climate.
- The Commission could have **quasi-judicial powers** with powers of a civil court to ensure that its directions are followed in letter and spirit.
- **System of liability and accountability:** We need a **system of liability and accountability** at short-, medium- and long-term levels as we face hazards.
- This also means having a legally enforceable National Climate Change Plan that goes beyond just policy guidelines.
- A Climate Commission could ideally prevent gross negligence in fragile areas and fix accountability if it arises.

### Conclusion

We have an urgent moral imperative to tackle climate change and reduce its worst impacts. But we also should Indianise the process by bringing in a just and effective law – with guts, a spine, a heart, and, most importantly, teeth.

### 4. Charting a trade route after the MC12

The World Trade Organization (WTO)'s 12th Ministerial Conference (MC12) is being convened in Geneva, Switzerland at the end of this month.

## The task ahead for MC12

- Recent WTO estimates show that global trade volumes could expand by almost 11% in 2021, and by nearly 5% in 2022, and could stabilise at a level higher than the pre-COVID-19 trend.
- The MC12 needs to consider how in these good times for trade, the economically weaker countries “can **secure a share in the growth in international trade** commensurate with the needs of their economic development’, an objective that is mandated by the **Marrakesh Agreement** Establishing the World Trade Organization.
- Some of the areas are currently witnessing intense negotiations, these include adoption of **WTO rules on electronic commerce**, investment facilitation, and fisheries subsidies.

## Following issues will form the basis of MC12 discussions

### 1) IPR waiver for Covid-19 related technologies

- Pharmaceutical companies have used monopoly rights granted by their IPRs to deny developing countries access to technologies and know-how, thus undermining the possibility of production of vaccines in these countries.
- To remedy this situation, India and South Africa had tabled a proposal in the WTO in October 2020, for waiving enforcement of several forms of IPRs on “health products and technologies including diagnostics, therapeutics, vaccines, medical devices.
- This proposal, supported by nearly two-thirds of the organisation’s membership, was opposed by the developed countries battling for their corporates.
- The unfortunate reality of the current discussions is that an outcome supporting affordable access to COVID-19 vaccines and medicines looks distant.

### 2) Fisheries subsidies

- Discussions on **fisheries subsidies** have been hanging fire for a long time, there is considerable push for an early conclusion of an agreement to rein in these subsidies.
- The current drafts on this issue do not provide the wherewithal to **rein in large-scale commercial fishing**.
- Large scale commercial fishing is depleting fish stocks the world over, and at the same time, are threatening the livelihoods of small fishermen in countries such as India.



### 3) E-commerce

- Discussions on e-commerce are being held in the WTO since 1998, wherein WTO members agreed to “continue their practice of **not imposing customs duties** on electronic transmissions”.
- The more substantive outcome was the decision to “establish a comprehensive work programme” taking into “account the economic, financial, and **development needs of developing countries**”.
- However, in 2021, a key focus of the 1998 e-commerce work programme, namely “development needs of developing countries”, is **entirely missing from the text document** that is the basis for the current negotiations.
- On the negotiating table are issues relating to the **liberalisation of the goods and services trade**, and of course guarantee for free flow of data across international boundaries, all aimed at facilitating expansion of businesses of e-commerce firms.
- In fact, the decision on a moratorium on the imposition of import duties agreed to in 1998 has become the basis for a push towards **comprehensive trade liberalisation** – a perfectly logical way forward, given that the sole objective of the negotiations on e-commerce is to facilitate expansion of e-commerce firms.

### 4) Investment facilitation

- Inclusion of substantive provisions on investment in the WTO has been one of the more divisive issues.
- In 2001, the **Doha Ministerial Declaration** had included a work programme on investment, but developing countries were opposed to its continuation because the discussions were geared to expanding the rights of foreign investors through a **multilateral agreement on investment**.
- An **investment facilitation** has reintroduced the old agenda of concluding such an investment agreement.

### Issues with the negotiations

- The negotiations on e-commerce and investment facilitation are being conducted not by a mandate given by the entire membership of the WTO in a transparent manner.
- Instead, these negotiations owe their origins to the so-called “**Joint Statement Initiatives**” (JSI) in which a section of the membership has developed the agenda with a view to producing agreements in the WTO.
- This entire process is “detrimental to the very existence of a rule-based multilateral trading system under the WTO”, as India and South Africa have forcefully argued in a submission against the JSIs early this year.



## Conclusion

Current favourable tidings provide an ideal setting for the Trade Ministers from the WTO member-states to revisit trade rules and to agree on a work programme for the organisation, which can help maintain the momentum in trade growth.

### 5. Iran has enriched over 210 kg of Uranium to 20%

Iran's atomic agency has said that its stockpile of 20% enriched uranium has reached over 210 kilograms, the latest defiant move ahead of upcoming nuclear talks with the West.

#### What is Uranium Enrichment?

- It is a process that is necessary **to create an effective nuclear fuel out of mined uranium.**
- It involves **increasing the percentage of uranium-235** which undergoes fission with thermal neutrons.
- Nuclear fuel is mined from naturally occurring uranium ore deposits and then isolated through chemical reactions and separation processes.
- These chemical processes used to separate the uranium from the ore are not to be confused with the physical and chemical processes used to enrich the uranium.

#### Why is enrichment carried out?

- Uranium found in nature consists largely of two isotopes, U-235 and U-238.
- Natural uranium contains 0.7% of the U-235 isotope.
- The remaining 99.3% is mostly the U-238 isotope which does not contribute directly to the fission process (though it does so indirectly by the formation of fissile isotopes of plutonium).
- The production of energy in nuclear reactors is from the 'fission' or splitting of the U-235 atoms since it is the main fissile isotope of uranium.
- Naturally occurring uranium does not have a high enough concentration of Uranium-235 at only about 0.72% with the remainder being Uranium-238.

## 6. Edible oil prices

The prices of most major cooking oils have dropped and stabilised across the country in the run-up to Diwali.

### Reasons for the drop in prices:

1. Stabilisation of global prices.
2. Duty cuts.
3. Cut in wholesale prices by major private players.
4. Stock limits imposed by the Centre, using the provisions of the Essential Commodities Act.

### What led to increase in oil prices previously?

- Global commodity prices are extremely high. COVID-19 is a major factor, disrupting supply chains, closing down industries.
- There is insufficient labour in the oil production industry in many countries.
- Excessive buying of edible oil by China.
- Many major oil producers are aggressively pursuing biofuel policies and diverting their edible oil crops for that purpose.
- Governmental taxes and duties also make up a major chunk of the retail price of edible oils in India.

### India's Dependence on Edible Oil:

- India is the world's biggest vegetable **oil importer**.
- **India imports about 60% of its edible oil needs**, leaving the country's **retail prices vulnerable to international pressures**.
- It imports palm oil from Indonesia and Malaysia, soyoil from Brazil and Argentina, and sunflower oil, mainly from Russia and Ukraine.

### Facts about Edible Oils:

- **Primary sources of Edible oil** (Soybean, Rapeseed & Mustard, Groundnut, Sunflower, Safflower & Niger) and **secondary sources of Edible Oil** (Oil palm, Coconut, Rice Bran, Cotton seeds & Tree Borne Oilseeds).
- In India **major challenges in oilseed production** is
  - Growing in largely rain-fed conditions (around 70% area),
  - high seed cost (Groundnut and Soybean),
  - small holding with limited resources,
  - low seed replacement rate and low productivity.

## 7. Technical Textiles

The Centre is targeting five times' increase in export of **technical textiles** in three years.

### Technical Textiles market and India's share in it:

- The world market for technical textiles is \$250 billion and India's share is \$19 billion.
- The biggest players are the U.S., West European countries, China and Japan.

### Government efforts in this regard:

- In January 2019, the government issued **207 HSN Codes for technical textiles** and in less than two years, **India had become a net exporter of technical textiles.**
- It also unveiled the **National Technical Textiles Mission** in February last year.
- As many as **92 technical textile items have been made mandatory for use by government organisations** covering agriculture, horticulture, highways, railways, water resources, and medical applications.

### About the National Technical Textiles Mission:

The Cabinet Committee on Economic Affairs (CCEA) had, in 2020, approved the setting up of a National Technical Textiles Mission at an total outlay of ₹1,480 Crore.

### Aim:

To position the country as a global leader in technical textiles and increase the use of technical textiles in the domestic market.

The Mission will be implemented for four years from 2020-2021 and will have four components:

1. The first component will focus on **research and development and innovation** and will have an outlay of ₹1,000 crore. The research will be at both, fibre level and application-based in geo, agro, medical, sports and mobile textiles and development of bio-degradable technical textiles.
2. The second component will be for **promotion and development of market** for technical textiles. The Mission will aim at taking domestic market size to \$40 billion to \$50 billion by 2024.
3. The third component will focus on **export promotion so that technical textile exports** from the country reach from the ₹14,000 crore now to ₹20,000 crore by 2021-2022 and ensure 10% average growth every year till the Mission ends.
4. The last component will be on **education, training and skill development**.

### What are technical textiles?

Technical textiles are defined as textile materials and products manufactured primarily for their technical performance and functional properties rather than aesthetic and decorative characteristics.

Depending upon their application areas, **Technical Textiles products are divided into 12 broad categories:** Agrotech, Buildtech, Clothtech, Geotech, Hometech, Indutech, Mobiltech, Meditech, Protech, Sportstech, Oekotech, Packtech.

### 8. Input Tax Credit (ITC)

The Central Board of Indirect Taxes and Customs (CBIC) has come out with norms on blocking of tax credit by GST field officers, saying that such blocking should be on the basis of 'material evidence' and not just out of 'suspicion.'

### New Norms:

- The norms laid down five specific circumstances in which such credit could be blocked by a senior tax officer. These include **invoices on which GST has not been paid by sellers**.
- The commissioner or an officer authorised by him, not below the rank of assistant commissioner, must form an opinion for blocking of **input tax credit (ITC)** only after 'proper application of mind' considering all the facts of the case.

### What is Input Tax Credit (ITC)?

- It is the tax that a business pays on a purchase and that it can use to reduce its tax liability when it makes a sale.
- In simple terms, input credit means at the time of paying tax on output, you can reduce the tax you have already paid on inputs and pay the balance amount.

**Exceptions:** A business under **composition scheme** cannot avail of input tax credit. ITC cannot be claimed for personal use or for goods that are exempt.

### Concerns over its misuse:

1. There could be possibility of misuse of the provision by unscrupulous businesses by generating fake invoices just to claim tax credit.
2. As much as 80% of the total GST liability is being settled by ITC and only 20% is deposited as cash.
3. Under the present dispensation, there is no provision for real time matching of ITC claims with the taxes already paid by suppliers of inputs.
4. Currently there is a time gap between ITC claim and matching them with the taxes paid by suppliers. Hence there is a possibility of ITC being claimed on the basis of fake invoices.

## THE INDIAN EXPRESS

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

#### 1. Life, work and legend of Adi Shankaracharya

PM has unveiled a 12-foot statue of Adi Shankaracharya at Kedarnath, where the acharya is believed to have attained samadhi at the age of 32 in the ninth century.

#### Adi Shankaracharya (788-820 AD)

- Adi Shankaracharya was an Indian philosopher and theologian whose works had a strong impact on the doctrine of **Advaita Vedanta**.
- He founded mathas, which are believed to have helped in the historical development, revival and propagation of his philosophy.
- The story recounted today has been reconstructed from multiple **Shankaravijayas** (Conquests of Shankara) written over the centuries.

#### Birth and death

- He is said to have been born in Kaladi village on the bank of the Periyar, the largest river in Kerala.
- He is believed to have attained samadhi at Kedarnath; however, Kanchi and Thrissur are also talked about as places where Adi Shankara spent his last days.

#### His literary works

- Adi Shankara is generally identified as the author of 116 works.
- Among them the celebrated **commentaries (bhashyas)** on 10 Upanishads, the Brahmasutra and the Gita, and poetic works including **Vivekachudamani, Maneesha Panchakam, and Saundaryalahiri**.
- He composed the **Kanakadhara Stotram**, following which there was a rain of golden amlas, which brought prosperity to the household.
- It has also been claimed that Adi Shankara composed texts like **Shankarasmrithi**, which seeks to establish the social supremacy of Nambuthiri Brahmins.

- His great standing is derived from his commentaries of the prasthanatrayi (Upanishads, Brahmasutra and Gita), where he explains his understanding of Advaita Vedanta.

### His philosophy: Advaita Vedanta

- Advaita Vedanta articulates a philosophical position of **radical nondualism**, a revisionary worldview which it derives from the ancient Upanishadic texts.
- According to this, the Upanishads reveal a fundamental principle of nonduality termed '**brahman**', which is the reality of all things.
- Advaitins understand brahman as transcending individuality and empirical plurality.
- They seek to establish that the **essential core of one's self (atman) is brahman**. It is pure non-intentional consciousness.
- It is one without a second, nondual, infinite existence, and numerically identical with brahman.
- This effort entails tying a metaphysics of brahman to a philosophy of consciousness.

### Shankara's contested legacy

- Custodians of the caste system cite from Shankara's commentaries to justify the unequal and unjust social order.
- It is argued that the Advaita Vedanta borrowed the categories of Buddhist thinkers and called him the Prachhanna Buddha (Buddha in disguise).
- Sri Narayana Guru offered a radical reading of Advaita Vedanta to dismantle the theory and praxis of caste.

### His political appropriation

- His works transcends the political boundaries of his time.
- The mathas are believed to have established in Sringeri, Dwaraka, Puri, and Joshimath for the spread of Advaita Vedanta.
- They are seen as custodians of Hinduism, and Shankara's digvijaya (conquest) often interpreted as a near nationalistic project where faith, philosophy and geography are yoked together to imagine a Hindu India.

## 2. Khasi Inheritance of Property Bill, 2021:

Last week, a **district autonomous council** in Meghalaya announced that it would introduce the '**Khasi Inheritance of Property Bill, 2021**.



- It is aimed at “equitable distribution” of parental property among siblings in the Khasi community.

### **Implications:**

If implemented, the proposed Bill would modify an age-old customary practice of inheritance of the matrilineal Khasi tribe.

### **Aims and Objectives of the Bill:**

1. Equitable distribution” of parental property among siblings – both male and female.
2. Let parents decide who they want their property to inherit.
3. Prevent a sibling from getting parental property if they marry a non-Khasi and accept the spouse’s customs and culture.

### **Need for this Bill:**

Many times, boys are not able to take loans because there is no collateral to show. Sometimes, when a couple has no children, and there is no genuine heir, the clan takes over the property, as per custom. It leads to a number of litigations by children against their parents.

### **But, why does the matrilineal system in Meghalaya rarely empower women?**

- Custodianship is often misconstrued as ownership vested in just one person, that is the youngest daughter. This custodianship comes with the responsibility to care for aged parents, unmarried or destitute siblings and other clan members.
- Moreover, the custodian cannot buy or sell the land, without taking permission from her maternal uncle.
- Also, most of the property is clan property or community property.

### **Matriliny in Meghalaya:**

The three tribes of Meghalaya – **Khasis, Jaintias, and Garos** – practise a **matrilineal system of inheritance**. In this system, lineage and descent are traced through **the mother's clan**.

- Here, children take the mother's surname, the husband moves into his wife's house, and **the youngest daughter (khatduh)** of the family is bequeathed the full share of the ancestral – or the clan's – property.
- Custom also dictates that **the khatduh cannot sell the property, without permission of her mother's brother (maternal uncle)** – since he technically belongs to the mother's clan, through which descent is traced.
- **This inheritance tradition applies only to ancestral or clan/community property**, which has been with the family for years.
- In this traditional set-up, **if a couple does not have any daughters**, then the property goes to the wife's elder sister, and her daughters. If the wife does not have sisters, then the clan usually takes over the property.

### 3. Draft Mediation Bill

**In News:** Government of India has been taking various policy initiatives for promotion and strengthening of Alternative Dispute Resolution (ADR) mechanisms through amendment in existing laws and by enactments, for facilitating quick disposal of disputes, outside of traditional court systems. As a continuation of the exercise, bringing a standalone law on Mediation is under consideration.

Accordingly, a draft bill with the following objectives have been prepared –

- To promote, encourage and facilitate mediation especially institutional mediation for resolution of disputes commercial and otherwise,
- Enforce domestic and international mediation settlement agreements,
- Provide for a body for registration of mediators, to encourage community mediation
- To make online mediation as an acceptable and cost effective process

#### Main Features

- Proposes for pre-litigation mediation and at the same time safeguards the interest of the litigants to approach the competent adjudicatory forums/courts in case an urgent relief is sought.
- The successful outcome of mediation in the form of Mediation Settlement Agreement (MSA) has been made enforceable by law. Since the Mediation Settlement Agreement is out of the consensual agreement between the parties, the challenge to the same has been permitted on limited grounds.

- The mediation process protects the confidentiality of the mediation undertaken and provides for immunity in certain cases against its disclosure.
- The registration of Mediation Settlement Agreement has also been provided for with State/District/Taluk Legal Authorities within 90 days to ensure maintenance of authenticated records of the settlement so arrived.
- Provides for establishment of the Mediation Council of India.
- Provides for community mediation.

## Background

- Since the laws on Mediation are contained in several enactments including Rules and Regulation, it was felt necessary to ascertain the present statutory framework on mediation and **bring an umbrella legislation** including amendments in the existing laws.
- The Bill takes into contemplation the international practice of using the terms 'conciliation' and 'mediation' interchangeably.
- To enact a law in mediation on issues of domestic and international mediation as India is a signatory to the **Singapore Convention on Mediation**.

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

### 4. India's power discoms are at a critical point

The power sector in India is at an inflection point. Three developments are triggering a shift across the power chain, generation and distribution in particular, and are in the process deepening existing faultlines, and exacerbating the distress.

#### Three changes driving the shift in power sector

##### 1) Central government's approach towards distribution segment

- Till recently, the Centre had preferred to **incentivise states**, nudging them to address the issue that lies at the heart of the power sector's woes – turning around the operational performance and financial position.
- However, despite multiple attempts, not much has changed.
- But over the past few months, the Centre appears to have changed tack.
- The Centre no longer appears content to simply nudge states into acting.
- This change in stance is evident from enforcing the **tripartite agreement** to recover the dues owed to power producers like NTPC by discoms in

Jharkhand, Tamil Nadu and Karnataka to now **regulating coal supplies** to states where power generating companies have been delaying payments.

## 2) Covid impact on government finances and ability to support discoms

- Notwithstanding buoyant tax revenues this year, Covid has wreaked havoc on government finances.
- The **general government debt stands at 90 per cent of GDP**.
- Add to this demands for greater welfare spending, uncertainty over state government finances once the five year GST compensation period ends next year, and the **limits to which states can continue to support discoms** will increasingly be tested.
- To what extent accounting jugglery can be used once again to clean up discom debt is debatable.
- After all, even the **liquidity facility** arranged by the Centre to help discoms pay off their obligations will have to be paid back.

## 3) Loss of monopoly and shift towards renewable

- Until now, consumers had little recourse to alternate sources of supply.
- Consequently, discoms, which are essentially geographical monopolies, were able to charge higher tariffs from commercial and industrial consumers to **cross-subsidise agricultural** and low-income households.
- But the situation appears to be changing.
- **Migration of high tariff paying consumers** through open access and investments in captive power plants is gaining traction, driven in large part by the emergence of solar as an alternative at seemingly competitive tariffs.
- This reduced reliance of high tariff paying consumers on discoms will only exacerbate their already precarious financial position.
- The pace at which this transition is occurring will only accelerate in the coming years.
- On the supply side, at the global and the national level, there is a push towards cleaner fuel, solar in particular.
- Flowing from this – though with debatable relevance given the current levels of per capita emissions – is the domestic policy thrust towards renewables.
- Solar, in particular, benefits from both explicit and implicit subsidies – land at concessional rate, exemption from interstate transmission charges, discounted wheeling charges, cross-subsidies for open access, SECI taking on counterparty risk, and others.
- It also enjoys **“Must Run” status**.
- On the demand side, at current tariffs, solar is emerging as an attractive alternative for the high tariff paying commercial and industrial consumers.

- On their part, discoms are trying to salvage a losing situation.
- To stem the flow of high paying customers, some have begun levying an additional surcharge on whoever opts for open access to lower the cost differential.
- Others are shifting from net metering to gross metering – essentially charging consumers higher tariffs – above particular consumption levels.

## Conclusion

Continuously subsidising discoms for their AT&C losses (operational inefficiencies), and for not supplying power at commensurate tariffs to low-income households and agricultural customers (for political considerations) will become fiscally untenable.

## 5. Infrastructure Investment Trusts (InvITs)

The National Highway Authority of India's first infrastructure investment trust has raised more than Rs 5,000 crore, informed the Ministry of Road Transport and Highways of India.

### InvITs

- InvITs are like a mutual fund, which enables direct investment of small amounts of money from possible individual/institutional investors in infrastructure to earn a small portion of the income as return.
- They work like mutual funds or real estate investment trusts (REITs) in features.
- They can be treated as the modified version of REITs designed to suit the specific circumstances of the infrastructure sector.

### How are they notified in India?

- SEBI notified the Sebi (Infrastructure Investment Trusts) Regulations, 2014 on September 26, 2014, providing for registration and regulation of InvITs in India.
- The objective of InvITs is to facilitate investment in the infrastructure sector.

### Their structure

- InvITS are like mutual funds in structure. InvITs can be established as a trust and registered with Sebi.
- An InvIT consists of four elements:

1. **Trustee:** He inspects the performance of an InvIT is certified by Sebi and he cannot be an associate of the sponsor or manager.
2. **Sponsor(s):** They are people who promote and refer to any organisation or a corporate entity with a capital of Rs 100 crore, which establishes the InvIT and is designated as such at the time of the application made to SEBI, and in case of PPP projects, base developer.
3. **Investment Manager:** It is an entity or limited liability partnership (LLP) or organisation that supervises assets and investments of the InvIT and guarantees activities of the InvIT.
4. **Project Manager:** It is the person who acts as the project manager and whose duty is to attain the execution of the project and in case of PPP projects.

## 6. Delhi's poor air quality

As per Central Pollution Control Board (CPCB) data, Delhi's air quality entered the "severe" category recently for the first time this season after people in the city burst firecrackers on Deepavali night despite a blanket ban.

- The Capital registered its worst post-Deepavali air quality in five years. The AQI (air quality index) of Delhi this season is 533. In 2016, it was 445 around the same time. It was 368 in 2019.
- According to SAFAR, without any more firecracker emissions the AQI is likely to improve to "very poor" category by Saturday night.

### What is System of Air Quality and Weather Forecasting and Research (SAFAR)?

- It was indigenously developed by Indian Institute of Tropical Meteorology, Pune.
- It is run by India Meteorological Department (IMD).
- The objective is to provide Real-time air quality index on 24×7 basis with colour coding along with 72-hour advance weather forecast.
- Another goal is to issue health advisory to prepare citizens well in advance.

### What is the National Air Quality Index?

- Launched in 2014 with outline 'One Number - One Color -One Description' for the common man to judge the air quality within his vicinity
- **The measurement of air quality is based on eight pollutants:** Particulate Matter (PM10), PM2.5, Nitrogen Dioxide (NO2), Sulphur Dioxide (SO2), Carbon Monoxide (CO), Ozone (O3), Ammonia (NH3), and Lead (Pb).
- **AQI has six categories of air quality:** Good, Satisfactory, Moderately Polluted, Poor, Very Poor and Severe.



- It has been developed by the CPCB in consultation with IIT-Kanpur and an expert group comprising medical and air-quality professionals.

## 7. Technical textiles

Recently, Union Minister of Textiles has emphasised that the annual growth rate of the technical textiles sector in the country should be in the 15%-20% range in the next five years, from the current 8%.

- India must target a five times' increase in export of technical textiles in three years.

### About Technical Textiles

- **Technical textiles** are functional fabrics that have applications in industries such as automobiles, civil engineering and construction.
  - The world market for technical textiles is \$250 billion and India's share is \$19 billion.
  - The biggest players are the U.S., West European countries, China and Japan.
- India is the 6th largest producer of Technical Textiles with 6% Global Share, largest producer of cotton & jute in the world.

### Do You Know?

- **Textiles Sector** contributes 2.3% to Indian GDP, 7% of Industrial Output, 12% to the export earnings of India and employs more than 21% of total employment.
- India is also the second largest producer of silk in the world and 95% of the world's hand woven fabric comes from India.

### Initiatives by India in the textile sector

- In January 2019, the government issued 207 HSN Codes for technical textiles and in less than two years, India had become a net exporter of technical textiles.
  - HSN code stands for "Harmonized System of Nomenclature".
  - This system has been introduced for the systematic classification of goods all over the world.
  - HSN code is a 6-digit uniform code that classifies 5000+ products and is accepted worldwide.
- As many as 92 technical textile items have been made mandatory for use by government organisations covering agriculture, horticulture, highways, railways, water resources, and medical applications.



- Amended Technology Upgradation Fund Scheme (ATUFS): For technology upgradation of the textiles industry (2015)
- Scheme for Integrated Textile Parks (SITP): To assist small and medium entrepreneurs in the textile industry to clusterize investments in textile parks by providing financial support for world class infrastructure in the parks.
- SAMARTH (Scheme For Capacity Building In Textile Sector): To address the shortage of skilled workers.
- **North East Region Textile Promotion Scheme (NERTPS)**: This is a scheme for promoting textiles industry in the NER by providing infrastructure, capacity building and marketing support to all segments of the textile industry.
- **Power-Tex India**: It comprises new research and development in power loom textiles, new markets, branding, subsidies and welfare schemes for the workers.
- **National Technical Textile Mission**: It aims to position the country as a global leader in technical textiles and increase the use of technical textiles in the domestic market. It aims to take the domestic market size to USD 40 billion to USD 50 billion by 2024.

### Prelims Practice Questions

#### 1. Consider the following statements:

1. Human papillomavirus (HPV) is the most common viral infection of the reproductive tract.
2. In India, HPV vaccines are officially recommended for all the people for the prevention of cancer in the reproductive tract.

Which of the statements given above is/are not correct?

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

Answer : B

Explanation

- **Human papillomavirus (HPV) is the most common viral infection of the reproductive tract. Hence, statement 1 is correct.**
- There are more than 100 types of HPV.
  - More than 40 types of HPV are spread through direct sexual contact.
  - Out of these 40, two cause genital warts, while about a dozen of HPV cause different types of cancer including cervical, anal, oropharyngeal, penile, vulvar and vaginal.
- Recently, new research has found that the Human papillomavirus (HPV) vaccine (Cervarix) reduces the risk of Cervical Cancer significantly in women.
- In India about 77% cases of cervical cancer are caused by HPV 16 and 18.
  - In India, bivalent and quadrivalent HPV vaccines were licensed in 2008 and a non valent vaccine was licensed in 2018.
  - **Officially, the HPV vaccine has not been recommended for boys and males in India. Hence, statement 2 is not correct.**

**2. Consider the following statements:**

1. The Prompt Corrective Action (PCA) framework enables supervisory intervention of RBI over Banks.
2. The PCA framework applies to all banks operating in India.

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

- The **Prompt Corrective Action (PCA)** framework enables **supervisory intervention of RBI over Banks** at an appropriate time and ensures effective market discipline. **Hence, statement 1 is correct.**
- The **framework applies to all banks operating in India**, including foreign banks operating through branches or subsidiaries based on breach of risk thresholds of identified indicators. **Hence, statement 2 is correct.**
  - However, payments banks and small finance banks (SFBs) have been removed from the list of lenders where prompt corrective action can be initiated.

**3. With reference to the East Asia Summit, consider the following statements:**

1. India is the founding member of the East Asia Summit.
2. It can only be chaired by an ASEAN member.

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

- **East Asia Summit**, established in 2005, is a forum of **18 regional leaders** for strategic dialogue and cooperation on the key political, security, and economic challenges facing the **Indo-Pacific region**.
  - It comprises the ten member states of the ASEAN (Association of Southeast Asian Nations) which are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.
    - It also includes 8 other countries; Australia, China, Japan, India, New Zealand, the Republic of Korea, Russia and the USA.
  - It is an ASEAN-centred forum so it can **only be chaired by an ASEAN member. Hence, statement 2 is correct.**
    - **Brunei Darussalam is the chair for 2021.**

- **India and EAS:**
  - **India is one of the founding members** of the East Asia Summit. **Hence, statement 1 is correct.**
  - At the East Asia Summit in Bangkok in November 2019, India had unveiled India's Indo-Pacific Oceans Initiative (IPOI), which is aimed at forging partnerships to create a secure and stable maritime domain.

**4. Molnupiravir has been recently in the news. It intends to treat which of the following disease**

A Tuberculosis

B Alzheimer disease

C Covid-19

D Blood cancer

Answer : C

Explanation

- **About Molnupiravir:**
  - Recently, it is claimed that Molnupiravir, an oral drug, can cut the risk of hospitalisation in **Covid-19** patients by half, in phase 3 trials.
  - It belongs to a class of **broad spectrum antiviral drugs called nucleoside analogues.**
    - They act by interfering with the function of **viral RNA (Ribonucleic Acids) polymerases** - which are enzymes that make new viral RNA in infected cells.
    - RNA is a polymer of ribonucleotides and an important biological macromolecule that is present in all biological cells.
      - It is principally involved in the synthesis of proteins, carrying the messenger instructions from **Deoxyribonucleic acid (DNA)**, which itself contains the genetic instructions required for the development and maintenance of life.
  - It works by **causing viruses to make errors when copying** their own RNA, introducing **mutations that inhibit replication.**
  - It was initially invented as **a drug for the influenza virus.**
- **Hence, option C is correct.**

5. Which of the following correctly describes the recently inducted INS Karanj?

- Scorpene class submarine
- Nuclear submarine
- Fast Patrol vehicle
- Corvette

**Answer: a**

**Explanation:**

- The Navy recently inducted the third Scorpene class conventional diesel-electric submarine, INS Karanj, into service.
- The Scorpene-class submarines are a class of diesel-electric attack submarines. It features diesel propulsion and an additional air-independent propulsion (AIP).

6. Arrange the following stages of budget enactment in the correct sequence:

- General discussion
- Passing of Appropriation Bill
- Passing of Finance Bill
- Voting on demands for grants
- Presentation in Parliament

Select the correct answer using the code given below:

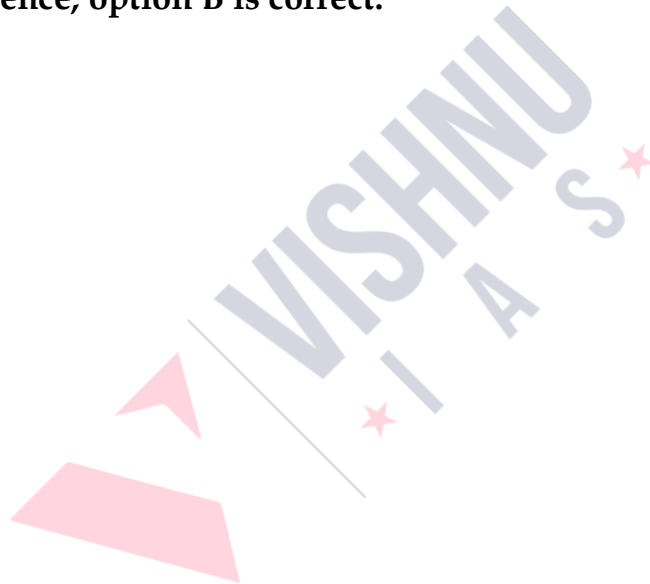
- A 1-2-3-4-5  
B 5-1-4-2-3  
C 5-1-4-3-2  
D 5-1-3-4-2

**Answer :B**

**Explanation**

- The budget goes through the following six stages in the Parliament:
  - Presentation of budget:** Since 2017, the presentation of the budget has been advanced to 1<sup>st</sup> of February.

- **General discussion:** The general discussion on budget takes place in both the Houses of Parliament.
- **Scrutiny by departmental committees:** After the general discussion on the budget is over the 24 departmental standing committees of Parliament examine and discuss in detail the demands for grants of the concerned ministers and prepare reports on them.
- **Voting on demands for grants:** The Lok Sabha takes up voting of demands for grants. The voting of demands for grants is the exclusive privilege of the Lok Sabha.
- **Passing of appropriation bill:** An appropriation bill is introduced to provide for the appropriation, out of the Consolidated Fund of India.
- **Passing of finance bill:** The Finance Bill is introduced to give effect to the financial proposals of the Government of India for the following year. **Hence, option B is correct.**



### **Mains Practice Questions**

**1. Despite the share of agricultural and its allied sectors in national income have been declining over the years, yet it provides employability to a major segment of the population. Critically Examine. (250 words)**

#### **Approach**

- Give suitable data to prove the given statement in the introduction.
- Then give the reasons for the declining share of agriculture in the national income.
- Critically examine the agriculture as the major segment of employment provider.

- Conclude by suggesting some steps to be taken to reduce dependence on primary sector for employment.

**2. As per recent e-commerce rules issued by the government, FDI is not permitted in an inventory-based model of e-commerce. Discuss the impact of these rules on the e-commerce industry, other stakeholders and India as an FDI destination. (250 words)**

Approach:-

- Define e-commerce, type of models.
- Explain FDI guidelines on e-commerce.
- Explain the impact of the rules.

