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

**1. International law as a means to advance national security interests**

Military experts, international relations academics, and practitioners like retired diplomats dominate the debates on global security in India. International lawyers are largely absent in these debates despite security issues being placed within the framework of international law.

**Using international law to further security interests**

- In recent times, several examples demonstrate **India's failure to use an international law-friendly vocabulary** to articulate its security interests.
- First, India struck the terror camps in Pakistan in February 2019, after the Pulwama attack India did not invoke the **right to self-defence**; rather, it relied on a contested doctrine of '**non-military pre-emptive action**'.
- Second, after the Pulwama attack, India decided to suspend the most favoured nation (MFN) status of Pakistan.
- Under international law contained in the General Agreements on Tariffs and Trade, countries can deviate from their MFN obligations **on grounds of national security**.
- Instead of suspending the MFN obligation towards Pakistan along these lines, India used Section 8A(1) of the Customs Tariff Act, 1975, to increase customs duties on all Pakistani products to 200%.
- The notification on this decision did not even mention '**national security**'.
- Third, India wishes to deport the Rohingya refugees who, it argues, pose a security threat.
- India's argument to justify this deportation is that it is **not a signatory to the Refugee Convention**.
- This is a **weak argument** since India is bound by the principle of non-refoulment.
- **National security** is one of the exceptions to the non-refoulment principle in international refugee law.
- If India wishes to deport the Rohingya, it should develop a case on these lines showing how they constitute a national security threat.
- Fourth, to put pressure on the Taliban regime to serve India's interest, India has rarely used international law.

- India could have made a case for the South Asian Association for Regional Cooperation (SAARC) using its implied powers under international law **to temporarily suspend Afghanistan from SAARC's membership.**

### Reasons for international law remaining at the margins

- First, there is **marginal involvement** of international lawyers in foreign policymaking.
- The Legal and Treaties Division of the Ministry of External Affairs, which advises the government on international law matters, is both understaffed and largely ignored on policy matters.
- Second, apart from the External Affairs Ministry, there are several other Ministries like Commerce and Finance that also deal with different facets of international law.
- They have **negligible expertise** in international law.
- Third, there has been systemic **neglect of the study of international law.**
- Fourth, many of the outstanding international law scholars that India has produced prefer to converse with domain experts only.

### Way forward

- If India wishes to emerge as a global power, it has to make use of 'lawfare' i.e., **use law as a weapon of national security.**
- To mainstream international law in foreign policymaking, **India should invest** massively in building its capacity on international law.

### Conclusion

Notwithstanding the central role that international law plays in security matters, India has failed to fully appreciate the usage of international law to advance its national security interests.

## 2.The long road to Net Zero

India has joined a high-profile group of countries pledging for net-zero target by 2070.

### Net-Zero mean

- Net-zero, which is also referred to as **carbon-neutrality**, does not mean that a country would bring down its emissions to zero.

- That would be gross-zero, which means reaching a state where there are no emissions at all, a scenario hard to comprehend.
- Therefore, net-zero is a state in which a country's **emissions are compensated by absorption and removal** of greenhouse gases from the atmosphere.

### What's the difference between gross zero and net-zero?

- Gross zero would mean **stopping all emissions**, which isn't realistically attainable across all sectors of our lives and industry.
- Even with best efforts to reduce them, there will still be some emissions.
- Net-zero looks at emissions overall, allowing for the **removal of any unavoidable emissions**, such as those from aviation or manufacturing.
- Removing greenhouse gases could be via nature, as trees take carbon dioxide from the atmosphere, or through new technology or changing industrial processes.

### What is carbon negativity?

- It is even possible for a country to have negative emissions if the **absorption and removal exceed the actual emissions**.
- \***Bhutan has negative emissions** because it absorbs more than it emits.

### What is the outlook for India's emissions?

- Analysis of India's growth path points to rising GDP per capita, with a rise in carbon emissions in the short term, **primarily from energy**.
- There is **pressure from absolute increase in population** and consumption, but population growth is slowing.

### India's major emission sources

- In terms of sectoral GHG emissions, data from 2016 show that **electricity and heat account** for the highest share (1.11 billion tonnes).
- It is followed by **agriculture** (704.16 million tonnes), **manufacturing and construction** (533.8 million tonnes), **transport** (265.3 million tonnes), **industry** (130.61 million tonnes).
- **Land-use change and forestry** (126.43 million tonnes) is also a major source.
- Other fuel use (119.04 million tonnes), buildings (109.2 million tonnes), waste (80.98 million tonnes), fugitive emissions (54.95 million tonnes) accounts for major urban sources.
- **Aviation and shipping** (20.4 million tonnes) accounts for the least source of emission.

### Immediate interventions that can be made

- **Legal mechanism:** India needs to create a legal mandate for climate impact assessment of all activities.
- **Investment:** This can facilitate investment by dedicated green funds.
- **Wholistic participation:** Public sector institutions promoted by the government, co-operatives and even market mechanisms will participate.
- **Renewable energy:** The 500 GW renewables target needs a major boost, such as channeling more national and international climate funding into decentralized solar power.
- **Hydrogen economy:** Another emerging sector is green hydrogen production because of its potential as a clean fuel. India has a National Hydrogen Mission now in place.
- **Waste Management:** India's urban solid waste management will need to modernise to curb methane emissions from unscientific landfills.
- **Stored carbon mitigation:** Preventing the release of stored carbon in the environment, such as trees and soil, has to be a net zero priority.

### Role of developed countries

- **India's argument** is that it has historically been one of the **lowest emitters** of GHGs.
- The **impetus has to come from the developed economies** that had the benefit of carbon-intensive development since the Industrial Revolution.

### Way forward

- These plans need a political consensus and support from State governments.
- Net-zero will involve industrial renewal using green innovation, green economy support and supply chains yielding new jobs.
- It also needs low carbon technologies, zero-emission vehicles, and renewed cities promoting walking and cycling.
- The industry will need to make highly energy-efficient goods that last longer, and consumers should be given a legal right to repair goods they buy.

### 3. UNESCO picks Srinagar as 'Creative City'

The UNESCO has picked up Srinagar among 49 cities as part of the UNESCO Creative Cities Network (UCCN) under the Crafts and Folk Arts category.

## UCCN

- UCCN created in 2004, is a network of cities that are thriving, active centers of cultural activities in their respective countries.
- These cities can be from all continents with different income levels or with different levels of populations.
- UCCN believes that these cities are working towards a common mission by placing creativity at the core of their urban development plans to make the region resilient, safe, inclusive and sustainable.
- Ministry of Culture is the nodal Ministry of the Government of India for all matters in UNESCO relating to culture.

## Objective of UCCN

- Placing creativity and the creative economy at the core of their urban development plans to make cities safe, resilient, inclusive and sustainable, in line with the UN 2030 Agenda for Sustainable Development

The 7 categories for recognition under UCCN are as follows:

- Crafts and Folk Arts
- Design
- Film
- Gastronomy (food)
- Music
- Media Arts
- Literature

**Previously, 3 Indian cities were recognized as members of UCCN namely-**

- Jaipur-Crafts and Folk Arts (2015)
- Varanasi-Creative city of Music (2015)
- Chennai-Creative city of Music (2017)
- Mumbai-Film (2019)
- Hyderabad- Gastronomy (2019)

## 4. Sessions of Parliament

The **Cabinet Committee on Parliament Affairs (CCPA)** has recommended that the **Winter session of Parliament be held** from November 29 to December 23.

- Last year, the winter session could not be held due to the onslaught of the pandemic, which had witnessed the curtailment of the Budget and the Monsoon sessions.

### What the Constitution says on Parliamentary Sessions?

- **Article 85** requires that there should not be a gap of more than six months between two sessions of Parliament.
- Please note, **the Constitution does not specify when or for how many days Parliament should meet.**
- The maximum gap between two sessions of Parliament cannot be more than six months. That means **the Parliament should meet at least twice a year.**
- A 'session' of Parliament is the period between the first sitting of a House and its prorogation.

### Who shall convene a session?

- In practice, the Cabinet Committee on Parliamentary Affairs, comprising senior ministers, decides on the dates for parliament's sitting and it is then conveyed to the president.
- So, the executive, headed by the prime minister, which steers the business to be taken up by parliament will have the power to advise the president to summon the legislature.

### Why is a Parliamentary Session important?

1. Law-making is dependent on when Parliament meets.
2. Also, a thorough scrutiny of the government's functioning and deliberation on national issues can only take place when the two Houses are in session.
3. Predictability in the functioning of Parliament is key to a well-functioning democracy.

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

### 5. The long road to net zero

- India has announced a **net zero emissions target for 2070** at the ongoing 26th Conference of the Parties (COP26) of the United Nations Framework



Convention on Climate Change (UNFCCC) in Glasgow, as part of its enhanced climate action goals.

- Net zero means balancing out man-made national greenhouse gas (GHG) emissions by removing an equal amount of GHG from the atmosphere.

### India's GHG emission:

#### Current status:

- India is the **third-largest emitter of GHGs in the world**. India accounts for **about 7% of today's global emissions**.
- According to the World Bank data, in 2018, India had per capita emissions of 1.8 tonnes. This is projected to expand to 2.4 tonnes in 2030 as per the Paris Agreement obligations of India.
- In terms of **sectoral GHG emissions**, data from 2016 shows that **electricity and heat account for the highest share of GHG emissions, followed by agriculture**, manufacturing and construction, transport sector, industry and land use change and forestry.

#### Future outlook:

- With India's GDP per capita projected to rise, **a rise in carbon emissions in the short term, primarily from energy is expected** given that the Indian economy relies heavily on coal and other fossil fuel use.
- The larger share of services in Indian GDP augurs well for India's low carbon development path.
- Though the population growth is slowing, the **absolute increase in population and rising consumption behaviour** will result in pressure on carbon emissions in the coming years.

#### Interventions needed to achieve the goal of net zero by 2070:

- Net zero can be achieved only through a structured programme that relies on **sharp emissions reduction, wide support for clean energy innovation and adoption of green technologies**.
- Some of the major interventions that can help India move towards a net zero target include the following:
  - India needs to create a legal mandate for **climate impact assessment of all activities**. Low carbon and green technologies must be adopted to reduce the environmental impact of manmade activities.
  - **Highly energy-efficient goods** that last longer should be legally mandated by appropriate legislations. Also, the consumers should be



- given a legal right to repair goods they buy. This will help reduce the demand for goods.
- The creation of **dedicated green funds** and channelling of adequate finances and investments through them into environmentally sustainable projects, processes, sectors would be inevitable.
  - The governments must support and incentivize the private sector for **green innovation and adoption of the green economy**.
  - **Enhanced renewable energy adoption** should be a top priority with equal emphasis on both centralized and decentralized power production.
  - The mainstreaming of **green hydrogen** provides an excellent alternative to decarbonize the critical power, industry and transport sectors.
  - India's **urban solid waste management** will need to modernise to curb methane emissions from unscientific landfills. Also, the adoption of electric vehicles and renewed cities promoting walking and cycling will help limit GHG emissions from cities.
  - **Arresting deforestation and the regeneration of forests** can help prevent the release of stored carbon in the environment, such as trees and soil. Additionally, **afforestation** drives can help absorb carbon from the atmosphere.

## 6. 'Inclusive maritime region must'

- Indian Defence Secretary's address at the **third edition of the Goa Maritime Conclave** hosted by the Indian Navy.
  - Goa Maritime Conclave has seen participation from the Navy chiefs and heads of maritime agencies of Bangladesh, Comoros, Indonesia, Madagascar, Malaysia, the Maldives, Mauritius, Myanmar, Seychelles, Singapore, Sri Lanka and Thailand.
  - The theme for this year's conclave is "**Maritime security and emerging non-traditional threats: a case for proactive role for IOR Navies**".

### Details:

- Defence Secretary warned against the **unprecedented expansion of conventional Navies** that could start a new era of arms race.
- He also expressed concerns over the **enhancement of maritime presence and passages in the Indian Ocean region**. This was in reference to **China** which has not only increased its forays into the Indian Ocean Region, but has also set up a base in Djibouti and is expanding its Navy at an unprecedented rate.

- He called on all the nations of the region to adhere to international rules and laws governing the seas and **understand each other's interests and sensitivities** and act accordingly. He called on the participant nations to respect the legitimate maritime security concerns of India.
- The Defence Secretary called for a **free, open and inclusive Indian Ocean maritime region** as a prerequisite for peace and prosperity of the region.

### India's efforts in the Indian Ocean Region (IOR):

- India has set up joint coastal radar **surveillance systems** in coordination with other countries in the region. It has also collaborated with other countries on **information exchange for maritime domain awareness** in the region and capacity building.
  - Example – India's **Information Fusion Centre for IOR (IFC-IOR)** located in Gurugram has several international liaison officers.
- Indian Navy has been the first responder in case of natural disasters in the region. It has been working for **Humanitarian Assistance and Disaster Relief** in the region and has also been a **net security provider** for many small island nations in the region.
- India has supplied essential **maritime hardware** like equipment, vessels and aircraft to friendly nations in the region.

### 7. 'India now ahead of China in financial inclusion metrics'

- **State Bank of India (SBI) research report on financial inclusion metrics in India.**

#### Details:

- **Major financial inclusion metrics** like number of bank branches, number of banking outlets in villages/Banking Correspondents, no. of operating bank accounts, number of persons with deposit accounts at banks, mobile and Internet banking (digital) transactions have registered **impressive improvements over the last five years.**
- India's performance in some of these metrics has been **better compared with emerging economy peers and even some of the advanced economies**, as per the report.
- Notably, almost two-thirds of the newly opened no-frills bank accounts are operational in rural and semi-urban areas.
- Highlighting the **social significance of financial inclusion**, the report notes that States with higher financial inclusion/more bank accounts have also seen

a perceptible decline in crime along with a meaningful drop in consumption of alcohol and tobaccos.

#### **Additional information:**

- The **Cash to GDP in % terms stands at 14.3% as of March 2021**. This is higher than the pre-demonetisation phase where it stood at 11.9% in March 2016.
  - One of the stated objectives for demonetisation was the push for digital payments in order to reduce the currency to GDP ratio.
- India's cash to GDP ratio is **very high vis-a-vis other nations**. This is an indicator of the Indian economy's high dependence on cash.

## **THE INDIAN EXPRESS**

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

#### **1. How India's Gati Shakti Plan can have an impact beyond its borders**

The Gati Shakti National Master Plan will have an important economic multiplier effect at home, it must also be leveraged to have an external impact by aligning it with India's regional and global connectivity efforts.

#### **Main components of the Gati Shakti National Master Plan**

- The Gati Shakti plan has **three main components**, all focused on domestic coordination.
- **Increase information sharing:** The plan seeks to **increase information sharing** with a new technology platform between various ministries at the Union and state levels.
- **Reduce logistics' costs:** It focuses on giving impetus to multi-modal transportation to **reduce logistics' costs** and strengthen last-mile connectivity in India's hinterland or border regions.
- **Analytical tool:** The third component includes an **analytical decision-making tool** to disseminate project-related information and prioritise key infrastructure projects.
- This aims to ensure transparency and time-bound commitments to investors.

## How Gati Shakti Plan can strengthen India's economic ties with its neighbours

- The plan will automatically generate positive effects to deepen India's economic ties with Nepal, Bhutan, Bangladesh, Myanmar and Sri Lanka, as well as with Southeast Asia and the Indian Ocean region.
- India's investment in roads, ports, inland waterways or new customs procedures generate positive externalities for these neighbours, who are keen to access the growing Indian consumer market.
- Any reduction in India's domestic logistics costs brings immediate benefits to the northern neighbour, given that **98 per cent of Nepal's total trade transits through India** and about 65 per cent of Nepal's trade is with India.
- In 2019, trade between Bhutan and Bangladesh was eased through a **new multimodal road and waterway link** via Assam.
- The new cargo ferry service with the Maldives, launched last year, has lowered the costs of trade for the island state.
- And under the **South Asia Subregional Economic Cooperation Programme**, India's investments in multimodal connectivity on the eastern coast is **reconnecting India with the Bay of Bengal** and Southeast Asia through integrated rail, port and shipping systems.
- Whether it is the alignment of a **cross-border railway**, the location of a border check post, or the digital system chosen for customs and immigration processes, **India's connectivity investments at home** will have limited effects unless they are coordinated with those of its neighbours and other regional partners.
- While India recently joined the **Transports Internationaux Routiers (TIR)** convention, which facilitates cross-border customs procedures, none of its neighbouring countries in the east has signed on to it.

## Suggestions for Gati Shakti Plan to have maximum external effect

- First, India will have to **deepen bilateral consultations** with its neighbours to gauge their connectivity strategies and priorities.
- Given political and security sensitivities, India will require diplomatic skills to reassure its neighbours and adapt to their pace and political economy context.
- A second way is for India to work through regional institutions and platforms. SAARC's ambitious regional integration plans of the 2000s are now defunct, so Delhi has shifted its geo-economic orientation eastwards.
- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has got new momentum, but there is also progress on the Bangladesh, Bhutan, India, Nepal (BBIN) Initiative.
- Finally, India can also boost the Gati Shakti plan's external impact by **cooperating more closely with global players** who are keen to support its

strategic imperative to give the Indo-Pacific an economic connectivity dimension.

- This includes the Asian Development Bank and the World Bank, but also Japan, the US, Australia, EU and ASEAN.

## Conclusion

Gati Shakti plan must also leveraged to have an external impact by aligning it with India's regional and global connectivity efforts.

## 2. India needs a new, integrated approach to Eurasia

Delhi's Indo-Pacific strategy has acquired political and institutional traction, thanks to intensive Indian diplomacy in recent years. It must now devote similar energy to the development of a "Eurasian" policy.

### Need for Eurasian strategy and challenges

- This week's consultations in Delhi on the crisis in Afghanistan among the region's top security policymakers is part of developing a Eurasian strategy.
- National Security Advisor Ajit Doval has invited his counterparts from Pakistan, Iran, Central Asia, Russia, and China to join this discussion on Wednesday.
- Pakistan has declined to join.
- Pakistan's reluctance to engage with India on Afghanistan reveals Delhi's **persisting problem with Islamabad in shaping a new Eurasian strategy.**
- But it also reinforces the **urgency of an Indian strategy to deal with Eurasia.**

### Factors shaping India's Eurasian policy

- The most important development in Eurasia today is the dramatic rise of China and its **growing strategic assertiveness**, expanding economic power and rising political influence.
- Beijing's muscular approach to the long and disputed border with Bhutan and India, its quest for a security presence in Tajikistan, the active search for a larger role in Afghanistan, and a greater say in the affairs of the broader sub-Himalayan region are only one part of the story.
- **Physical proximity multiplies China's economic impact** on the inner Asian regions.



- These leverages, in turn, were reinforced by a **deepening alliance with Russia** that straddles the Eurasian heartland. Russia's intractable disputes with Europe and America have increased Moscow's reliance on Beijing.
- Amidst mounting challenges from China in the Indo-Pacific maritime domain, Washington has begun to **rethink its strategic commitments to Eurasia**.
- Whether defined as "burden-sharing" in Washington or "**strategic autonomy**" in Brussels, Europe must necessarily take on a larger regional Eurasian security role.
- More broadly, regional powers are going to reshape Eurasia.

### What should be India's approach to Eurasia

- Like the Indo-Pacific, Eurasia is new to India's strategic discourse.
- To be sure, there are references to **India's ancient civilisational** links with Eurasia.
- While there are many elements to an Indian strategy towards Eurasia, three of them stand out.
- **Put Europe back into India's continental calculus:** As India now steps up its engagement with Europe, the time has come for it to begin a strategic conversation with Brussels on Eurasian security.
- This will be a **natural complement** to the fledgling engagement between India and Europe on the Indo-Pacific.
- India's Eurasian policy must necessarily **involve greater engagement with both the European Union and the North Atlantic Treaty Organisation**.
- **Intensify the dialogue on Eurasian security with Russia:** While Indo-Russian differences on the Indo-Pacific, the Quad, China, and the Taliban are real, Delhi and Moscow have good reasons to narrow their differences on Afghanistan and widen cooperation on continental Eurasian security.
- **Indian collaboration with both Persia and Arabia:** If Persia's location makes it critical for the future of Afghanistan and Central Asia, the religious influence of Arabia and the weight of the Gulf capital are quite consequential in the region.
- India's partnerships with Persia and Arabia are also critical in overcoming **Turkey's alliance with Pakistan** that is hostile to Delhi.

### Challenges

- **Contradictions:** India will surely encounter many contradictions in each of the three areas – between and among America, Europe, Russia, China, Iran, and the Arab Gulf.
- As in the Indo-Pacific, so in Eurasia, Delhi should not let these contradictions hold India back.

## Conclusion

The current flux in Eurasian geopolitics will lessen some of the current contradictions and generate some new antinomies in the days ahead. The key for India lies in greater strategic activism that opens opportunities in all directions in Eurasia.

### 3. Delhi Regional Security Dialogue on Afghanistan

India is hosting the National Security Advisors (NSAs) level 'Delhi Regional Security Dialogue on Afghanistan' this week.

#### About the dialogue

- It will be headed by NSA Ajit Doval.
- It aims to organise a conference of regional stakeholders and important powers on the country's current situation and the future outlook.
- Invitations are sent to Afghanistan's neighbours such as Pakistan, Iran, Tajikistan, and Uzbekistan, and other key players including Russia, and China.

#### Pakistan's response

- Not surprisingly, Pakistan has denounced India's invitation. China too followed Pakistan's footsteps.
- Had Pakistan consented to come, it would have been the first high-level visit to India from Pakistan since 2016.
- Pakistani position reflects its mindset on Afghanistan, where it has played a conspiring role.
- It reflects its mindset of viewing Afghanistan as its protectorate.

#### Response from the other countries

- India's invitation has seen an overwhelming response.
- Central Asian countries as well as Russia and Iran have confirmed participation.

#### Significance of the dialogue

- This will be the first time that all Central Asian countries, and not just Afghanistan's immediate neighbours, would be participating in this format.



- The enthusiastic response is a manifestation of the importance attached to India's role in regional efforts to promote peace and security in Afghanistan.
- If peace is established in Afghanistan, it could become a major trading hub as a corridor of connectivity in the heart of Asia.

### **India's motive for the conference**

- This is India's attempt to secure for itself a seat at the table to decide the future course of action on Afghanistan.
- It underlines the need to actively engage with the world to protect India's security interests.
- Until the fall of Kabul, India had not engaged with the Taliban through publicly-announced official channels.

### **India's expectations form Taliban Govt**

- Taliban should not allow safe havens for terror on its soil.
- The administration should be inclusive, and the rights of minorities, women, and children must be protected.

## **4. What is Freedom of Air?**

A flight from Srinagar to Sharjah had to avoid flying over Pakistan after the country denied permission to use its airspace for the said flight. With this refusal, Pakistan has violated the first freedom of air.

### **Freedom of Air**

- Following the **Chicago Convention in 1944**, the signatories decided to set rules that would act as fundamental building blocks to international commercial aviation.
- As a part of these rules, initially, six 'freedoms of air' were decided.
- These freedoms or rights still operate within the ambit of multilateral and bilateral treaties.
- It allows to grant airlines of a particular country the privilege to use and/or land in another country's airspace.

### **'Freedoms' accorded**

1. Flying over a foreign country without landing
2. Refuel or carry out maintenance in a foreign country without embarking or disembarking passengers or cargo

3. Fly from the home country and land in a foreign country
4. Fly from a foreign country and land in the home country
5. Fly from the home country to a foreign country, stopping in another foreign country on the way
6. Fly from a foreign country to another foreign country, stopping in the home country on the way
7. Fly from a foreign country to another foreign country, without stopping in the home country
8. Fly from the home country to a foreign country, then on to another destination within the same foreign country
9. Fly internally within a foreign country

### Why did Pakistan deny use of its airspace?

- There has been no official explanation given by Pakistan authorities.
- Indian has approached Pakistan to raise the issue of the refusal to use its airspace for the said flight.
- Notably, other Indian airlines flying to west Asia from airports such as Delhi, Lucknow, etc have not been barred from using Pakistan airspace.
- This also raises the concern of Pakistan violating the first freedom of air.

### 5. Competition Commission of India

Fair trade regulator **CCI will identify measures to enhance competition in the country's pharmaceutical sector** for ensuring affordability of drugs after analysing findings of its market study.

#### Need for:

The study has been initiated after observing issues such as lack of “effective consumer choice”.

- Currently, it appears that, when it comes to medicines, competition is primarily on the basis of brands and not prices. The study will identify measures to increase competition for ensuring affordability of drugs.

#### Indian Pharma Industry:

- India enjoys an important position in the global pharmaceuticals sector, as India is **the largest provider of generic drugs globally**.

- The Indian pharmaceutical industry meets over 50% of global demand for various vaccines, 40% of generic demand in the U.S. and 25% of all medicine in the U.K.
- Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.
- **The Indian pharmaceuticals market is the world's third-largest in terms of volume and thirteenth-largest in terms of value.** It has established itself as a global manufacturing and research hub.
- India has one of the lowest manufacturing costs in the world – lower than that of the U.S. and almost half of the cost in Europe.

### **Challenges that need to be addressed:**

**Dependence:** Indian pharmaceutical industry is highly dependent on China for pharmaceutical raw materials. These raw materials are called the Active Pharmaceutical Ingredients (API), also known as bulk drugs. Indian drug-makers import around 70% of their total bulk drug requirements from China.

**Fake versions of high value and/or high volume brands of the pharmaceutical companies in India** are adversely affecting their business performance posing another major challenge. It also creates a negative impact to the end consumer and a huge health hazard.

### **So, what India is doing?**

**Call for greater self-reliance:** In June, the department of pharmaceuticals announced a scheme for the promotion of three bulk drug parks in the country.

- A bulk drug park will have a designated contiguous area of land with common infrastructure facilities for the exclusive manufacture of APIs, DIs or KSMs, and also a common waste management system.
- These parks are expected to bring down manufacturing costs of bulk drugs in the country and increase competitiveness in the domestic bulk drug industry.

### **About the Competition Commission Of India:**

The Competition Commission of India (CCI) was established under **the Competition Act, 2002** for the administration, implementation and enforcement of

the Act, and was duly constituted in March 2009. Chairman and members are appointed by the central government.

### **Functions of the commission:**

1. It is the duty of the Commission to eliminate practices having adverse effects on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India.
2. The Commission is also required to give opinion on competition issues on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.

### **The Competition Act:**

The **Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act)** was repealed and replaced by **the Competition Act, 2002**, on the recommendations of the Raghavan committee.

- The Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007, prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India.

### **6. UNESCO creative cities network (UCCN)**

The **United Nations Educational, Scientific and Cultural Organization (UNESCO)** has picked **Srinagar** among 49 cities as part of **the creative city network under the Crafts and Folk Arts category**.

- The inclusion of Srinagar in the creative city network for the arts and crafts has paved a way for the city to represent its handicrafts on the global stage through UNESCO.

### **About Creative Cities Network:**

The UNESCO Creative Cities Network (UCCN) was **created in 2004** to promote cooperation with and among cities that have identified creativity as a strategic factor for sustainable urban development.

**Objective:** placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level.

**The Network covers seven creative fields:** Crafts and Folk Arts, Media Arts, Film, Design, Gastronomy, Literature and Music.

Joining the Network, cities commit to sharing their best practices and developing partnerships involving the public and private sectors as well as civil society in order to:

1. Strengthen the creation, production, distribution and dissemination of cultural activities, goods and services;
2. Develop hubs of creativity and innovation and broaden opportunities for creators and professionals in the cultural sector;
3. Improve access to and participation in cultural life, in particular for marginalized or vulnerable groups and individuals;
4. Fully integrate culture and creativity into sustainable development plans.

As of November, 2019, there are five Indian cities in UNESCO Creative Cities Network (UCCN) as follows:

1. Jaipur-Crafts and Folk Arts(2015).
2. Varanasi-Creative city of Music (2015).
3. Chennai-Creative city of Music(2017).
4. Mumbai – Film (2019).
5. Hyderabad – Gastronomy (2019).

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

### **7. India now ahead of China in financial inclusion metrics: SBI report**

India is now ahead of China in financial inclusion metrics, with mobile and Internet banking transactions rising to 13,615 per 1,000 adults in 2020 from 183 in 2015.

#### **What does one mean by Financial Inclusion?**

- Financial inclusion is defined as the availability and equality of opportunities to access financial services.
- It refers to a process by which individuals and businesses can access appropriate, affordable, and timely financial products and services.
- These include banking, loan, equity and insurance products etc.

#### **Key highlights of the Report**

- Boosted by PM Jan-Dhan Yojana, the number of bank branches per 100,000 adults in India rose to 14.7 in 2020 from 13.6 in 2015.
- It is higher than Germany, China and South Africa.
- Data shows that states with higher Jan-Dhan accounts balances have seen a perceptible decline in crime.

#### **How did India achieve financial inclusion?**

- Financial inclusion policies have a multiplier effect on economic growth, reducing poverty and income inequality, while also being conducive for financial stability.
- India has stolen a march in financial inclusion with the initiation of PMJDY accounts since 2014.
- It was enabled by a robust digital infrastructure and also careful recalibration of bank branches and thereby using the BC model judiciously.
- Such financial inclusion has also been enabled by use of digital payments.

#### **What is the BC Model?**

- The report highlighted that the Banking Correspondent (BC) model in India is enabled to provide a defined range of banking services at low cost.
- The new branch authorisation policy of 2017 –recognises BCs that provide banking services for a minimum of 4-hours per day and for at least 5-days a week as banking outlets.

- The BCs are enabled to provide a defined range of banking services at low cost and hence are instrumental in promoting financial inclusion.
- This has progressively done away the need to set up brick and mortar branches.

## 8. FPI and InvITs

The Reserve Bank on Monday said FPIs had been permitted to invest in debt securities issued by Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs).

### Key takeaways

- Necessary amendments to Foreign Exchange Management (Debt Instruments) Regulations, 2019, had been notified in October so that debt financing of InvITs and REITs by Foreign Portfolio Investors (FPIs) could be enabled.
- “FPIs can acquire debt securities issued by InvITs and REITs under the Medium-Term Framework (MTF) or the Voluntary Retention Route (VRR)
- Such investments shall be reckoned within the limits and shall be subject to the terms and conditions for investments by FPIs in debt securities under the respective regulations.

### About Foreign Portfolio Investment

- Foreign portfolio investment (FPI) consists of securities and other financial assets passively held by foreign investors.
- It does not provide the investor with direct ownership of financial assets
- **Examples:** Stocks, bonds, mutual funds, exchange traded funds, American Depositary Receipts (ADRs), and Global Depositary Receipts (GDRs).
- FPI and FDI are both important sources of funding for most economies.
- FPI is part of a country’s capital account and is shown on its Balance of Payments (BOP).
- FPI is more liquid and less risky than FDI.

### What are Infrastructure Investment Trusts?

- InvITs are instruments that work like mutual funds.
- They are designed to pool small sums of money from a number of investors to invest in assets that give cash flow over a period of time. Part of this cash flow would be distributed as dividend back to investors.
- InvITs are listed on exchanges just like stocks – through IPOs.



- The InvITs listed on the stock exchange are IRB InvIT Fund and India Grid Trust.
- InvITs are regulated by the Securities and Exchange Board of India (SEBI) (Infrastructure Investment Trusts) Regulations, 2014.
- Real Estate Investment Trusts (REITs) are similar to InvITs but they are present only in Real estate sector.

### Prelims Practice Questions

#### 1 Consider the following statements with regards to the UAPA law:

1. The law was originally enacted in 1967.
2. As per the Act, an investigating officer is required to obtain the prior approval of the Director-General of Police to seize properties that may be connected with terrorism.

Choose the correct ones from the given codes:

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

**Answer: c**

**Explanation:**

- Unlawful Activities (Prevention) Act is an Indian law aimed at the prevention of unlawful activities associations in India. Its main objective was to make powers available for dealing with activities directed against the integrity and sovereignty of India.
- The law was originally enacted in 1967.
- Subsequent to the 2019 amendment to the Act, an investigating officer is required to obtain the prior approval of the Director-General of Police to seize properties that may be connected with terrorism.
- The death sentence is the highest punishment under the Act.

**2 Consider the following statements with regards to Molnupiravir:**

1. It is the world's first antiviral medicine which can be taken as a pill for the treatment of Covid-19.
2. It was originally developed to treat influenza.
3. The drug has been codenamed 'EIDD-2081'.

**Which of these statements is/are incorrect?**

- a. 1 & 2 only
- b. 2 & 3 only
- c. 1 & 3 only
- d. None of these

**Answer: d**

**Explanation:**

- Molnupiravir tablet has been approved by the United Kingdom for use as an antiviral medicine against COVID-19.

**Molnupiravir:**

- Molnupiravir is the first antiviral medicine that can be taken as a pill rather than being injected or administered intravenously for the treatment of the COVID-19 disease.
- The drug has been codenamed 'EIDD-2081'.
- Molnupiravir was originally developed to treat influenza and works by inhibiting the replication of certain RNA viruses. Molnupiravir gets incorporated into the growing RNA strands. Such RNA strands become faulty blueprints for the next round of viral genomes and when enough mutations occur, the viral population collapses. Thus the drug prevents the SARS-CoV-2 virus RNA replication process through "error catastrophe".

**3 Which of the following was not amongst the climate change targets announced by India at the recently held climate conference at Glasgow?**

- a. India will achieve net-zero target by 2070
- b. India will ensure 50% of its energy will be sourced from renewable energy sources latest by 2040
- c. India will also reduce its emissions intensity per unit of GDP by less than 45% latest by 2030
- d. India would also install 500 Gigawatt of renewable energy by 2030

**Answer: b**

**Explanation:**

India's new climate actions announced at the ongoing 26<sup>th</sup> CoP of UNFCCC:

- India will achieve net zero emissions latest by 2070. This is notable given that so far India was the only major emitter that had not committed to a timeline to achieve net zero carbon dioxide emissions and has also argued against the concept of net zero carbon targets.
- Renewable energy would be tapped in a big way in India. By 2030, India will ensure 50% of its energy will be sourced from renewable sources. India plans to generate 500 GW of renewable energy by 2030. This marks a 50 GW increase from its current target of 450 GW.
- India also committed to reducing its carbon emissions until 2030 by a billion tonnes. By 2030, India will reduce the carbon intensity of its economy to less than 45 per cent. India is largely on track to meet, and even exceed, its Paris Agreement targets: reduce emissions' intensity of its gross domestic product (GDP) by 33 to 35 per cent from 2005 levels by 2030.

**4. Consider the following statements:**

1. The Indian Patent Act, 1970 allows evergreening of patents.
2. Compulsory Licencing (CL) is not permitted under the WTO's TRIPS (IPR) Agreement.

Which of the statements given above is/are correct?

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

**Answer : D**

**Explanation**

- **Evergreening of Patent** is a corporate, legal, business, and technological strategy for extending/ elongating the term of a granted patent in a jurisdiction that is about to expire, in order to retain royalties from them, by taking out new patents.

- Section 3(d) of the **Indian Patent Act 1970** (amended in 2005) **does not allow patents to be granted to inventions** involving new forms of a known substance unless it differs significantly in properties with regard to efficacy. **Hence, statement 1 is not correct.**
- This means that the Indian Patent Act does not allow evergreening of patents.
- **Compulsory Licencing (CL)** is the **grant of permission by the government to entities to use, manufacture, import or sell a patented invention** without the patent-owner's consent. Patents Act in India deals with CL.
  - CL is permitted under the WTO's TRIPS (IPR) Agreement provided conditions such as 'national emergencies, other circumstances of extreme urgency and anti-competitive practices' are fulfilled. **Hence, statement 2 is not correct.**

**5 . In which of the following relief sculpture inscriptions is 'Ranyo Ashoka' (King Ashoka) mentioned along with the stone portrait of Ashoka?**

- a. Kanaganahalli
- b. Sanchi
- c. Shahbazgarhi
- d. Sohgaura

**Answer: a**

**Explanation:**

- Kanaganahalli, situated about 3 km from Sannati, Karnataka, is an important excavation site for Buddhist monuments. The most important finding of the excavation from this site includes a stone sculptured slab bearing the name Ranyo Ashoko.
- Kanaganahalli inscription also includes a portrait of Ashoka (surrounded by female attendants and queens).

**6. Fast and Secured Transmission of Electronic Records (FASTER) recently seen in news is**

- a. An electronic toll collection system operated by the National Highways Authority of India

- b. A system conceived by Supreme Court to ensure bail orders reach jail authorities swiftly
- c. An Investor Facilitation Portal for Ease of Doing Business
- d. A secure cloud based platform for storage, sharing and verification of documents

**Answer: b**

**Explanation:**

- Chief Justice of India N.V. Ramana launched a new initiative called 'FASTER' or 'Fast and Secure Transmission of Electronic Records'.
- Under the initiative, the Supreme Court will instantly transmit bail and other orders to the jail authorities, district courts and the High Courts. This will be done in a secure way electronically.

### **Mains Practice Questions**

**1. The frequent promulgation of ordinances is an assault on the democratic structure of the Constitution. Critically analyse. (250 words)**

**Approach**

- Introduce the concept of ordinances with constitutional articles (for both President and Governors) for the same.
- Briefly explain the need for the promulgation of ordinances.
- Discuss the issues with the frequent promulgation of the ordinances.
- Also give some examples to show the frequent promulgation and re-promulgation of the ordinances in the country.
- Conclude suitably on a positive note.

**2. The Minimum Support Price (MSP) scheme protects farmers from the price fluctuations and market imperfections. In the light of the given statement, critically analyse the efficacy of the MSP. (250 words)**

**Approach**

- Introduce by defining Minimum Support price (MSP).
- Discuss the advantages of MSP scheme.

- Analyse the constraints or issues with the MSP system.
- Conclude with a way forward.

