

VEDHIK
DAJLY NEWS
ANALYSIS
26 - NOVEMBER 2021

FOREWORD

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

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'Better connectivity with Bangladesh'

SPECIAL CORRESPONDENT
NEW DELHI

Union Home Minister Amit Shah on Thursday said the northeast States will be linked by road and railway to Bangladesh in a year or two, creating many opportunities in the region. Mr. Shah said trade with Bangladesh will get a boost with the start of the Agartala-Akhaura railway link.

He said the historic Land Boundary Agreement (LBA) signed with Bangladesh in 2014 ensured proper connectivity in the region.

Mr. Shah was virtually addressing the delegates at a function organised by the In-

dian Chamber of Commerce.

He said peace had been restored in the northeast in the last seven years along with economic and political stability, and the Governments were able to complete their full five year-term.

"Pre-2014, differences were created between the rest of India and the northeast. I went to a pharmacy in Nagaland once and the shopkeeper did not recognise me. He asked where I had come from. I said Kolkata. Oh, you have come from India, the shopkeeper said. My heartbeat stopped for two seconds. I asked him if

Nagaland was not part of India, but he did not say anything. I mention this incident because post-2014, Mr. Modi worked to remove the emotional rift with people in the northeast," Mr. Shah said.

"By 2024, the Modi Government will connect capitals of all the eight States by air, seven of the eight State capitals will be connected through rail, and a network of roads is operational. Time has come to invest in the northeast, empower the northeast, give a boost to the northeast and bring the northeast into the nation's development trajectory," Mr. Shah said.

China non-committal on U.S. oil release plan, OPEC+ unmoved

Beijing says will release reserves as per needs, oil producers to meet Dec. 2

REUTERS

BEIJING/LONDON/WASHINGTON

China, the world's largest crude importer, was non-committal about its intentions to release oil from its reserves on a request from the United States, while OPEC producers were not mulling changing tactics in light of the U.S. action, said three sources in the group.

On Tuesday, U.S. President Joe Biden's administration announced plans to release millions of barrels of oil from strategic reserves in coordination with other large consuming nations, including China, Japan and India, to try to cool prices. U.S. gasoline prices are up more than 60% in the last year, the



Uncertain impact: Goldman Sachs said the reserves release volume announced was 'a drop in the ocean'. ■ REUTERS

fastest increase since 2000.

The U.S. has made the largest commitment for a reserves release at 50 million barrels of pre-approved sales along with loans to the market, but without China, the action is considered less

dramatic.

On Wednesday, China said it was working on its own reserves release.

Washington's move raised speculation that the Organization of the Petroleum Exporting Countries and allies,

collectively known as OPEC+, might consider pausing its current agreement to boost output by 4,00,000 barrels per day every month, but the group is not considering that, three sources told Reuters.

Fuel demand rebounds

Fuel demand cratered early in the COVID-19 pandemic but has come roaring back this year, and oil prices have surged.

Brent jumped by 3.3% on Tuesday, after falling 10% in the days prior to the news on rumours of a coordinated release.

Goldman Sachs said the volume announced was "a drop in the ocean".

India flays raising bilateral issues at SCO

Such acts are counterproductive and should be condemned, says Jaishankar

KALLOL BHATTACHERJEE
NEW DELHI

Raising bilateral issues is counterproductive to the spirit of the Shanghai Cooperation Organisation (SCO), External Affairs Minister S. Jaishankar said on Thursday.

Delivering a speech virtually at the 20th meeting of the SCO Council of Heads of Government, Mr. Jaishankar obliquely criticised Pakistan and China, and called for reform in the multilateral institutions, including in the World Health Organization (WHO).

"It is unfortunate to note that there have been repeated attempts to deliberately bring bilateral issues into SCO. This violates the well-established principles and

 It is unfortunate to note that there have been repeated attempts to deliberately bring bilateral issues into SCO. This violates the well-established principles and norms of the SCO Charter

S. JAISHANKAR
External Affairs Minister



norms of the SCO Charter. Such acts are counterproductive to the spirit of consensus and cooperation that define this organisation and should be condemned," the Minister said.

Both India and Pakistan joined the SCO at the Astana summit in 2017, and Pakistan has ever since tried to raise the Kashmir issue on this

platform. Both India and Russia have urged Islamabad not to raise such bilateral matters repeatedly. The SCO Charter sealed in 2002 calls for "peaceful settlement" of conflicts and disputes among member states.

Mr. Jaishankar said the pandemic had exposed the weaknesses of vital global mechanisms that should

have acted more efficiently, adding, "This is the time to bring in much needed reforms to our global institutions, including the WHO, and rework our development strategies to face a post-COVID-19 world".

Addressing the virtual meeting chaired by Kazakhstan, Mr. Jaishankar said India had taken steps to operationalise the port of Chabahar in Iran for expanding connectivity options of the Central Asian countries.

In a veiled criticism of the China-Pakistan Economic Corridor (CPEC) that passes through parts of Pakistan-occupied Kashmir, the Minister added that connectivity corridors should respect sovereignty.

'U.S. should not have any illusions about Taiwan'

Beijing says no room for compromise, slams U.S. provocations

REUTERS
BEIJING

There is no room for compromise over Taiwan and the United States should not have any illusions about this, China's Defence Ministry said on Thursday, adding that Washington had of late made a series of "provocations" on several issues.

China says the issue of Taiwan, which it claims as Chinese territory, is the most sensitive in its ties with the United States, the country that is also Taiwan's most important international backer and arms supplier.

Sharp differences over Taiwan persisted during a virtual meeting earlier this month between U.S. President Joe Biden and Chinese President Xi Jinping.

Mr. Xi said that those in Taiwan who seek independence, and their supporters in the United States, were



A file photo of a protest in Taipei. ■ AFP

"playing with fire". Asked at a monthly news briefing in Beijing to comment on Sino-U.S. military ties in the light to those talks, Chinese Defence Ministry spokesman Wu Qian said having a healthy and stable relationship was good for both and what the world expected.

China is willing to maintain exchanges and coopera-

tion with the United States, he added.

'Irresponsible things'

"However, for a period of time, the U.S. side has said a lot of irresponsible things and done a lot of provocative things on Taiwan, the South China Sea, and close up reconnaissance by warships and aircraft," Mr. Wu said.

China has principles for the development of relations between the two militaries, which is to say its sovereignty, dignity, and core interests cannot be violated, he added. "Especially on the Taiwan issue, China has no room for compromise, and the U.S. side should not have any illusions about this."

Democratically-ruled Taiwan has denounced China for its stepped up diplomatic and military pressure to try and force the island into accepting Chinese sovereignty.

Govt. to revisit income criterion for EWS quota

It will be reviewed, Centre tells SC; NEET counselling put off

Govt. to revisit income criterion for EWS quota

In a previous hearing, the apex court had expressed its annoyance at the Government for not filing an affidavit explaining how it reached the ₹8 lakh figure to identify the EWS category. “Tell us if you want to revisit the criteria or not. If you want us to discharge our duties, then we are ready to do so. We are formulating questions... you need to answer them,” Justice Chandrachud had said.

“You cannot just pick ₹8 lakh out of the thin air and fix it as a criterion. There

has to be some basis, some study. Tell us whether any demographic study or data was taken into account in fixing the limit. How do you arrive at this exact figure? Can the Supreme Court strike down the criteria if no study was undertaken?” the court had asked the Government. In a hearing on October 7, the Government had assured the court that it would file an affidavit on oath explaining the reasons and statistics which led to the figure as the annual income criterion.

LEGAL CORRESPONDENT
NEW DELHI

The Union Government on Thursday informed the Supreme Court that it had taken a “considered decision” to revisit the “criteria” for determining Economically Weaker Sections (EWS) to provide them reservation.

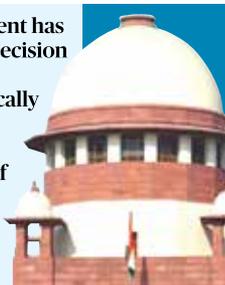
The Government, represented by Solicitor-General Tushar Mehta, said it would take four weeks for the exercise.

The submission follows rounds of grilling from the court during past hearings to reveal the logic and study before zeroing in on the “exact figure” of ₹8 lakh as the annual income limit to identify the EWS.

“The Union Government has taken a considered decision to revisit the criteria for determining the economically weaker sections in terms of the provisions of the Explanation to Article 15 of the Constitution inserted by the Constitution (103rd Amendment) Act 2019,” a Bench led by Justice D.Y. Chandrachud recorded in its order.

 The Union Government has taken a considered decision to revisit the criteria for determining the economically weaker sections in terms of the provisions of the Explanation to Article 15 of the Constitution inserted by the Constitution (103rd Amendment) Act 2019

JUSTICE D.Y. CHANDRACHUD, SC



The court was hearing a case filed by NEET aspirants challenging a July 29 notification announcing 27% quota to OBCs and 10% reservation to the EWS in the All India Quota (AIQ) category.

4-week delay

The Government assured the court that the NEET counselling would be deferred for four weeks till a decision was taken on the EWS quota.

“The Solicitor General states that a period of four weeks would be required for this exercise [revisiting EWS criteria] and pending its conclusion, the date for counselling shall stand post-

poned...” the court order said. The Bench scheduled the case next on January 6.

Panel to be set up

Mr. Mehta, appearing for the Government along with Additional Solicitor-General K.M. Natraj, said they have been instructed to submit that a committee would be set up to review the “criteria” to identify the EWS category.

The EWS quota was meant for persons who earned less than ₹8 lakh annually and did not benefit from any other existing reservation.

Measuring progress

The lessons of NFHS-5 must be used to improve social development indices

A periodic assessment of health and social development indicators is crucial for any country that is still clawing its way towards achieving ideal standards in the Human Development Index. While the results of the NFHS are usually mixed, and improvements in certain sectors ride along with stagnation and deterioration in other sectors, this year, there have been radical improvements in maternal and child health, sex ratio and population control. A greater proportion of births than ever before is now happening in institutions, more children in the 12-23 months age group have received their vaccinations, and, most interestingly, India has achieved a total fertility rate of 2.0, dropping further from the figure of 2.2 during NFHS-4, indicating that India has contained the population explosion. Policies, some even coercive, as in the case of the family planning sector, seem to have borne fruit, years after they were implemented. While gender ratio has, for the first time, recorded more women per 1,000 men, gender ratio at birth in the last five years still underlines the persistence of a deep-rooted son preference, one that has to be countered, through policy and law. There are other areas too, specially in the case of childhood nutrition where marginal gains in say, wasting and severe wasting, are deemed insufficient, and require renewed corrective efforts. The impact of the pandemic may also be noted, the disruption it caused to services such as balanced nutrition for children must be acknowledged, while this set of circumstances underscores the need for building resilient and fortified systems capable of delivering in the most trying circumstances. Having measured blood sugar and hypertension in the population for the first time, NFHS-5 highlighted the looming threat from lifestyle diseases.

This massive exercise that covered, this year, over six lakh households across the country, aims at providing data that will help shape the policies in a manner that will correct deficiencies, and ensure equitable access to services, particularly those with impact on social determinants that improve the quality of life. State-level indices are also released, to provide comparisons, but also to allow States to launch course correction, or to be inspired by success stories in other regions. Inputs on marriage and fertility, family planning, access to education and health services are provided by the NFHS, arguably second only to the exhaustive data that the decennial population census throws up. States need to treat it as such, and while they might dispute some assessments, the greater idea is to recognise it as a matrix to work on, to improve the development indicators further. Meanwhile, the Centre too must not treat it as a mere stocktaking exercise, but harness the opportunities the NFHS provides for launching reform or re-assessing certain policies without using it as a political tool in a federal set up.

NFHS says women outnumber men

The fifth edition of the National Family Health Survey confirms signs of a demographic shift in India

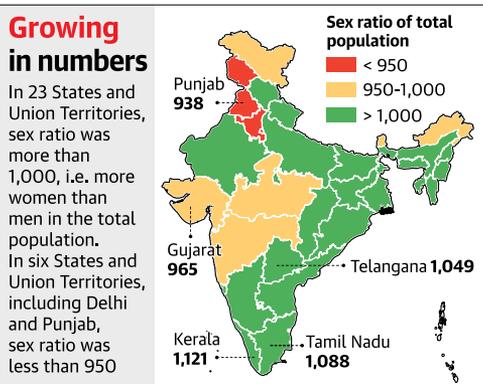
SPECIAL CORRESPONDENT
NEW DELHI

The fifth edition of the National Family Health Survey (NFHS) has confirmed signs of a demographic shift in India. For the first time since the NFHS began in 1992, the proportion of women exceeded men: there were 1,020 women for 1,000 men. In the last edition of the survey in 2015-16, there were 991 women for every 1,000 men.

Only the decadal Census is considered the official marker of population trends in India and has a wider surveillance programme. The NFHS surveys are smaller, but are conducted at the district level and are a pointer to the future.

Only improved

However, sex ratio at birth for children born in the past five years only improved from 919 per 1,000 males in 2015-16 to 929 per 1,000, underscoring that boys, on average, continued to have better odds of survival than



girls.

Most Indian States and Union Territories (UTs) had more women than men, the NFHS-5 shows. The States that had fewer women than men included Gujarat, Maharashtra, Arunachal Pradesh, Haryana, Madhya Pradesh and Punjab and Union Territories such as Jammu & Kashmir, Chandigarh, Delhi, Andaman and Nicobar Islands, Dadra and Nagar Haveli, and Ladakh.

All of these States and

UTs, however, showed improvements in the population increase of women.

A State-wise breakup of the NFHS data also show that India is on its way to stabilising its population, with most States and UTs having a Total Fertility Rate (TFR) of less than two. A TFR of less than 2.1, or a woman on average bearing two children over a lifetime, suggests that an existing generation of a people will be exactly replaced. Anything less than two sug-

gests an eventual decline in population over time. Only six States – Bihar, Meghalaya, Manipur, Jharkhand and Uttar Pradesh – have a TFR above two. Bihar has a TFR of three which, however, is an improvement from the 3.4 of the NFHS-4. Again, the TFR in all States has improved in the five years.

Most populous country

India is still poised to be the most populous country in the world, with the current projection by the United Nations population division forecasting that India's population will peak at 1.6 billion to 1.8 billion from 2040 to 2050.

A Government report last year projected that India would overtake China as the world's most populous country around 2031 – almost a decade later than the United Nations projection of 2022.

A notable exception is Kerala, a State with among the highest ratios of women to men at 1,121 and improvement over 1,049 recorded in

the NFHS-4. However, the TFR in Kerala has increased to 1.8 from 1.6. The State has also reported a decline in the sex ratio of children born in the past five years. There were 1,047 females per 1,000 males in 2015-16 that has now declined to 951 per 1,000 males.

The findings of NFHS-5 from 22 States and UTs covered in Phase-I were released in December 2020, and the remaining comprising Arunachal Pradesh, Chandigarh, Chhattisgarh, Haryana, Jharkhand, Madhya Pradesh, National Capital Territory (NCT) of Delhi, Odisha, Puducherry, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and Uttarakhand were made public on Wednesday.

The NFHS-5 survey work has been conducted in around 6.1 lakh sample households from 707 districts (as on March, 2017) of the country, covering 724,115 women and 101,839 men to provide disaggregated estimates up to the district level.

'Bring in three-rate GST structure'

NIPFP study says Government can rationalise the rates without losing revenues

VIKAS DHOOT
NEW DELHI

The Government can rationalise the GST rate structure without losing revenues by rejigging the four major rates of 5%, 12%, 18% and 28% with a three-rate framework of 8%, 15% and 30%, as per a National Institute of Public Finance and Policy (NIPFP) study.

The findings of the NIPFP, an autonomous think tank backed by the Finance Ministry, assume significance as the GST Council has tasked a Group of Ministers, headed by Karnataka CM Basavaraj S. Bommai, to propose a rationalisation of tax rates and a possible merger of diffe-

Rejigging rates | The current GST regime with four key tax slabs can be smoothly replaced by a three-rate structure without the exchequer losing revenues, says study

CURRENT GST RATE STRUCTURE	POSSIBLE REVENUE-NEUTRAL RATES
5%	8%
12%	15% (merging the 12% and 18% slabs)
18%	
28% (for demerit goods)	30%
Total rates - 8	Total rates - 7 (assumes no changes in special rates)

rent tax slabs by December to shore up revenues.

Multiple rate changes since the introduction of the GST regime in July 2017 have brought the effective GST rate to 11.6% from the origi-

nal revenue neutral rate of 15.5%, Finance Minister Nirmala Sitharaman pointed out at the last Council meeting in September.

"Merging the 12% and 18% GST rates into any tax rate

lower than 18% may result in revenue loss. Our study proposes that the GST Council may consider a three-rate structure by adopting 8%, 15% and 30% for revenue neutrality," NIPFP associate professor Sacchidananda Mukherjee told *The Hindu*.

The nature of rate changes has also meant that over 40% of taxable turnover value now falls in the 18% tax slab, thus any move to do-etail that slab with a lower rate will trigger losses to the tax kitty that need to be offset by marginal hikes in other remaining major rates – 5% and 28%.



Folk artists at the foundation-stone laying ceremony of the airport at Jewar on Thursday. • SHIV KUMAR PUSHPAKAR

Jewar to be logistics gateway for north: PM

Airport will act as a “catalyst” for western U.P., say industry bodies

JAGRITI CHANDRA
JEWAR

The proposed Noida International Airport at Jewar will serve as the logistics gateway for northern India, Prime Minister Narendra Modi said on Thursday at the foundation-laying ceremony.

The airport will help small farmers export perishable commodities like vegetables and fruits, and allow MSMEs easy access to international markets through Jewar.

There is a plan to develop a multi-modal hub for Jewar airport with rapid rail link from Delhi, Metro line from Noida as well as connectivity with Yamuna Expressway, Western Peripheral Expressway, Eastern Peripheral Expressway, which will link it to other parts of Uttar Pradesh and Haryana, apart from the Delhi-Mumbai Expressway.

This hub will provide important infrastructure to artisans of Khurja, sports industry in Meerut, furniture industry of Saharanpur, brass industry of Moradabad, and footwear industry of Agra, said Mr. Modi.

Industry bodies, and experts on logistics and real estate sector say that the airport will act as a “catalyst”

for western Uttar Pradesh and will attract industries, improve freight movement and make the area attractive for those looking to invest in office space or a home.

“The airport will have a ripple effect. There will be roads built to improve connectivity to the airport, which will serve the needs of the logistics industry by providing them improved access to hinterland and reducing transportation costs. This in turn will promote growth of local industries. This is the kind of impact an airport has on the region. It will also attract foreign investors, who always want to know how far an airport is for them,” said Jagannarayan Padmanabhan, Director and Practice Lead, Transport and Logistics, CRISIL Infrastructure Limited.

“The airport will completely change the scenario for western U.P. While there are big cities like Greater Noida and Noida, their residents had to travel to Gurgaon to catch a flight. The roads coming up will ensure connectivity with Delhi, Meerut, etc.,” said C.P. Gupta, U.P State Council Chairman, Confederation of Indian Industry.

(With inputs from Lalatendu Mishra)

Is the crypto asset boom sustainable?

PARLEY

The current monetary system is flawed, which is why cryptocurrencies have grown on a massive scale

One of the defining economic trends of the year has been the rise of cryptocurrencies. After the Supreme Court's decision last year overturning the Reserve Bank of India's 2018 order banning financial institutions from enabling cryptocurrency transactions, there has been a huge rush of retail investors into cryptocurrencies. Yet, the risk of the government cracking down on private currencies has remained. On Wednesday, the Centre announced that it will introduce a bill in the upcoming winter session of Parliament seeking to ban private cryptocurrencies, albeit with a few exceptions. Many commentators see the rise of cryptocurrencies as a bubble, while enthusiasts of cryptocurrencies see it as unstoppable. In a conversation moderated by Prashanth Perumal J., Parag Wanknis and Akshat Shrivastava discuss the government's move. Edited excerpts:



Parag Wanknis is an Associate Professor at Ambedkar University



Akshat Shrivastava is a serial entrepreneur and an investor in cryptocurrencies



Scan the QR code to listen to the full interview online

What is the fundamental value that cryptocurrencies offer investors?

Parag Wanknis: Traditionally, gold has been one of the options for investors to not only hedge against inflation, but also being the risk that is inherent in any financial system. Now, cryptocurrency is another such asset that allows people to invest outside the traditional financial system. It is not regulated and its value fluctuates, probably more than gold. But as we have seen over the pandemic, it has offered phenomenal returns, much more than gold. It has been able to offer. It's always debatable whether the current valuation is the appropriate valuation or not. There are going to be disagreements about what should be the value of cryptocurrency. So, many people might see it as a bubble. But then, it doesn't have to be stigmatised just because it's a bubble.

Akshat Shrivastava: First and foremost, cryptocurrencies are an entire asset class, not just one asset. The primary advantage of cryptocurrencies is the mathematically designed blockchain network with finite supply. The primary problem with the current monetary set-up is

that when the government starts printing more money, the value of your money gets wiped out due to high inflation. You can do that with Bitcoin. So, cryptocurrencies give you a better hedge against inflation compared to gold by better ensuring limited supply. Gold has been a great asset in the past, but the supply of gold is not mathematically designed. So, Bitcoin is a sound, fundamental currency. Second, there are systems and processes that can be developed around the blockchain network, such as decentralised finance systems. For example, when you transfer money to your friend in the U.S., there are significant charges that you incur if you go via any major bank in India. It's a friction that can be eliminated by the use of technology.

But do cryptocurrencies really have any use or exchange value to us, they like having fundamental value?

PW: Blockchain technology itself has great potential to reform financial record-keeping and keeping track of asset transactions. So, that is one major use of blockchain technology. Now, when it comes to currency as such, cryptocurrencies are more like hedge assets. So, cryptocurrencies are equivalent to gold. We do not expect people to walk into a store and directly use cryptocurrencies to buy goods and services. Cryptocurrencies still have to be converted into some actual currency that can be used. We do not quote prices in terms of Bitcoins. Governments do not accept taxes in Bitcoin or Ethereum. So, the word currency is a misnomer. But what gives cryptocurrencies an advantage over cash or fiat money is the fact that they exist outside the purview of the government. In the days just after demonetisation, people looked to invest in cryptocurrency. When people see that the value of a particular asset can be wiped out overnight by a government edict, that is enough to create some amount of distrust in the good. Most of the investments after demonetisation have been in real assets. So, cryptocurrencies may not have immediate use in terms of going into



a store and buying something but they are basically a hedge against any system-wide action that can wipe out the value of any particular asset.

AS: Right now there are more than 20,000 businesses that are accepting Bitcoin. People can buy a bunch of digital products using Bitcoin. If you move to certain countries, you can transact in fractional values of Bitcoin. So, there is no problem in terms of transacting in Bitcoin. In fact, you can't go to Starbucks and pay in gold to buy a coffee. That is not possible.

Second, there is something fundamentally off in how the monetary system currently works. Economists would say that fiat money is a store of value and a medium of exchange. Is fiat money a medium of exchange? Yes, it's a very good medium of exchange. But is the current fiat money a store of value? Absolutely not. The reason why Bitcoin became prominent was that the value of fiat currencies was being eroded systematically. Right from 2008, due to quantitative easing, money supply was increasing and every time the government turned on the money-printing machine, the value of the money that you saved went down. So, people started looking for better alternatives where one cannot create money at their own will and potentially wipe out your savings. The fundamental value of Bitcoin is that it is a great store of wealth.

Since cryptocurrencies are competing against fiat currencies, don't they face the

It's wrong to ban any asset unless there are compelling reasons to do so. You are basically going to create an underground market. And people will continue to invest in crypto assets. It will be hard to regulate.

risk of government sanctions?

AS: It depends on how you're defining it. For example, if you're defining cryptocurrencies as an asset class, then they are competing against something like gold, not against fiat money. If you actually structurally understand this entire problem, the U.S. dollar is going to be the biggest beneficiary from this entire crypto movement. There is a reason why senators in the U.S. are accepting their salaries in Bitcoin. By the end of this year, a substantial share of the U.S. population will have some sort of cryptocurrency in their wallets. Jamie Dimon of JPMorgan Chase and Ray Dalio were both crypto critics at the beginning, but they have now come to embrace it. The adoption of cryptocurrencies, especially Bitcoin, has been the fastest adoption of any technology. It is literally changing the way you're interacting with technology. If you say that you are going to ban Bitcoin, or that you are going to ban Ethereum, then the bottom line is that you're actually saying no to a big part of technology that can prove to be revolutionary. Think about it this way. For example, if India decides to ban

Ethereum, we would have essentially said no to the entire decentralised finance system, because no other developers will come and build a blockchain network for you and power it up for you. It's like saying a government has the potential to beat Facebook in terms of building a social media network.

PW: It's wrong to ban any asset unless there are compelling reasons. And I do not really find any compelling reason in this particular case. You are basically going to create an underground market. And people will continue to invest in crypto assets. It will be hard to regulate. It would probably increase the penalty cost and more risk-averse investors would be dissuaded from investing. But overall, other than the desire for complete control over the monetary system, I don't see any other motive or economic rationale for banning crypto assets. So, the government should not do it. In fact, it should build a proper regulatory framework and allow investment because it's like any other asset. Then there are great benefits to the blockchain network itself that the government can use for financial record-keeping. It's antithetical to say that the government will ban the private crypto network and the government having monopoly over a decentralised record-keeping system does not make any sense.

What would be the benefits of having different currencies competing against each other?

PW: Private currencies could have a beneficial effect in disciplining the central bank. In Zimbabwe, for example, the government printed a lot of money and then the currency lost value. People then moved to the U.S. dollar for transaction purposes. This in turn forced the Zimbabwean government to enact some monetary reforms, curtail the supply and have some kind of a benchmark to the U.S. dollar so that the Zimbabwean dollar could regain the ground that it had lost because of an increasing supply. So, one of the beneficial effects of competing currencies is the disciplining effect it has on the central bank or on fiat mo-

ney. Governments cannot just willfully keep increasing the money supply since people will then always have the options to shift to other payment instruments. This was the classic dilemma that Milton Friedman actually posed, that kind of caveat that nobody is talking about in most cases in the economy but we kind of take the monopoly power of the central bank for granted without questioning it. There are examples in history where private banking notes have functioned very well and there are examples where they have failed too. There is a lot of research that goes into why they were successful and why they failed. But overall, it seems that if a private currency has certain characteristics such as scarce supply that is guaranteed, a criterion that many cryptocurrencies satisfy, then it could actually perform as a competing payment instrument that could discipline the central bank. There are plenty of historical examples for that. No single instrument can have all the advantages anyway. But every payment instrument comes up with some advantage and some disadvantages. So, we can kind of figure out which technology or which currency works better for what purposes and then think of some way of creating a financial system which harnesses all of these new instruments, rather than cracking down on them.

AS: The current monetary set-up has serious flaws. That is the primary reason why cryptocurrencies have grown at such a massive scale. The adoption of cryptocurrencies has been one of the fastest for anything in technology ever in human recorded history. There are massive pitfalls in how the current monetary set-up is managed. Every time there is a problem, the solution is to print massive amounts of money, and every time the government prints money, it creates irreparable damage to people, especially at the bottom end of the society. That's not one. Second, money printing is not an economic question. It is a political question. There is always more demand among governments to spend than the supply of funds available. And in order to satiate that demand, more money is printed. If people understood this economic concept they would be demonstrating on the streets.

EXPLAINER

The uncertainty around cryptocurrency

Why has the latest Bill regarding digital currencies, which is to be tabled in Parliament, caused widespread distress among crypto-investors?

THE GIST

PRASHANTH PERUMAL J

A bulletin released by the Government on Wednesday stated that the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 will "create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India." It also seeks to "prohibit all private cryptocurrencies in India" except for a few in order to "promote the underlying technology of cryptocurrency and its uses."

If so, it would be illegal to purchase goods and services using any cryptocurrency and people would only be able to speculate on the price of cryptocurrencies.

Crypto enthusiasts, however, still argue that cryptocurrencies can serve as an asset like gold or silver that helps people protect their wealth from inflation.

The story so far: A bill that the Centre set to introduce in the Winter Session of Parliament has got investors in cryptocurrencies worried. The prices of cryptocurrencies across the board fell by as much as 20% after news of the Centre's new cryptocurrency bill hit the market on Wednesday. With details of the bill not out yet, many investors are left hoping that there will be no blanket ban on cryptocurrencies.

What is it?

A bulletin released by the Government on Wednesday stated that the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 will be introduced in the Winter Session. The stated purpose of the bill is to "create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India." Towards this end, the bill seeks to "prohibit all private cryptocurrencies in India" except for a few

What seems clear as of now, however, is that cryptocurrencies will not be allowed to function as a full-fledged medium of exchange

in order to "promote the underlying technology of cryptocurrency and its uses." The "official digital currency" here refers to the central bank digital currency that is expected to be issued by the RBI. A number of central banks across the globe have been working on issuing their own digital currencies. This, some say, is to offer an alternative to private cryptocurrencies. It should be noted that the RBI, in an order in 2018, banned financial institutions from facilitating cryptocurrency transactions. The RBI's order was overturned by the Supreme Court last year saying that there was no legal basis for the ban. But the new cryptocurrency bill may offer a legal basis for a strong ban.

Is this the end of the road for cryptocurrencies?

The bulletin released by the government has led to some confusion over what counts as "private cryptocurrency" in the context of the bill. Since, at least according to the bulletin, the primary purpose of the bill

seems to be to facilitate the creation of an official digital currency issued by the RBI, "private cryptocurrencies" in this context likely refers to digital currencies created by entities other than the state. Others, however, have argued that "private cryptocurrencies" refers only to a small number of cryptocurrencies that do not make their transaction ledgers and other data available to the public. What seems clear as of now, however, is that cryptocurrencies will not be allowed to function as a full-fledged medium of exchange. So, it would be illegal to purchase goods and services using any cryptocurrency. People may only be able to speculate on the price of cryptocurrencies. This was expected given the risk that private currencies could possibly out-compete fiat currencies issued by central banks. Fiat currencies are seen as assets that can be

easily debased by governments.

Crypto-enthusiasts point out that the ban on cryptocurrencies in other countries has not led to a halt in crypto trading. They say that it is hard for authorities to crack down on cryptocurrencies and further argue that the ban on cryptocurrencies will only push cryptocurrencies into the black market.

Central bankers, however, may not be concerned about such underground trading as long as the value and volume of these transactions are limited and pose no serious threat to their monetary powers.

What does this mean for the value of cryptocurrencies?

Cryptocurrencies were initially funded by many as alternative currencies that could compete against fiat currencies such as the U.S. dollar and the rupee. But governments



In this picture taken on November 23, 2021 the Bitcoin sign is seen at the entrance of a private office in Bangalore. Between 2017 and 2021, Bitcoin's value rose to a record high. It is Asia's third-largest economy estimated to own cryptocurrencies, according to the industry body the Blockchain and Crypto Assets Council (BCCAC).

Scorpena class submarine *INS Vela* joins Navy

With this, the Indian Navy currently has one nuclear and 16 conventional submarines in service

DINAKAR PERI
NEW DELHI

The fourth Scorpena class conventional submarine, *INS Vela*, was commissioned into the Navy in the presence of Chief of the Naval Staff Admiral Karambir Singh at a ceremony in Mumbai on Thursday.

"*Vela* has taken the 'Make in India' spirit a notch higher with the fitment indigenised battery cells, which power a very silent permanently magnetised propulsion motor," the Navy said in a statement. Construction of the submarine commenced with the first cutting of steel on July 14, 2009 and it was launched and named *Vela* on May 6, 2019.

With this, the Navy currently has 16 conventional and one nuclear submarines in service. It includes eight Russian Kilo class submarines, four German HDW submarines, four French Scorpena submarines and the indigenous nuclear ballistic missile submarine *INS Arihant*.

Vela is named after a type



Water power: Naval officers standing on the deck of *INS Vela* during its commissioning ceremony at the Naval Dockyard in Mumbai on Thursday • EMMANUEL YOGINI

of Indian fish belonging to the stingray family, and the crest depicts the fish swimming across the blue seas. The submarine's mascot is the Sub-ray which is an amalgamation of the submarine and the stingray which symbolises the metamorphosis of the submarine's character with the qualities of a stingray, the Navy said. The new *INS Vela* carries forward the legacy of its name-

sake, the erstwhile *Vela* which was commissioned on August 31, 1973 as the lead boat of *Vela* class submarines and was decommissioned on January 25, 2010.

Navy's Project-75

Six Scorpena submarines are being built under Project-75 by Mazagaon Dock Ltd. (MDL), Mumbai, under technology transfer from Naval Group of France under a

\$3.75-bn deal signed in October 2005.

The first submarine *INS Kalvari* was commissioned in December 2017, second submarine *INS Khanderi* in September 2019 and third one *INS Karanj* in March 2021. The fifth submarine, *Vagir*, was launched in November 2020 and is undergoing sea trials while the sixth one *Vagsheer* is in advanced stage of outfitting.

The Navy has drawn up plans to install Air Independent Propulsion (AIP) modules on all Scorpena submarines as they go for their refit beginning with *INS Kalvari* in 2023 to enhance their endurance.

That hinges on the successful fitment of the indigenous AIP module developed by the Defence Research and Development Organisation on board a submarine. The land-based prototype has recently undergone successful trials.

In parallel, the Navy recently issued the Request For Proposal for procurement of six advanced submarines under Project-751. The Navy has a 30-year submarine building programme and after the P-751, the Navy intends to design and build conventional submarines indigenously. "This is going to be may be the last time (P-751) that we will take any outside assistance; henceforth we will design and build our own submarines," Navy Chief Adm Singh told *The Hindu* recently.

Setting the tone at Glasgow, the job ahead in Delhi

India, while moving to renewable energy, e-vehicle use, and a digital economy, needs to focus on sustainable well-being



MUKUL SANWAL

With current per capita emissions that are less than half the global average, India's pledge to reach 'net zero' emissions by 2070 has cemented India's credentials as a global leader. The emissions of all others who have pledged "net zero" by 2050 are above the global average.

At COP26 in Glasgow (October 31-November 12, 2021), India successfully challenged the 40-year-old frame of global climate policy that pointed a finger at developing countries with the alternate frame of 'climate justice', that unsustainable lifestyles and wasteful consumption patterns are to blame. The political implication of the date 2070 is that the world should get to 'net-zero' by 2050. For that, the rich countries will need to do more and step up closer to their share of the carbon budget. India's stand also signals that it will not act under external pressure, as requiring equal treatment is the hallmark of a global power, and will have an impact on other issues.

G7 no longer a rule setter
The problem, as Gandhiji had also observed, is really western civilisation; it also accounts for the spate of criticism of India's open challenge in the plenary, and getting global agreement on a "just" transition to phase down, and not phase out, coal. The subject of oil was not touched, even as automo-

bile emissions are the fastest growing emissions, because it is a defining feature of western civilisation. Coal is the most abundant energy source, essential for base load in electrification, and the production of steel and cement. Its use declines after the saturation level of infrastructure is reached. The irony of the host country pushing other nations to stop using coal – an energy resource which powered its own Industrial Revolution – was not lost on the poor countries who called out "carbon colonialism". That India and China working together forced the G7 to make a retraction has signalled the coming of a world order in which the G7 no longer sets the rules.

The Prime Minister's stand in the opening plenary, pushing 'climate justice', and the Environment Minister, Bhupendra Yadav's constant reminder that the negotiating text is not balanced as there is little advance on financial and other support, gave courage to the others to also successfully question the negotiating frame which focused on emissions reduction. After 40 years there is more specific language on both finance and adaptation finally recognising that costs and near-term effects of climate change will hit the poorest countries hardest.

India will be investing

The debate has now shifted to the national level, with questions on the feasibility of the goal of 'net-zero' by 2070. Here again, most of the concerns mirror those raised in the West without appreciating the significance of 'climate justice'. Seeing the challenge in terms of the scale and the speed of the



transformation of the energy system assumes that India will follow the pathway of western civilisation where the energy system and lifestyles that evolved over a century have to be transformed over the next 30 years.

India is urbanising as it is industrialising, moving directly to electrification, renewable energy and electric vehicles, and a digital economy instead of a focus on the internal combustion engine. Most of the infrastructure required has still to be built and automobiles are yet to be bought. India will not be replacing current systems and will be making investments, not incurring costs.

West must cut consumption

There is sufficient evidence in the literature that the consumption of affluent households both determines and accelerates an increase of emissions of carbon dioxide. This is followed by socio-economic factors such as mobility and dwelling size. In the West, these drivers have overridden the beneficial effects of changes in technology reflected in the material footprint and related greenhouse-gas emissions. Climate change has to be addressed by the West by reducing consumption, not just greening it.

For India, in parallel with the in-

frastructure and clean technology thrust, the focus on a decent living standard leads to behavioural change in the end-use service, such as mobility, shelter and nutrition – for change modifying wasteful trends.

First, consumption patterns need to be 'shifted away from resource and carbon-intensive goods and services, e.g. mobility from cars and aircraft to buses and trains, and nutrition from animal and processed food to a seasonal plant-based diet'.

Second, along with 'reducing demand, resource and carbon intensity of consumption has to decrease, e.g. expanding renewable energy, electrifying cars and public transport and increasing energy and material efficiency'.

This should be the focus

Third, equally important, will be achieving a 'more equal distribution of wealth with a minimum level of prosperity and affordable energy use for all', e.g., housing and doing away with biomass for cooking. Indian civilisational values already lay stress on vegetarianism, frown on wastage; mobility-related consumption is not disproportionately increasing with income. National acceptance of a 'floor' as well as 'ceiling' of sustainable well-being is feasible.

The government now needs to set up focused research groups for the conceptual frame of sustainable well-being. It should analyse the drivers of affluent overconsumption and circulate synthesis of the literature identifying reforms of the economic systems as well as studies that show how much energy we really need for a decent level of well-being.

The West has yet to come out with a clear strategy of how it will remain within the broad contours of its carbon budget. The political problems of a scaling-down of economic production and lifestyles will provide useful lessons. It is becoming difficult for the West to use international trade that is shifting manufacturing and the burden of emissions to developing countries with the rise of a digital economy. And increasing inequality and a rise of protectionism and trade barriers imposing new standards need to be anticipated. This knowledge is essential for national policy as well as the next round of climate negotiations.

Work for Parliament

After the Stockholm Declaration on the Global Environment, the Constitution was amended in 1976 to include Protection and Improvement of Environment as a fundamental duty. Under Article 253, Parliament has the power to make laws for implementing international treaties and agreements and can legislate on the preservation of the natural environment. Parliament used Article 253 to enact the Environment Protection Act to implement the decisions reached at the Stockholm Conference. The decisions at COP26 enable a new set of legislation around ecological limits, energy and land use, including the efficient distribution and use of electricity, urban design and a statistical system providing inputs for sustainable well-being.

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China protests Rawat's comments on security threat

Remarks 'incite geopolitical confrontation', it says

ANANTH KRISHNAN
HONG KONG

China's military said on Thursday it had lodged "solemn representations" with India and expressed its "firm opposition" to Chief of Defence Staff General Bipin Rawat's comments earlier this month on China being the biggest security threat to India and mutual suspicion rising between the two sides.

People's Liberation Army (PLA) Senior Colonel Wu Qian, who is spokesperson for the Ministry of Defence, described Gen. Rawat's comments as "irresponsible and dangerous", speaking at the Ministry's monthly press conference in Beijing.

Violation of ties

"Indian officials speculate on the so-called 'Chinese military threat' for no reason, which is a serious violation of the strategic guidance of the leaders of the two countries that China and India do not constitute a threat to each other," he said, adding that the remarks "incite geopolitical confrontation" and were "irresponsible and dangerous".

He did not say where and how China had "made solemn representations" over the remarks.

While the Chinese military's spokesperson termed the comments a "violation" and "inciting confrontation", Indian officials have said on many occasions over the past few months that the Chinese military's actions



... We hope India and China will work together to maintain peace on the border

WU QIAN
Chinese Defence Ministry spokesperson

along the Line of Actual Control (LAC) starting last summer – mobilisation of two divisions, deployment of troops in forward areas and multiple transgressions to unilaterally redraw the LAC – had not only violated bilateral understandings but also brought ties to their lowest point in years.

Last week, diplomats from the two sides agreed to restart talks between military commanders "at an early date", with the 13th round of talks in October ending with an acrimonious exchange with each side blaming the other for the stalemate.

At last week's meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs, both agreed to also "ensure a stable ground situation and avoid any untoward incident" until the situation is resolved.

Gen. Rawat had said, at an event earlier this month,

that while disengagement had taken place in some areas and was in progress in others, de-escalation remained a far-off possibility given a lack of trust and mutual suspicion, not to mention the Chinese side's construction of infrastructure in forward areas.

Indian officials have said China has so far not offered "a credible explanation" of its deployments last year that sparked the crisis.

'Clear, unambiguous'

The PLA spokesperson said China's position on the border issue was "clear and unambiguous".

"The Chinese frontier defence forces are determined to safeguard national sovereignty and security, and are also committed to maintaining peace and tranquillity in the border areas, and are making great efforts to promote the de-escalation of the situation," he said.

"There is an old Chinese saying: if you use bronze as a mirror, you can correct your appearance. If you use history as a mirror, you can understand the rise and fall of a state. If you use good people as a mirror, you can understand right from wrong. As neighbouring countries, we hope India and China will meet each other halfway and work together to jointly maintain peace and tranquillity in the border areas and jointly maintain the healthy development of relations."

General Studies Paper I	
A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 th century such as industrial revolution, world wars, re-drawal of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies
General Studies Paper II	
A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
General Studies Paper IV	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.