

VEDHIK
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ANALYSIS

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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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Admiral Hari Kumar is Navy chief

He takes over at a time when the force is revising its perspective plan

DINAKAR PERI
NEW DELHI

Admiral R. Hari Kumar on Tuesday took charge as the 25th Chief of the Naval Staff from Admiral Karambir Singh, who retired after a 41-year career.

"It's a matter of great honour for me to take charge as the CNS. The Indian Navy's focus is on national maritime interests and challenges," he said after reviewing a guard of honour on the South Block lawns here. He was earlier the Flag Officer Commanding-in-Chief of the Western Naval Command.

Admiral Kumar takes over at a time when the Navy is in the process of revising its 15-year Maritime Capability Perspective Plan to align it with the 10-year Integrated



New beginning: The new Naval chief Admiral R. Hari Kumar welcomed by the outgoing chief Karambir Singh. •R.V. MOORTHY

Capability Development Plan being formulated by the Department of Military Affairs (DMA).

Increased engagements During Admiral Singh's tenure, the Navy has seen a manifold increase in engage-

ments in the region, both with the littoral states and major partners. This was backed by a series of bilateral logistics support agreements and maritime cooperation agreements.

Admiral Kumar graduated from J-squadron, 61 Course

National Defence Academy, in December 1981 and was commissioned into the Executive Branch of the Navy on January 1, 1983.

During a career spanning nearly 39 years, he has served in a variety of Command, Staff and Instructional appointments. His Sea Command includes Indian Coast Guard Ship C-01, *INS Nishank*, missile corvette *INS Kora* and guided missile destroyer *INS Ranvir*. He also commanded aircraft carrier *INS Viraat*. He was the Fleet Operations Officer of the Western Fleet.

Before taking over as FO C-in-C Western Naval Command, Admiral Kumar was Chief of Integrated Defence Staff to the Chairman, Chiefs of Staff Committee.

EXPLAINER

The Iran-US deadlock over nuclear capability

What is the JCPOA? Why are talks between Iran and the U.S. at a stalemate?

THE GIST

■ The 2015 JCPOA agreement sought to cut Iran off a possible path to a nuclear bomb in return for lifting of economic sanctions. Iran agreed to cut its stockpile of enriched uranium by 98% to 300 kg and keep them at a low purity level of 3.67%. In return, the Obama administration lifted sanctions.

■ In May 2018, President Donald Trump unilaterally pulled the U.S. out of the nuclear deal as critics of the deal in Washington as well as in Riyadh and Tel Aviv argued that the agreement was inadequate to address Iran's growing influence in the region.

■ The Biden administration is ready to take necessary steps to revive the JCPOA, including removing sanctions, but it wants Iran to return to the agreement first. Iran wants the U.S. to remove all the sanctions first and give assurances that a future American leader would not renege on the promises as Mr. Trump did.

STANLEY JOHNS

The story so far: After a gap of five months, Iran, Russia, China and the European countries resumed negotiations in Vienna to revive the 2015 nuclear agreement, known as the Joint Comprehensive Plan of Action (JCPOA), that had sought to scuttle the Islamic Republic's nuclear programme. As Iran has refused to hold direct talks with the U.S., European officials will shuttle between the Iranian and American delegations, exchanging talking points and seeking common ground.

What were the terms of the nuclear agreement?

The 2015 agreement sought to cut Iran off a possible path to a nuclear bomb in return for the lifting of economic sanctions. Iran maintains that its nuclear programme is peaceful, a claim disputed by many international powers. At the time of the agreement, Iran had two nuclear enrichment plants—Natanz and Fordow—that were enriching uranium at a higher purity than what's required for a civilian

In May 2018, U.S. President Donald Trump, Barack Obama's successor, unilaterally pulled the U.S. out of the nuclear deal despite the UN certification that Iran was complying with all the terms of the agreement.

programme, and had almost 20,000 centrifuges. Typically, low-enriched uranium, with less than 5% concentration of the fissile isotopes U-235, is used in nuclear power plants. While uranium with 20% and more purity is used in research reactors, the fuel with 90% purity is used in bombs. Centrifuges are used to enrich uranium.

According to the 2015 deal, Iran agreed to cut its stockpile of enriched uranium by 98% to 300 kg and keep them at a low purity level of 3.67%. Restrictions were introduced on the number of centrifuges it could keep and Iran agreed to open all its facilities to the inspection of the International Atomic Energy Agency (IAEA). These measures meant that even if Iran renege on the promises and decided to make a bomb, it would take at least one year (the breakout period) to manufacture enough highly enriched uranium and centrifuges to do so. In return for Iran signing the agreement, the Obama administration lifted sanctions on



the Islamic Republic.

What triggered the current crisis?

In May 2018, U.S. President Donald Trump, Barack Obama's successor, unilaterally pulled the U.S. out of the nuclear deal in the run-up to the 2016 presidential election.

Critics of the deal in Washington as well as in Riyadh and Tel Aviv argued that the agreement was inadequate to address Iran's growing influence in the region. They argued that the lifting of the sanctions would leave Iran economically more powerful and raise its geopolitical profile, which would pose fresh challenges to America's allies in West Asia. The Trump administration also wanted to negotiate Iran's ballistic missile programme as part of a new agreement. After pulling out of the JCPOA, the U.S. reimposed sanctions on Iran and then invited Tehran for talks. Iran, on the other side, not just refused to talk with the Trump administration, but also resumed its nuclear

programme.

Where do talks stand now?

Joe Biden, during the campaign, had promised to revive the nuclear deal. After his election, he appointed a special envoy for Iran. Indirect talks with Iran through Europeans started immediately. But no agreement was reached after six rounds in Vienna. A change of Government in Iran made matters more complicated. Now, the Iranian delegation, appointed by the new Government of President Ebrahim Raisi, has come forward for talks, which has raised hopes for a breakthrough. But there still are several thorny issues. Iran has substantially stepped up its nuclear activities since 2019. It has installed more than 1,000 more advanced centrifuges at its plants, which can enrich uranium more quickly. Iran has also started enriching uranium to 20% purity or more, which is a technical step away from the weapons grade level. In February, Iran scuttled the IAEA's oversight of its nuclear sights, but agreed to keep recording devices in place that would allow the agency to continue to monitor the plants. In recent

months, Iran removed the IAEA camera from a factory in Karaj, outside Tehran, that makes equipment for centrifuges. According to some reports, the advances Iran made in its nuclear programme has reduced the current breakout time to as little as a month, from a year when the deal was alive.

The Biden administration has said that it was ready to take necessary steps to revive the JCPOA, including removing sanctions, but it wants Iran to return to the agreement first—which means Iran should stop enriching uranium, ship out the highly enriched fuel as well as the centrifuges and open the nuclear sites for international inspection.

Iran also says it's ready to return to the deal but it wants the U.S. to remove all the sanctions first and give assurances to Tehran that a future American leader would not renege on the promises as Mr. Trump did. As a result, the talks have reached a stalemate. In Vienna, the challenge is to find some common ground so that at least the process of reviving the deal can begin. Time is running out for all parties with Iran moving fast with its nuclear programme.

Difficult dialogue: Deputy Secretary General of the European External Action Service (EEAS) Enrique Mora and Iran's chief nuclear negotiator Ali Bagheri Kani wait for the start of a meeting of the JCPOA Commission in Vienna, Austria on November 29, 2021. •VIA REUTERS

Russia has red line on Ukraine: Putin

Any escalatory actions by Moscow will be a great concern and will trigger consequences: U.S.

AGENCE FRANCE-PRESSE
MOSCOW

Russian President Vladimir Putin on Tuesday sternly warned NATO against deploying its troops and weapons to Ukraine, saying it represents a red line for Russia and would trigger a strong response.

Commenting on Western concerns about Russia's alleged intention to invade Ukraine, he said that Moscow is equally worried about NATO drills near its borders.

Speaking to participants of an online investment forum, the Russian President said that NATO's eastward expansion has threatened Moscow's core security interests. He expressed concern that NATO could eventually use the Ukrainian territory to deploy missiles capable of reaching Russia's command centres in just five minutes.

"The emergence of such threats represents a 'red line' for us," Mr. Putin said. "I hope that common sense and responsibility for their own countries and the global community will eventually prevail."



War of words: Vladimir Putin expressed concern that NATO could use Ukraine to deploy missiles against Russia. ■AFP

He added that Moscow has been forced to counter the growing threats by developing hypersonic weapons.

Hypersonic missile

"What should we do?" Mr. Putin said. "We would need to develop something similar to target those who threaten us. And we can do that even now." He said a new hypersonic missile that is set to enter service with the Russian Navy early next year would be capable of reaching targets in comparable time. "It would also need just five mi-

nutes to reach those who issue orders," Mr. Putin said.

The Zircon hypersonic cruise missile, capable of flying at nine times the speed of sound to a range of 1,000 km, has undergone a series of tests, most recently on Monday.

Meanwhile, the U.S. warned on Tuesday of "serious consequences" for any renewed Russian aggression as NATO met to discuss Moscow's intentions for massing troops on the border with Ukraine.

U.S. Secretary of State An-

tony Blinken was due to brief his 29 NATO counterparts on the U.S. intelligence picture on the group's eastern flank and in Ukraine, which is not a member.

At a news conference in Latvia before the meeting, Mr. Blinken expressed alarm at the "unusual" Russian troop movements.

"Any escalatory actions by Russia would be a great concern to the United States as they would to Latvia and any renewed aggression would trigger serious consequences," he said.

Two Russian troop buildups this year on Ukraine's borders have alarmed the West. In May, Russian troops there numbered 1,00,000, the largest since Russia's annexation of Crimea in 2014, Western officials say.

Mr. Putin argued that to avoid tensions, Russia and the West should negotiate agreements that would take the parties' security interests into account. The Russian leader noted that Russia has been strongly worried about NATO's drills near its borders, pointing at a recent ex-

ercise that involved U.S. strategic bombers.

Nuclear weapons

"Strategic bombers, which carry precision weapons and are capable of carrying nuclear weapons, were flying as close as 20 km to our border," he said. "That represents a threat for us."

The previous buildup of Russian troops near Ukraine early this year was followed by Mr. Putin's summit with U.S. President Joe Biden in June in Geneva, where they agreed to launch a dialogue on strategic stability and cyber security.

Mr. Putin hailed the discussions on cyber security between Russian and U.S. experts, saying "just as with the pandemic, it's necessary to pool efforts to work efficiently."

Asked about Mr. Biden's bid to seek a second term, Mr. Putin hailed it, saying it would help the U.S. political stability. Drawing parallels with his own re-election plans, he indicated the possibility of him staying on has helped ensure stability.

6 lakh Indians renounced citizenship

10,645 foreigners applied for Indian citizenship from 2016 to 2020, says Centre

VIJAITA SINGH
NEW DELHI

More than six lakh Indians renounced citizenship in the past five years, the Ministry of Home Affairs (MHA) informed the Lok Sabha on Tuesday. This year, till September 30, 1,11,287 Indians gave up their citizenship.

The reason for a large number of Indians surrendering their citizenship was not stated in the reply. Though, in 2018, the MHA revised Form XXII under Citizenship Rules for declaration of renunciation of citizenship, which, for the first time, included a column on "circumstances/reasons due

to which applicant intends to acquire foreign citizenship and renounce Indian citizenship". Recently, the MHA had simplified the process and provisions were made for the applicants to upload documents online and an upper limit of 60 days was fixed for the renunciation process to be completed.

Minister of State for Home Nityanand Rai, in a written reply, said that in 2017, 2018, 2019 and 2020, the number of Indians who gave up citizenship stood at 1,33,049, 1,34,561, 1,44,017 and 85,248, respectively.

According to a Global

Wealth Migration Review report, in 2019, India came second only to China when it came to high net worth individuals (HNIs) leaving the country. As many as 7,000 HNIs left India in 2019.

In October, Amit Mitra, former Finance Minister of West Bengal, quoting a Morgan Stanley report, tweeted that "35,000 Indian Entrepreneurs of High Net Worth LEFT India between 2014-2020, as NRI/Immigrants. India RANKED No 1 IN EXODUS IN THE WORLD".

Mr. Rai added that in the period 2016-20, 10,645 foreigners applied for Indian citizenship, of which more

than 7,782 were from Pakistan and 452 were stateless. During the same period, 4,177 persons were granted Indian citizenship but the country-wise breakup was not provided. A total number of 1,33,83,718 Indian nationals were living in foreign countries, the reply stated.

The Minister said the persons covered under the Citizenship Amendment Act (CAA) might apply after the rules were notified.

"Till now, the Government has not taken any decision to prepare the National Register of Indian Citizens (NRI) at the national level," the reply said.

Small grant but a big opportunity for local bodies

The earmarked health allocation recommended by the 15th Finance Commission can fulfil a mandate on primary care



CHANDRAKANT LAHARIYA

In early November 2021, a potentially game-changing and transformative development went by, almost unnoticed – the release of ₹8,453.92 crore to 19 States, as a health grant to rural and urban local bodies (ULBs), by the Department of Expenditure, the Ministry of Finance. This allocation has been made as part of the health grant of ₹70,051 crore which is to be released over five years, from FY2021-22 to FY2025-26, as recommended by the Fifteenth Finance Commission. The grant is earmarked to plug identified gaps in the primary health-care infrastructure in rural and urban settings. Of the total ₹13,192 crore to be allocated in FY 2021-22, rural local bodies (RLBs) and ULBs will receive ₹8,273 crore and ₹4,919 crore, respectively.

It is significant

The allocation in FY2021-22 is relatively small by some comparisons. It would be 2.3% of the total health expenditure (both public and private spending together) of ₹5,66,644 crore in India and 5.7% of the annual government health expenditure (Union and State combined) of nearly ₹2,31,104 crore (both figures for 2017-18), the most recent financial year for which national health accounts data are available (<https://bit.ly/3I39G77>).

This grant is equal to 18.5% of the budget allocation of the Union Department of Health and Family Welfare for FY 2021-22 and around 55% of the second COVID-19 emergency response package announced in July 2021. Yet, it is arguably the single most significant

health allocation in this financial year with the potential to have a far greater impact on health services in India in the years ahead.

Good intentions gone wrong

In 1992, as part of the 73rd and 74th Constitutional Amendments, the local bodies (LBs) in the rural (Panchayati raj institutions) and urban (corporations and councils) areas were transferred the responsibility to deliver primary care and public health services. The hope was this would result in greater attention to and the allocation of funds for health services in the geographical jurisdiction of the local bodies. Alongside, the rural settings continued to receive funding for primary health-care facilities under the ongoing national programmes.

However, the decision proved a body blow, specially to urban health services. The government funding for urban primary health services was not channelled through the State Health Department and the ULBs (which fall under different departments/systems in various States) did not make a commensurate increase in allocation for health. The reasons included a resource crunch or a lack of clarity on responsibilities related to health services or completely different spending priorities. Most often, it was a varied combination of these factors. The well-intentioned legislative step inadvertently enfeebled the health services more in the urban areas than the rural settings.

In 2005, the launch of the National Rural Health Mission (NRHM) to bolster the primary health-care system in India partly ameliorated the impact of RLBs not spending on health. However, urban residents were not equally fortunate. The National Urban Health Mission (NUHM) could be launched eight years later and with a meagre annual financial allocation which never crossed



GETTY IMAGES/STOCKPHOTO

₹1,000 crore (or around 3% of budgetary allocation for the NRHM or ₹25 per urban resident against ₹4,297 per person per year health spending in India).

In 2017-18, 25 years after the Constitutional Amendments, the ULBs and RLBs in India were contributing 1.3% and 1% of the annual total health expenditure in India. In urban settings, most local bodies were spending from less than 1% to around 3% of their annual budget on health, almost always lower than what ULBs spend on the installation and repair of streetlights. The outcome has not been completely surprising. Both urban and rural India need more health services; however, the challenge in rural areas is the poor functioning of available primary health-care facilities while in urban areas, it is the shortage of primary health-care infrastructure and services both.

Some obstacles

Urban India, with just half of the rural population, has just a sixth of primary health centres in comparison to rural areas. Contrary to what many may think, urban primary health-care services are weaker than what is available in rural India. Regular outbreaks of dengue and chikungunya and the struggle people have had to undergo to seek COVID-19 consultation and testing services in two waves of the novel coronavirus pandemic are some examples. The low priority given to and the insufficient

funding for health is further compounded by the lack of coordination between a multitude of agencies which are responsible for different types of health services (by areas of their jurisdiction). A few years ago, there were a few reports of three municipal corporations in Delhi refusing to allocate land for the construction of *mohala* clinics (an initiative of the State Health Department) and even the demolition of some of the under-construction clinics.

It is in this backdrop that the Fifteenth Finance Commission health grant – the urban share is nearly five-fold that of the annual budget for the NUHM and rural allocation is one-and-a-half-fold that of the total health spending by RLBs in India – is an unprecedented opportunity to fulfil the mandate provided under the two Constitutional Amendments, in 1992. However, to make it work, a few coordinated moves are needed.

Essential steps

First, the grant should be used as an opportunity to sensitise key stakeholders in local bodies, including the elected representatives (councillors and Panchayati raj institution representatives) and the administrators, on the role and responsibilities in the delivery of primary care and public health services. Second, awareness of citizens about the responsibilities of local bodies in health-care services should be raised. Such an approach can work as an empowering tool to enable accountability in the system. Third, civil society organisations need to play a greater role in raising awareness about the role of LBs in health, and possibly in developing local dashboards (as a mechanism of accountability) to track the progress made in health initiatives. Fourth, the Fifteenth Finance Commission health grants should not be treated as a 'replacement' for health spending by the local bodies,

which should alongside increase their own health spending regularly to make a meaningful impact. Fifth, mechanisms for better coordination among multiple agencies working in rural and urban areas should be institutionalised. Time-bound and coordinated action plans with measurable indicators and road maps need to be developed. Sixth, local bodies remain 'health greenfield' areas. The young administrators in charge of such RLBs and ULBs and the motivated councillors and Panchayati raj institution members need to grab this opportunity to develop innovative health models. Seventh, before the novel coronavirus pandemic started, a number of State governments and cities had planned to open various types of community clinics in rural and urban areas. But this was derailed. The funding should be used to revive all these proposals.

A much-awaited springboard

India's health system needs more government funding for health. However, when it comes to local bodies, this has to be a blend of incremental financial allocations supplemented by elected representatives showing health leadership, multiple agencies coordinating with each other, increased citizen engagement in health, the setting up of accountability mechanisms and guiding the process under a multidisciplinary group of technical and health experts. The Fifteenth Finance Commission health grant has the potential to create a health ecosystem which can serve as a much-awaited springboard to mainstream health in the work of rural and urban local bodies. The Indian health-care system cannot afford to and should not miss this opportunity.

Dr. Chandrakant Lahariya, a physician-epidemiologist, is a vaccines and health systems specialist, based in New Delhi

Apologise if you want to return to RS: Goyal

Mr. Kharge stated that the two parameters essential under the rules were ignored. First, the Chairman had to name a member, if he was of the view that the member had disregarded the authority of the Chair or abused the rules of the Council by persistently and willfully obstructing the business of the House.

"Only after the member is named, can a motion be made to suspend them. More importantly, this procedure is relevant only on the date of occurrence of the alleged disregard or disorderly conduct of a member," he said.

He requested House Chairman M. Venkaiah Naidu to revoke the suspension, which was rejected.

At Mr. Naidu's comments, the Congress, RJD, AAP, TRS and the Left parties staged a walkout.

Mr. Goyal, defending the Chair, presented the Government's side of the story. Mr. Kharge, he stated, did not express any regret for the action of the 12 MPs.

He listed out the actions of the MPs that led to the decision, including allegedly "attacking" the marshals, blocking his and another Minister's path while they were walking to the House, placing placards in front of those who were speaking, hooting and whistling.

"Anyone can make a mistake...They should not only apologise to the House and the Chair, but to the country," he said.

Apologise if you want to return to Rajya Sabha: Goyal to 12 MPs

Opposition stages walkout; suspended members to protest till end of the session

SPECIAL CORRESPONDENT
NEW DELHI

Leader of the House in the Rajya Sabha Piyush Goyal said on Tuesday that if the 12 suspended Opposition members were to apologise, they could return to the House.

Earlier in the day, the Opposition staged a walkout and stayed away from the proceedings. The Opposition said the suspended MPs would hold a sit-in at the Gandhi statue on Parliament premises till the end of the winter session.

The Government, striking a conciliatory note, did not take up the listed legislative business of the Dam Safety Bill in the absence of the Op-



Firm position: Union Ministers Piyush Goyal (right) and Pralhad Joshi addressing the media on Tuesday. **BY R. V. MOORTHY**

position. Soon after the House was convened for the day, Leader of the Opposition Mallikarjun Kharge pointed out that on technical grounds, the suspension was illegal. The members were

suspended for their alleged misconduct on August 11 in the monsoon session, under Rule 256.

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New crypto Bill will be introduced soon: Govt.

It will account for changes in virtual currency world: Nirmala

SPECIAL CORRESPONDENT
NEW DELHI

Union Finance Minister Nirmala Sitharaman on Tuesday said the Government was working on a new Bill on cryptocurrency which would take into account the rapidly changing dimensions in the virtual currency space.

The Bill would be presented to the Cabinet soon and brought in Parliament during the ongoing session.

The Enforcement Directorate was probing eight cases of cryptocurrency-related fraud, she said, before stressing that sharing more information might not be in the "larger public interest". The Minister was answering questions posed by several MPs during the Question Hour in the Rajya Sabha. BJP MP Swapna Dasgupta asked whether an outright ban of the currency was desirable.

The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021, has been included in the tentative legislative business for the winter session. The description of the Bill, which said private cryptocurrency will be banned, created a huge furore. The listing is based on the old Bill.

"Yes, last time [monsoon session] there was a Bill but subsequently because there



Way ahead: Union Finance Minister Nirmala Sitharaman speaking in the Rajya Sabha on Tuesday. **BY PTI**

were other dimensions... That Bill has been reworked. And in a way the Bill which is coming now is a new Bill. But, never mind, the work done on that Bill has all been taken on board here."

She refused to divulge the contours of the new Bill. "The issues pertaining to regulatory capacities and also the fact that it has proliferated in the last two or three years, are well taken note of," she said.

Misleading ads

Asked if the Government proposes to ban misleading advertisements in media, the Minister said the guidelines of the Advertising Standards Council of India were being looked into "so that we can take, if necessary, some kind of a position or a decision to see how we are going to handle it".

Ms. Sitharaman said the Government, the RBI and the Securities and Exchange Board of India have been cautioning people about the cryptocurrencies that could be a "high risk" area and "more can be done" to create awareness. She reiterated that cryptocurrencies were unregulated in India, and the Government did not collect data on such transactions.

To queries from Sushil Kumar Modi, Ms. Sitharaman said non-fungible tokens (NFTs) were also unregulated, and clarified that no separate tax rate governed the income earned by crypto-exchanges and other crypto-service providing platforms.

Their income, she said, was liable for tax under the head Business or Profession under Chapter IV of the Income Tax Act of 1961.

Govt. appoints three-member panel to review EWS quota

It has been given three weeks' time to complete its work

SPECIAL CORRESPONDENT
NEW DELHI

The Ministry of Social Justice and Empowerment on Tuesday appointed a three-member committee to revisit the criteria for 10% reservation for economically weaker sections (EWS) in educational institutions and Government jobs, after a rap from the Supreme Court in November.

The panel comprises former Finance Secretary

Ajay Bhushan Pandey; Member Secretary, Indian Council of Social Science Research, V.K. Malhotra; and Principal Economic Adviser to the Government of India, Sanjeev Sanyal. It has been given three weeks' time to complete its work.

The Supreme Court last month observed that the Centre could not "pull out of thin air" the ₹8 lakh annual income limit to identify economically weaker section

for providing 10% quota and questioned if the attempt was to "make unequals equals".

The court is hearing petitions challenging the Government notice issued in July which provides for a 10% EWS quota in NEET admissions.

The SC will hear the case next on January 6. The NEET all-India quota counselling has been deferred till the next hearing.

India's informal economy has not shrunk

An SBI Research study's claim that there is greater formalisation of the economy is unfounded



SANTOSH MEHROTRA
& KINGSHUK SARKAR

According to a recent State Bank of India (SBI) Research report, the informal economy in India has been shrinking since 2018. Formalisation, the report says, has taken place through the gross value-added (GVA) route, consumption through increased digital payments, and the employment route. Let's examine each of these.

The report claims that the share of the informal sector is just 15-20% in 2021 compared to 52.4% in 2018. If that was the case, India would have become a 'miracle' economy overnight, since no upper-middle-income economy in Latin America or the ASEAN or any low-middle-income country has achieved this kind of transformation. On the other hand, since the COVID-19 outbreak, informality of enterprises and workers has increased in all such economies.

There is an internationally recognised definition of informality of enterprises and workers. In the 15th International Conference of Labour Statisticians (1993) of the International Labour Organization, household enterprises not constituted as separate legal entities independently of the households or household members that own them, and for which no complete accounts are available, are categorised as informal enterprises. In the 17th Conference (2003), informal workers were defined as those without social security. Based on these definitions, internationally, comparable estimates of both types of informality are available. India's levels are 80% and 91%, respectively. The latter is higher because there are also informal workers within formal enterprises.

Misleading claim

The SBI study adopts multiple definitions of formality (digitisation, registration in GST, cashless payments), which are not used by anyone. These could be possible instruments of encouraging formality, but cannot separately or even together be equated



with formality. The SBI study confuses the shrinking of the informal sector's share of the GDP due to demonetisation and COVID-19's impact on the economy with formalisation. The informal sector was adversely impacted by the lockdowns and the consequent economic contraction. The sectors that were most impacted by the lockdowns were those with higher informality. Even formal sector activities which are considered informal (outsourcing and contractual activities) were curtailed heavily during the lockdowns. The decline in informal activities might be the cause of the fall in share of the informal sector of the GVA. To term this as formalisation is misleading at best and cruel at worst.

We don't know if this GVA fall is temporary or permanent. It has clearly led to a fall in employment, especially in the non-farm sector, while the share of agricultural workers in total employment rose sharply between 2018-19 and 2019-20 (NSO's Periodic Labour Force Survey). Agriculture is almost entirely informal for enterprises as well as workers. Catastrophically, for already informal workers, the absolute number of workers in agriculture rose from 200 to 232 million between 2018-19 and 2019-20. This was a reversal of the trend of structural transformation in employment underway since 2004-05 – shown by the first-ever absolute fall in workers in agriculture from 2012 to 2019.

Registration on e-Shram

Another reason that the SBI claims that informality declined is the number of workers registered in the new e-Shram portal. Since the portal's launch, over 9.9 crore unorganised workers have registered themselves.

However, registration means documentation, not formalisation, of workers. Workers who are 'formal' receive social security benefits. Giving such benefits is not the objective of the portal; the objective is to develop a national database of unorganised workers. After registration on the portal, the workers receive a card with a 12-digit unique number, which is good. The government has announced linking accident insurance with e-Shram registration.

At present, there is no credible database for India's unorganised workers. In 2020, government pleaded helplessness in providing numbers pertaining to the number of migrant workers who had suffered or died during the lockdowns. These migrant workers were and are part of the broad unorganised sector.

Mere registration under this portal does not guarantee access to institutional social security benefits or coverage under labour laws. Benefits such as Provident Fund, gratuity and maternity benefits will remain outside the reach of unorganised workers as conceptualised in the Social Security Code of 2020. All these instruments were and are available only to establishments with 10 or 20 or more workers. Also, the SBI study notes that West Bengal tops the list in registration. This is no surprise. Over 1.3 crore unorganised workers are already registered under various social security schemes in West Bengal. A share of them is now registering themselves on the new portal.

Further, the formal sector has been treated as a homogenous entity in the study. In reality, there are various layers within the formal sector. Not all workers engaged in the formal sector are 'formal'. There has been large-scale informalisation of

the formal sector over the last three decades through contractualisation and outsourcing of labour. Among wage workers, the proportion of non-permanent, casual and contract workers increased in the organised sector from 1999-00 to 2011-12. It marginally decreased after that but the pandemic once again changed the numbers. Thus, a significant portion of the output attributed to the formal sector is actually produced by an informal workforce within the formal sector.

A blurred distinction

The systematic dismantling of employer-employee relations in the labour market blurs the distinction between formal and informal. The entire edifice of the formal sector is based on informal workers. There are layers of intermediaries between the employers and the workers to create a disconnect between them. Such a disconnect is deliberate rather than organic. For example, the majority of the output in construction is attributed to the formal sector. But most workers in the construction sector are informal. They don't have access to social security benefits or protective labour laws. They remain informal throughout their lives even though their contribution is attributed to the formal sector. Thus, contrary to what has been asserted in the research, the formal sector's contribution has been overestimated and the informal sector's contribution has been underestimated.

Eighty-four per cent of Indian non-farm establishments are informal by their own account. Some might get registered under miscellaneous laws but that does not imply that they have become formal. Registration under the Factories Act or Employees' Provident Fund or State insurance means that these organisations are formal as the organisation needs 10 or 20 employees to be registered under these laws. But mere registration under other acts like local municipal acts or tax laws does not indicate formalisation.

Thus, the SBI's claim that significant formalisation has occurred in India is unfounded.

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Controlling the crypto genie

Cryptocurrencies cannot be controlled unless all nations work together, which is unfortunately a remote possibility



ATANU BISWAS

Elon Musk may be the real crypto piper, for cryptocurrencies dance to his tunes. Crypto prices shot up when Tesla announced that it has invested \$1.5 billion in Bitcoin and when Mr. Musk said that Tesla would accept Bitcoin as payment for its electric cars. They slumped when he reversed that decision and tweeted that Bitcoin prices “seem high”.

Nature of cryptocurrencies

What is the true nature of such highly volatile cryptocurrencies? New York University Professor Nouriel Roubini considers Bitcoin a “pseudo-asset” that is pumped by “massive manipulation”. Whether the crypto hype is a ‘bubble’ is still a matter of speculation. While crypto-assets or cryptocurrencies are being embraced by many, they are under fire mostly by the officialdom in many parts of the world, primarily because the transaction process using cryptocurrencies is so secure that only a money transfer can be seen and nothing can be known about the sender and the recipient. These decentralised assets, with no central bank controlling them, may therefore be used for ‘hawala’, which is a trust-based system of transferring money quickly in a parallel arrangement avoiding the traditional banking system and escaping the due tax. Anonymity and privacy are the underlying characteristics as well as the potential danger of cryptocurrencies. There have been money laundering charges using cryptocurrencies. Shadows of cryptocurrencies loom in the supply of money for terrorist activities. Cryptos have become the preferred payment system for hackers in ransomware attacks. And so, the bid to put the genie back in the bottle was inevitable. But how is that possible and to what extent?

At one extreme we have China which has almost banned cryptocurrencies and introduced its own centrally regulated digital currency called Digital Renminbi. At the other extreme we have El Salvador which is the first country to use Bitcoin as legal tender. While many parts of the world are planning to clip the wings of cryptocurrencies, El Salvador is planning to build the world’s first ‘Bitcoin City’, funded initially by Bitcoin-backed bonds. The idea may be to harness the cryptocurrency to fuel investment in the country. The International Monetary Fund, however, recently said that Bitcoin should

not be used as legal tender in El Salvador and urged the country to strengthen the regulation and supervision of its newly established payment ecosystem. The standpoints of the U.K., the U.S., and most countries of the European Union seem to be in between. Many countries try to regulate it to some extent and also tax Bitcoin gains in their own ways.

Under the scanner

In India, cryptocurrencies were under the scanner for some time. In 2018, the then Union Finance Minister said, “The government does not recognise cryptocurrency as legal tender or coin and will take all measures to eliminate the use of these cryptoassets in financing illegitimate activities or as part of the payments system.” A high-level government committee recommended a ban on all cryptocurrencies, except those issued by the state. Then, in 2020, the Supreme Court revoked the curb on cryptocurrency trade imposed by the Reserve Bank of India (RBI).

The Cryptocurrency and Regulation of Official Digital Currency Bill of 2021 is listed for introduction this Parliament session. It seeks to “prohibit all private cryptocurrencies in India” but allow for “certain exceptions to promote the underlying technology and its uses”. It also aims to “create a facilitative framework” for the creation of the official digital currency to be issued by the RBI. Of course, the digital currency of a central bank may not look like a real substitute for a decentralised cryptocurrency to many users. A few weeks ago, there was speculation whether strong regulations would be imposed and income from crypto taxed in India. There was also speculation about a blanket ban, which led to a slump in the prices of major cryptocurrencies. It is not clear what kind of regulation is going to be imposed finally.

A regulated market will certainly keep illegal activities under control to some extent. Most of the common investors will comply with the rules and substantial money will be gained from taxes. But is it at all possible to completely stop hawala, drug or terror funding by crypto with such regulations? Recently, Prime Minister Narendra Modi said cryptocurrencies must not fall into the “wrong hands and spoil our youth” and urged all democratic nations to come together and ensure that things like these do not happen. Of course, unless all nations work together, the genie cannot be completely controlled. And, unfortunately, that’s a remote possibility. For the time being, countries are imposing their own regulations. And Mr. Musk’s tweets might continue to regulate the crypto dance.

Atanu Biswas is Professor of Statistics, Indian Statistical Institute, Kolkata

Afghanistan, the rise of a narco-terrorist state

A danger of a failed state in the neighbourhood combined with narco-terrorism will pose a threat to India's security



SHANTHIE MARIET D'SOUZA

India's anxieties over ungoverned spaces and lawless Afghanistan turning into a significant source of internal security threat are gradually turning into reality. According to a report by the United Nations Office on Drugs and Crime (UNODC), opium production in Afghanistan has crossed 6,000 tonnes for the fifth consecutive year. The reported rise in global opium prices has resulted in the exponential production of opiates increasing by 8%. The Taliban, cash-strapped and still looking to establish a semblance of order in the country they captured in August 2021, could indeed be looking to generate revenue from the illegal cash crop, as cases of smuggling and seizures of large consignments of drugs in India have started increasing, indicating a turn towards this trend.

Almost a free-for-all

For the past several decades, Afghan opiates have entered India through circuitous routes, sea as well as air, involving Pakistan, Sri Lanka, African countries such as Mozambique and South Africa, and Qatar. Carriers of drugs, individuals arrested in various airports in the country with small quantities, as well as the massive recoveries made in various States

of western India, have only been the proverbial tip of the iceberg. The huge recoveries of heroin in Gujarat alone – 3,000 kilograms in September and 120 kilograms in October – bear testament to the fact that the fall of Kabul and its capture by the Taliban may have initiated free-for-all narcotic smuggling waves, which unless checked, have the potential of destabilising India's security.

A mammoth 'illicit' economy

The fact that, under the Taliban, opium production would increase in Afghanistan was a foregone conclusion notwithstanding the initial statements by the Taliban leadership to gain international recognition. Over the years, the Taliban have minted money from this sector, by promoting its production, taxing it and also by overseeing its smuggling either into Pakistan or Iran, thereby building a mammoth illicit economy with strengthening linkages to terrorist groups as witnessed in the cases of the Organization of Al-Qaeda in the Islamic Maghreb (AQIM), the Islamic State, the Revolutionary Armed Forces of Colombia (FARC), Hezbollah and others.

According to United Nations officials, the group likely earned more than \$400 million between 2018-19 from the drug trade. The trend appears to have remained unchanged as in May 2021, a report by the United States Special Inspector General for Afghanistan Reconstruction (SIGAR) estimated that the Taliban derive up to 60% of their annual revenue from illicit narcotics. Notwithstanding the



REUTERS

handful of European States where the domestic narcotics trade is well regulated, accompanied by official policies that consider access to narcotics as a matter of individual right, there is a global consensus that narcotics itself can devastate societies and money derived from the narco-trade can fuel organised crime and terror activities.

The world seems oblivious

However, in today's Afghanistan, the Taliban seem to be taking advantage of the vacuum and detached attitude of the international community. This could partly be rooted in the global failure in adopting an appropriate counter-narcotic policy to rein in the narco-trade originating from Afghanistan between 2001 and 2020. The rise of a narco-terrorist state will have serious consequences for the U.S., Europe and the region.

The UNODC's achievement in this regard was limited to ensuring a minor dip in the area under poppy cultivation and production of opium. Promotion of alternate livelihood programmes and pushing farmers to grow other cash crops largely failed due to a variety

of reasons. These included the limited reach of the central government in Kabul and a punitive policy advocated by the international community which sought the use of force to destroy standing opium crops without adequately compensating the farmers or providing them with alternative livelihoods. As a result, not only did the narco-infrastructure in Afghanistan remain largely intact but it also flourished by having developed a symbiotic nexus and indigenous facilities to produce methamphetamine pills. As the United States and the international community gradually sought to extricate themselves from the Afghan quagmire, production shot up and is projected to spike in the coming years.

Implications for India

Organised crime develops its own survival and thriving dynamics. Countries with the best of intentions and abilities fail to turn the tide, which is fuelled by such an unholy nexus. Afghanistan, where neither the intention nor the ability to disrupt the trade exist, is emerging as a major narco-empire. Some of the members of the Taliban regime, particularly the Haqqani network, share well-documented connections with the organised crime network. Whether the global community in general and countries such as India in particular afford to take a detached view towards the enveloping situation remains a critical question. From New Delhi's perspective, its efforts to curb terror finance at home would achieve only limited

results if anti-India groups such as the Lashkar-e-Taiba and the Jaish-e-Mohammed, now yet again operating in Afghanistan, manage to tap into the money from such narco-trade.

Outreach to the Afghans

The antidote to this phenomenon is a legitimate, responsible, empowered, and inclusive government in Kabul. Economic collapse of the Afghan state and the evolving humanitarian crisis must be prevented. Reaching out to the Afghans and amplifying their voices in having a government that is legitimate and acceptable to them would be a first step in the right direction. While the Delhi Regional Security Dialogue on Afghanistan (November 10, 2021) did try to reach out to the regional countries, India should look for new alliances in Central, West, and South Asia to stitch a coalition of the willing. It is time for New Delhi to step up and reach out to the larger sections of Afghan society including women and civil society groups, political leaders and business groups, who are looking for assistance in having a legitimate, representative and inclusive leadership in their country. A failed state in the neighbourhood combined with narco-terrorism cannot be ignored and will have serious consequences for India's security in the days to come.

Shanthie Mariet D'Souza is Professor, Kautliya School of Public Policy, Hyderabad, founder-president, Mantraya and non-resident scholar, Middle East Institute, Washington DC

Proud of Twitter CEO Parag Agrawal: IIT-B

'He was organised, well-behaved'

STAFF REPORTER
MUMBAI

The Indian Institute of Technology, Bombay, alma mater of the new Chief Executive Officer (CEO) of Twitter, Parag Agrawal, on Tuesday said the institute is not only proud of him for achieving the success but it also hopes to produce more such achievers in near future. The professors remember Mr. Agrawal as a hardworking genius who topped his department.

"The significance of a university is often judged by the collective achievements of its alumni and the glory that they bring to their alma mater. Parag Agrawal is one such alumnus that IIT-B is proud of. The education and the ambiance that IIT-B provided to Parag, not too long ago, helped in bringing out the best in him. Building on top of it with hard work and dedication, Parag has reached the top. Our congratulations to him and we hope that IIT-B can continue to produce such achievers," said Subhasis Chaudhuri, Director, IIT-B.

Mr. Agrawal obtained his B.Tech. degree from the Computer Science and Engineering Department in



Parag Agrawal

2005. "He graduated from my department in 2005. I distinctly remember him as being the topper of the department. He was a typical topper-like material. Extremely organised, very well-behaved. He had all the qualities in him to excel in academics in IIT Bombay. We get toppers from all over India into our department and to top within that itself requires special calibre and Parag definitely had it," said Prof. Supratim Biswas.

"I remember him as a student of my department, bright and focused. There is no wonder that at such a young age he has earned this distinction. The institute honoured him with young alumnus award a few years back," he said.

Telugu lyricist 'Sirivennela' Seetharama Sastry no more

His mastery extended to nearly 3,000 songs

SPECIAL CORRESPONDENT
HYDERABAD

Well-known Telugu lyricist and Padma Shri awardee 'Sirivennela' Seetharama Sastry passed away on Tuesday following lung cancer-related complications. He was 66. He was admitted in KIMS Hospital on November 24 with pneumonia and was put on ECMO.

A chance to work with veteran director K .Vishwanath early in his career gave him an opportunity to prove himself and he did it with 1986 film *Sirivennela* after his debut with a song in the



Seetharama Sastry

1984 film *Janani Janabhoomi*. His mastery extended to nearly 3,000 songs till date.

A writer who expressed

his radical views of society and romance-based poetry in the same breath, Seetharama Sastry brought in a refreshing change in the composition of lyrics in Telugu cinema.

Born on May 25, 1955, in Anakapalle in Andhra Pradesh, Seetharama Sastry won accolades and innumerable awards that include 11 Nandi awards given by the Government of Andhra Pradesh and four Filmfare awards. He was also honoured with Padma Shri in 2019 for his contribution to the film world and literature.

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.