

# VEDHIK

# DAILY NEWS ANALYSIS

08 - MARCH 2022



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**IAS ACADEMY**

*The New Learning Mantra*

## **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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# Working women too, with a dream of good childcare

More than 95% of India's working women are informal workers, but they lack affordable services and maternity benefits

NEETHI P.,  
ANTARA RAI CHOWDHURY &  
DIVYA RAVINDRANATH

The theme for International Women's Day 2022 (March 8) is 'gender equality today for a sustainable tomorrow'. However, gender equality is still a far cry for India's female informal workforce. According to a 2018 study by the International Labour Organization (ILO), more than 95% of India's working women are informal workers who work in labour-intensive, low-paying, highly precarious jobs/conditions, and with no social protection.

A World Health Organization bulletin says that "women's informal work is central to the feminisation of poverty". However, we know little about how informal work affects maternal, neonatal, and child health, with the lack of childcare solutions being a serious concern. India is ahead of many advanced nations in instituting maternal health benefits, and its statutory maternity leave is among the global top three. The Maternity Benefit (Amendment) Act, 2017 more than doubled the duration of paid maternity leave for women employees to 26 weeks, proposing an option to work from home after this period, on mutual agreement with the employer, and made crèche facilities mandatory for establishments employing 50 or more women.

However, these benefits are mostly enjoyed by formal sector women workers, constituting less than 5% of the women workforce.

Another ILO study, in 2016, pointed out that a lack of access to quality childcare services forces women workers to leave the labour force, ceasing their earning, and exposing themselves to discriminatory employment practices, and to significant economic and health risks.

India has paid less attention to address concerns around childcare support for informal women workers. Here are three ways to enable women to take up more productive paid work and improve their maternal and child health outcomes: extending the Integrated Child Development Services (ICDS) infrastructure; revitalising national crèche schemes, and improving maternity benefits.

## Expansion of the ICDS

The primary mandate of the Anganwadi centres under the ICDS is to provide maternal and child nutritional security, a clean and safe environment, and early childhood education, thus facilitating the ability of women to re-enter work post-childbirth. However, it has two major limitations. First, it does not cater to children under the age of three. Second, it functions only for a few hours a day, making it inconvenient to send and pick up children during work hours or avail take-home rations provided to pregnant women and households with younger children. Early intake of children in the Anganwadi centres can have dual benefits – allow mothers time for paid work and converge with the National Education Policy



SUDIP TO MONDAL

2020 mandate that acknowledges quality Early Childhood Care and Education for children in the 0-6 age group. Extending the hours of Anganwadi centres can also address time constraints for working women. However, these expansions would also require expanding the care worker infrastructure, especially the Anganwadi worker and helper, who are already overburdened and underpaid.

## Revitalise the crèche scheme

The National Crèche Scheme lays out specific provisions for working women but has suffered diminished government funding. An inclusive approach is required to diversify worksite and working hours and overcome implementation gaps. Revitalising the provisions of the scheme and adding a network of public and workplace crèches can be hugely beneficial. Public crèches can be operated at worksite clusters such as near industrial areas, markets, dense low-income residential areas, and labour nakas. Crèches closer to the workplace allow for timely breastfeeding and attending to emergencies. This model has been tested successfully by Self-Employed Wo-

men's Association (SEWA) Sangini in some Indian cities. Where work occurs at a single site, such as a garment factory or construction site, worksite crèches will help; as seen in the construction site crèches run by Aajeevika Bureau (Ahmedabad) and Mobile Crèches (Delhi). The construction sector is a case in point where the Building and Other Construction Workers Welfare Board mandates the running of crèches. The funds collected under the construction cess can be earmarked for running crèches at construction sites.

## Some benefits

Childbirth and childcare are financially stressful and compel many women to return to work within a few weeks of childbirth. Women in informal employment did not have maternity benefits until the National Food Security Act (NFSA), 2013, entitled pregnant and lactating mothers to a cash transfer of at least ₹6,000. However, the scheme notified for this purpose, the Pradhan Mantri Matru Vandana Yojana (PMMVY) limits the benefit to the first birth and has also reduced the amount to ₹5,000.

States such as Tamil Nadu (Dr. Muthulakshmi Maternity Benefit Scheme), Rajasthan (Indira Gandhi Maternity Nutrition Scheme), Odisha (Mamta Scheme), Gujarat (Kasturba Poshan Sahay Yojana), and Chhattisgarh (Kaushalya Maternity Scheme) try to bridge the coverage gap, incentivising health-seeking behaviours. Of these, Tamil Nadu has an expansive and

ambitious scheme offering ₹18,000 in cash and kind for two live births. Right to Food (demands that universal and unconditional maternity entitlements of at least six months of the minimum wages for pregnant women and lactating mothers be implemented.

The cash transfers under the PMMVY are insufficient, by both evaluations on the ground and the NFSA benchmark, as well as for nutrition needs and wage compensation. The compensation, which is lower than the minimum wages, is inadequate in postponing the mother's return to work for the first six months. The amount also does not match an inflation-adjusted NFSA benchmark (nearly ₹9,400 in 2022).

The lack of affordable and quality childcare services and maternity benefits increase the burden on informal women workers, aggravating gender and class inequalities. Presently, it is up to individuals and families to find a resolution to this tension of a worker-mother, putting women, girls, and children at a gross disadvantage. It is imperative that we consider affordable and quality childcare infrastructure as an employment-linked benefit and as a public good.

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# China says U.S. is trying to build 'Indo-Pacific NATO'

Wang Yi describes ties with Russia as being 'rock solid'

**ANANTH KRISHNAN**  
HONG KONG

China's Foreign Minister Wang Yi on Monday accused the United States of trying to build an "Indo-Pacific NATO" using the Quad and its allies, and said "some forces" were seeking to "stoke tensions" between China and India as well as "sow discord" between China and Russia.

Mr. Wang, in his annual press conference along the sidelines of China's National People's Congress (NPC) or Parliament in Beijing, also described China-Russia relations as "one of the most crucial bilateral relations in the world" and as being "rock solid".

Underlining China's position on the Ukraine crisis that while sovereignty needed to be respected, so did the legitimate security concerns of Russia, Mr. Wang declined to term Russia's attack "an invasion" when asked by a reporter.

"We are determined that the relationship is free from interference and discord sown by third parties," he said.

He equated the U.S., Australia, India, Japan Quad



Wang Yi

grouping with the "Five Eyes" intelligence alliance involving the Australia, New Zealand, Canada, the U.S. and U.K. and the AUKUS (Australia-U.K.-U.S.) defence pact.

"The U.S. Indo-Pacific strategy is becoming a byword for bloc politics," he said. "It professes desire for international cooperation, but in reality is stoking regional rivalry. It talks multilateralism but in reality creates exclusive clubs. It claims international rules but in reality is setting and imposing rules suiting itself and its acolytes."

"From strengthening the Five Eyes and peddling the Quad to putting together the AUKUS security partnership and tightening bilateral mili-

tary alliances," he said, "the U.S. is staging a '5432' posture in the Asia Pacific." "It is by no means a blessing but a sinister move," he said. "The real goal for the Indo-Pacific strategy is to establish an Indo-Pacific version of NATO.... These perverse actions run counter to common aspirations of the region and are doomed to fail."

The members of the Quad have rejected the notion that it is an Asian NATO or a military alliance, and pointed to its broad-based cooperation, including on vaccines and technology, besides maritime security.

On the NATO comparison, External Affairs Minister S. Jaishankar last month said "there are interested parties who advance that kind of analogies".

"I would urge you not to slip into that lazy analogy of an Asian-NATO," he said of the comparison, pointing out India was not a treaty ally of the U.S. "We are not a treaty ally. It doesn't have a treaty, a structure, a secretariat, it's a kind of 21st century way of responding to a more diversified, dispersed world."

# China calls for ties to ‘move forward’

We will be partners for mutual success rather than adversaries: Foreign Minister

ANANTH KRISHNAN  
HONG KONG

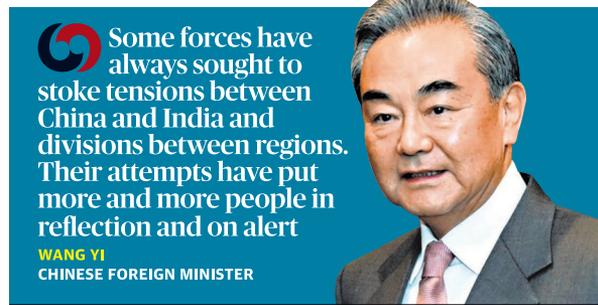
Recent “setbacks” in India-China ties do not serve the interests of both countries, Chinese Foreign Minister Wang Yi said on Monday, calling on ties “to move forward on the right track”.

Speaking to reporters at his annual press conference on the sidelines of the ongoing session of the National People’s Congress or Parliament in Beijing, Mr. Wang said both sides should not let boundary issues ‘interfere’ with the rest of the relationship.

## ‘Left over from history’

“The boundary question is left over from history,” he said. “China has long advocated managing differences through equal-footed consultations, actively seeking a fair and equitable settlement while not letting it affect or interfere with the bigger picture of bilateral cooperation. I am talking about issues relating to the boundary and territory. I think people should understand this.”

Mr. Wang acknowledged that “relations encountered setbacks in recent years, which do not serve the fun-



damental interest of the two countries and people” and called for “relations to move forward on the right track to bring more benefits to our peoples and make greater contribution to the region and the world”.

“When our two countries achieve stability and prosperity and live in peace and harmony, global peace and prosperity will have a solid foundation,” he said.

“As an Indian proverb goes, help your brother’s boat across and your own will reach the shore. We hope India will work with China to uphold the strategic consensus that the two countries pose no threat to each other and offer development opportunities to each other, continue to build mutual trust, avoid misun-

derstanding and miscalculation so that we will be partners for mutual success rather than adversaries for mutual attrition.”

The Chinese Foreign Minister said “some forces have always sought to stoke tensions between China and India and divisions between regions.”

## Jibe at U.S.

“Their attempts have put more and more people in reflection and on alert,” he said. “More people have come to realise that for China and India, both major countries with over 1 billion populations, only by staying independent can we firmly grasp our own destiny and realise our goals of rejuvenation and development.”

Mr. Wang appeared to be

referring to the U.S., which he blamed on Monday for creating ‘blocs’ in the region. Many Chinese analysts have pointed the finger at Washington for fomenting tension between China and its neighbours.

Indian officials have underlined that the cause of the tensions was China’s mobilisation of troops in April 2020 and multiple transgressions across the Line of Actual Control (LAC).

They have also said peace on the border is a ‘prerequisite’ for cooperation in other areas and that China has not yet offered an explanation for its moves.

Talks to complete the disengagement process on the LAC have been slow-moving. Differences remain in Hot Springs, Demchok and Depsang, and both sides are working out dates for the next round of military-level talks to complete disengagement at Hot Springs.

With the process as yet incomplete, the prospect of de-escalation in the near term to reduce the presence of thousands of troops of both sides still deployed in forward areas appears even more remote.

# Oil, nickel soar on fears of supply chaos

Oil jumps to 2008 highs, Brent surges past \$139 a barrel as U.S., Europe mull Russian import ban

REUTERS

LONDON/SINGAPORE

Commodity prices went on the rampage on Monday as industrial buyers and traders scrambled to source raw materials hit by supply disruptions caused by Russia's invasion of Ukraine.

Nickel soared 30%, platinum hit a record and gold broke through \$2,000 an ounce on safe-haven appeal, while oil and wheat jumped to 14-year highs.

"Nerves of steel will be needed amid the extreme volatility," analyst Daniel Briesemann at Commerzbank wrote in a note.

Russia's invasion has been condemned around the world, and triggered sweeping sanctions that have isolated Russia to a degree never before experienced by



**Uncharted territory:** JPMorgan analysts say oil could soar to \$185 this year. • AFP

such a large economy.

Commodity markets have been shaken not only by tough Western sanctions on Russia that might be widened to include oil, but lo-

gistics turmoil that has blocked the flow of grains and metals from the region.

The searing rally in raw material prices has sparked concerns over economic

growth in countries still recovering from the COVID-19 pandemic.

"I suspect growth projections for 2022 around the world will need to be sharply revised lower, and it will be interesting to see what the central banks... will do," OANDA senior analyst Jeffrey Halley said in a report.

Oil prices spiked after the U.S. and European allies said they were considering banning imports of Russian oil.

Brent crude surged as much as 17.8% to \$139.13 a barrel, its highest since July 2008, when it hit a record of \$147.50.

## 'Oil-led global recession'

JPMorgan analysts said oil could soar to \$185 this year, while analysts at Mitsubishi UFJ Financial Group Inc. said

it may rise to \$180 and cause a global recession.

Worries about a ban also roiled European gas prices, which hit record highs.

The panic spurred investors to take cover in gold, regarded as a safe haven from turmoil in other markets. Spot gold hit \$2,002.40, its highest since August 2020.

Palladium bounded 15% higher to an all-time peak of \$3,440 an ounce on fears of shortages of the metal used in catalytic converters, since Russia accounts for 40% of global production.

Industrial metals also lurched higher, led by nickel, which surged more than 30% as global supply chains tried to price in the possible absence of supplies from Russia, the third largest nickel producer.

# ‘Sealed cover’ jurisprudence is appalling

As the MediaOne case shows, a judiciary that is a mute spectator to any executive action highlights democratic decay



KALEESWARAM RAJ &  
THULASI K. RAJ

A Division Bench of the Kerala High Court has dismissed the appeal filed by MediaOne, a television channel in Kerala, whose licence the Ministry of Information and Broadcasting has refused to renew. The Ministry had said that the licence could not be renewed for reasons related to national security. The stand of the Government was endorsed by both the Single and Division Benches of the High Court. In this context, the judgments set a dangerous precedent for free speech rights and procedural justice.

## Suspended rights

A whole set of rights are directly hit by the ban. The first is the obvious one: the right to freedom of speech and expression of the television channel. The rights to association, occupation and business are also impacted. Moreover, the viewers also have a right to receive ideas and information. All these rights are altogether suspended by the executive. The only contingency in which these rights under Article 19(1) can be interfered with are reasonable restrictions under Article 19(2).

Among others like public order, incitement to an offence, it lists ‘security of the State’ as a ground. However, the trouble emanating from the MediaOne judgment is that the state need not even show that its security is threatened. It can conveniently choose the ‘sealed cover’ route.

The jurisprudence of ‘sealed cover’ is an appalling trend. The

process of judicial review is significant since it holds the executive accountable. The executive must cogently answer its actions - especially when fundamental rights such as free speech are curtailed. India’s Constitution does not give a free hand to the executive to pass arbitrary orders violating such rights. The Supreme Court of India has repeatedly held that judicial review of executive action is the basic feature of the Constitution. The decisions in *Minerva Mills vs Union of India* (1980) and *L. Chandrababu Naidu vs Union of India* (1997) reiterated this fundamental principle. If the executive wishes to limit rights - in this case, censor or restrict speech - it must show that the test of reasonable restrictions is satisfied. This principle is the bedrock of judicial review.

The ‘sealed cover’ practice inverts this position. The moment the executive utters ‘national security’, courts often permit them to inform the justification in a ‘sealed cover’. These ‘reasons’ are not disclosed to the party whose rights are clearly at stake. The court satisfies itself of the defence of the state and dismisses the petition. MediaOne, the channel that has been censored, is completely in the dark over the reasons for the ban. It was never heard nor its version ascertained.

## Endorsed yet blocked

The judgment creates a situation that endorses the breach of fundamental rights on the one hand, and blocks remedy for the victim through a court of law and a process known to law on the other hand. This is an emulation of the tenor in the judgment in *ADM Jabalpur* (1976). The majority said in this case that fundamental rights could be suspended during the Emergency, with no scope for assessment by the court. Unfortunately, the Kerala verdict revives the ghost of *ADM Jabalpur*.



GETTY IMAGES/ISTOCKPHOTO

Consider what the judgments say. The Single Judge said: “From the files produced before the court, it is discernible that the committee of officers took note of the inputs given by the intelligence agencies....” which “are of serious nature”. These inputs remain unknown. In the judgment of March 2, the Division Bench said: “It is true that the nature, impact, gravity and depth of the issue is not discernible from the files.” Still, the Bench chose to dismiss the appeals by bluntly saying that “there are clear and significant indications impacting the public order and security of the state”. All that is necessary to ban a news broadcaster are these ‘indications’ - which are never revealed to the broadcaster!

No recent trend in judicial review has been as opposed to the principles of natural justice as that of the ‘sealed cover’. At the High Court, national security came to mean absolute impunity for the Centre. The central government virtually wanted the constitutional court to abstain from its primary function of review of the legality of executive action, and the court did exactly that. The judgment, which accepted this proposition, has the potential to mark the beginning of the end of a free press in a working democracy.

When an action is alleged to have curtailed fundamental rights,

the court is bound to examine the legality of the action through the lens of proportionality.

In *Modern Dental College vs State of Madhya Pradesh* (2016), the top court adopted the proportionality test proposed by Aharon Barak, the former Chief Justice, Supreme Court of Israel, “a limitation of a constitutional right will be constitutionally permissible if: (i) it is designated for a proper purpose; (ii) the measures undertaken to effectuate such a limitation are rationally connected to the fulfillment of that purpose; (iii) the measures undertaken are necessary in that there are no alternative measures that may similarly achieve that same purpose with a lesser degree of limitation; and finally (iv) there needs to be a proper relation (“proportionality stricto sensu” or ‘balancing’) between the importance of achieving the proper purpose and the social importance of preventing the limitation on the constitutional right”. This was reiterated in *K.S. Puttaswamy vs Union of India* (2017). But this entire process of proportionality analysis is sidelined by the High Court.

## For the top court to resolve

Yet, the MediaOne case might create a real problem area that needs resolution by the Supreme Court. The High Court relied on the Supreme Court judgment in *Digi Cable Network vs Union of India* (2019). In *Digi Cable*, the Court reiterated the principle in an earlier judgment called *Ex-Armyment’s Protection Services Private Ltd.* (2014). The High Court reiterated what the top court said in *Digi Cable*: “In a situation of national security, a party cannot insist for the strict observance of the principles of natural justice”.

There are two issues here. First, there was no examination of the national security plea based on the proportionality analysis, well

established in our recent jurisprudence. Second, when a three-judge Bench in the Pegasus case (*Manohar Lal Sharma vs Union of India*, 2021) has categorically held that the state does not get a “free pass every time the spectre of ‘national security’ is raised” and that “national security cannot be the bugbear that the judiciary shies away from, by virtue of its mere mentioning”. In view of this subsequent law laid down by a larger Bench, the High Court could not have mechanically resorted to the earlier approach in *Digi Cable*. Therefore, the principle, if any in both *Digi Cable* and *Ex-Armyment*, is arguably implicitly overruled in the Pegasus judgment. No court can read and apply a previous judgment as if it is a statute. But this is what the Kerala High Court did, while relying on *Digi Cable*.

## A deterioration

Today, we have a state that has succeeded in suppressing the voice of the dissenter, illegally and clandestinely. The current case will have an impact on any kind of dissent against an aggrandising regime, including political movements and academic criticism. A court that sits as a mute spectator to any executive action is a crude manifestation of democratic decay.

Justice Jackson of the U.S. Supreme Court famously said: “Those who begin coercive elimination of dissent soon find themselves exterminating dissenters. Compulsory unification of opinion achieves only the unanimity of the graveyard” (*West Virginia State Board of Education vs Barnette et al.*, 1943). Constitutional courts are expected to eradicate such possibilities instead of perpetuating them.

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# A house of cards

Systemic risks stemming from misdeeds at the NSE have evinced lacklustre response

The Sunday evening arrest of Chitra Ramkrishna, the former MD and CEO of India's largest stock exchange, by the Central Bureau of Investigation (CBI), should change the course of what has been a laid-back probe into alleged misuse of exchange data by market players and jarring – even surreal – governance lapses. A Delhi court has granted CBI sleuths seven days to interrogate the former National Stock Exchange (NSE) boss, about a month after the stock market watchdog, SEBI, passed a 190-page order that has made headlines for its assertions about Ms. Ramkrishna sharing confidential internal information with an unknown person. Separately, the CBI has got extended custody of Anand Subramanian, the NSE's former group operating officer, hired ostensibly at the behest of the unknown yogi, disregarding the kind of internal controls and governance norms one expects from an institution of such systemic importance in the financial markets. The catchy details must not detract from the larger questions arising from the deployment of co-location services and the lacunae in India's oversight mechanisms over its capital markets reflected in the multi-layered failure to crack down on the wrongdoings at the NSE.

The co-location services offered by the NSE, which give market operators willing to pay a premium a head-start on exchange trading data and refine their own algorithms for high-frequency trades, are permitted by SEBI but were ostensibly misused by certain players. The NSE's case entails an unfair advantage provided to some brokers within its co-location user community. Whatever the defenders of such services may say, the premise of giving players with deeper pockets quicker and more information than the average retail investor does not gel with an open market philosophy. That institutional mechanisms, from the NSE's board and auditors, to SEBI, an independent regulator accountable to Parliament, have not delivered, is a larger worry. Nearly three years have passed between SEBI's ₹624 crore fine on the NSE for misuse of its co-location services, and the latest order against its former top brass. A matter where the sanctity of the entire market comes under a cloud should have been treated with a tad more urgency. The CBI special court has observed that SEBI, which began this probe in 2016, has been 'too kind and gentle', while the CBI, after filing an FIR in 2018, has been 'most lackadaisical'. With a new SEBI chief in place, the Government, led by the Finance Minister who is reviewing the handling of the NSE case, must ensure some deterrent action is accompanied by a review of checks and balances in current governance structures.

EXPLAINER

# The lists of the FATF and Pakistan's position

Why has the neighbouring country been repeatedly featured in the 'grey list' of the Financial Action Task Force?

DIKSHA MUNJAL

**The story so far:** The global financial crime watchdog Financial Action Task Force (FATF) in its latest plenary meeting, decided to retain Pakistan on its terror financing 'grey list', asking the neighbouring country to expeditiously address the remaining deficiencies in its financial system. It has also added UAE to the list this time, which has promised to take "robust" actions in countering terror financing and money laundering.

**What is the FATF?**

The Financial Action Task Force is an international watchdog for financial crimes such as money laundering and terror financing. As per the official definition, it is an inter-governmental body that sets international standards that aim to prevent these illegal activities and the harm they cause to society.

The FATF was established at the G7 Summit of 1989 in Paris, over concerns of the member countries about growing money laundering activities. The heads of G7 countries and the president of the European Commission brought together a Task Force after addressing loopholes in the global financial system.

Later, in the aftermath of the 9/11 terror attack on the United States, FATF also added terror financing as a main focus area. This was broadened in 2012, to include restricting the funding of weapons of mass destruction.

The FATF currently has 39 members. The decision making body of the FATF is known as its plenary, which meets thrice a year. Its meetings are attended by 206 countries of the global network,



including members, and observer organisations, such as the World Bank, some offices of the United Nations and regional development banks.

**How does the FATF do its work?**

The FATF sets standards or recommendations for countries to achieve in order to plug the holes in its financial system and make it less vulnerable to illegal financial activities. According to the last update in 2012, FATF has 49 consolidated recommendations for countries to follow in order to set up an Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regime.

The FATF conducts regular peer-reviewed evaluations called Mutual Evaluations (ME) of countries, starting with member countries, to check their performance on standards prescribed by

it. The reviews are carried out by FATF and FATF-Style Regional Bodies (FSRBs), which then release Mutual Evaluation Reports (MERs). For the countries that don't perform well on certain standards, the FATF and FSRBs draw up time-bound action plans to fight financial crimes.

The FATF recommendations for countries range from assessing risks of crimes to setting up legislative, investigative and judicial mechanisms to pursue cases of money laundering and terror funding.

**What are FATF's 'grey' and 'black' lists?**

While the words 'grey' and 'black' list do not exist in the official FATF lexicon, they designate countries that need to work on complying with FATF directives and those who are non-compliant, respectively.

At the end of every plenary meeting, FATF comes out with two lists of countries.

Grey countries are those that are "actively working" with the FATF to counter criminal financial activities. In their cases, the watchdog does not tell other members to carry out due-diligence measures vis-a-vis the listed country but does tell them to take into account the risks such countries possess.

Currently, there are 23 countries on the grey list, with one new addition and one removal. The United Arab Emirates was added to the list at the end of this plenary meet while Zimbabwe was taken off it. Besides, some of the other countries on the list are Pakistan, Myanmar, Morocco, Philippines, Panama, Senegal, Albania, Jamaica and Turkey.

As for the black list, it means countries designated by the FATF as 'high-risk jurisdictions subject to call for action'. In this case the countries have considerable deficiencies in their AML/CFT regimens. For such countries, the body calls on members and non-members to apply enhanced due-diligence and in the most serious cases, apply counter-measures such as sanctions. Currently, two countries- North Korea and Iran are on the black list.

Being listed under the FATF's two lists makes it difficult for countries to get aid from organisations like the International Monetary Fund (IMF), Asian Development Bank (ADB) and the European Union. According to an IMF study, it may also affect capital inflows, foreign direct investments and portfolio flows in the country.

**Why is Pakistan on the grey list?**

The case of Pakistan is significant as it has found itself on the grey list frequently since 2008, for weaknesses in fighting terror financing and money laundering. Through 2009, the FATF reaffirmed its designation of Pakistan in the grey list, as the country began to cooperate with the FATF-like regional body, Asia Pacific Group (APG), for a Mutual Evaluation (ME) process.

On completion of the ME in June 2010, Pakistan made a "high level political commitment" to the FATF and APG to address its strategic AML/CFT deficiencies. At the time the country did come up with a permanent legislation against money laundering, but was prescribed an action plan which required demonstrating adequate criminalisation

of money laundering and terrorist financing as well as showing adequate measures to identify, freeze and confiscate terrorist assets.

Due to significant progress made by the country, by early 2015, Pakistan was no longer on the grey list. However, it came back to the list in 2018, and was given an action plan to restrict terror financing activities and monitor the actions of UN designated terrorists in the country.

In October 2019, Pakistan was warned by FATF for addressing only five out of the 27 tasks given to it in controlling funding to terror groups like the Lashkar-e-Taiba, Jaish-e-Mohammad and Hizbul Mujahideen, responsible for a series of attacks in India. The country was then given a February 2020 deadline. It got two extensions in 2020 due to the coronavirus pandemic and by October 2021, it had checked off 26 of the 27 points. The remainder was about continuing to show that terror financing cases targeted commanders of UN designated terrorist groups, such as Jama' at-ud-Da' wah chief Hafiz Saeed and Jaish-e-Mohammad head Masood Azhar.

In June 2021, however, Pakistan was given another seven-point action plan by the APG, focused specifically on combating money laundering. During the latest meeting that concluded on March 4, Pakistan informed that it had completed 32 of the total 34 action items in the two plans and was told to complete the rest at the earliest. The FATF appreciated Pakistan's commitment to fight financial crimes and said that the country now aims to complete the 2021 action plan by January 2023.

## THE GIST

■ The FATF is an international watchdog for financial crimes such as money laundering and terror financing. The FATF sets standards or recommendations for countries to achieve to make its financial system less vulnerable to illegal activities.

■ The 'grey' and 'black' lists designate countries that need to work on complying with FATF directives and those who are non-compliant, respectively.

■ In June 2021, Pakistan was given a seven-point action plan focused specifically on combating money laundering. The FATF appreciated Pakistan's commitment to fight financial crimes and said that the country now aims to complete the 2021 action plan by January 2023.

# China's export growth slows, Ukraine crisis poses risk

Exports rose 16.3% in Jan.-Feb., slower than 20.9% in Dec.

REUTERS  
BEIJING

China's export growth slowed in the January-February period largely due to base effects, and though the data beat expectations, Russia's invasion of Ukraine has heightened uncertainty over the outlook for global trade this year.

Outbound shipments rose 16.3% in the first two months of the year from the same period a year earlier, official data showed on Monday, but down from 20.9% gain in December. Imports increased 15.5%, easing from a 19.5% gain in December and below the forecast 16.5% increase.

The customs agency publishes combined January



and February trade data to smooth distortions caused by the Lunar New Year, which can fall in either month.

Factory activity normally slows considerably during the long holiday as workers return to their home towns. But for the third year in a row, many factory workers

did not return home because of concerns about COVID-19, which kept some factories operating.

"These numbers will probably be well received. China's exports are high and also the imports are continuing," said Louis Kuijs, Asia Pacific chief economist at S&P Global Ratings, adding that exports remain one component of the economy still supporting growth.

"We need to see how long the economic impact (from the Ukraine crisis) will last. China's economy overall is big and should be able to continue to grow even in the face of external shocks but export growth will be affected," he added.

# Rupee sinks to record low as oil prices spike

**SPECIAL CORRESPONDENT**  
MUMBAI

The rupee sank to a record low of almost 77 against the U.S. dollar as the Russia-Ukraine conflict sent crude oil prices soaring to 14-year highs prompting safe-haven flows into the dollar.

The rupee closed trading on Monday at 76.93, 76 paise weaker than its previous close.

“The parabolic rise in crude oil prices towards multi-year highs and spiralling commodity prices are fuelling inflationary risks, which is a key headwind for the rupee-dollar exchange rate,” said Sugandha Sachdeva, vice-president - Commodity and Currency Research, Religare Broking Ltd. “Significant outflows from the domestic equities, tracking global cues, are also weighing on the domestic currency,” she said.

## Rupee sinks to record low as oil prices spike

“We are in an environment of geopolitical uncertainty and Russian oil is virtually blocked amid the existing economic sanctions on Russia. There isn’t enough oil supply to meet the demand of almost 99 million barrels per day. This is likely to may act as a catalyst for fuelling further inflationary pressures, with significant ramifications” for economic growth, Ms. Sachdeva said.

Citing India’s significant buffer of foreign exchange

reserves as providing some cushion, she said the RBI was also likely to intervene in the markets to curb excessive volatility.

“However, the overall trend for the Indian rupee is skewed on the downside and a convincing close below the 77 mark would pave the way for further downside towards 77.50 mark in near term, while we envisage the local currency to test the 79 mark from a medium-term perspective,” she added.

**CONTINUED ▶ PAGE 8**

# Terror in Peshawar

Islamist terrorists are seeking to set off a Sunni-Shia sectarian war in Af-Pak region

The suicide attack at a Shia mosque in Peshawar, killing at least 62 people, is a grave reminder of Pakistan's growing security challenges after the Taliban's return to power in Afghanistan and the continued persecution that the Shia minority is facing in the Af-Pak region. This was the deadliest attack in Pakistan since the 2018 bombing of Quetta, killing 149 people. The Islamic State terrorist organisation, which has carried out a number of suicide attacks in Afghanistan ever since the Taliban captured Kabul in August 2021, has claimed responsibility for the bombing. The IS's sectarian animosity towards the Shias is well-known. In Iraq and Syria, the IS has carried out systematic attacks against the Shias, who they call "rejectionists" of Islam just because they belong to a different branch of the faith. In Afghanistan, the IS-Khorasan has targeted religious minorities such as Shias and Sikhs. They use sectarian attacks to drum up support for their murderous ideology among Sunni hardliners. Earlier in Afghanistan, the IS-K was confined to the eastern province of Nangarhar. But the complete breakdown of security in the last phase of the Taliban's insurgency and the collapse of the Islamic Republic of President Ashraf Ghani last year appears to have given the IS a fresh lease of life. The Peshawar attack suggests that the IS threat is now spreading across the porous border to Pakistan.

Shias, who make up some 20% of Pakistan's population, face growing sectarian violence by extremist groups and a state crackdown under the infamous blasphemy law. The Ahl-e-Sunnat-Wal-Jamaat and Tehreek-e-Labbaik Pakistan, two hardline Sunni groups, have been at the forefront of an anti-Shia campaign in the country. In July 2020, the Punjab Assembly passed a Bill (Tahaffuz-e-Bunyad-e-Islam) which supported only Sunni interpretation of Islam. Terrorist organisations such as the IS are trying to exploit these existing sectarian hostilities by carrying out attacks on Shia mosques. What they want in Pakistan and Afghanistan is the same as what they have wanted in Iraq and Syria – a Shia-Sunni sectarian civil war. What makes the threat dangerous this time is the political change in Afghanistan. As the Taliban became the rulers of Afghanistan, the IS emerged as the main armed opposition to the Taliban. The Taliban's relationship with the Tehreek-i-Taliban Pakistan (TTP, also called Pakistan Taliban) also makes the security situation complicated for Pakistan. Islamabad supported the Afghan Taliban to capture power in Kabul. The Afghan Taliban back the TTP, their ideological brethren, who are fighting Pakistani forces. As the security situation remains fragile in the Af-Pak region, groups such as the IS are swiftly pushing their terror agenda. The Peshawar attack should serve as a warning to Pakistan, which sees the wheel of jihadism returning. If it does not check the widespread anti-Shia narrative and find a way to tackle the security challenges posed by both the TTP and the IS-K, its borderlands could once again turn to anarchy and sectarian bloodletting.

| 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 <sup>th</sup> 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;  |

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|---------------------------|--|
| 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;   |

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| 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.  |
|                                 |  |
| <b>General Studies Paper IV</b> |  |
| 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.  |