

Forum IAS

7 PM COMPILATION

1st to 15th September, 2023

Features of 7 PM compilation

- ❖ Comprehensive coverage of a given current topic
- ❖ Provide you all the information you need to frame a good answer
- ❖ Critical analysis, comparative analysis, legal/constitutional provisions, current issues and challenges and best practices around the world
- ❖ Written in lucid language and point format
- ❖ Wide use of charts, diagrams and info graphics
- ❖ Best-in class coverage, critically acclaimed by aspirants
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- ❖ Best cost-benefit ratio according to successful aspirants

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Money Laundering- Explained, pointwise

According to recent report of **Pandora paper investigation** two offshore shell companies registered in British Virgin Islands (BVI) that have invested in Adani Group stocks are linked to Adani Group Chairperson's Brother.

This news brings in focus the **menace of money laundering** which is prevalent from corporate sector to terrorist Groups. Money Laundering is a **heinous crime** that not only **affects the economic and social fabric** of a country but also **promotes** other serious offenses like **terrorism and drug trafficking**.

India has been **plagued with the problem** of money laundering. Some **famous Money laundering cases** that have dominated headlines and political narrative in India are-**Sharada Group Financial scandal, Satyam Scandal, PNB Fraud case of Nirav Modi and Kingfisher Airlines case of Vijay Mallaya**.

What is Money Laundering

Definition- According to the UN Office on Drugs and Crime (UNODC), money laundering is the **processing of money obtained from criminal activities** to disguise their illegal origin. These criminal activities include financial fraud, drug trafficking and terrorist activities.

Process of Money Laundering-Money Laundering involves 3 steps:

Step 1- Placement	Injection of the “dirty money” into the legitimate financial system.
Step 2- Layering	Concealment of the source of the money through a series of transactions and bookkeeping tricks
Step 3- Integration	Withdrawal of laundered money from the legitimate financial system by the criminals for their ulterior motives.

Common Methods of Money Laundering- Some common methods of money laundering are:

Smurfing	This method involves dividing large sums of money into smaller, less suspicious amounts. The money is then deposited into one or more bank accounts over time by multiple people (smurfs) or by a single person.
Shell companies	These are companies without active business operations. They take in dirty money as “payment” for supposed goods or services but provide no goods or services. They simply create the appearance of legitimate transactions through fake invoices and balance sheets .
Overseas banks	Use of “offshore accounts” in countries with bank secrecy laws like Bahamas, Bahrain, the Cayman Islands, Hong Kong, Panama and Singapore.
Hawala	It is a parallel remittance system which functions independently from or concurrently with “traditional” banking or financial channels.

Electronic Money Laundering (EML)	EML takes place through online auctions and sales, gambling websites, and virtual gaming sites. The newest frontier of money laundering involves cryptocurrencies, such as Bitcoin. The Paris attack in 2015 was funded through bitcoins.
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What are the negative impacts and effects on money laundering?

Economic effects

Destabilisation of economy- According to studies conducted by the **International Monetary Fund (IMF)** it was estimated that the **quantum of money** laundered is approximately **2 to 5 percent of GDP** of the world. Unpredictability of the economy increasing due to **pumping of illegal money** can lead to destabilisation economy of the country causing financial crisis.

Loss of revenue exchequer to Govt- Money laundering **decreases the tax funds** available for collection in the economy and **decreases government's revenues**. Social sectors like **health, education** suffer due to lesser allocation of budgetary resources.

Impact on financial sector- Money Laundering **discourages foreign investors** from long term investments in the financial markets. **FPIs pull out money** in the way money laundering scams from the Indian markets resulting in **exchange rates and interest rates volatility** in the financial market. It also encourages **tax evasion culture**.

Transfers of economic power from the right people to the wrong- Committing crime of money laundering transfers of economic power from the right people to the wrong. The **good citizens and the government are dispossessed from their right** making the criminals take the benefit to flourish in their criminality.

Social Effects

Decline of Social and Political morality of the society-Money Laundering leads to decline in the moral and social position of the society by exposing it to activities such as drug trafficking, smuggling, corruption and other criminal activities.

'Demographic Dividend' turns into 'Demographic Disaster'- Money Laundering increases unemployment in the country as **legitimate business companies fail to compete** with operators operating through illegal money. It also increases criminal activities and more **youth get attracted** due to higher returns.

Political Effects

Policy Paralysis-Money laundering leads to policy paralysis due to measurement error and misallocation of resources. **Legislative bodies are unable to quantify the negative economic effects of money laundering** on economic development and its linkages with other crimes – trafficking, terrorism.

What are the Challenges in combating money laundering in India?

Increased use of digital currency like Bitcoins and cryptocurrency: The rise of cryptocurrency allows money launderers to conceal their illicit funds. According to IMF, more than \$2.5 billion have been laundered since 2019 in cryptocurrencies.

Presence of tax haven countries- Strict **financial secrecy laws** by tax heaven countries like **Bahamas, Bahrain, the Cayman Islands, Hong Kong, Panama and Singapore** incentivize the creation of anonymous accounts in these countries by launderers.

Laxity on part of banks: Increasing competition in the financial market is forcing **banks to lower their guards** which allows money launderers to use the black money illicitly in furtherance of their crime.

Collusion by employees of financial institutions in money laundering: Some employees of financial institutions like Banks, NBFCs collude with the money launderers which further accentuates the menace of money laundering. **PNB Fraud, Videocon-ICICI Bank cases** are prime examples of this.

Lack of Convergence among the different enforcement agencies- Separate wings of law enforcement agencies dealing with money laundering, cyber-crimes, terrorist crimes, economic offences lack convergence among themselves. **Lack of convergence** between **INTERPOL and CBI** in the arrest of **Indian fugitive Nirav Modi**.

Lack of awareness about the seriousness of crimes of money laundering: People shop from several **black markets which sell smuggled goods** in India like the **Chor Bazars**. This further aggravates the problem of money laundering. Preference of **Hawala system by the poor and illiterate population**. This system is a major source of money laundering.

What measures have been taken to combat money laundering in India?

Statutory Measures

Passage of PMLA Act in 2002 to combat money laundering- Prevention on Money Laundering Act was passed in 2002 with the **sole objective of combating money laundering** in India. It provides **greater power to the govt agencies** in attachment and confiscation of properties and provides for **stricter bail conditions**. It is gradually becoming a dread law in the country.

Institutional Measures

Enforcement Directorate: Investigation and prosecution of cases under the PMLA have been entrusted to Enforcement Directorate. Prosecutions of Individuals under PMLA act have increased in recent times.

Financial Intelligence Unit India (FIU-IND)- Established in 2004 to serve as the primary national organization in charge of gathering, analyzing, and disseminating data about improbable financial transactions.

International Cooperation Measures

The Financial Action Task Force (FATF)- India as a member of FATF has effectively used the grouping to push for sanctions against countries like Pakistan which indulge in money laundering to breed terrorism.

India is a signatory to various conventions of UN to combat money laundering- India is also signatory to the **International Convention for Suppression of Financing of Terrorism (1999)**; the **United Nation Convention against Transnational Organised Crime (2000)** and **United Nation Convention against Corruption (2003)**.

What should be the way forward to combat money laundering in India?

Money laundering has the potential to completely destroy the economic and socio-political fabric of the country. Hence, we need to take further measures to protect our country from this menace.

Addition of stricter provisions– More strict provisions must be added to PMLA because money laundering tends to corrupt even the most professional players in the market.

Criminalization of money laundering in tax haven countries- Money laundering should be criminalized in accordance with the **Vienna Convention and the Palermo Convention** which must ensure that financial institution **secrecy laws of tax haven countries** do not impede the implementation of the FATF Recommendations.

Sensitization- Public must be **sensitised** that money laundering is more dangerous than terrorism. Hence they **must refrain** from buying from black markets or using hawala transactions. There is a need to **sensitize the Private Sector** about their role in anti-money laundering activities

There is a need to build a **balance between financial confidentiality and this confidentiality turning to a money-laundering haven**. India must use its diplomatic heft to nudge the tax haven countries to end their financial secrecy laws.

One Nation One Election – Explained, pointwise

The Union government has constituted a committee under the headship of former President of India Ram Nath Kovind to look into the feasibility of **‘one nation one election’**.

Over the years **PM Modi** has strongly pushed for **‘one nation one election’**. **At present, elections** for state assemblies and the Lok Sabha **occur separately** either at the end of a five-year term for the incumbent government or in the event of dissolution due to various factors.

What is the One nation one election?

Definition- **One nation one election** refers to the **idea** of holding **simultaneous polls for State Assemblies and the Lok Sabha** instead of separate and continuous elections.

Historical Background-

One Nation one election was the **norm** in India **until 1967**. **Simultaneous elections** were conducted for the Lok Sabha and the state assemblies in **1952, 1957, 1962, and 1967**.

However, due to the **premature dissolution** of some Legislative Assemblies in **1968** and **1969** the simultaneous election cycle got disrupted. Further in 1970, the Lok Sabha was dissolved prematurely and fresh elections were held in 1971.

All these events led to the breakdown of the cycle of simultaneous elections in India.

What are the arguments in favour of 'One Nation One Election'?

Reduction of Financial burden on state exchequer – Continuous election cycles are a financial burden on the state exchequer. 'One Nation One election' will **reduce the overall expenditure** on political process by ECI. E.g. The 2014 Lok Sabha polls cost Rs 3,870 cr to the exchequer and the 2015 Bihar elections alone cost the exchequer 300 cr. ECI has estimated the cost of 'one nation one election' to be around Rs.4500 cr.

Better utilisation of financial resources by political parties- Simultaneous elections will **reduce the campaign expenditure** of political parties and the candidates. This will **help smaller regional parties** in better management of financial resources.

Reduced duration of 'model code of conduct'-Frequent imposition of the Model Code of Conduct (MCC) during polls **stalls all development work for months at a time**. It will **reduce 'policy paralysis'** that results from the imposition of the Model Code of Conduct during election time.

Focus on governance instead of being in 'election mode'- One nation one election" will **ensure continuity of policies and programmes** of the central and state governments. It will **reduce disruption of normal public life** as political rallies will be kept to a minimum. It will improve the delivery of essential services to public.

Increase of administrative efficiency- During elections the entire state machinery focuses on conducting a free and fair electoral process which impacts the everyday administration because officials are engaged in polling duties. 'One nation one election' will increase efficiency of administrative system.

Improvement of Internal security- **Frequent Deployment of security forces** during elections is use a considerable size of armed police forces which can otherwise be better deployed for better management of internal security problems like naxalism.

Reduced use of 'black money'- Elections involve considerable expenditure by prospective candidates most of which is black money. 'One nation one election' will **reduce the circulation of black money** in economy.

Reduction of populist measures-Frequent elections **forces the political class** to think in terms of **immediate electoral gains** rather than focus on **long-term programs and policies** which impacts the focus of governance and policymaking. Simultaneous elections would reduce the populist measures.

Increase of voter turnout- According to the Law Commission, simultaneous elections will increase voter turnout because it will be **easier for people to cast** many votes all at once.

Improvement in social harmony- Frequent elections perpetuate caste, religion, and communal issues across the country as elections are polarising events that have accentuated **casteism, communalism, and corruption**. Simultaneous elections would reduce the fault lines between communities created due to multiple elections.

What are the arguments against 'one nation one election'?

Reduced Accountability – Regular elections ensure that the government is under an obligation to listen to the will of the people regularly. Regular state elections serve as **feedback mechanism**

for the political parties. Critics argue that if the government is assured of a fixed term it might lead to **autocratic tendencies**.

Undermining of Federal Power – In recent years, issues affecting the states have gained political value, which is demonstrated with more regional parties forming state governments like DMK in Tamil Nadu, TDP in Andhra Pradesh & Biju Janata Dal in Odisha. Due to simultaneous elections **union elections might overshadow the state election**.

Disadvantage for regional parties- Critics argue that simultaneous election would hamper the prospects of regional parties as **national issues would dominate the political narrative instead of local issues**. Regional parties would not be able to compete against national parties in both money and election strategies.

Against Spirit of Democracy: Critics argue that **forcing simultaneous elections** is against democracy because trying to **force an artificial cycle of elections** and **restricting the choice** for voters is not correct.

Influences choices and electoral behavior- Voters may **vote for the same party** both at the national and state level which might put regional parties at a disadvantage. According to **research report by IDFC Institute** if elections are held at six-month intervals, there's a 77 percent likelihood of voters favoring the same political party or alliance for both state assemblies and the Lok Sabha. This figure drops to 61 percent if elections are held six months apart.

Threat to internal security- Deployment of heavy security forces for simultaneous elections is a logistical challenge and might endanger the internal security in the country.

Tampering with the democratic will-The present system has been consciously chosen by our forefathers to uphold the will of democracy by providing for **regular elections so that people can express their will through the right to vote**. Modifying the election system would mean tampering with the power of people to express their democratic will.

Exclusion of local elections- Simultaneous election **excludes local body polls** for panchayat and municipalities. Conduction of separate election for these bodies will be another additional exercise which might nullify the gains made by simultaneous election for both lok sabha and state assemblies.

What are the challenges in the implementation of One Nation One election?

Constitutional and legal challenges-'One nation one election' will require change in the Constitution and other legal frameworks. Simultaneous elections would require amendments in five articles of the Constitution – **Article 83** (relating to the duration of Houses of Parliament), **Article 85** (relating to dissolution of the Lok Sabha by the President), **Article 172** (relating to the duration of the state legislatures), **Article 174** (relating to dissolution of the state legislatures) and **Article 356** (relating to the imposition of the President's Rule in states). This requires **constitutional amendments with 50% ratification of states** which is challenging for the government.

Syncing the terms of various state assemblies with Lok Sabha- The terms of different state governments are ending on separate dates and years. To hold simultaneous elections, the Centre will have to make **some states agree to curtail the terms of their houses** while others to extend theirs. Curtailment and extension of assembly duration is a major challenge.

Logistical challenge– Arranging of around **30 lakh electronic voting machines (EVMs) and voter-verified paper audit trail (VVPAT) machines** and **deploying central forces** around the country is a major logistical challenge in the implementation of simultaneous election.

What are the recommendations of various committees formed on ‘one nation one elections’?

Election Commission Report in 1983 proposed to bring back simultaneous elections.

170th Law Commission in 1999 also advocated simultaneous elections.

The Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice, headed by E M Sudarsana Natchiappan in 2015 recommended simultaneous elections.

What should be the way forward on ‘one nation one election’?

India needs to find innovative solutions to ensure that we can hold simultaneous elections like-

Coupling the ‘no-confidence motion’ along with the ‘vote of confidence’ in an alternative government-This vote of confidence will also mention a leader to head it. After passing both of them (no-confidence motion and vote of confidence), the alternate government will head the government for the remaining term. This will help to maintain the fixed term and can ensure proper simultaneous election cycle.

Categorizing states based on proximity to the next general election and having one round of State Assembly polls with the next Lok Sabha election and another round for the remaining States 30 months later can also help in ensuring simultaneous election.

Conclusion

Simultaneous election **is an idea whose time has come**. However, since the issue is concerned with the federal structure of the Constitution, it needs to be **discussed and debated properly across the political spectrum to assuage the concerns of regional parties**. This will make it easier to implement the idea in the country.

If India opts for ‘one nation, one election’, the **world’s biggest democracy will set another unique example as India will be the 4th country** in the world after Belgium, Sweden and South Africa which conduct simultaneous election.

G20 and its Significance – Explained, pointwise

India is set to host the **18th G20 summit** in September 2023 at the **Bharat Mandapam International Exhibition-Convention Centre (IECC)** New Delhi. This is the **first G20 summit to be held in India as well as in South Asia**.

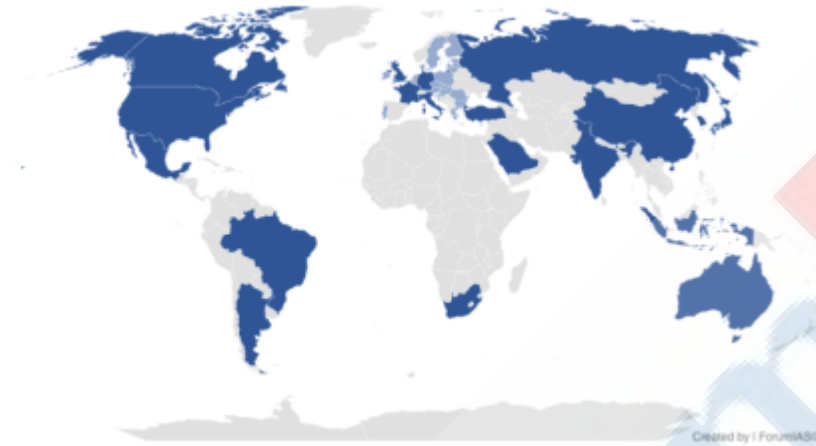
The **18th G20 Summit** in New Delhi will be a **culmination** of all the **G20 processes and meetings** held throughout the year among ministers, senior officials, and civil societies. These meetings were held in **different cities** of India to **showcase India’s cultural and regional diversity at a global stage**.

Read More- [From Magna Carta to Ashtadhyayi: artefacts to grace G-20 corridor](#)

What is G-20?

The G20 or Group of 20 is an **intergovernmental forum** comprising **19 countries** and the **European Union (EU)**. It works to **address major issues** related to the global economy, such as international financial stability, climate change mitigation and sustainable development.

Members of G-20-The Group of G20 (G20) comprises Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, the United States and the European Union.



Countries in light blue are represented through the membership of the EU.

In addition to these member countries, the G20 each year invites guest countries and international organisations such as the United Nations, World Bank, IMF, OECD, ASEAN etc. to participate in its meetings.

In addition to the regular International Organizations and Chairs of Regional Organisations India has invited **ISA**, **CDRI** and **ADB** as guests.

Features of G-20-

These members account for around **85% of the world GDP**, **75% of the total international trade** and **two-thirds of the global population**.

The G20 is **composed of most of the world's largest economies** including both industrialised and developing nations.

Historical Background		
1999	Formation	G-20 group was founded in 1999 after the Asian financial crisis (1997) as a forum for the Finance Ministers and Central Bank Governors to discuss global economic and financial issues.
2008	Elevation to Leader's Level	After the 2008 global financial crisis G-20 was upgraded to the level of Heads of State or Government from the Finance ministers and central bank governor's level.
2009	Declaration of G-20 as the " premier forum for international economic cooperation "	In 2009 G-20 was declared as the premier forum for forum for international economic cooperation. The G20 Leaders have met on a regular basis since then and the G20 has emerged as the leading platform for global economic cooperation.

Structure of G-20

G-20 does not have a charter or secretariat-The G-20 presidency is supported by the **Troika**, which includes the **previous, current, and incoming presidencies**. The G20 Presidency hosts the Summit and directs the agenda for a calendar year.



Troika of G-20

Structure of G-20- While the head of states meet once a year, G-20 agenda is pursued by two parallel tracks which conduct regular meetings throughout the year.	
Sherpa Track	<p>The Sherpas of member countries are the personal emissaries of the Leaders. They oversee all the negotiations over the year, discuss the agenda for the Summit and coordinate the substantive work of G20.</p> <p>They focus on socio-economic issues such as agriculture, anti-corruption, climate, digital economy, education, employment, energy, environment, health, tourism, trade and investment.</p>
Finance Track	<p>It is headed by the Finance Ministers and Central Bank Governors, who generally meet four times a year with two meetings being held on the sidelines of World Bank /International Monetary Fund meetings.</p> <p>They focus on Fiscal and Monetary policy issues such as global economy, infrastructure, financial regulation, financial inclusion, international financial architecture, and international taxation.</p>

Objectives of G-20- Following are the objectives of G-20:

- (a) Policy coordination between its members in order to achieve global economic stability, sustainable growth
- (b) Promote financial regulations that reduce risks and prevent future financial crises
- (c) Create a new international financial architecture.
- (d) Develop common vision to tackle challenges like climate change, environment sustainability, corruption and energy crisis.

India's agenda for 18th G-20 summit-

- Green Development, Climate Finance & Lifestyle for Environment (LiFE)
- Accelerated, Inclusive & Resilient Growth
- Accelerating progress on Sustainable Development Goals (SDGs)
- Technological Transformation & Digital Public Infrastructure
- Multilateral Institutions for the 21st century
- Women-led development

What is the importance/significance of G-20?**Geopolitical Significance**

Greater representation to developing countries-It is a **more representative** grouping in comparison to **groupings like G7** which comprised only industrialized economies and **ignored the interests of the global south.**

Global balance of power-G20 promotes a **more equitable distribution of power** among developed and developing countries than the earlier formed blocs such as **G-7 and P-5 (UNSC)** which helps to maintain a balance of power at the global level.

Opportunity to undertake bilateral meetings-It offers an opportunity to **undertake bilateral or trilateral meetings** with leaders of 20 countries on the sidelines of G20 summits. E.g., Indonesia G-20 provided meeting for India-China summit.

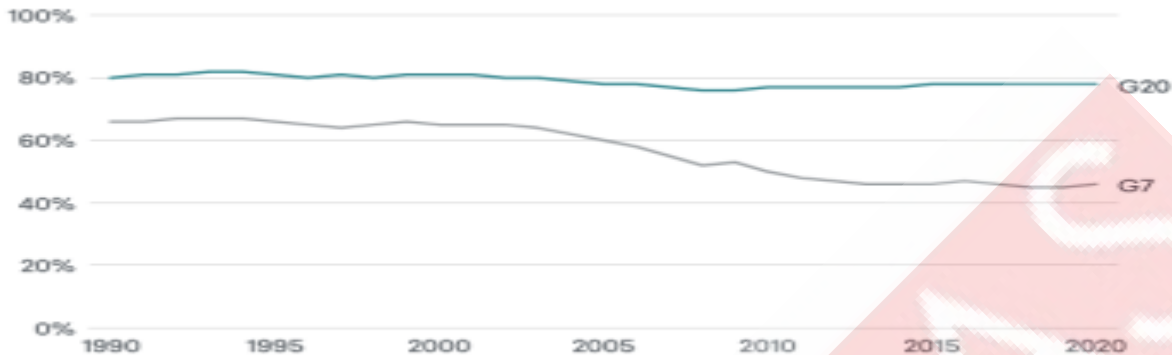
Bringing adversaries on a common platform- The importance of the G20 lies in its ability to bring together countries with **different ideologies, political systems, and economic interests** onto a common platform to discuss and address global economic issues. E.g.- India & China, US & Russia.

Economic Significance

More economic heft as a grouping-While the **share of G7 countries in the global economy has been falling, G20's share has been largely consistent.** The group carries more economic heft and hence its discussions on financial and macro-economic policies influence the decisions of Bretton Woods institutions.

The G20's Share of the Global Economy

Share of global gross domestic product (GDP)



Note: Countries that are G20 members through the EU are excluded.

Source: World Bank.

Source: Council on Foreign Relations

Tackling financial crises effecting global economy- G20 has played a critical role in responding to economic crises such as the **2008 global financial crisis**, the **Eurozone debt crisis**, and the **COVID-19 pandemic**.

Economic relief during recession induced due to COVID- G20 countries agreed to **suspend debt payments owed to them** by some of the world's poorest countries providing billions of dollars in relief to countries during COVID-19.

Social Significance

Widening areas of cooperation: The agenda of the G20 has been expanding from a broad macroeconomic policy to more socio-environment area of cooperation.

G20 summit in Hangzhou (China) 2016	Convergence of the US and China on the Paris Agreement (Climate Change)
G-20 summit in Argentina, 2018	Focused on fair and sustainable development .
G-20 summit in Germany, 2021	Issues regarding money laundering, international tax havens, and corruption .
G20 summit in Bali (Indonesia), 2022	Focused on financial stability, humanitarian crisis, poverty , aid, Food security (Black Sea Grains Initiative) and gender equality .

Addressing climate change: G20 has recognised the threat of climate change and has taken some initiatives to address it in the field of **energy efficiency and renewables; adoption of advanced and clean technologies; resilient infrastructure**; tackling environmental challenges like **biodiversity loss; adoption of the Circular Carbon Economy** etc.

Vaccination during COVID-19- G20 leaders pledged to help vaccinate 70% of the world's population by mid-2022.

Significance of G-20 presidency for India

India's strategic importance: G20 presidency will provide a platform for India to engage with other major powers including the **United States, China, and Russia.**

Becoming the voice of Global South: India has become the voice of the erstwhile sidelined Global South by holding the **meeting of the Global South countries along with G20 meetings** and **pushing for inclusion of African Union (AU).**

India's growing economic influence: It will help India further strengthen its economic ties with other G20 members as India is the fastest growing economy of the world.

India's leadership on climate change – As the world grapples with the challenge of climate change, India's presidency can help set the tone for global cooperation on this issue. E.g. **India's Mission LiFE.**

India's focus on inclusive growth: India's presidency will focus on issues such as **infrastructure development, job creation, and women's empowerment** which will have its spill over effect on Indian inclusive development.

What are the Challenges faced by G-20?

Structural Challenges

Informal structure of G20- G-20 has no permanent secretariat. The agenda changes every year according to the priorities of the presiding nation. According to critics G20 basically is an extension of the G7.

Limited membership-The G20 only includes 19 countries and the European Union which means that other important economies like **the African Union (AU) are not included.** Expanding the membership could help to ensure that the group is more representative of the global economy.

Non-binding decisions – Member countries are **not legally bound** to implement the decisions made at G20 meetings. For example, the G20 countries had agreed to a set of guidelines for preventing the **financing of terrorism** but there is **no mechanism to enforce compliance with these guidelines. G20 declarations are not legally binding.**

Geopolitical Challenges

Rising Geopolitical Rifts – The world economy is struggling with **geopolitical rifts** such as the **tensions between the US and China** the two biggest economies in the world, the decline in trade between the UK and the euro area in the wake of the **Brexit decision** and **sanctions on Russia.**

Russia-Ukraine Crisis – This is currently the **biggest roadblock** impairing functioning as the U.S and its allies are not willing to sit on the same table with Russia and its allies. This may cause a **severe stalemate** in the grouping's functioning and impair its progress.

Influences decision-making of smaller countries- The **smaller countries** have to implement the declarations and commitments agreed by G20 nations for their growth. E.g., the G20 nations **agreed to end international financing for coal power plants**. So, a small nation cannot get any finance from G20 nations for a new coal power plant and must use its own limited financial resources or phase out coal and look for other alternatives.

Under representation of Africa- None of the African nations is a member of the G20 except for South Africa.

Economic Challenges

Rising Protectionism: G-20 is facing a credibility crisis due to **deglobalisation and rising protectionism**. Countries around the world are choosing to be 'G-zero' over the G7, G20, BRICS, P5 (UNSC Permanent Members) and others.

Slowing down of Major Economies of G-20- China, one of the major engines for global growth, is witnessing a **sharp slowdown as it struggles with a real estate crisis**. US and UK are also facing recession.

Rising Inflation-In response to high inflation central banks across countries have raised interest rates which in turn have dampened economic activity further.

Read More- [Multilateral reforms as a priority in the G-20](#)

What should be the way forward for G-20 group?

Formalization of G20 – The G20 must include **objectives, vision and mission statements**, a **permanent secretariat** and staff to oversee commitments and ensure continuity in the agenda.

Make it more representative – G20 must make itself more representative by expanding membership. It must include **African Union (AU)**.

Tax rate rationalisation to avoid protectionism-Rationalizing the **direct-indirect tax structure in member nations** and ensuring a parity in credit requirements shall ensure a more competitive market structure with easier entry and exit of firms

Bridging powers between the East and West-G-20 can act as bridging powers between the East and West. The global economic disruption caused by Western economic sanctions and the ongoing boycott of Russia in global economic forums need initiatives from the countries like India, Indonesia and South Africa in G-20. This will bridge out the differences.

Focus more on domestic commitments- G20 Nations should phase out domestic coal consumption. This will create a significant impact as **G20 nations represent more than 75%** of the world's greenhouse gas emissions

Global Financial Transaction Tax which was a consideration by the G20 in 2011 needs to be revived which can be used to fund green technology projects in Least Developed Countries.

Public health should be made a key agenda especially after the deadly impact of COVID-19.

Read More- [The G-20 can be the UN Security Council alternative](#)

Increasing cases of Student suicide in India – Reasons and way forward- Explained, pointwise

The death of 23 students in Kota (the coaching hub of India) in 2023 so far, has again brought to our attention the **grave and often neglected crisis of student suicide** in India.

As per **National Crime Records Bureau's (NCRB), Accidental Deaths & Suicides in India (ADSI) report** more than 13,000 students commit suicide in India at the rate of more than **35 students per day** which comes down to **1 suicide every 42 mins**.

What is status of student suicides in India?

Definition-According to **Mental Healthcare Act MHA (2017)** suicide is the act of intentionally causing one's death.

Trend of Suicide in India according to NCRB Report-

The death by suicide of students has **increased by 32.15% since 2017**.

As per **Ministry of Education**, **122** students from IITs, NITs, central universities and other central institutions died by suicide over 2014-21. (**68 out of 122** belonged to the scheduled castes (SC), scheduled tribes (ST) or other backward classes (OBC)).

1% of the total suicides in the country are of students below the age of 18 years due to **'failure in examinations'**

STUDENT SUICIDES OVER FIVE YEARS

YEAR	Total Student Suicides	Percent of male student suicides	Percent of female student suicides
2017	9,905	59.71%	47.56%
2018	10,159	52.85%	47.15%
2019	10,335	53.82%	46.17%
2020	12,526	55.62%	44.38%
2021	13,089	56.51%	43.49%

Source- The Indian express

Legal status of Suicide in India-

According to **Section 309** of IPC suicide is a **criminal offence punishable** with simple imprisonment for a term which may extend to one year.

Mental Healthcare Act (MHCA), 2017 has **significantly reduced the scope for the use of Section 309 IPC** and made the attempt to commit suicide punishable only as an **exception**.

However, Section 309 **continues to remain** in the IPC, and it is continuing to be **misused**.

What are the factors responsible for high rate of student suicides in India?

Student's suicide in India is driven by multitude of factors which have been listed below-

Economic Factors

Education becoming a means to livelihood rather than knowledge- Education in India has become a **means to climb up the economic ladder**. Admission into IITs Medical colleges is seen as a gateway for financial freedom.

Unemployment-Prevalence of high rate of unemployment in India. According to the **National Sample Survey Office (NSSO) India's unemployment rate 6.1% is the highest in 45 years**. Such a high rate of unemployment lead to pressure among **youth and depression** which is one of reason of suicide.

Financial stress-The **steep cost of preparatory courses and tertiary education** acts as a burden on the students and put tremendous pressure on them.

Social Factors

Social pressure to get into government jobs or highly paid private jobs- 'Sarkari jobs', 'high paying jobs' phenomenon to **escape the social, class and caste predicaments** which the families of the students want to break. Children become their pawns to get them out.

Relationship Problems-Relationship problems such as **break-ups, family conflicts, and friendship issues** contribute to student suicides. These relationship problems become difficult to deal with for students who are far from home and have limited support.

Family problems-There has been a **breakdown of the traditional large family support system** which have also contributed to increase in suicide tendencies.As young Indians become more progressive, their traditionalist households become less supportive of their choices pertaining to financial independence, marriage age which have led to increase in suicides.

Lack of adequate social support- 'Log Kya Kahenge' attitude in Indian society is a permanent feature in the lives of competitive exam aspirants. This puts **undue pressure** on the aspirants who resort to suicides considering themselves as failure.

Social neglect- Low focus and the taboo associated around mental health is also one of the reasons for student's suicide. **Social stigma of mental illness** has also led to increase in the student's suicide.

Cyber Bullying-Cyber bullying and online harassment are becoming increasingly common and can contribute to student suicides. Cyber bullying takes many forms such as harassment, cyberstalking, or bullying through social media.

Forced career choices- Many students succumb to very high amount of pressure especially from their family and teachers in terms of their **career choices and studies**.

Substance abuse-According to the **National Mental Health Survey (2015-16)** more than 22% of India's population over 18 years suffers from a substance disorder which includes **alcoholism, use of tobacco and drug abuse.**

Academic Factors

Academic Stress-High expectations from parents, teachers and society can lead to **excessive stress and pressure to perform well in exams.**This pressure to succeed becomes overwhelming for some students leading to feelings of failure and hopelessness.

Lack of support from Educational Institutions-Educational Institutions **lack trained human resource for guidance and counselling** and are **ill-equipped to tackle mental health issues** of children and adolescents.

Examination Centric Education- Equation of academic excellence with marks, pressure of studies and performance are critical factors in students' suicides in India.

Failure in exams-Students aged 16-18 are often subjected to undue pressure at home to succeed. This drives them to resort to suicides in case of failures in the examination.

Political Factors

Marginalisation of Students from vulnerable sectors- Marginalised section students are **pushed further to the margins** through a number of factors such as the lack of English-medium education; private institutions charging high fees; poor quality education in government-run schools and institutes and **caste discrimination. E.g. Rohit Verma Suicide.**

Flawed neoliberal agenda for failure and success- The rise of neoliberalism as an economic and social ideology has **pushed the youth to blame themselves for their failure** to secure their 'dream job' while the government continues to shirk its basic responsibility.

What initiatives must be taken to reduce student suicides?

Increase employment opportunities-India **must focus on 'job creation'** to meet the employment demands presented with the demographic bulge of young population.

Reduce the financial burden of education- Provision of cheap study loans, reduction of cost of education with GDP allocation to education sector (6% of GDP as per NEP).

Improve Mental Health Services in educational institutions-Providing students with access to mental health services and resources such as **counselling services, support groups, and psychiatric services** can help prevent suicides. Schools and universities **must train** teachers, staff, and students in mental health **first aid.**

School reforms for mental health-Schools and colleges need to **foster a culture of understanding and trust** where students feel free and safe to talk about issues like bullying and anxiety.

Increase government expenditure on mental health-India does not spend enough on mental health (**0.06% of its health budget on mental health**). Government **must spend more on** mental healthcare. It is important to **increase medical seats** pertaining to mental health professionals.

Family Support to students-Providing students with support from their families can help reduce the risk of suicide. This may include **offering support and resources for families and** encouraging students to maintain contact with their families.

Launch happiness curriculums in educational institutions- The 'Happiness Curriculum' launched by the Delhi government focuses on holistic education by including meditation, value education and mental exercises in conventional education curriculum. It should be adopted by other states also.

Revamp education system- It is important to **revamp the exam-centric education system** in India. The curriculum should be designed in ways that **stress the importance of mental exercises and meditation.**

Substance Abuse Prevention Programs-Implementing substance abuse prevention programs can help reduce the risk of student suicides.

Stricter Cyber Bullying Policies- Need proper monitoring of **social media sites, providing education about cyber bullying** and taking legal action against cyber bullies.

Address the Socio-economic Issues: Socio-economic factors such as **poverty, homelessness, and unemployment** should be addressed to improve students' overall well-being and reduce stress, anxiety, and depression.

Encouraging Participation in Sports-Sports can play a role in preventing suicides in educational hubs by providing a positive outlet for stress and emotions as well as increase self-esteem and confidence.

Focus on Overall Personality Development-By taking a **holistic approach** to personality development, educational institutions can create a supportive and inclusive environment that helps students thrive both academically and emotionally and can play a critical role in preventing suicides.

Embracing Positive Attitude towards Mental Health-Positive attitudes towards mental health and help-seeking must also be promoted through **open discussions about mental health and suicide.**

What are the initiatives taken by India to reduce Indian Suicides?

Following are the initiatives taken by India to reduce Indian Suicides-

Mental Healthcare Act (MHA) 2017-MHA 2017 aims to provide mental healthcare services for persons with mental illness.

KIRAN-The Ministry of Social Justice and Empowerment has launched a 24/7 toll-free helpline "KIRAN" to provide support to people facing anxiety, stress, depression, suicidal thoughts and other mental health concerns.

Manodarpan Initiative-Manodarpan is an initiative of the Ministry of Education under Atmanirbhar Bharat Abhiyan. It is aimed to provide psychosocial support to students, family members and teachers for their mental health and well-being during the times of Covid-19.

National Suicide Prevention Strategy-Announced in 2023, National Suicide Prevention Strategy is the first of its kind in the country, with time-bound action plans and multi-sectoral collaborations to achieve reduction in suicide mortality by 10% by 2030.

What should be the way forward to prevent student suicides?

Suicide should be perceived as a multidimensional public and mental health issue. There is a need to acknowledge its links to various aspects like social, economic, cultural and biological aspects.

Need guidelines from education board to ease pressure on students.E.g.**The Andhra Pradesh Board of Intermediate Education** issued guidelines in **2017** to reduce the pressure on students. It called for **Yoga classes, Physical education classes** and **Improvement of student-teacher ratio.**

Proper Implementation of NEP 2020 to reduce pressure on students.

The need of the hour is to learn from past failures to address the growing crisis and take urgent steps that involve all stakeholder -students, parents, teachers, institutes and policy makers.

Modern Threats to Indian Financial System – Explained, pointwise

At the **Global Fintech Fest (GFF) 2023**, Union Finance & Corporate Affairs Minister Nirmala Sitharaman on Tuesday said that **cryptocurrencies (crypto)** and **cyber intrusions** pose **major threats** to the **Indian financial system and financial systems across the world.**

Christine Lagarde, president of the European Central Bank and **former head of the International Monetary Fund (IMF)** has also warned that a **cyberattack could trigger a serious financial crisis.** **Cyberattack on Bangladesh Central Bank trying to steal \$1 bn by exploiting vulnerabilities in SWIFT payment system** has also drawn our attention to these threats to our financial systems. In this regard, we are going to discuss the modern threats that Indian Financial System is facing, in the recent times.

What are the modern threats to Indian Financial System?

Indian Financial System- Indian Financial system consists of financial institutions such as **banks, insurance companies, NBFCs, mutual funds, stock exchanges** and **pension funds.** These institutions are regulated by the **Reserve Bank of India (RBI)** and other regulatory bodies such as the **Securities and Exchange Board of India (SEBI)**, the **Insurance Regulatory and Development Authority of India (IRDAI)** and the **Pension Fund Regulatory and Development Authority (PFRDA).**

Modern Threats to Indian Financial system- Modern threats to Indian Financial system emanate are mentioned below-

Cyberhacking	According to the Bank for International Settlements the financial sector is experiencing second largest share of cyberhacking attacks after health sector.
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	Ex-Cyberhacking of Juspay systems which resulted in the theft of masked card data and card fingerprint data.
Ransomware attacks	Ransomware attack is the act of encrypting the computer systems with malware and locking the victims out of their systems. Financial services organizations are forced to comply with ransom demands as they are threatened of data leakages on the dark web. Ex-WannaCry malware attack on Indian Banks.
Phishing	Phishing is act of tricking users into divulging login credentials to gain access to an internal network. According to Akamai's 2019 State of the Internet report, almost 50% of observed phishing attacks were linked to the financial services sector. Ex- Credit card scams by getting access to OTP.
Cryptocurrencies	Cryptocurrencies are used to commit 2 types of crimes: 1) it is becoming medium of money laundering which are posing major threats to Indian financial system. Wider proliferation of cryptocurrencies has the potential to diminish the regulatory powers of Indian financial authorities. 2) Cryptocurrency related frauds. Ex-Bitcoins increased usage in India forced RBI to bring Central Bank Digital Currency (CBDC). Crypto investors lost over \$2.8 billion globally to various crypto scams in 2021.
Data Thefts	Mining of customer data which results in leakage of customer information, results of product surveys, and generic market information. Ex-Airtel payment bank data was mined like name,DoB,phone numbers, address were put up for sale for \$35000 on Bitcoins. In 2022, it was reported that the data of 9 million cardholders of several banks, including SBI, was leaked.

What are the negative effects of these modern threats to Indian financial system?

Negative Economic effects

Destabilisation of economy- Cyberattacks can **disrupt financial intermediation and undermine monetary policy.** They can have large fiscal costs that come from rescuing troubled financial institutions. As financial institutions and countries are increasingly connected, **financial shocks in one area can quickly spill across financial sectors and national borders.**

Impact on financial sector- Cyberattacks on financial systems **discourage foreign investors** from long term investments in the financial markets. **FPIs pull out money** in the wake of such attacks from the Indian markets resulting in **exchange rates and interest rates volatility** in the financial market.

Transfers of economic power from the right people to the criminals- Cybercrimes of Indian financial system results in the transfer of economic power from the honest people to the criminals. The **good citizens and the government are dispossessed from their right** making the criminals take the benefit to flourish in their criminality.

Negative social effects

‘Demographic Dividend’ turns into ‘Demographic Disaster’- Attacks on Indian financial systems increases unemployment in the country as **legitimate business companies fail due to these attacks**. It also devoid the individuals of their hard earned money by making false promises of high returns in short amount of time.

Increase criminal activities – It also increases criminal activities as more **youth get attracted** due to higher returns. At present, many criminal activities go untraced and unpunished, giving an additional motivation to cyber criminals.

Decline of Social and Political morality of the society-Money Laundering leads to **decline in the moral and social position of the society** by exposing it to activities such as cyberattacks, money laundering by cryptocurrencies.

Policy Paralysis- **Legislative bodies are unable to quantify the negative economic effects of attacks on financial systems** on economic development and their linkages with other crimes like trafficking and terrorism.

What are the challenges in countering these modern threats to Indian Financial System?

Lack of specialists – Globally India **ranks 2nd in terms of the number of Internet users** after China (Internet World Stats, 2017). However, India has a **negligible base of cyber-security specialists** when compared to internet user base.

Lack of robust law enforcement mechanisms – India’s approach to cyber security has so far been ad hoc and unsystematic. Despite a number of agencies, policies and initiatives, their implementation has been far from satisfactory.

Lack of Coordination between multiple agencies-Due to the existence of too many agencies with overlapping functions like the Serious Fraud Investigation committee (**SFIO**), Regulatory bodies like **RBI, SEBI** and National Critical Information Infrastructure Protection Centre (**NCPIIC**) in the field of cyber security, there is lack of proper coordination between these agencies.

Lack of awareness- Digital illiteracy and lack of awareness about cybersecurity is a challenge. This results in **financial scams like stealing from debit cards through OTP**.

Increased use of social media- With the advent of social media and its increased adoption hackers have learned to exploit the medium.

Weak identity and access management – Issues such as **one hacked credential can give a hacker access to the entire enterprise network**. Example- **Airtel database hacking through one account**.

Inadequate budget and lack of management – Budgetary allocations to cybersecurity is often neglected with the cost associated with the loss being very high.

What initiatives have been taken to counter these threats to Indian financial systems?

National Initiatives

Passage of Information Act 2000-The Information Act 2000 (amended in 2008) is the **primary law** for dealing with cybercrime and digital commerce in India.

National Cyber Security Policy 2013- The policy provides the vision and strategic direction to protect the **national cyberspace**.

Cyber Emergency Response Team India (CERT-In)- CERT-In has been operational since 2004. It is the **national nodal agency** for responding to computer security incidents as and when they occur.

Cyber Swachhta Kendra-Launched in **early 2017** the Cyber Swachhta Kendra provides a platform for users to analyse and clean their systems of various viruses, bots/ malware, Trojans.

Cyber Surakshit Bharat- Ministry of Electronics and Information Technology launched the Cyber Surakshit Bharat initiative to spread awareness about **cybercrime and building capacity for safety measures for Chief Information Security Officers (CISOs)** and frontline IT staff across all government departments.

Cyber Warrior Police Force-In 2018 the government announced its plans to introduce CWPF. It is proposed to be raised on lines of the Central Armed Police Force (CAPF).

Indian Cyber Crime Coordination Centre (I4C)-The Union Government has decided to set up I4C. It will be apex coordination centre to deal with cybercrimes.

National Critical Information Infrastructure Protection Centre (NCIIPC)– Established for protection of critical infrastructure of the country like the financial sector information.

International Initiatives

The Basel Committee on Banking Supervision (BCBS)- The Basel Committee on Banking Supervision constituted in 1974 by the central bank governors of the G10 countries responding to the financial market disturbances was established as a platform where members could discuss banking matters including cyberthreats.

International Monetary Fund (IMF) and Financial Stability Board (FSB)– Synthesis papers regularly released on cryptocurrencies.

Use of G-20 presidency- India's G20 Presidency calls for a framework for handling issues relating to crypto assets and guarding fintech industry against these threats.

What should be the way forward in countering these modern threats to Indian financial system?

Investment in security systems-Fintech companies must invest heavily in robust security measures utilising **advanced encryption** to protect user data and financial transactions. A secured system will build trust and therefore it is a must for the financial ecosystem.

Strengthening of state cyber resilience-Governments and industry should strengthen security by sharing information on threats and by creating **financial computer emergency response teams (CERTs)** modelled on **Israel's FinCERT**.

Building capabilities-There is an urgent need to build capabilities and capacity for application, equipment and infrastructure testing.

Increase in cyber security experts- Immediate attention must be given to human resource development which would increase the number of experts who can effectively manage the cyber security of the country.

Increase expenditure on Research & Development- Investments should be made on R&D to develop more innovative technologies to address increasing cyber security threats.

Increase of Public Awareness-A periodic awareness campaign by the government and big private organizations should be conducted to **aware people about cyber security threats**. Usual practice of digital hygiene like keeping the **phone up to date, rebooting regularly can be done** and doing **financial transactions on secured VPNs**.

Strengthening Private Partnership-It is important to strengthen the public- private partnership on cyber security threats to Indian Financial systems.

Protection of financial systems is the need of the hour if India is aiming to become the 3rd largest economy of the world. Hence our focus must be on countering these modern threats which may disrupt our financial system and dissuade us from our goal.

India and Bharat Debate –Explained, pointwise

The **President's invite** for the **G-20 dinner** mentioned the **"President of Bharat"** instead of **"President of India"**. There is speculation of an official change in the name of the country from India to Bharat.

Article 1 of the Constitution uses the two names interchangeably- "India, that is Bharat, shall be a Union of States." This has renewed a broader conversation regarding the **nation's nomenclature and its historical connotations**.

What are the origins of names "Bharat" and "India"?

Origin of name Bharat-

The origins of the name Bharat lie in the **Puranic literature** and **the epic Mahabharata**. The **Puranas** describe Bharata as the land between the **"sea in the south and the abode of snow in the north"**.

Bharata is also the name of the ancient king of legend who was the **ancestor of the Rig Vedic tribe of the Bharatas**. He is considered the progenitor of all peoples of the subcontinent.

Origin of name India-

The origin of the name India is derived from the word **Indus** which is the name of a river that flows through the northwestern part of the subcontinent.

The **ancient Greeks** called the people living beyond the **Indus as Indoi** which means **“the people of Indus”**.

Later the Persians and the Arabs also used the term **Hind or Hindustan** to refer to the land of Indus.

The **Europeans adopted the name India** from these sources, and it **became the official name** of the country after the **British colonial rule**.

How were both “India” and “Bharat” adopted as the names of the country?

During the Constituent Assembly debates the **“Name and territory of the Union”** was taken up for discussion on **September 17, 1949**. When the **question of naming India** in the Constitution arose **‘Hindustan’ was dropped**, and **both ‘Bharat’ and ‘India’ were retained**.

Article 1 of the Constitution used the two names interchangeably- “India, that is Bharat, shall be a Union of States.”

However, some members felt that **“India” was a reminder of colonial oppression** and sought to **prioritize “Bharat” in official documents**. Following are some of the arguments that **favoured the prioritization of the name Bharat**.

Hargovind Pant	Argued for the use of name “Bharatvarsha” and rejected the term “India” imposed by foreign rulers.
Seth Govind Das	Advocated for placing “Bharat” above “India and emphasized that the latter was merely a translation of the former in English.
Hari Vishnu Kamath	Cited the example of the Irish Constitution, which changed the name of the country upon achieving independence, as a precedent for using “Bharat.”

Dr.B.R. Ambedkar cleverly forced a compromise between the names India and Bharat. While the **English version** mentions **“India that is Bharat”**, the **Hindi name** mention **“Bharat arthaat India”**. Several institutions such as Reserve Bank of India and the Indian Railways already have Hindi variants with “Bharatiya” in them.

Recent events for name change-

In 2015 **Centre opposed a name change** and stated that the **issue had been extensively deliberated** upon during the Constitution’s drafting.

In 2016 and 2020, Supreme Court has twice rejected pleas to rename ‘India’ to ‘Bharat’ and has reaffirmed that “Bharat” and “India” both find mention in the Constitution.

What are the arguments in favour of changing name to Bharat from India?

Use of Bharat symbolises actual independence- India name for the newly independent nation did not signify the actual independence. Members who supported the name Bharat took Irish constitution example. **Irish Free State was one of the few countries in the modern world which changed its name on achieving freedom** and the fourth article of its Constitution refers to the change in the name of the land.

Name Bharat is befitting to our history and our culture- Vishnu Purana and Brahma Purana mentioned the geographical area as 'Bharat'. Seventh-century Chinese traveller Hiuen Tsang has also referred to the country as Bharat.

Emotional Attachment to the name Bharat-Bharat or Bharatvarsha forms an **incredibly strong emotional attachment** which is rooted in the Puranas. Country is witnessing 'civilizational reincarnation'.

Bharat connected to our National symbols-Indian National Anthem is woven around Bharat. The National Flags and emblems are connected to Bharat.

Name of the country as India was foreign imposition- Clinging to the word 'India' shows that we are not ashamed of having this insulting word which has been imposed on us by alien rulers.

Bharat is inclusive word for the supporters- Bharat word for the Hindi heartland's 'Bharat' has its southern derivatives such as "Bharatham" in Tamil.

Reminder of colonial Past-The use of India over Bharat is seen as a **reminder of the colonial past**.

What are the arguments against changing name to Bharat from India?

Means to create political polarisation- Renaming of name of India as Bharat is a means to create **political polarisation** between the **elite-non-elite, urban-rural and south-north states**. It is being used to **counter the emerging coalition** of I.N.D.I.A by the ruling party.

Against the non-theocratical and inclusive nature of state- Renaming of name of the country as Bharat would be **against the non-theocratic and inclusive state** that India symbolises.

Both the names India and Bharat stir sentiments of National Belonging- Hindi language have used the name Bharat while **English and other local tongues** have been using the **name India**. Since India has **linguistic diversity** there will be several names which are used. However, both the names stir have the same sentiment of nationalism.

Undermining the country's soft power- Government's **name game** undermines the **confidence and soft power** of the nation. **India** name is registered with the **United Nations** and all foreign visits joint declarations use the name India. Ex-Recent **India-Greece joint Statement**.

Renaming is a cumbersome process- Renaming of name of the country would also require the **renaming of government institutions to corporate institutions**. This will be a cumbersome and tiring process. Also renaming of names will not serve much purpose as all **institutions have already Bharat names** in their **Hindi usage** like the **RBI and IITs**.

India name has a wider acceptability- The name of the country as India has wider acceptability within the country as well as in international arena.

58th Amendment Act gives parity to both Bharat and India – 58th Amendment Act 1987 empowered the President to have published under his authority the authoritative text ‘in the Hindi language’ of the Constitution which could be used in the legal process also. Thus, the Hindi text of the Constitution published by the government following the amendment is ‘authoritative’. This gave parity to both Bharat and India as hindi and English were both authoritative.

What will be the process of changing name to Bharat from India?

Legal experts are divided on the process of changing the name of India to Bharat. While the English version mentions “India,that is Bharat” the hindi name mention “Bharat arthaat India”.

Special Majority required- One view is that a **wholesale switch to Bharat** may require an amendment with a 2/3rd majority of not only the two houses of Parliament but also of all the state assemblies.

No Amendment required-The other view is that Bharat could be used through simple notifications on a case-by-case basis.

Countries which have changed names after Independence

African Nations-Many African and Asian nations changed their names after being freed of colonial rule. For example-**Swaziland changing its name into Eswatini.**

Turkey and Myanmar-Turkey turned into Türkiye and Burma turning into Myanmar in recent times.

Conclusion

The name of the country has already been extensively debated in the constituent assembly by our learned forefathers. Dr.Ambedkar at that time reminded the House several times that the **civilisational debate was unnecessary** since the name Bharat was not opposed by members. Dr.Ambedkar was **apprehensive of such debates** on the name of the country. He was focussed more on development path the country should take to march ahead.

Today also we are at that juncture of our development journey where we look to become the third largest economy of the world by 2027. Indulging in these **regressive civilisational debates** would not be of much help in our development. “India,that is Bharat” and “Bharat arthaat India” are one and the same.

Global Biofuel Alliance and Significance of Biofuels-Explained,Pointwise

Formal establishment of Global Biofuel Alliance (GBA) **will be one of the key takeaways** under **India’s G20 Presidency.**

Biofuels are the fuel derived from the **biomass of plants or animal wastes.** It is commonly produced from **corn, sugarcane and animal waste like cow dung.** These come under renewable energy as it sources are renewable unlike fossil fuels.These biofuels like bioethanol and biodiesel

are blended with petrol or diesel which results in cost saving and reduces environmental pollution.

Global Biofuel Alliance will be the second India led multilateral platform after the International Solar Alliance (ISA) launched at Paris COP21 in 2015. Establishment of Global Biofuel Alliance will **catapult India at the centre stage of climate action** and **reinforce India's position in the fight against climate change**.

What is Global Biofuel Alliance and what are its objectives?

Global Biofuel Alliance- Global Biofuel Alliance is being **established by India, Brazil and US** which together account for **85% of global Ethanol Production**. It will be an **international platform** for sharing best practices, **promoting sustainable biofuel development** and enhancing its application. It aims to **impact global energy architecture** and achieve the target of **net-zero emissions**.

Core members-India, Brazil and US.

Membership and endorsement-Other members can join the Global Biofuel Alliance by **endorsing the foundation document**. The membership is open to **non-G-20** countries also. This alliance will be **like the International Solar Alliance** as the **membership will be open** for all countries to join. So far **19 countries** have shown interest to join other than the founding members which includes countries like **Italy, Kenya and UAE**.

Membership structure- GBA will have **three category membership structure** bringing together member countries, partner organisations and industries.

Objectives- Following are the objectives of Global Biofuel Alliance

- 1.Promotion of **International collaboration and cooperation** to encourage the acceptance and utilisation of **biofuels**.
- 2.Development of **robust markets for biofuels** and **facilitate global trade** in biofuels.
- 3.Intensification of the use of **sustainable biofuels in the transportation sector**.
- 4.Development of concrete policy lesson-sharing and **provision of technical support for national biofuels programs worldwide**.
- 5.Emphasization of the already **implemented best practices and success cases**.
- 6.Complement the relevant existing **regional and international agencies** as well as initiatives in the bioenergy, bioeconomy, and energy transition fields more including the **Clean Energy Ministerial Biofuture Platform**, the **Mission Innovation Bioenergy initiatives**, and the **Global Bioenergy Partnership (GBEP)**.

What are Biofuels?

Biofuels are the fuel derived from the **biomass of plants or animal wastes**. It is commonly produced from **corn, sugarcane and animal waste like cow dung**. These come under renewable energy as its sources are renewable unlike fossil fuels.

Generation of biofuels

1 st Generation biofuel	Produced from edible items like sugar, corn, starch	Higher carbon content and emit greenhouse gases.
2 nd Generation biofuel	Produced from leftover food crops like rice husk, wood chips	Greenhouse content less than 1 st generation biofuel
3 rd Generation biofuel	Produced from microorganisms like algae.	Carbon Neutral (CO ₂ emitted=CO ₂ sequestered)
4 th Generation biofuel	Produced from genetically engineered crops like GM crops	Carbon Negative

Common biofuels used

Bioethanol	Produced from corn and sugarcane using fermentation process. A litre of ethanol contains approximately two thirds of the energy provided by a litre of petrol . It improves combustion performance and lowers the emissions of carbon monoxide and sulphur oxide when mixed with petrol. E10 is the most common blend in which 10 per cent composition is Ethanol
Biodiesel	Produced from vegetable oils like soybean oil or palm oil, vegetable waste oils and animal fats using transesterification process. It produces very less harmful gases as compared to diesel. It can be used as an alternative to conventional diesel fuel .
Biogas	Produced from organic matter like sewage from animals and humans by anaerobic decomposition. It is used for heating, electricity and for automobiles.

What is the Significance of Global Biofuel alliance for India?

Increased Technology transfers to India- The transfer of technologies and mobilisation of international climate funds through the Global Biofuels Alliance (GBA) will help India to move faster in the **compressed biogas sector and third generation ethanol plant capacities**.

Help in achieving higher Blending of petrol with ethanol- India which has already achieved **E-10** that is 10% blending of ethanol with petrol intends to achieve **E-20** that is 20% blending of ethanol by **2025-26**. However, we are still way behind **Brazil which has achieved E-85**. We can learn from Brazil through this platform of Global Biofuels Alliance (GBA).

Introduction of flex fuel vehicles in India- India can use the alliance and use Brazilian technologies for the introduction of **Flex Fuel Vehicles, capable of running on a wide range of fuel blends, from zero to E85** (an ethanol-petrol blend containing 85 percent ethanol and 15

percent petrol). This would **significantly reduce emissions** and contribute to important **savings in India's crude oil import bill**.

India at the centre stage of global climate action- Establishment of Global Biofuels Alliance will **catapult India at the centre stage of climate action** and **reinforce India's position in the fight against climate change**.

Promotion of Biofuel exports- Today Brazil, US and India **constitute 85% of global** production of ethanol of which US produces 55%; Brazil produces 27% and India produces 3%. India can use the alliance to **increase its share in biofuel production** and can become a major exporting nation.

Greater energy independence for India-The establishment of the Global Biofuels Alliance (GBA) could assist India in achieving greater energy independence and **reduce its reliance on foreign crude oil** by promoting the increased utilisation of biofuels.

Reduction of Fiscal deficit and inflation-Crude Oil imports constitutes the highest component of our import bill. **Higher crude oil and gas prices lead to higher inflation**. Increased production of biofuels with the help of technology transfer from alliance members of Global Biofuels alliance would help us **maintain fiscal prudence and lower inflation**.

Increase in employment opportunities-Increased investments in the biofuel sector would create employment opportunities for thousands of youth and reap in **rich 'demographic dividend'**.

Improvement of financial status of farmers- Increased use of biofuel has supported farmers with payments worth **approximately USD 5 billion** over the past eight years in the country. Farmers of sugarcane crop who are reeling under the financial burden of low sugar prices have been relieved of their financial burden through biofuels.GBA will help in further **easing the farmer's financial burden and doubling their income**.

What are the challenges that Global Biofuels Alliance can face?

Transfer of Technology-US has generally been reluctant to share its technology with other countries. Global Biofuels Alliance (GBA) can also face this problem of **'technological secrecy'** which may hamper its overall objectives.

Geopolitical contestation-China and Russia have been averse to any platform led by the western countries. Membership expansion may face the **'Chinese hurdle'** as many countries are under the Chinese debt trap and their foreign policies are dictated by China.

Funds-The **funding mechanism needs to be structured** and put into place for ensuring sustainable financing of projects. With US experiencing recession and the global institutions like WB, IMF facing resource scarcity funds for Global Biofuels Alliance will be a major challenge.

Import restrictions on Biofuels- India has put import restrictions on import of biofuels in its National Biofuels Policy 2018. These **import restriction policies** are a major challenge for the development of global biofuels market. Global Biofuels Alliance faces a major challenge of **removal of these inward-looking policies**.

Environmental Concerns- As per Global Bioenergy Partnership (**GBEP**) report, one litre of ethanol from sugar requires about 2,860 litres of water and the growing demand for biofuels can

change the cropping pattern and hit the crop basket. This would require huge amount of water and cultivable land areas and may make arid and water scarce countries of Africa averse to joining the alliance.

What is the significance of biofuels?

Global Biofuel Alliance will help in augmenting the production capacity of participating nations. Biofuels have several advantages which are enumerated below. Global Biofuel Alliance can help reap these advantages of biofuels which are mentioned below-

Environmental significance of Biofuels

Aid in fight against climate change- According to **International Energy Agency (IEA)** global **biofuel production needs to be tripled by 2030** to put the world's energy systems on track to achieve net zero by 2030. Biofuels lessen the global warming effect.

Decarbonisation of transportation sector- Blending of petrol with ethanol, use of **biodiesel** and **Sustainable Aviation Fuel (SAF)** reduces the emissions of greenhouse gases from transportation sector. Biofuels also help in reduction of emission of hazardous gases such as **Carbon monoxide (CO) and sulphur oxide (SO)**.

Geopolitical Significance of Biofuels

Reduced dependence on OPEC and OPEC+- With increased usage of biofuels in blending **dependence on fossil fuels like petrol and diesel is reduced**. This reduces dependence of countries on the oil policies of OPEC and OPEC+.

Reduction of geopolitical contests for crude oil- In recent and past times, majority of the **geopolitical contests** like **South Sudan crisis, gulf wars etc.** were directly or indirectly linked to control of crude oil and gas resources. With reduction of dependence on crude oil resources due to biofuels these geopolitical contests and turmoil would be reduced.

Reduction of militarisation of energy supply routes- World today is witnessing heavy militarisation of ports and supply routes. **String of Pearls Policy of China** is one such example. With the use of Biofuels domestic source of fuel would be available, reducing need to secure supply lines of energy resources.

Economic Significance of biofuels

Saving lower- and middle-income countries from 'debt trap'- The **biggest component of import bill** of lower- and middle-income countries of the world is the bill of **crude oil and gas imports**. Biofuels save nations from these 'debt trap' phenomenon.

Open avenues for 'new age energy entrepreneurship'- Biofuel sector has opened new avenues for investment and entrepreneurship.

Social Significance

Improve the socio-economic status of farmers- With **increased demand for food stocks** for biofuel production farmers **get due compensation** for even their damaged food crops. **For example** -In India increased use of biofuel has supported farmers with payments worth **approximately USD 5 billion** over the past eight years.

Development of Healthier population- With reduced pollution levels through the enhanced use of biofuels the population would be healthier. This would reduce the healthcare expenditure of developing countries of the world.

What are the other Initiatives for Increased usage of Sustainable Biofuels?

International Initiatives

Roundtable on Sustainable Biomaterials (RSB)	International initiative that brings together farmers, companies, governments, non-governmental organisations, and scientists who are interested in the sustainability of biofuel production and distribution. Launched the “RSB Certification System.” Biofuels producers that meet these criteria can show buyers and regulators that their product has been obtained without harming the environment or violating human rights.
Bonsucro	It is an international not for-profit, multi-stakeholder organization established in 2008 to promote sustainable sugar cane.
Sustainable Biofuels Consensus	It is an international initiative which calls upon governments, the private sector, and other stakeholders to take decisive action to ensure the sustainable trade, production, and use of biofuels.
Global Bioenergy Partnership (GBEP)	GBEP was founded in 2006 on the idea that bioenergy can significantly contribute to energy access and security, climate change mitigation, food security and sustainable development

National Initiatives

National Policy on Biofuels 2018	It expands the scope of raw material for ethanol production by allowing use of sugarcane juice, sugar containing materials like sugar beet, sweet sorghum Read More- National Policy on biofuels
Pradhan Mantri Ji-Van Yojana	The objective of the scheme is to create an ecosystem for setting up commercial projects and to boost Research and Development in 2G Ethanol sector.
Ethanol Blending	India has already achieved E-10. We have advanced the target of 20% blending of petrol by 2025 instead of 2030.
GOBAR DHAN Scheme	It focuses on managing and converting cattle dung and solid waste in farms to useful compost, biogas and bio-CNG. Read More- GOBAR DHAN
Repurpose Used Cooking Oil (RUCO)	launched by Food Safety and Standards Authority of India (FSSAI) and aims for an ecosystem that will enable the collection and conversion of used cooking oil to biodiesel.

What should be the way forward for Global Biofuels Alliance?

Should not be limited as a stagnant forum-Global Biofuels Alliance (GBA) forum should not be limited to being a stagnant platform. It should have **specific goals** to be achieved in the **short and medium terms**.

Focus on strengthening biomass supply chains- Global Biofuels Alliance (GBA) immediate objectives must be on strengthening the **biomass supply chains**.

Focus on technology transfer-Global Biofuels Alliance (GBA) must focus on efficient transfer of technology for the **efficient production of second-generation ethanol from agricultural residue**

Promotion of sustainable finance-Global Biofuels Alliance (GBA) must showcase pilot-scale production facilities for Sustainable Aviation Fuel (SAF) and promote sustainable financial support for bioenergy initiatives.

Global Biofuels Alliance (GBA) has the **potential to become another successful platform** like the International Solar Alliance (ISA) in the field of renewable energy led by India.

[Yojana September 2023 Summary] Direct Tax Reforms-Explained, Pointwise

Direct Tax remains one of the **major sources** of raising **government revenues**. Government raises revenues to **finance public service programmes** and to fulfil the social objectives of **inclusive growth**.

In Direct Tax the Government of India has undertaken substantial tax reforms in the last few years to ensure that **tax collection increases** in a **non-adversarial manner** through a **stable and predictable** tax regime.

What are Direct Tax and Direct Tax Reforms?

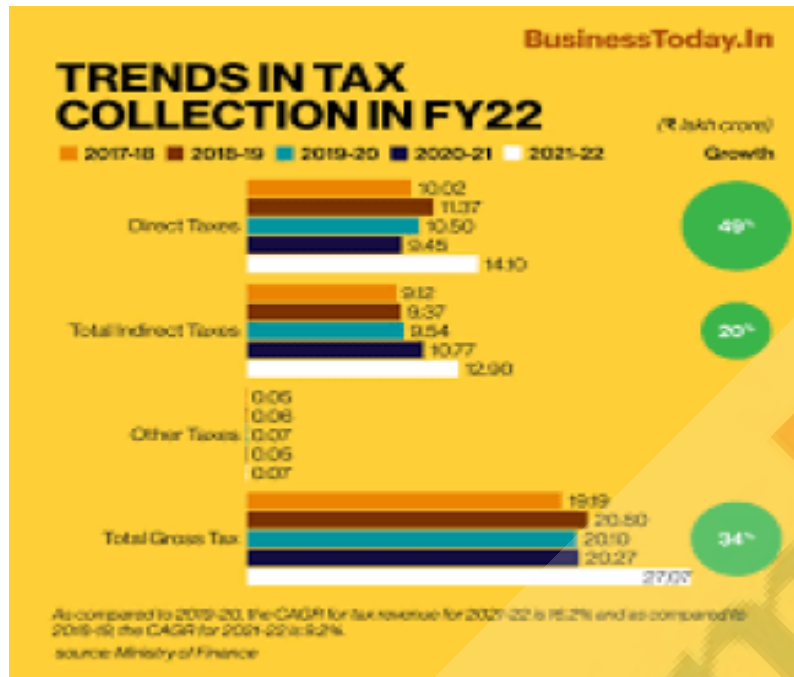
Direct Tax Definition- Direct tax is a tax which an individual or organisation **pays taxes directly to the imposing body**. The **incidence and impact** of the tax **falls on the same entity**. Its **burden cannot be shifted** to a different individual or entity. Direct Tax is **progressive in nature** which means the **tax obligation increases in proportion** to an individual's or entity's income.

Examples of Direct Tax in India-In India direct taxes are regulated by Central Board of Direct Taxes (CBDT). CBDT imposes various direct taxes in India like **Income Tax, Corporate Tax, Capital Gains Tax, Securities Transaction Tax, Minimum Alternate Tax** etc.

Direct Tax Reforms Definition- Direct Tax reform refers to **bringing changes in taxation to maximize government's revenue and reduce the burden of taxation** on the people at the same time by ensuring **equitable, transparent, and fair taxation system**.

India has undertaken several Direct Tax reforms. A result of which the Direct Tax Collections have seen an increase. The **direct tax collection in the financial year 2021-2022 grew by 49**

per cent while the indirect tax collection 30 per cent. A comparison of direct tax and indirect tax is presented below-



Source-Business Today

What are the Direct Tax Reforms Initiated by the Indian Government?

Reduction of Direct tax rates and abolition of direct taxes

Reduction in the corporate tax rate for all existing domestic companies- Government has brought in a historic direct tax reform through the **Taxation Laws (Amendment) Ordinance 2019** which **reduced the corporate tax rate to 25.17% (including surcharge and cess)** for existing domestic companies from the **earlier 30% tax rate**.

Direct tax incentive for new manufacturing domestic companies-A lower direct tax rate of **17.16% (including surcharge and cess)** is applicable to **new companies** which are formed after Oct 1, 2019 and which start production before 31st March 2024 through the Taxation Laws (Amendment) Ordinance 2019.

Personal Income tax rebate- Direct tax reforms have been carried out in personal income tax in 2020 by providing an option for taxpayers to shift to the new tax regime with lower tax rates but without exemption/deduction. The **Finance Act 2023** has further reduced the **direct tax rates** in the new tax regime to make it more attractive.

Abolition of Dividend Distribution Tax (DDT)-The Finance Act, 2020 removed the Dividend Distribution Tax. The dividend income shall be taxed only in the hands of the recipients at their applicable rate. This was a major direct tax reform.

Maintenance of stable tax regime despite COVID-19- During COVID time while many countries imposed new taxes and changed the tax rates, the Government of India continued its resolve to provide a **stable direct tax regime**.

Widening of direct tax base

Introduction of New Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) provisions- Many direct tax reforms like **introduction of TDS on payment of rent by individuals/HUF**, TDS on **e-commerce**, TDS on **virtual digital assets**, TDS on **online games** have been introduced by the government which has increased the direct tax base.

Measures taken for High-Net-Worth Individuals paying Direct Tax- Direct tax reforms have been undertaken for high Net Worth individuals to pay direct taxes like **removing arbitrage** on the sale of **market-linked debentures and debt mutual funds**, **removing ambiguity** on the taxation of return from **business trusts classified as debt**, putting a **cap on saving long term capital gains tax** by way of investment in residential property, a **higher surcharge** for high net worth taxpayers.

Laws against black money which has increased Direct tax base- Direct tax reforms have been undertaken by introducing stringent laws against black money which have led to increase in direct tax collections like **Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015** and **Benami Transactions (Prohibition) (Amendment) Act 2016**.

Use of Technology for increasing Direct Taxes

Faceless E-assessment Scheme-The **faceless E-assessment Scheme, 2019** provides for a new scheme for making assessments by **eliminating the interface** between the Assessing Officer and the assessee, optimizing the use of resources through functional specialization, and introducing the team-based assessment.

Faceless appeals- Finance Act, 2020 empowered the Central Government to notify the Faceless Appeal Scheme in the appellate function of the department between the **appellant** and the **Commissioner of Income-tax (Appeals)**.

Document Identification Number (DIN)- Every **communication** related to assessment, appeals, investigation, penalty, and rectification issued from 1st October 2019 onwards are mandatorily having a **computer-generated unique document identification number (DIN)**.

Reduction of Litigation by Providing Direct Tax Certainty

Vivad se Vishwas- Direct Tax Vivad se Vishwas Act, 2020 was enacted on 17th March 2020 under which the declarations for settling disputes are currently being filed. This has brought down the litigation costs and has provided direct tax certainty.

Relaxation in the norms for Prosecution- The threshold for launching prosecution has been substantially increased. A system of the collegium of senior officers for sanction of prosecution has been introduced. The norms for compounding have also been relaxed.

Advance Pricing Agreements (APA)- Advance Pricing Agreement (APA) has been a success story in reducing litigation in transfer pricing. A record 95 APAs were signed in FY 2022.

What are the advantages of Direct Tax Reforms for the government?

Widening of tax base-Direct tax reforms widens the tax base and **increases the government revenues**. It helps **deal with the problem of potential revenue** loss due to complicated direct tax structures and higher rates of direct taxes.

Reducing of direct tax litigation- There protracted tax litigation in India has not only put a burden on Indian judiciary but has also cost the government exchequer. There will be **reduction in tax terrorism** due to direct tax reforms.

Provide level playing field between large businesses and start-ups & young companies- Due to Direct Tax reforms there is reduction of **tax avoidance** used by large businesses and this helps in providing a level playing field between large businesses and startups.

Increases Ease of Doing Business- Direct tax reforms increase the ease of doing business ranking of India as it provides the **investors and the industrialists a clarity** about the stable tax regime. Non-oppressive and progressive direct tax regime helps in increasing India's ease of doing business potential.

Reduction of tax evasion- Direct tax reforms reduce the **base erosion and profit shifting (BEPS) and indirect transfers** from India which increases the revenues of the government and reduces international arbitrations.

Attracts Foreign Investments: Direct tax reforms help in attracting better **Foreign Direct Investments (FDIs) and Foreign Portfolio Investments (FPIs)** since India is much more integrated with the world globally in terms of business linkages and capital account convertibility.

Catalyst to Inclusive Growth-Direct tax reforms increase the taxes and revenues of the government which helps in better redistribution of resources in the society leading to inclusive growth.

What are the Challenges in the implementation of Direct Tax Reforms?

Structural Issues-Structural issues such as **low financial literacy**, a **large share of the informal economy** and **large cash-based transactions** hamper in the implementation of Direct Tax Reforms.

Large tax exemptions and incentives- According to **G20 Development Working Group** by the IMF, OECD, UN, and World Bank concluded that **tax incentives** are redundant in attracting investment in developing countries. Increased threshold provided in case of **personal income taxes** and **exemptions, tax cuts, preferential tax rates, deferral of tax liabilities** lead to a lower direct tax base.

Complex Taxation laws and procedures-The **complex web of taxation** laws of the Central and State Governments cause complexities and litigation and hamper effective implementation of Direct Tax Reforms.

Resistance from stakeholders- Initiative of tax reform likely to face resistance from various **stakeholders** like **taxpayers, business community, tax professionals**. It has resulted in the delay in implementation of direct tax reforms.

Large informal economy-A large population of India is engaged in **unorganized or informal** sector. This is **main hurdle** in creating a large direct tax base in country.

Tax Evasion and corruption-Tax evasion and corruption undermine the direct tax reform practices by the Indian Government.

Weak Tax Administration-Weakness of tax administration such as lack of technical expertise and financial resources, poorly drafted laws, and corruption.

What should be the way forward?

Simplification of Direct Tax on cross border transactions- **Arbind Modi Panel on Income Tax Reforms** has recommended simplification of rules of direct taxes on cross border transactions which will **reduce Base erosion and profit shifting and Indirect Transfers**. This will reduce International litigation cases like **Cairn case**.

Reintroduction of wealth tax-As Moderate rates of personal income tax are not sufficiently progressive to contain **growing inequality**, **wealth tax** can be reintroduced as part of Direct Tax Reforms.

Develop robust dispute resolution mechanism-Direct Tax reforms must focus on development of robust dispute settlement mechanism to reduce litigation and cost.

A robust Direct Tax Code is the **need of the 'new India'** aspiring to become third largest economy of the world by 2027.

G20 summit 2023 outcomes – Explained Pointwise

Recently 18th G20 summit 2023 concluded in India with the conclusion of final meeting of the 'Head of States' in New Delhi. The summit under India's presidency was a historic success. It ended with the adoption of **New Delhi Declaration** which was adopted with 100% consensus. This is a **huge diplomatic win** for India considering the stance taken on **Ukraine Crisis** was agreed upon by both Russia and China. The summit saw **several new global initiatives** which were launched which will change the global landscape.

Read More- [Delhi Declaration PDF](#)

This article focuses on major outcomes of G20 which have lot of geopolitical and geoeconomic importance.

G20 summit 2023 outcomes

1. Inclusion of African Union (AU) as a permanent G20 member.

Geo-Political Significance

G20 to become more representative – The **55-member African Union** was **formally made permanent member** of the G20 in order to make the grouping more **representative**. AU has been put on par with the European Union (EU).

Voice to the Global South – The entry of the AU would provide **greater voice to the Global South** within the G20 where the G7 countries have long played a dominant role.

India as the leader of Global South – African Union's (AU) inclusion in the Delhi summit reinforced India's position as the leader of Global South.

Fresh Momentum to India-Africa Relationship – India's Africa outreach has witnessed several crests and troughs over the decades. Inclusion of AU is a **crest for Indian diplomacy** which must harness this opportunity and build upon a **stronger India-Africa Relationship**.

Geo-Economic Significance

Africa as the next Global Growth Hub – Inclusion of **African Union (AU)** in the G20 addresses the **economic imbalance in the representation** of G20. Africa is the next Global Growth Hub. AU makes G20 more representative.

Africa as hub of natural resources- Africa is a reservoir of natural resources. **DR Congo** is endowed with cobalt; **Morocco** has the largest phosphate reserve in the world and **Nigerian** gas can power all Europe. These resources must be harnessed in a judicious manner to power next gen climate friendly technologies like **e-battery and e-vehicles**.

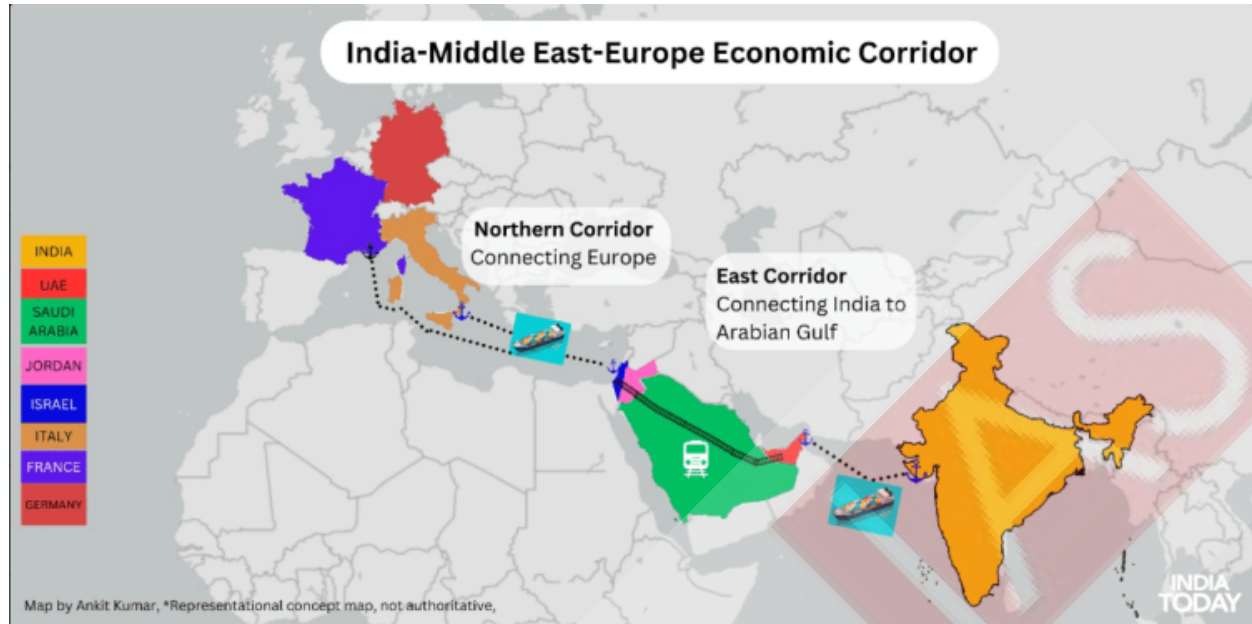
Possible Challenges-

Difficulties in reaching consensus- With the G20 now becoming G21 there is possibility of sharpening of ideological divide between the west and global south on **issues of global common** like funds for climate change mitigation with AU representing the voice of 55 African countries collectively.

Rise of Chinese Influence- China having made massive investments in the African countries can use AU to **act in its interest** on contentious issues.

2.Launch of India-Middle East-Europe Corridor (IMEC)

India-Middle East-Europe corridor aims at establishing railway and sea connectivity between Europe, Middle East and Asia. The project includes **India, the UAE, Saudi Arabia, the European Union, France, Italy, Germany and the US**. India-Middle East-Europe Corridor is part of the **Partnership for Global Infrastructure Investment (PGII)** which is a **collaborative effort by G7** nations to fund infrastructure projects in developing nations.



Source-India Today

Geo-Political Significance

Counter to Chinese Belt and Road Initiative-It is one of the more **ambitious counters** to **China's massive infrastructure program** through which it has sought to connect more of the world to that country's economy. **Belt and Road Initiative (BRI)** has created 'debt trap' and has diminished the sovereignty of member countries.

Strengthening of G20-The India-Middle East-Europe Corridor project is an attempt to further strengthen the **G20 group to counter the dominance** of China's Xi Jinping and Russia's Vladimir Putin.

Geopolitical Stability in Middle East- The India-Middle East-Europe Corridor project could help **reduce turbulence and insecurity** coming out of the Middle East due to greater economic integration of Middle Eastern Economies of the **UAE, Saudi Arabia, Jordan, Israel, and Europe.**

Geo-Economic Significance

Increased Prosperity- India-Middle East-Europe corridor (IMEC) would **increase prosperity** among the countries involved through an increased flow of energy and digital communications.

Developed Infrastructure- India-Middle East-Europe corridor (IMEC) would help deal with the lack of infrastructure needed for growth in lower and middle-income nations. IMEC will be a **green and digital bridge across continents and civilizations** as the corridor will include a rail link as well as an **electricity cable, a hydrogen pipeline and a high-speed data cable.**

Possible Challenges

Implementation on Ground- Early implementation and **construction of IMEC** is a challenge that member countries face.

Finance-The Corridor would require **massive finance** for its construction. Arrangement of such funds is a challenge considering the recession that has been creeping in the world economy.

Chinese Resistance-IMEC may face Chinese pushback as China as **already invested** heavily in BRI project and has been making considerable investments in the middle eastern economies like Iran.

Read More-[India-Middle East-Europe corridor \(IMEC\)](#)

3.Launch of Global Biofuel Alliance (GBA)

Global Biofuels Alliance has been **launched by India, Brazil and US** which together account for **85% of global Ethanol Production**. It will be an **international platform** for sharing best practices, **promoting sustainable biofuel development** and enhancing its application.

Significance

Increased Technology transfers- The transfer of technologies and mobilisation of international climate funds through the Global Biofuels Alliance (GBA) will help member countries move faster in the **compressed biogas sector and third generation ethanol plant capacities**.

Help in achieving higher Blending of petrol with ethanol- Countries like **Brazil have achieved E-85** that is 85% blending of biofuel with petrol. Countries can learn from Brazil through this platform of Global Biofuels Alliance (GBA) by adopting their technology.

Aid in fight against climate change- According to **International Energy Agency (IEA)** global **biofuel production needs to be tripled by 2030** to put the world's energy systems on track to achieve net zero by 2030. GBA will enhance the production and consumption of biofuels which will help in reduction of global Warming.

Decarbonisation of transportation sector- Blending of petrol with ethanol, use of **biodiesel** and **Sustainable Aviation Fuel (SAF)** reduces the emissions of greenhouse gases from transportation sector. GBA will promote decarbonisation of transportation sector.

Reduced dependence on OPEC and OPEC+- With increased usage of biofuels in blending **dependence on fossil fuels like petrol and diesel is reduced**. This reduces dependence of countries on the oil policies of OPEC and OPEC+.GBA will reduce our dependence on these organisations.

Possible Challenges-

Transfer of Technology-US has generally been reluctant to share its technology with other countries. Global Biofuels Alliance (GBA) can also face this problem of **'technological secrecy'** which may hamper its overall objectives.

Geopolitical contestation-China and Russia have been averse to any platform led by the western countries. Membership expansion may face the **'Chinese hurdle'** as many countries are under the Chinese debt trap and their foreign policies are dictated by China.

Import restrictions on Biofuels- India has put import restrictions on import of biofuels in its National Biofuels Policy 2018. These **import restriction policies** are a major challenge for the

development of global biofuels market. Global Biofuels Alliance faces a major challenge of **removal of these inward-looking policies.**

Funds-The **funding mechanism needs to be structured** and put into place for ensuring sustainable financing of projects. With US experiencing recession and the global institutions like WB, IMF facing resource scarcity funds for Global Biofuels Alliance will be a major challenge.

4.Launch of One Future Alliance and Creation of a Global Digital Public Infrastructure Repository

One Future Alliance is a voluntary initiative aimed at building capacity and provide technical assistance and adequate funding support for implementing digital public infrastructure in low- and middle-income countries. A voluntary and suggested framework for the development, deployment and governance of Digital Public Infrastructure (DPI) has been unanimously accepted by all G20 member countries.

Significance-

Economic Development of Global South- Digital Public Infrastructure (DPI) can be **powerful financial inclusion mechanism** for the countries of global southern economies.

India as a leader in the digital public infrastructure-The adoption of **Indian UPI and India Stack** would boost fintech, entrepreneurship and existing businesses. This would enhance India's leadership role in the global south economies.

Enhancement of Productivity of economies- Adoption of Digital Infrastructure would **increase productivity** of global south economies with reduction in Incremental Capital Output Ratio (ICOR).

Challenges-

Need for Investment- The creation of digital public infrastructure requires investments which may be difficult for the global economies to pump on their own. This also opens spaces for colonising powers like China who engage in 'debt trap' diplomacy.

Need for Data protection laws- Digital Public Infrastructure generates a lot of data which are used by the MNCs as data is the new oil. Global south countries need to have strong data protection laws to prevent themselves from 'tech colonisation'.

5.Progress on climate change

The G20 leaders agreed to pursue **tripling renewable energy capacity globally by 2030** and accepted the need to phase-down unabated coal power.

However, the group **did not provide any plan** to amend existing policies and targets to achieve the target of ramping of renewables. G20 estimated that \$4 trillion a year would be needed to pay for a green energy transition but **did not lay out any pathway to it.** G20 stopped short of setting major climate goals.

New Delhi Declaration

Decisions that will resonate for a long time



G20 summits are held every year. But rarely is it that a single presidency is able to deliver a declaration that has the potential to alter and shape the trajectory of global development in its multiple dimensions. The Indian Presidency can take justifiable pride in doing so. Here are the seven big takeaways from the New Delhi Declaration that will reverberate for years to come, even if the actual shape they take is unclear at the moment:

DIGITAL PUBLIC INFRASTRUCTURE

The G20 has accepted the idea of digital public infrastructure as a "set of shared digital systems, built and leveraged by both the public and private sectors, based on secure and resilient infrastructure" that can "enable delivery of services at societal-scale". By accepting a G20 framework for DPI systems, welcoming India's quest to build a Global DPI repository and noting its efforts to set up the One Future Alliance, the Delhi Declaration gives the world a new template and India a global role in an area where it is far ahead of almost every other country.



MDB REFORM

Multilateral development banks, set up after the Second World War, needed reform. The World Bank is in the middle of expanding from ending extreme poverty and boosting shared prosperity to incorporating transboundary challenges, global public good, and most importantly climate. But how would these additional mandates be supported financially? The Indian Presidency, and the independent expert group set up under it, has delivered a road map for additional resource mobilisation through a variety of mechanisms, including additional funding from shareholders, balance sheet optimisation and private finance involvement. If implemented, this will reshape the architecture of global development.



CLIMATE

The G20 declaration set a target of global net-zero emissions by 2050. It identified the financial need to meet the climate challenge for developing countries — \$5.8-5.9 trillion in the pre-2030 period to implement their NDCs, and another \$4 trillion per year for their transition to clean energy technologies by 2030 to reach net-zero emissions by 2050.



CRYPTO

The Indian Presidency has put the issue of regulation of crypto assets at the forefront of the global agenda. Consistently articulating the position that this required a global rather than national approach, it has built on an IMF-FSB synthesis paper to push forward a road map "for the regulation, supervision and oversight of crypto-assets activities and markets, and of global stablecoin arrangements".



AI

The Indian Presidency has, for the first time, also brought artificial intelligence into the conversation at G20, and got members to agree on principles of "the protection of human rights, transparency and explainability, fairness, accountability, regulation, safety, appropriate human oversight, ethics, biases, privacy, and data protection" for the development and deployment of AI.



DISASTERS

The Indian Presidency institutionalised the Disaster Risk Reduction (DRR) Working Group, while the declaration has asked for progress on early warning and action by strengthening national capacity and finances; it has welcomed the Global Platform for DRR, and has reiterated commitment to the Sendai Framework. In an uncertain world, the only certainty is that disasters will increase. India has put the issue on the global agenda.



IMMEDIATE CHALLENGES

The Delhi Declaration has tackled two immediate challenges with medium-term implications. On Ukraine, it has simply offered a road map of how the great geopolitical divide of our times can be prevented from crippling global cooperation. On debt, by pushing forward the management of debt crises in four nations — Zambia, Ghana, Sri Lanka, and Ethiopia — the Indian Presidency has provided a road map for other such cases.



Source-The Hindustan Times

Read More-[New Delhi Declaration](#)

Conclusion

Leadership of the G20 has been a year-long opportunity to showcase India as an influential diplomatic and economic power, and drive investment and trade flows into the world's most populous country.

India Middle East Europe Corridor-Explained Pointwise

India Middle East Europe Corridor was launched at the recently concluded G20 summit 2023 in India. A Memorandum of Understanding (MoU) was signed between the Governments of **India, the US, Saudi Arabia, the European Union (EU), the UAE, France, Germany** and **Italy** to establish this economic Corridor.

What is India Middle East Europe Corridor (IMEC)?

India Middle East Europe Corridor is a network of **transport corridors** comprising **railway lines** and **sea lanes** to **promote economic integration** between Asia, the Arabian Gulf, and Europe.

Project Details- The proposed corridor will comprise of **two separate corridors-** the **Eastern corridor** and the **Northern corridor**. The **Eastern Corridor** will connect India to the Arabian Gulf and the **Northern Corridor** will connect the Arabian Gulf to Europe.

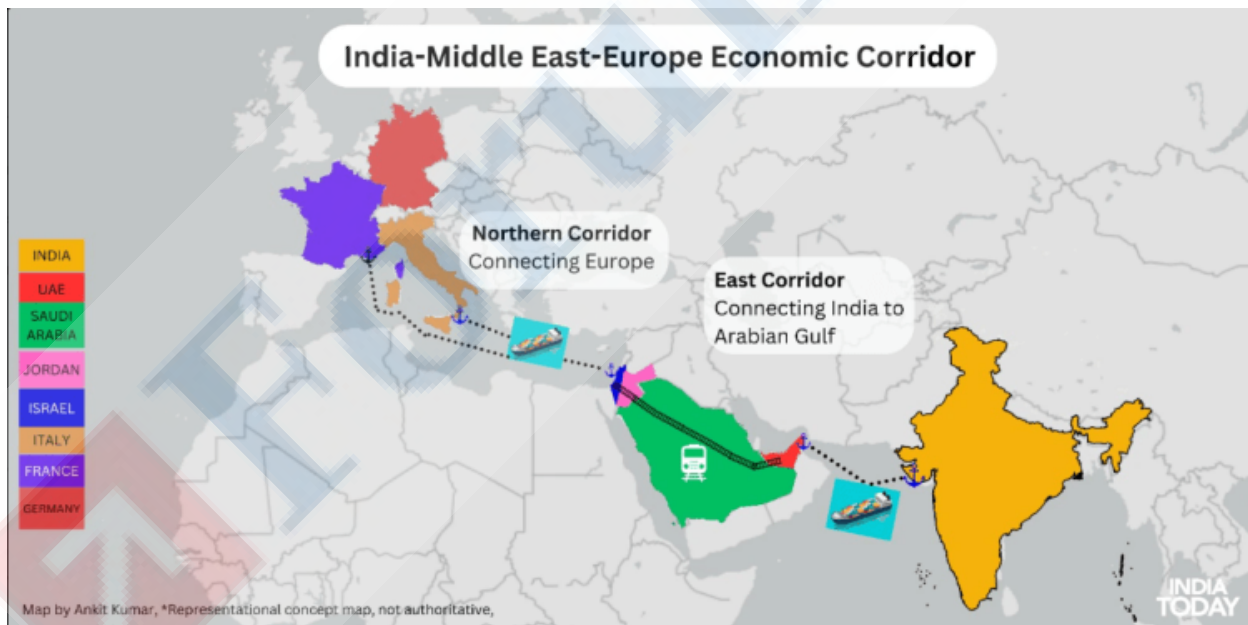
It will **involve transit by ship between India and Saudi Arabia**, followed by a rail link to the UAE and likely to Jordan from where the shipment will move by sea to Turkey and further by rail.

Along with the railway track, cables for **energy and digital connectivity** as well as a **pipeline** for **clean hydrogen export** will be laid.

Member Countries – India, US, UAE, Saudi Arabia, European Union (EU), Italy, France and Germany.

Part of – It is part of the **Partnership for Global Infrastructure Investment (PGII)** which is a **collaborative effort by G7** nations to fund infrastructure projects in developing nations. PGII is the G7 bloc's counter to China's Belt and Road Initiative. PGII is part of G7's vision of **Build-Back-Better** framework.

Graphical Representation of the project-



Source-India Today

What is the Significance of India Middle East Europe Corridor?

Geo-Political Significance

Counter to Chinese Belt and Road Initiative (BRI) – India Middle East Europe Corridor (IMEC) is an **ambitious counter** to **China's BRI project**. **BRI** has created a **'debt trap'** and has

diminished the sovereignty of member countries. It will be a counter to the expansionist policies of China.

Counter to China's growing geopolitical Influence in Middle East- China's geopolitical influence has been growing in the Middle East region. China has helped to **broker a deal between Saudi Arabia and Iran. Saudi Arabia and the UAE**-both old allies of US-have been strengthening their ties with China. It also provides an opportunity to counter the growing Chinese geopolitical influence.

Geopolitical Stability in Middle East – This Corridor will help to bring countries in the Middle East together and establish that region as a **hub for economic activity instead of** as a **“source of challenge, conflict or crisis”** as it has been in recent history.

Normalisation of Diplomatic Relations- It would help **normalise diplomatic relations in the Middle east** with possibility of establishment of diplomatic relations between **Israel and Saudi Arabia** both of which are part of the project.

Reduced geopolitical dependence on Suez Canal and red sea – Suez Canal has been witnessing congestions in the recent times. Further the Red Sea with **straits of Bab-al-Mandeb and Gulf of Aden** is being militarised by China through its militarised naval bases like the **Port of Doraleh**. It will open an alternate route for transportation.

Expansion of G20 role from purely economic grouping to geo-political grouping- This project is also an attempt to further strengthen the G20 group by expanding the role of G-20 to geo-political domain **to counter the dominance** of China's Xi Jinping and Russia's Vladimir Putin.

Geo-Economic Significance

Increase in Trade and employment opportunities- This proposed corridor project would **increase the trade of manufactured goods** and facilitate the **development of clean energy**. It would increase efficiencies, save costs, promote economic cohesion, create jobs, leading to a **radical integration** of Asia, Europe, and the Middle East.

Development of Infrastructure- This proposed economic corridor project would help deal with the lack of infrastructure needed for growth in **lower and middle-income nations**. IMEC will be a **green and digital bridge across continents and civilizations** as the corridor will include a rail link as well as an **electricity cable**, a **hydrogen pipeline** and a **high-speed data cable**.

Promotion of Intra-regional Connectivity- It will promote Intra-regional connectivity and enhance trade, prosperity and connectivity.

What is the Significance of IMEC for India?

Launch of this connectivity corridor project is of immense significance to India.

Indo-US convergence in Middle East- India and US have **converged** their interests in **Middle East after Indo Pacific**. This economic and connectivity project is the second mega convergence between India and the United States in Middle East after the I2U2 forum. It can turn out to be far more significant for Indo-US relationship.

Read More-[I2U2](#)

Strategic engagement with the Arabian Peninsula- Through this connectivity project the Indian govt now has an opportunity to build enduring connectivity between India and Arabia. The current project will strengthen **India's role as a driver in shaping regional connectivity.**

Breaking Pakistan's dominance- It breaks **Pakistan's monopoly** over **India's overland connectivity to the West.** Since the 1990s Delhi has sought various trans-regional connectivity projects with Pakistan. But Islamabad was adamant in its refusal to let India gain access to land-locked Afghanistan and Central Asia.

Reduced dependence on Iran- It also provides India an **alternate transport corridor** route for Europe by reducing over dependence on **Chabahar Port and INSTC.**

Opportunity to join Trans-African Corridor- Trans-African corridor is an **envisaged US and the EU** plan to build a corridor connecting Angola, the Democratic Republic of Congo, and Zambia. Effective implementation of **Indian Middle East Europe Corridor** project would **increase India's chances** of getting an opportunity to join Trans-African corridor.

Increase in Trade Competitiveness-According to US report this economic corridor will make trade between **India and Europe 40% faster.** This will increase the trade competitiveness of Indian exports.

What are the possible challenges for India Middle East Europe Economic Corridor?

Non-binding MoU- MoU of IMEC does not create any rights or obligations under international law. The memorandum only sets forth political commitments of its participants which are non-binding.

Implementation on Ground- Early implementation and construction of this corridor is a challenge that member countries face. As per the MoU, the members intend to meet within the next **sixty days to develop** and commit to an action plan with relevant timetables. Early groundbreaking of the project is a major challenge the corridor faces.

Finance-The Corridor would require **massive finance** for its construction. Arrangement of such funds is a challenge considering the **recession** that has been creeping in US and other advanced economies. **Scale of investments** that can be raised by China is higher than that of the G7. **Mobilisation of Private-sector finance** also remains a major challenge.

Chinese Resistance-This economic corridor also faces the challenge of Chinese pushback as China as already **invested heavily in BRI project.** It has been making considerable investments in the middle eastern economies like Iran, Saudi Arabia and UAE.

Conclusion

Success of **Indian Middle East Europe Corridor** could help **diversify the options** available to the countries who have **infrastructure requirements.** The **speed of implementation** of the corridor and its ability to **avoid the problem of financial and ecological sustainability faced by BRI** will determine the success of IMEC.

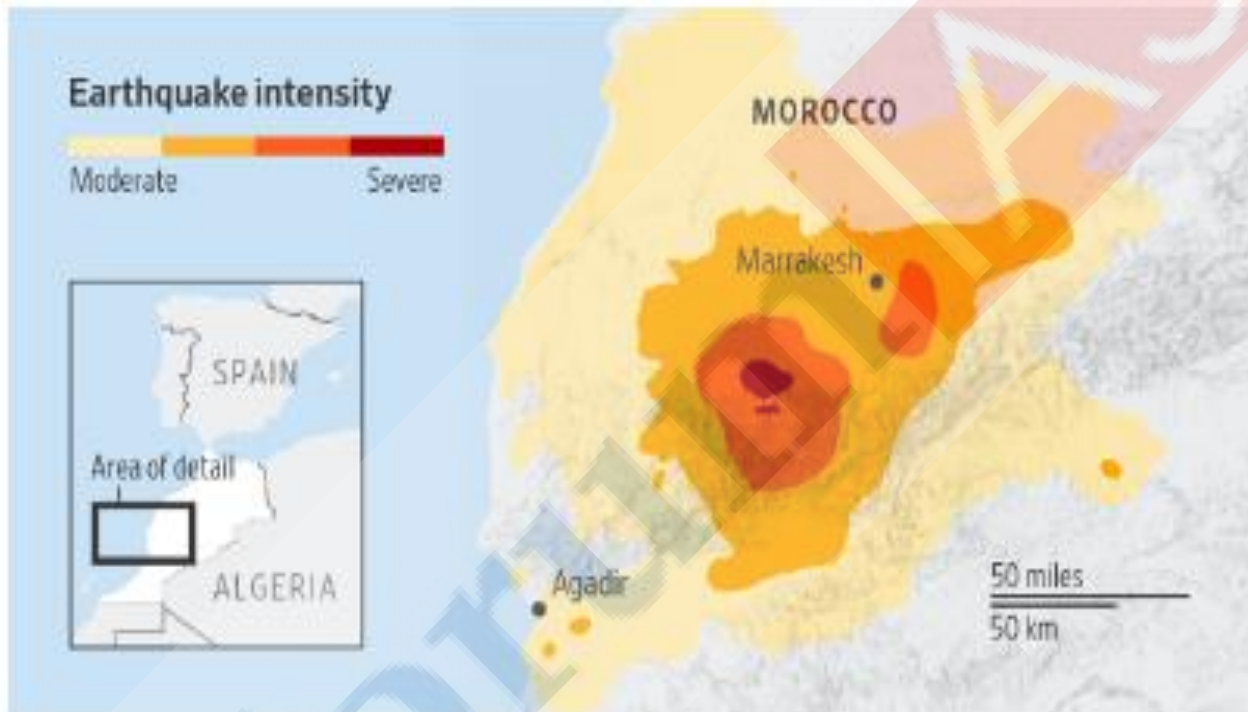
Further Reading-[IMEC Indian Express](#)

Morocco Earthquake-Explained Pointwise

Morocco Earthquake of 8th september 2023 has resulted in casualties of more than 2500 people. This Morocco earthquake has been described as the **strongest ever recorded** in the mountain region as Earthquakes are **relatively rare in North African countries**.

What are the reasons behind this dangerous Morocco Earthquake?

The morocco earthquake has a magnitude of 6.8. Its epicentre was located in the **Al-Haouz province** in the Atlas Mountains of the historic city of Marrakech.



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The earthquakes in the North Africa are the result of northward convergence of the African plate with the Eurasian plate along a complex plate boundary.



A map of the major tectonic plates on our planet. The quake occurred roughly 500 km away from the point where the African and Eurasian plates meet. (Wikimedia Commons)

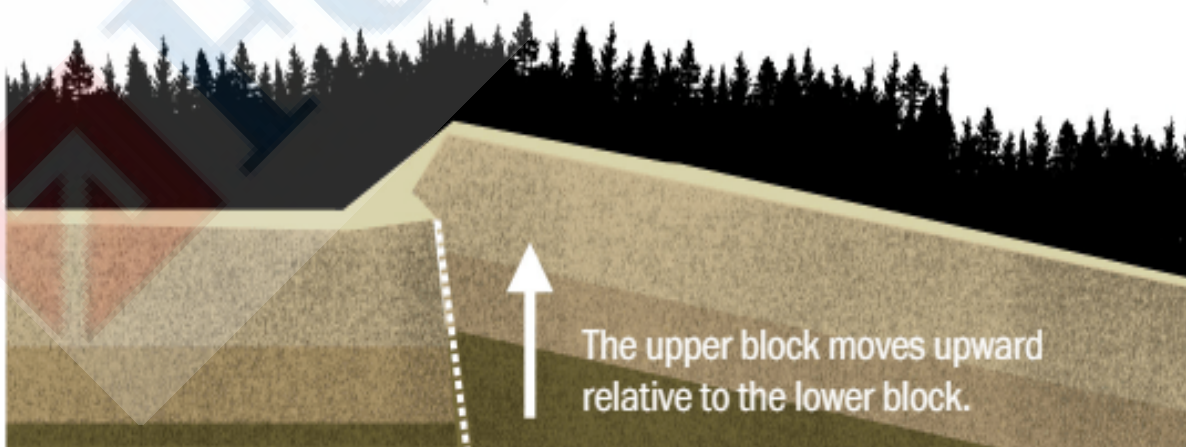
Source-The Indian Express

Reasons for Morocco Earthquake

The Morocco earthquake resulted from a geological phenomenon called a “**reverse fault**”. This occurs when tectonic plates collide which cause thickening of the Earth’s Crust. The stress along these fault lines induce earthquakes as rocks abruptly shift to release accumulated stress.

Reverse fault

The earthquake resulted from a geological phenomenon called a “reverse fault,” which occurs when tectonic plates collide, causing the Earth's crust to rise up.

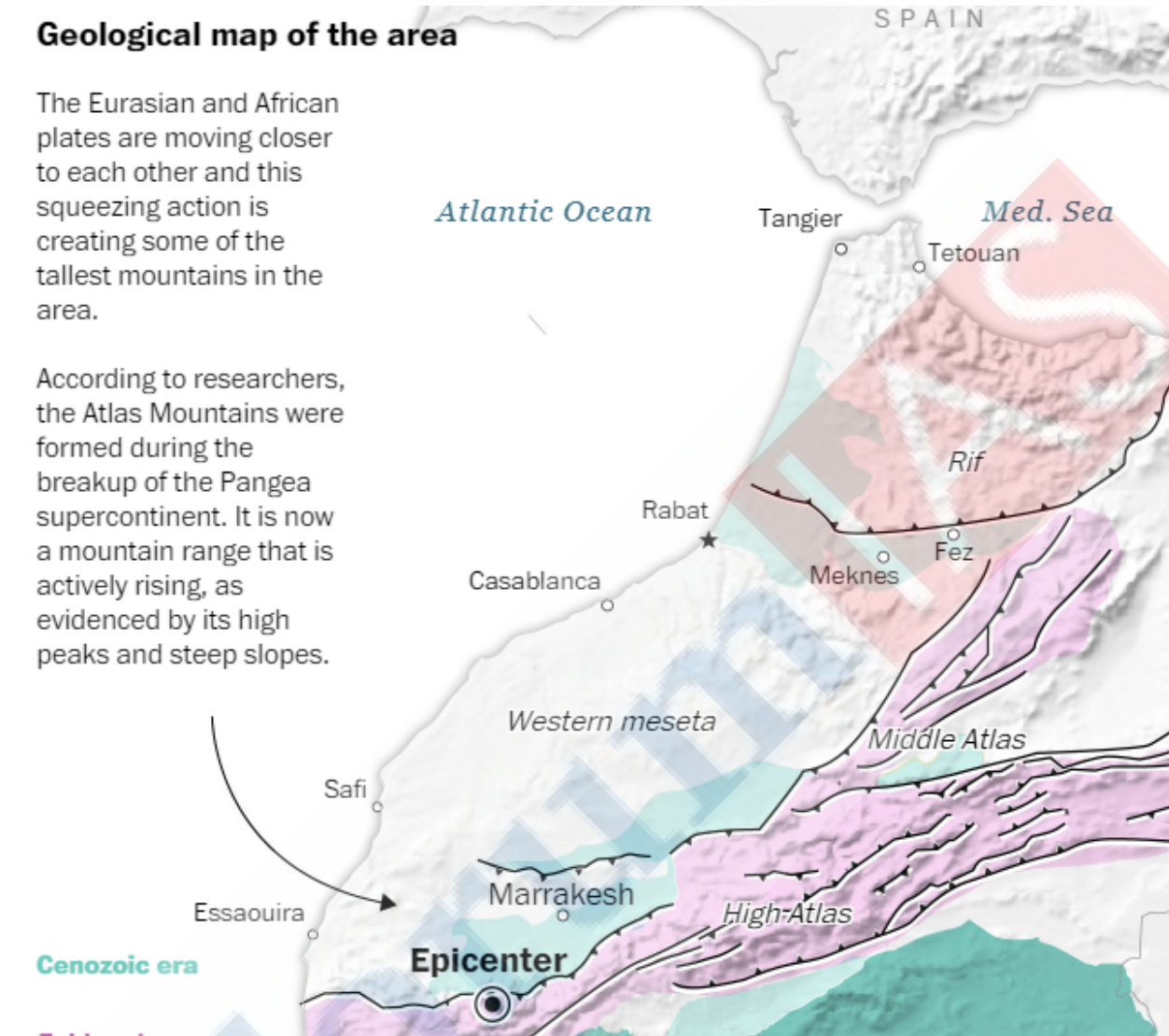


Source-The Washington post

Geological map of the area

The Eurasian and African plates are moving closer to each other and this squeezing action is creating some of the tallest mountains in the area.

According to researchers, the Atlas Mountains were formed during the breakup of the Pangea supercontinent. It is now a mountain range that is actively rising, as evidenced by its high peaks and steep slopes.



Source-The Washington Post

Reasons for High Destruction due to Morocco Earthquake-

The Morocco Earthquake was a **Shallow Earthquake**. Shallow earthquakes carry a much higher amount of energy when they hit the surface. Whereas earthquakes with deep epicenters lose energy when they hit the surface. Also buildings in rural areas and older cities are not built to withstand the earthquake. Many houses collapsed in Marrakech, a UNESCO World Heritage Site.

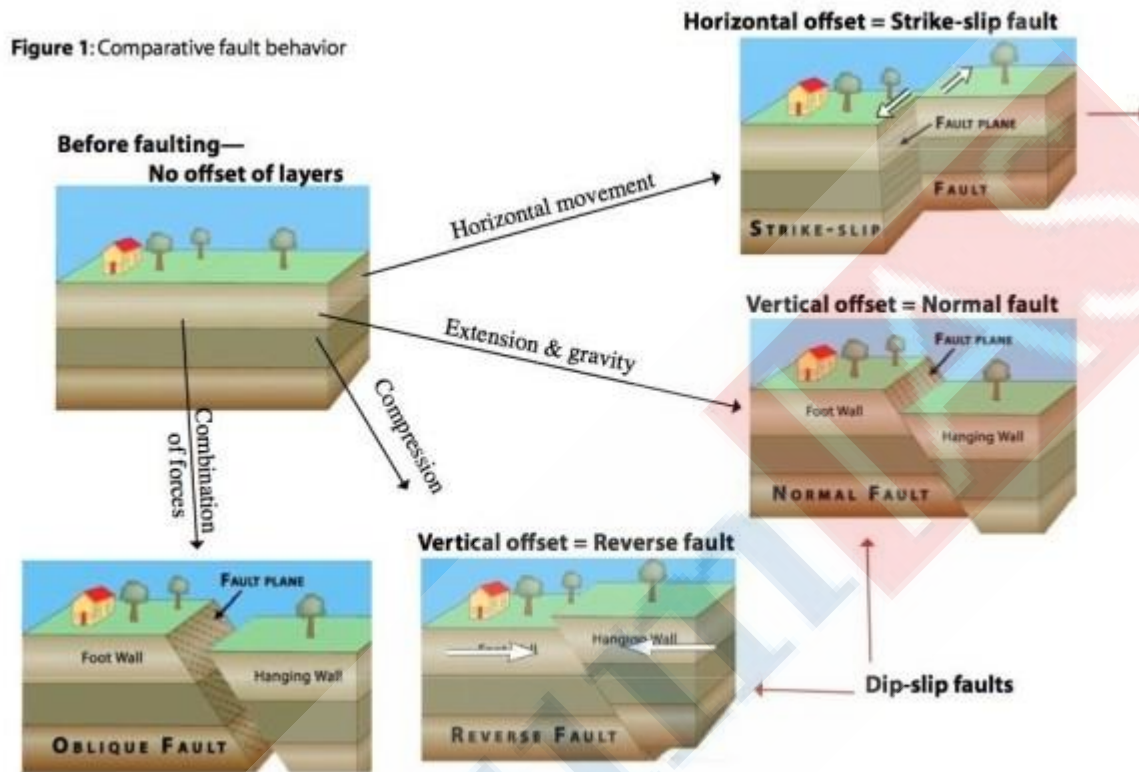
Read More-[Forum IAS](#)

Earthquake

An earthquake is the shaking of the Earth when two blocks of the earth suddenly slip past one another.

The surface where they slip is called the **fault or fault plane**.

The location below the earth's surface where the earthquake starts is called the **hypocenter** and the location directly above it on the surface of the earth is called the **epicenter**.



Disclaimer-Copyright infringement not intended

What is India's susceptibility to Earthquakes like the Morocco Earthquake?

The Earthquakes in Turkey and Morocco have brought Earthquake as a disaster in focus. India is also highly susceptible to Earthquakes. The seismic zonation mapping of India also highlights India's susceptibility to Earthquakes.

Why are some parts in India are more prone to earthquakes

Himalayan belt- Collision between lithological plates **Indo-Austral plate with Eurasian plate** and **Burma Plate with Java Sumatra plate**. This collision between two continental plates cause lots of strain in underlying rocks. This strain is released in form of earthquakes

Andaman and Nicobar Islands-Sea floor displacement and **underwater volcanoes** disturb the equilibrium of earth's surface.

Deccan Plateau- Some earth scientists have come up with a theory of the emergence of a fault line and energy build-up along the fault line of the river **Bhima (Krishna) near Latur and Osmanabad (Maharashtra)**.

Increasing population and unscientific land use in construction make India a high-risk land for earthquakes.

Seismic Map of India

Seismic Zone
Map of India: -2002

About **59 percent** of the land area of India is liable to seismic hazard damage

Zone	Intensity
Zone V	Very High Risk Zone Area liable to shaking Intensity IX (and above)
Zone IV	High Risk Zone Intensity VIII
Zone III	Moderate Risk Zone Intensity VII
Zone II	Low Risk Zone VI (and lower)

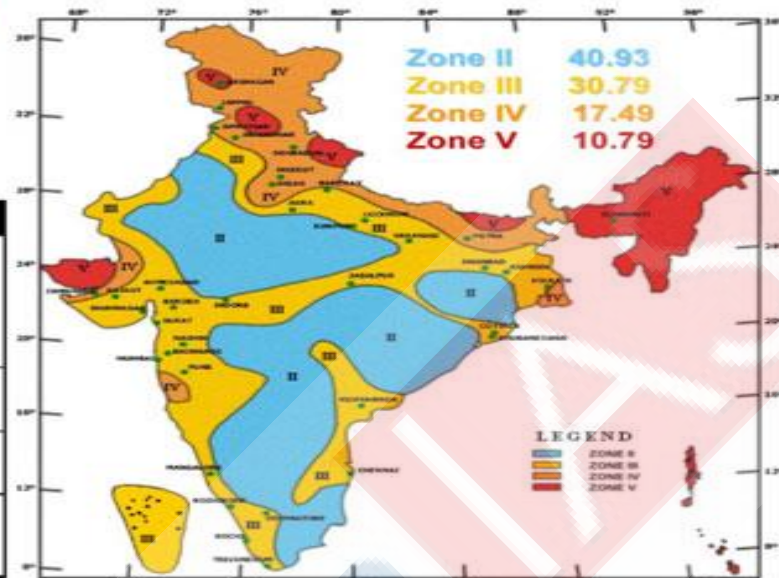


Fig. 1 Seismic zonation and intensity map of India

Source-National Institute of Disaster Management

Major Earthquakes In India and frequency of Earthquakes-

Some of the major Earthquakes in India are **Cutch Earthquake (1819)** which was 8.3 magnitude, **Assam Earthquake (1897)**, **Bihar-Nepal Earthquake (1934)** of 8.4 magnitude, **Koyna Earthquake (1967)** of 6.5 magnitude, **Uttarkashi (1991)** of 6.6 magnitude, **Killari Earthquake(1993)** of 6.4 magnitude, **Bhuj Earthquake (2001)** of 7.7 magnitude and **Jammu Kashmir Earthquake (2005)**.

Seismic Region	No. of Earthquakes of Magnitude				Return Period
	5.0-5.9	6.0-6.9	7.0-7.9	8.0+	
Kashmir & Western Himalayas	25	7	2	1	2.5-3 yrs.
Central Himalayas	68	28	4	1	1 yrs.
North East India	200	128	15	4	<4 months
Indo-Gangetic Basin and Rajasthan	14	6	-	-	5 yrs
Cambay and Rann of Kutch	4	4	1	1	20 yrs.
Peninsular India	31	10	-	-	2.5-3 yrs.
Andaman & Nicobar	80	68	1	1	<8 months

Table 1: Region wise major earthquakes in India

Source-National Institute of Disaster Management

What are the challenges in Earthquake preparedness in India in the wake of Morocco Earthquake?**Structural Challenges**

Retrofitting Challenges-The majority of the earthquake prone zone is hilly and mountainous area. Retrofitting is challenging and expensive in these areas.

Lack of proper structural Design-According to NDMA, **Ahmedabad's nearly 4,000 multi-story buildings won't withstand** a high-magnitude earthquake because of poor structural design.

Lack of Skilled Structural Labours-There is a shortage of skilled labour for designing and constructing earthquake-resistant structures.

Governance Challenges

Non Enforcement of Building Codes-Building codes for earthquake resistant buildings are not strictly enforced and safety requirements are not closely maintained. Furthermore the building code **ignores the buildings** that were **constructed before such codes were published in 1962**. These buildings form a large part of our cities.

Laxity in granting licenses to structural engineers-The licencing of structural engineers based on competency is not implemented properly. Buildings are not constructed with the help of certified structural engineers.

Lack of proper coordination-There are difficulties in coordinating the response to disasters in India. Example-**Uttarakhand floods** highlighted the shortcomings of disaster management in India. that the disaster response system has shortcomings.

Lack of awareness among the local population-The post disaster response is not properly implemented by the local population due to lack of awareness.

What measures have been undertaken by India to mitigate earthquake destruction in the wake of Morocco Earthquake?

According to the seismologists the earthquake itself is not the killer but it is the unpreparedness among the society and government in terms of inadequate infrastructure which kills thousands of people.

National Building Code (NBC) for India's Earthquake preparedness-India has set building regulations and requirements for construction that are earthquake resistant which are contained in the **National Building Code of 2005**.

National Retrofit Program for India's Earthquake preparedness-National Retrofitting Program was **introduced by the Home Ministry in 2014**. The RBI had instructed the banks to refuse loans to any construction that does not adhere to the regulations for earthquake-resistant structures.

National Disaster Management Authority (NDMA)-The Disaster Management Act was passed in December 2005. The Disaster Management Act called for the establishment of **State Disaster Management Authorities (SDMAs)** led by the respective Chief Ministers to carry out similar functions at the state level and the **National Disaster Management Authority (NDMA)** to oversee earthquake disaster management efforts in India.

Launch of mobile apps-The government launched two Mobile apps –‘**India Quake**’ for dissemination of earthquake parameters and ‘**Sagar Vani**’ to disseminate ocean related information and alerts (like high waves and Tsunami early warnings) to the user community in timely manner for their safety.

What Should be the way forward for reduction of destruction due to Earthquakes to avoid destruction like the Morocco Earthquake?

Earthquake monitoring centres-Earthquake monitoring centres (**seismological centres**) must be established for regular monitoring and fast dissemination of information among the people.

Preparation of Vulnerability Map-Vulnerability map of the country must be prepared and **vulnerability risk information** must be disseminated among the people to educating them about the ways and means minimising the adverse impacts of disasters.

Modification of houses in High Risk Areas-The house types and building designs in the vulnerable areas must be modified and construction of high-rise buildings, large industrial establishments and big urban centres must be discouraged.Ex-Traditional housing designs like **Khasi Housing design of Assam**.

Incorporation of learnings from Japan-Ensuring strict compliance of earthquake resistant buildings (80% in Japan).Use of **earthquake early warning system** which triggers an alert when seismic waves are detected. Since electric signals travel faster than seismic waves, the lead time is used to alert people via media, internet and trains, elevators, industrial machines are automatically stopped.

Providing tax Incentives-The governments must **grant tax breaks** and provide financial relief to corporates and individuals who construct structures with earthquake resistance.

Empowerment of Local Bodies and communities-The skills and capabilities of the local community must be enhanced through the empowerment of panchayats and municipal corporations in earthquake management.

Use of International Institutions and mechanisms-Countries must incorporate the **Sendai Framework for Disaster Risk Reduction** in framing their policies of disaster management. Joint exercises of international organisations like **SCO JtEx-2019 of SCO** or the **BIMSTEC Disaster Management Exercise** must be used for disaster management and mitigation.

Further Reading-[Morocco Earthquake The Hindu](#)

Global Stocktake Report-Explained Pointwise

Recently,the **First Global Stocktake report** was released by the United Nations Climate Secretariat. According to the report while headway in reduction of global warming has been made, **countries are nowhere close** to achieving targets that would keep global warming under agreed levels as per Paris Climate Change.

The first report this year is expected to significantly influence discussions in November when country representatives converge in Dubai for the 28th edition of the UN climate Conference of Parties (COP) in November.

What is Global Stocktake Report ?

The Global Stocktake Report is mentioned under **Art 14(1)** of the Paris Agreement. This report is designed to **'take stock'** of the **implementation of the Paris Agreement** and assess collective progress towards achieving the Agreement's goal.

Goals of Paris Agreement

Keeping a global temperature rise this century **well below 2 degrees Celsius** above pre-industrial levels and to pursue efforts to limit the temperature increase even further to **1.5 degrees Celsius**.

Countries party to the agreement to put forward their **"Nationally Determined Contributions"**(NDCs) to reduce global warming and submit NDCs assessment reports.

Global Stocktake every 5 years to assess the collective progress towards achieving the purpose of the agreement and to inform further individual actions by Parties.

Read More-[Paris Agreement](#)

What are the key findings of Global Stocktake Report?

Positive Findings

Impact of Paris Agreement-The Paris Agreement has encouraged widespread Climate Action Worldwide.**194 Parties** (193 States plus the European Union) have joined this legally binding Paris Agreement and have submitted their Nationally Determined Contributions (NDCs).

Improvement in the Projected Global Temperature Rise- Global temperature rise is now expected to be between **2.4-2.6°C** which is a significant improvement from the earlier projection of **3.7-4.8°C** in 2010.

Negative Findings

NDCs of the countries insufficient to achieve Paris Goals-Current NDCs pledges by countries even if fully implemented would only cut 2-3 billion tonnes of CO₂. 23 billion tonnes of CO₂ are required to be cut to keep emissions in line with Paris agreements which leaves an **emissions gap of around 20 billion tonnes**.

Targeted reduction of Greenhouse gas emissions- To meet the Paris Agreement Targets global greenhouse gas emissions need to be reduced by 43% by 2030 and further by 60% in 2035 and reach net zero CO₂ emissions by 2050 globally. However the present emissions are far higher than the required levels.

Deficits in Climate Action-There are shortfalls in various aspects of climate action which includes mitigation,adaptation and finance.

Recommendations of the Report

Eliminate all ‘unabated fossil fuel’-All ‘unabated fossil fuels’ need to be rapidly eliminated. For example **coal plants without carbon capture and storage mechanisms** need to be shut down.

Enhance ‘Carbon Sinks’-Deforestation and **land degradation have to be halted and reversed** and agricultural practices critical to reducing emissions and conserving and enhancing carbon sinks have to be encouraged.

Enhance access to Climate Finance-Enhance access to climate finance in developing countries to support adaptation and address **‘loss and damage’**.

What are India’s NDC targets and Indian Climate Change Initiatives which becomes important in context of Global Stocktake Report?

India’s NDC targets-

In 2021, the Prime Minister of India had announced a **new 5-point set of India’s NDC** at COP-26 called **Panchamrit**. **India** enhanced its own NDC targets committed at Paris Agreement.

Panchamrit

(a) India will increase its **non-fossil fuel energy capacity to 500 gigawatt (GW) by 2030**.

(b) India will meet **50% of its energy requirements** from renewable sources by 2030.

(c) The total projected carbon emissions will be **reduced by 1 billion tonnes** from 2021 to 2030.

(d) Reducing carbon intensity by **45% by 2030**.

(e) India to achieve its target of **Net Zero by 2070**.

Read More- [India’s new INDCs](#)

Status of India’s NDC Targets-

Target(for 2030)	Existing-First NDC (2015)	New-Updated NDC (2022)	Progress
Emission Intensity Reduction	33-35 per cent from 2005 levels	45 per cent from 2005 levels	24 percent reduction had been achieved in 2016 itself. Estimated to have reached 30 percent.
Share of non-fossil fuels in installed electricity capacity	40 percent	50 percent	41.5 percent achieved.
Carbon Sink	Creation of 2.5 to 3 billion tonnes of additional sink through afforestation	Same as earlier	Tree cover has increased by 15000 sq kms by 2021.

India's Initiatives to Achieve its NDCs-

National Action Plan on Climate Change (NAPCC)- The Action Plan identifies eight core “national missions” running through to 2017: Solar Energy; Enhanced Energy Efficiency; Sustainable Habitat; Water; Sustaining the Himalayan Ecosystem; Green India; Sustainable Agriculture; and Strategic Knowledge for Climate Change.

Bharat Stage (BS) Emission Norms- Emissions from vehicles are one of the top contributors to air pollution, which led the government at the time to introduce the BS 2000 (Bharat Stage 1) vehicle emission norms from April 2000, followed by BS-II in 2005. BS-III was implemented nationwide in 2010. However, in 2016, the government decided to meet the global best practices and **leapfrog to BS-VI norms by skipping BS V altogether.**

India's Support to EVs-India is among a handful of countries that support the **global EV30@30** campaign which aims for at least 30% new vehicle sales to be electric by 2030.

Reforms in Transport Sector-India is accelerating its e-mobility transition with the Faster Adoption and Manufacturing of **(Hybrid &) Electric Vehicles Scheme.**A voluntary **vehicle scrapping policy** to phase out old and unfit vehicles complements the existing schemes.

International Solar Alliance: ISA was launched at the United Nations Climate Change Conference in Paris on 30 November 2015 by India and France. ISA has led to **increase use of solar energy.**

Hydrogen Energy Mission-Govt of India has launched **Green hydrogen energy mission** to increase the share of renewable energy.

Perform, Achieve and Trade (PAT) Scheme-It is a **market-based mechanism** to further accelerate as well as incentivize **energy efficiency in the large energy-intensive industries.**

What are the challenges in ensuring climate justice as per the Global Stocktake report?

Gradual Dilution of Common but Differentiated Responsibilities (CBDR): Article 3 of the UNFCCC recognizes the principle of CBDR based on differences between developed and developing countries in terms of their **current circumstances and historical contributions.** However, developed countries have not fulfilled their obligations of higher emission reductions. They have been pushing the developing countries to pledge for higher emissions reduction.

Avoidance of Binding Targets: The **Nationally Determined Contributions (NDCs)** under the Paris Agreement are **voluntary in nature.** They are not binding and legally enforceable. Kyoto Protocol had binding targets for developed countries but it has been non-functional. Developed countries by avoiding binding targets have reneged on their responsibility owing to historical contributions.

Shortfall in Climate Finance: Despite their pledge, the developed countries have failed to provide **US\$ 100 billion per year** for Climate Finance. **Global Stocktake report estimates that US\$ 1.6–3.8 trillion** is required annually to avoid warming exceeding 1.5°C.

What Should be the way forward according to Global Stocktake report?

Predictable and assured Climate Finance-There can be **binding targets on developed countries** to provide funding to vulnerable countries, commensurate to their historical contributions.

Augmentation of technology transfer- Augmented technology transfer to the developing nations and to accelerate their transition to low-carbon economies.

The first report of Global Stocktake is expected to significantly influence discussions in November when country representatives converge in Dubai for the 28th edition of the UN climate Conference of Parties (COP) in November. **Positive responses** from countries to improve upon the **challenges highlighted** by the report **can only save our planet**.

Read More- [Global Stocktake Report Reuters](#)

[Global Stocktake Report The Hindu](#)

India Saudi Arabia Relations-Explained Pointwise

India Saudi Arabia Relations touched a new high after the conclusion of the first summit level meeting of the **India Saudi Arabia Strategic Partnership Council (SPC)**. India Saudi Arabia Strategic Partnership Council was co-chaired by Saudi Arabia's Crown Prince Mohammed bin Salman and Indian Prime Minister Narendra Modi after the conclusion of G-20 summit 2023. India Saudi Arabia also signed eight agreements which will further strengthen the relationship between the two countries.

Major Outcomes of the recent India Saudi Arabia Strategic partnership Council Meeting

1. Upgradation of the hydrocarbon energy partnership to a comprehensive energy partnership for renewable, petroleum and strategic reserves.
2. Expedite the implementation of the USD 50 billion West Coast refinery project.
3. Creation of a joint task force for channelising the \$100 billion Saudi investment in India.
4. Expedite negotiations for a free trade agreement between India and the Gulf Cooperation Council of which Saudi Arabia is a member.
5. Exploration of possibility of trading in local currencies including the acceptance of RuPAY card in Saudi Arabia for the benefit of the Indian community and the Hajj/Umrah pilgrims.

Read More-[India Saudi Arabia Strategic Partnership Council](#)

A Brief history of India Saudi Arabia Relations



Source-Wikipedia

Initial Warm Phase –India Saudi Arabia **established diplomatic relations in 1947** which was followed by high-level visits from both sides. King Saud of Saudi Arabia visited India in 1955 and the Prime Minister Jawaharlal Nehru visited the Saudi Arabian Kingdom in 1956.

Cold Phase During Cold War–During the **Cold War**, Saudi Arabia put itself in the American camp but India followed the policy of non alignment. This dampened the initial warmth in the relations. Also, the defeat of Pakistan in 1971 followed by the **oil crisis of 1973** and Soviet intervention in Afghanistan further deteriorated the India Saudi relation.

Normalisation of Relationship–In January 2006, King Abdullah bin Abdul-Aziz visited India which was the first visit by a Saudi monarch in 51 years and the first top level bilateral visit since Indira Gandhi’s trip to Saudi Arabia in 1982. **The Delhi Declaration 2006** was signed which aimed to strengthen ties in areas of energy, trade, science and technology, education, health, and political cooperation on regional and international issues.

Deepening of Strategic Relationship–The **Riyadh Declaration 2010** furthered on the Delhi Declaration 2006 agreement and focused on enhancing cooperation on counter terrorism, money laundering, narcotics, arms and human trafficking, and defence and economic cooperation. PM Modi visited Riyadh in 2016 and in 2018 met Saudi Crown Prince in Argentina on the side-line of the G-20 summit. Saudi Crown Prince held bilateral talks with PM Modi after the recently concluded G-20 summit. India Saudi Arabia have further deepened their strategic relationship by forming **Strategic Partnership Council(SPC)**.

What is the significance of India Saudi Arabia relations?

India and Saudi Arabia hold a lot of importance for each other and hence India Saudi Arabia relationship is seen as one of the most promising partnership in the 21st Century.

Geo-Political Significance

Saudi Arabia’s growing geopolitical importance–Saudi Arabia has substantial geopolitical influence in the regional politics of Middle East especially on the **Israeli-Palestinian peace**

process. Saudi Arabia has cultivated ties with major powers such as the US, Russia, China and the EU. This increasing geopolitical profile of Saudi Arabia has led to deepening of India's geopolitical engagement with Saudi Arabia.

Deepening of Chinese geopolitical relation with Saudi Arabia-China has deepened its geopolitical relation with Saudi Arabia. China has initiated the **Saudi Arabia-Iran relations reconciliation**. Thus it becomes important for India to engage with Saudi Arabia in the geopolitical arena to counter the growing Chinese geopolitical influence.

Geo-Strategic Significance

Counter Terrorism Cooperation-Saudi Arabia has a substantial influence over Pakistan. India can use this influence to bring Pakistan to negotiating table for talks on terrorism. Saudi Arabia has shown an understanding of **India's terrorism-related concerns** and has agreed to work with India in countering the global menace.

Defence cooperation-Saudi Arabia has limited experience in countering threats from groups like **Houthi militias**. Both countries have conducted joint military exercises on tackling terrorism in the mountainous areas bordering Yemen. They are exploring the possibilities of joint development and production of defence equipments.

Fighting piracy and protection of oil routes-Piracy in the Gulf of Aden and surrounding regions remains a threat to Sea Lines of Communication. There is also an increase in naval cooperation between India and Saudi Arabia with two editions of the bilateral naval exercise-**Al Mohed al Hindi** conducted to protect the world's oil artery the Strait of Hormuz.

Geo-Economic Significance

Saudi Arabia's Vision 2030-Vision 2030 plan of Saudi Arabia calls for **diversification** of the oil-dependent economy by attracting tourism and foreign investment and turning it into a global hub for business and culture. Saudi Arabia needs India's technological assistance to execute Vision 2030. This Vision opens up immense opportunities for Indian businesses like the **IT sector** and the **infrastructure businesses**.

Energy security-Saudi Arabia is a **source of 17% or more of crude oil and 32% of LPG requirements** of India and thus a key pillar of India's energy security. With US sanctions on Iran, India needs to import crude oil from other sources to meet its energy need. Saudi Arabia have offered India with additional crude oil supplies to meet India's growing needs.

Investment-Saudi Arabia has one of the **largest Sovereign Fund** in the World. It is an important nation to invest fund in India particularly in National Infrastructure and Investment fund (NIIF). Saudi oil giant Aramco and the Abu Dhabi National Oil Company have acquired 50% stake in the \$44 billion project in Ratnagiri, Maharashtra.

Trade-India is Saudi Arabia's second-largest trade partner and Saudi Arabia is India's fourth-largest trade partner. Bilateral trade between the countries in FY2022-23 was valued at **\$52.76 billion**. Trade between the countries is going to increase in the coming decades.

Cultural Significance

Cultural Connect- Saudi Arabia facilitates **Hajj pilgrimage** to over 1,75,000 Indians every year. This is why Saudi Arabia is culturally significant for India.

Indian Diaspora- The 2.7 million strong Indian community in Saudi Arabia is the '**most preferred community**' in Saudi Arabia and act as gents of soft power diplomacy. They send remittances of over US \$11 billion annually to India.

What are the Challenges in India Saudi Arabia Relations?

However this deepening relation between India and Saudi Arabia also face several challenges which have been enumerated below.

Complexity of Middle East Politics-The politics of the Middle East are complex and multidimensional. There exist several faultlines like **Saudi Arabia-Iran Rivalry, Saudi Arabia-Israel animosity**. India faces a complex challenge to manage its relationship with all these countries without antagonising others.

Pakistan Factor-The Pakistan factor is also an important challenge in the development of strong India-Saudi Arabia relationship. **Saudi Arabia is one of the largest granter of loans to Pakistan**. Pakistan has been using its territory to breed terrorism and hatred towards India. This has also led to some discomfort in deepening of India Saudi Arabia Relationship in the field of counter terrorism.

Nitaqat Program of Saudi Arabia-The Nitaqat program was introduced in 2011 in order **to increase the employment of Saudi nationals in the private sector**. Saudi policy of 'Nitaqat' have upset the large expatriate community of Indian working in the Kingdom.

What Should be the way forward for India Saudi Relations?

Greater Integration of economies-Some **labour-intensive establishments** from Saudi Arabia can be shifted to India which would reduce Kingdom's expatriate population. This would also eliminate the need to bring Nitaqat Policies.

Increased Cooperation in Space-With India's growing space prowess , space becomes an important domain of cooperation between the two countries.**Newly established Saudi Space Agency** can engage with ISRO.

Increase in defence cooperation- India Saudi Arabia can uplift cooperation in the maritime security domain to safeguard the global oil supply chain.

Expanding the areas of bilateral cooperation- India Saudi Arabia should expand the potential areas for next stage of bilateral cooperation in **Indian infrastructure, agriculture, start-ups, skilling and IT**.

Conclusion

In the fast-changing geopolitical profile of the Middle East ,India and Saudi Arabia both need each other to balance their relationships for a **peaceful and stable West Asia** where more than 8 million people of Indian origin reside and contribute for the betterment of the economy of the region.

Further Reading-[The importance of Saudi Arabia for India-Indian Express](#)