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**POLITY AND GOVERNANCE**

## SIX CONGRESS REBEL MLAS DISQUALIFIED IN HIMACHAL

**CONTEXT:** The political landscape in Himachal Pradesh is embroiled in turmoil following the disqualification of six rebel Congress MLAs who crossed party lines in the Rajya Sabha elections, prompting internal strife within the Congress party and raising uncertainties about the stability of the state government.

**BACKGROUND:** In Himachal Pradesh, political upheaval ensues as six Congress MLAs are disqualified for cross-voting in favor of BJP during Rajya Sabha elections. Speaker Kuldeep Singh Pathania ousted them from the Assembly due to absenteeism during crucial budget votes, defying party directives. Disqualified MLAs, including Rajinder Rana and Sudhir Sharma, plan to challenge the decision in the Supreme Court.



**MAJOR POINTS**

**Disqualification of Six Congress Rebel MLAs:**

- Six Congress legislators in Himachal Pradesh disqualified for cross-voting in favor of BJP in Rajya Sabha elections.
- Speaker Kuldeep Singh Pathania's decision based on their absence during State Budget and Finance Bill votes, defying party whip.

**Rebel MLAs and Their Disqualification:**

- Disqualified MLAs: Rajinder Rana, Sudhir Sharma, Inder Dutt Lakhnpal, Devinder Kumar Bhutoo, Ravi Thakur, and Chetanya Sharma.
- Seats declared vacant on the Assembly's website following disqualification.

**Legal Recourse:**

- Rajinder Rana, a three-term MLA, announces plan to move Supreme Court against disqualification, citing lack of proper notice.
- Disqualification motion initiated by State Parliamentary Affairs Minister Harshwardhan.

**AICC Assurances and Internal Coordination:**

- AICC observers, including Bhupinder Singh Hooda, Bhupesh Baghel, and D.K. Shivakumar, assert Congress government's completion of term.
- Six-member coordination committee formed to address internal differences within the party.

**Chief Minister's Leadership and MLAs' Support:**

- Chief Minister Sukhvinder Singh Sukhu takes responsibility for Rajya Sabha election defeat, but maintains Congress government's stability.
- Claims backing of at least 10-12 MLAs amidst talk of leadership change.
- Backlash against Sukhu following Rajya Sabha debacle; meets Rahul Gandhi during Bharat Jodo Nyay Yatra.

**Party Unity and Future Prospects:**

- Congress high command intervenes to maintain unity, emphasizing discipline.
- Despite assurances, concerns persist about the party's stability and potential by-polls in disqualification aftermath.

**CONCLUSION:** Amidst turmoil and legal challenges, Himachal Pradesh's political landscape faces uncertainty as the disqualification of six rebel Congress MLAs triggers internal strife, testing the stability of the state government and the unity of the Congress party.

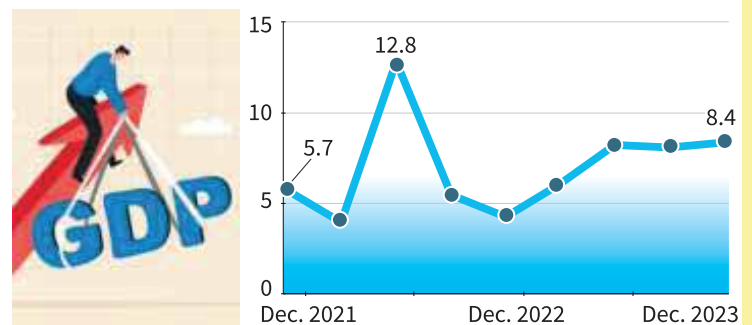
**ECONOMICS AND DEVELOPMENT**

## GDP growth estimate for current year raised to 7.6%

**CONTEXT:** The National Statistical Office (NSO) on Thursday raised India's real GDP growth estimate for this year to 7.6 % from the 7.3 % projected last month. It also scaled down its 7.2% growth estimate for 2022-23 to 7 % and raised its 2021-22 estimate from 9.1 % to 9.7 %.

**Growth expands**

India's gross domestic product grew by 8.4% in Q3 FY24, quickening from 8.2% and 8.1% in Q1 and Q2, respectively



The Gross Value Added (GVA) in the economy is projected to rise 6.9 % this year, with the NSO downgrading last year's GVA growth to 6.7 % from 7 %. GDP growth for the first two quarters of this year was raised to 8.2 % and 8.1 %, further rising to 8.4 % for the October to December 2023 quarter (Q3).

Economists expressed surprise that GVA growth in Q3 slid to just 6.5 % from revised estimates of 8.2 % and 7.7 % in Q1 and Q2, respectively. Concerns also persisted about private consumption, which grew 3.5 % in Q3 from 2.4% in Q2.

The full-year growth estimate was downgraded to 3% from the 4.4% reckoned in early January.

### Struggling farm sector

Farm sector GVA growth slipped into a 0.8 % contraction in Q3, and the full year is now expected to record a mere 0.7 % rise, compared with 4.7 % in 2022-23. The industrial growth had lifted growth this year. Acceleration in GVA growth from three key sectors has helped: construction, up 10.7 %; manufacturing, which is up 8.5 % from a 2.2 % dip in 2022-23; and mining, up 8.1 % versus 1.9 % last year.

Upasna Bhardwaj, chief economist at Kotak Mahindra Bank, attributed this year's growth upgrade to the downward revision to last year's growth numbers, and the stronger investment and net exports, although consumption is lagging.

GVA growth in the employment-intensive trade, hotels, transport, communications, and broadcasting services sectors is expected to almost halve to 6.5 % in 2023-24 from 12 % in 2022-23. Mr. Nageswaran stressed that this comes on the back of very strong upticks in 2021-22 and 2022-23, so this is more of a stabilisation rather than a dip.

"Some surprises that need further exploration relate to GVA growth remaining at 6.9 % while GDP growth is being revised upwards to 7.6 %. Also, the average GDP growth for the first three quarters of the year is 8.2 %, implying that the fourth quarter growth would only be at 5.9 %.

## POLITY AND GOVERNANCE

### An Extra Berth

**CONTEXT:** The results of the recent Rajya Sabha elections highlight the BJP's strategic maneuvers, including cross-voting and exploiting internal dissent within opposition parties, to secure additional seats, thereby intensifying political tensions and raising concerns about democratic norms and parliamentary dynamics.

#### MAJOR POINTS:

##### BJP's Strategic Maneuvering in Rajya Sabha Elections:

- BJP secures 30 of the 56 Rajya Sabha seats up for grabs, winning two more than its state assembly numbers allowed.
- Utilizes cross-voting tactics, involving legislators from Samajwadi Party in Uttar Pradesh and Congress in Himachal Pradesh.
- One BJP MLA in Karnataka defects to Congress.

##### Impact on Himachal Pradesh and Congress Government:

- Disqualification of six MLAs by the Assembly Speaker destabilizes Congress government in Himachal Pradesh.
- Disenchantment within Congress leadership surfaces, with Chief Minister Sukhvinder Singh Sukhu facing criticism.

### Discontent and Resignation within Congress:

- Rebel Minister Vikramaditya Singh briefly resigns, highlighting internal dissent within Congress ranks.
- Congress struggles to salvage its government amidst crisis.

### BJP's Growing Strength in Rajya Sabha:

- BJP's Rajya Sabha strength increases to 97 members, nearing majority mark of 121 with allies.
- Party's aggressive expansion strategies contribute to significant rise in member count.

### Challenges for Opposition:

- Wide gap between BJP and Congress in Rajya Sabha, with Congress having only 29 members.
- Other opposition parties possess limited presence, hindering effective opposition in the upper house.

### Parliamentary Dynamics:

- Opposition frequently suspended during sessions, leading to concerns about the government's unilateralism in Parliament.

**CONCLUSION:** Rajya Sabha elections reveal BJP's dominance, posing challenges to opposition unity

## INTERNATIONAL RELATIONS

### A Respite

**CONTEXT:** Trump gets legal relief as challenges to his candidacy recede

**BACK GROUND:** Former President Donald Trump's legal battle over alleged election subversion, prolonged by the Supreme Court's consideration of his immunity from federal prosecution, underscores America's deep divisions and the lack of unifying leadership amidst political polarization, potentially shaping the landscape for the 2024 election.



#### MAJOR POINTS:

- The Supreme Court's decision to hear arguments on Donald Trump's immunity from federal prosecution delays the legal process, potentially pushing any trial beyond May and into late June.
- Special Counsel Jack Smith's plans for immediate action on Trump's case have been thwarted by the Supreme Court's move to postpone a decision.

- The delay impacts multiple criminal cases against Trump, including four indictments, and complicates the timeline for legal proceedings.
- Additionally, the Supreme Court may overturn a ruling by the Colorado Supreme Court that barred Trump from the presidential ballot based on his alleged role in inciting insurrection.
- The legal battles surrounding Trump expose the deep political divisions in America, leaving voters divided on his capabilities and the risks he poses.
- Democrats and Republicans struggle to present viable alternatives to Trump, potentially positioning him as a frontrunner for the 2024 election.
- The situation reflects a broader malaise in American politics, highlighting the need for visionary leaders capable of uniting the nation under a common political banner.

**CONCLUSION:** In light of the Supreme Court's decision and the broader implications of Trump's legal battles, his candidacy challenges recede, providing a temporary respite while emphasizing the pressing need for cohesive leadership to address America's deep-seated political divisions.

## E-evidence, New Criminal Law, its Implementation

**CONTEXT:** Some changes have been made in the provisions relating to electronic evidence in the Bharatiya Sakshya Adhiniyam, which is to replace the Indian Evidence Act

**BACK GROUND:** The new Bharatiya Sakshya Adhiniyam (BSA) in India aims to streamline handling electronic evidence in court, but potential challenges include increased workload for cyber labs and the need for better preparedness among enforcement agencies.



### Why was the BHARATHIYA SAKHYA ADHINIYAM introduced?

The Bharatiya Sakshya Adhiniyam (BSA) was introduced for several reasons:

**Modernize the legal framework:** The Indian Evidence Act, 1872, predates the widespread use of electronic devices and communication. The BSA aims to update the legal system to handle modern forms of evidence like emails, digital documents, and online activity.

**Improve clarity and consistency:** The BSA provides clearer definitions for key terms like "document" and "electronic record," ensuring a consistent understanding of electronic evidence within the legal system.

**Streamline admissibility:** The Act outlines specific procedures for admitting and presenting electronic evidence in court, making the process more efficient and reliable.

**Increase the weight of electronic evidence:** By considering them primary evidence, the BSA elevates the importance of electronic records in legal proceedings, putting them on par with traditional physical evidence.

**Ensure record integrity:** The Act introduces hashing to verify the authenticity of electronic records and prevent tampering, crucial for maintaining trust in their validity.

Overall, the BSA aims to adapt the Indian legal system to the digital age by establishing clear guidelines and procedures for handling and utilizing electronic evidence in court. This ensures the effective use of such evidence while maintaining fairness and accuracy within the legal process.

### IMPLEMENTING NEW CRIMINAL LAWS IN INDIA:

India's legal landscape is undergoing a significant transformation with the introduction of three new comprehensive criminal laws:

**Bharatiya Nyay Sanhita (BNS):** This law replaces the Indian Penal Code (IPC), aiming to modernize and streamline criminal offenses and punishments.

**Bharatiya Nagrik Suraksha Sanhita (BNSS):** This law replaces the Code of Criminal Procedure (CrPC), focusing on reforming investigation procedures, police functioning, and ensuring citizen rights during legal proceedings.

**Bharatiya Sakshya Adhiniyam (BSA):** This law replaces the Indian Evidence Act (IEA) and specifically addresses the handling and admissibility of electronic evidence in court. These new laws are scheduled to come into effect on July 1, 2024, marking a substantial shift in the country's legal framework. However, it is important to note that Section 106(2) of the BNS, which mandated 10 years imprisonment for unreported fatal accidents, has been temporarily put on hold by the Central government.

### Focus on Electronic Evidence:

The Bharatiya Sakshya Adhiniyam (BSA) represents a major step towards adapting the legal system to the digital age. It brings several key changes:

- **Clarity and Definition:** The BSA provides clearer definitions for terms like "document" and "electronic record," ensuring a consistent understanding within the legal system. This includes examples of electronic records like emails, server logs, and digital documents stored on various devices.
- **Primary Evidence:** Unlike the previous act, the BSA recognizes electronic records as primary evidence, giving them the same weight and validity as traditional physical evidence in court.
- **Admissibility:** This act outlines specific procedures for admitting and presenting electronic evidence in court. This includes:
  - **Expert Certification:** Electronic records require a certificate signed by two individuals: one in charge of the device and an expert who verifies the record's integrity using hashing techniques.

- **Hashing:** This process involves creating a unique digital fingerprint for the electronic record, ensuring its authenticity and preventing alterations.

#### Challenges and Considerations:

While the BSA brings significant advancements, it also presents some challenges:

- **Increased workload for cyber labs:** The requirement for expert certification for every electronic record might strain the resources of cyber labs, especially those understaffed or lacking the necessary infrastructure.
- **Need for awareness:** Private entities, such as those using CCTV footage for security purposes, need to be educated about secure practices like encryption to ensure the admissibility of their electronic records as evidence.
- **Transition and preparedness:** Enforcement agencies need to utilize the remaining time before July 1st to ensure they have the resources and infrastructure in place to handle the additional responsibilities arising from the BSA's implementation.

**CONCLUSION:** The introduction of these new criminal laws marks a significant effort to modernize and adapt India's legal system to the evolving landscape of crime and evidence in the digital age. However, addressing the potential challenges and ensuring a smooth transition are crucial for the successful implementation of these reforms.

## ECONOMICS AND DEVELOPMENT

# Should Minimum Support Price be Legalised?

**CONTEXT:** On February 13, groups of farmers began a march to New Delhi, to press for fulfilment of their demands, which include a legal guarantee for purchasing crops at Minimum Support Price (MSP) and India's withdrawal from the World Trade Organization (WTO) which, they allege, places pressure on the Centre for drafting policies for procurement and MSP. While the Centre has fixed MSP for 23 farm commodities, it is implemented mostly for rice and wheat mainly because India has vast storage facilities for these grains and uses the produce for its public distribution system (PDS). The Union government has repeatedly asserted that a legal guarantee for MSP will not be possible.



## Are the protests for a legalised MSP justified?

India introduced economic reforms in 1991 with a promise that we will soon become industrialised and the rural workforce will move from the agricultural to the industrial sector. More than 30 years later, agriculture has been squeezed in many ways but no one is talking about this agricultural crisis. The Gross Fixed Capital Formation in the agricultural sector after the 1991 reforms has gone down tremendously.

One of the most important demands of the farmers protesting is a legal guarantee for MSP. The public distribution system (PDS) gave support to farmers and ensured national food security. Now, India is expected to shift from food security to nutrition security.

The farmers are rightly concerned about the low prices of various crops. The mandi system in the form of APMCs (agricultural produce market committees) is functional only in a few States. Less than one-third of the crop production in India is traded through mandis; the rest is sold by marginal farmers to village traders. So, even if MSP becomes legalised, it will be difficult to implement. The Government has been procuring 50-60 million tonnes of rice.

In Punjab, for instance, a price payment deficiency system is possible because the mandi system is well developed and the distance between two mandis is only 6 km, whereas at the all-India level it is 12 km. The States and the Centre should be talking to one another. Experts have to come up with a policy which will ensure that farmers receive a fair and remunerative price.

The most striking issue is food inflation. The local prices at which farmers are selling their produce are very low and do not cover the major costs involved (in production). On the other hand, consumers are facing huge price rise. Legalising MSP will reduce inflation, protect consumers, and give a relatively reasonable income to the farmers. The government has withdrawn from the regulatory mechanism and therefore in unorganised markets, intermediaries are active and creating inflationary pressures on the economy.

There have been several suggestions, including a report by Dr. Ramesh Chand, about certain changes in the methodology of calculating the cost of cultivation. The government cannot be deciding the prices of every agricultural commodity. Many farmers and organisations prefer selling to corporates because there used to be a lot of glut of at one point of time. Now, at least there are some large buyers.

## Are cooperatives an alternative to help farmers?

Cooperatives have been successful in certain sectors. For example, in the milk sector, they brought the White Revolution in Gujarat. It was due to the failure of cooperatives that the government came up with the idea of farmer-producer organisations (FPOs). Now, we are going back to cooperatives. Any form of aggregation which can help the farmers in realising better prices is welcome. But both cooperatives and FPOs have been captured by influential vested interests in rural areas. If cooperatives can create storage structures where the farmers can store their produce at reasonable prices to reap the benefits of higher prices in the off season, they are welcome.

When we have to look for alternatives, we cannot rely on a single intervention. If you want to promote cooperatives, bring in a law and storage capacity. Government-supported cooperatives

have failed because of corruption. This organisation has a future, but we need a legal framework within which they can flourish. And they need supportive infrastructure.

## POLITY AND GOVERNANCE

# On Cross-Voting in Rajya Sabha Elections

**CONTEXT:** The issue of cross-voting in Rajya Sabha elections has brought to light concerns about the integrity of the election process, prompting legal and constitutional considerations regarding party discipline and disqualification criteria for members of legislative assemblies.

**BACKGROUND:** Six Congress MLAs in Himachal Pradesh cross-voted and were disqualified under the Tenth Schedule, not for cross-voting, but for defying the party whip on other occasions, like being absent during the budget passage.

### THE GIST

- As per Article 80 of the Constitution, representatives of each State to the Rajya Sabha are elected indirectly by the elected members of their Legislative Assembly.
- In order to rein in MLAs from cross-voting, an amendment to the Representation of the People Act, 1951 was carried out in 2003. Section 59 of the Act was amended to provide that the voting in elections to Rajya Sabha shall be through an open ballot.
- The Election Commission had clarified in July 2017 that the provisions of the Tenth Schedule, with respect to voting against the instruction of the party, will not be applicable for a Rajya Sabha election.



### THE STORY SO FAR:

The Rajya Sabha elections in the States of Uttar Pradesh, Himachal Pradesh and Karnataka witnessed cross-voting by MLAs belonging to different parties. This has once again raised concerns about the sanctity of the election process.

### HOW ARE RAJYA SABHA ELECTIONS HELD?

Election Process for Rajya Sabha Representatives:

- Constitutional Provision:** Article 80 of the Constitution mandates the indirect election of Rajya Sabha representatives by the elected members of their respective Legislative Assembly.
- Conditions for Polls:** Rajya Sabha polls are conducted only if the number of candidates exceeds the number of vacancies in

a particular state.

- Historical Precedent:** Until 1998, Rajya Sabha elections typically had predetermined outcomes, with candidates nominated by parties being elected unopposed based on their strength in the Assembly.
- Incidence of Cross-Voting:** The June 1998 Rajya Sabha elections in Maharashtra witnessed cross-voting, leading to the unexpected loss of a Congress party candidate.
- Amendment to Electoral Laws:** In response to cross-voting incidents, an amendment to the Representation of the People Act, 1951, was enacted in 2003, specifically targeting Rajya Sabha elections.
- Introduction of Open Ballot System:** Section 59 of the Act was amended to mandate voting in Rajya Sabha elections through an open ballot system.
- Party Accountability Measures:** Under the open ballot system, MLAs of political parties must show their ballot papers to their party's authorized agent. Failure to comply or showing the ballot to others results in vote disqualification.
- Restrictions on Independent MLAs:** Independent MLAs are prohibited from displaying their ballots to anyone, ensuring party discipline and preventing cross-voting practices.

### WHAT DOES THE TENTH SCHEDULE STATE?

- Introduction and Purpose:** The Tenth Schedule was incorporated into the Constitution through the 52nd constitutional amendment in 1985, aiming to prevent political defections and ensure party discipline.
- Definition of Defection:** The Tenth Schedule stipulates that a member of a House of Parliament or State legislature who voluntarily relinquishes their party membership or votes against their party's instructions faces disqualification from the respective House.
- Role of Party Whip:** Instructions regarding voting are typically issued by the party whip, and failure to adhere to these instructions can lead to disqualification under the anti-defection law.
- Exemption for Rajya Sabha Elections:** Despite its application to other legislative proceedings, the Tenth Schedule does not extend to Rajya Sabha elections, as clarified by the Election Commission in July 2017.
- Supreme Court Clarification:** The Election Commission's decision aligns with Supreme Court judgments, emphasizing that the anti-defection provisions do not apply to Rajya Sabha elections.
- Absence of Party Whip in Rajya Sabha Polls:** Political parties are barred from issuing whips to their members for Rajya Sabha elections, ensuring that members have the freedom to vote without party instructions.

### WHAT HAVE THE COURTS RULED?

#### Key Supreme Court Decisions:

- Kuldip Nayar vs. Union of India (2006):**
  - Upheld the system of open ballot for Rajya Sabha elections, emphasizing transparency to combat corruption.
  - Ruled that an elected MLA voting against their party candidate in Rajya Sabha elections would not face disqualification under the Tenth Schedule.

- Stated that such actions may lead to disciplinary action by the political party, rather than disqualification from the House.

## 2. Ravi S. Naik and Sanjay Bandekar vs. Union of India (1994):

- Established that voluntarily giving up membership under the Tenth Schedule extends beyond formal resignation from the party.
- Clarified that a member's conduct, both inside and outside the house, could be scrutinized to determine if they have voluntarily given up membership.

## 3. Disqualification of Congress MLAs in Himachal Pradesh:

- Six Congress MLAs in Himachal Pradesh were disqualified under the Tenth Schedule.
- Disqualification resulted from defying the party whip and being absent during the passage of the Budget in the Assembly.

### WHAT CAN BE THE WAY FORWARD?

Implications of Cross-Voting in Rajya Sabha Elections:

#### 1. Importance of Free and Fair Elections:

- The Supreme Court upheld the open ballot system for Rajya Sabha elections to maintain the integrity and purity of the electoral process.
- However, instances of cross-voting have undermined the intended purpose of this procedure, posing a threat to democratic principles.

#### 2. Challenges in Amending Laws:

- Despite the need for amendments to strengthen laws against cross-voting, expecting further legislative changes is unrealistic as ruling parties often benefit from such tactics.

#### 3. Judicial Intervention to Safeguard Democracy:

- The Supreme Court, committed to protecting democracy, may initiate suo moto Public Interest Litigation (PIL) or consider appeals related to disqualifications resulting from cross-voting.
- In reviewing its previous rulings, particularly in cases like Chandigarh Mayoral election, the court may reinforce its stance against threats to democratic processes.

#### 4. Interpretation of Voluntary Membership:

- Voting against one's party in a Rajya Sabha election could be construed as voluntarily giving up party membership, potentially leading to disqualification under the Tenth Schedule.
- Such interpretations by the court may serve as a deterrent against future instances of cross-voting, preserving the integrity of the electoral system.

**CONCLUSION:** The issue of cross-voting in Rajya Sabha elections underscores the delicate balance between party discipline and democratic principles. Judicial oversight and clarity on disqualification criteria are essential to safeguarding the integrity of the electoral process and upholding democratic values.

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## INTERNATIONAL RELATIONS

# Is NATO membership in the cards for Ukraine?

**CONTEXT:** Against the backdrop of escalating tensions in Ukraine, Western powers and NATO grapple with the aftermath of Russian aggression and the uncertain future of Ukraine's NATO membership, while internal political dynamics in the U.S. and EU add further complexity to the situation.

### THE GIST

- Western powers joined Ukraine last weekend to mark two years of Russian aggression on its territory, as concerns grow that the conflict could spread into Europe.
- The most immediate concern is the severe depletion in Ukraine's artillery ammunition on the battlefield, which poses a challenge to hold back Russian troops along a 1,500 km frontline.
- While the U.S. has been the largest arms contributor to the war effort, a \$60 billion aid bill to Ukraine has been stalled in Congress.

### THE STORY SO FAR

Amidst escalating tensions in Ukraine, Western powers and NATO confront the aftermath of Russian aggression and the uncertain prospect of Ukraine's NATO membership, compounded by internal political dynamics in the U.S. and EU.



### WHAT WAS THE REASON FOR THE RUSSIAN INVASION?

1. In 2008, NATO leaders proposed including Georgia and Ukraine in the alliance, sparking opposition from Russian President Vladimir Putin over NATO expansion into former Soviet territories.
2. Putin's objections resulted in military actions, including the invasion of Georgia and the annexation of Crimea in 2014.
3. The recent full-scale war initiated by Moscow against Ukraine in February 2022 highlights the escalating tensions in the region.
4. Kyiv's potential NATO membership would activate Article 5, necessitating collective defense among member states.
5. This holds significant importance for Kyiv, which traded its nuclear arsenal for security guarantees from the U.S. and the U.K.

### WHAT IS THE STATUS OF THE WAR NOW?

1. Ukraine faces a critical shortage of artillery ammunition, posing a significant challenge in halting Russian troops along the

1,500 km frontline.

- Defence Minister Rustem Umerov highlights that the current deficit results in Kyiv firing only about a third of the necessary 6,000 rounds of artillery shells daily, leading to increased casualties.
- Western intelligence estimates suggest that Russian land forces have suffered around 200,000 deaths and injuries since the conflict began.
- Moscow achieved a strategic breakthrough as Ukraine withdrew from the strategic city of Avdiivka due to acute shortages in artillery firepower.
- Ukrainian President Volodymyr Zelenskyy attributes the withdrawal from Avdiivka to Kyiv's insufficient artillery capabilities, marking a significant victory for Russian forces since the capture of Bakhmut city.

#### WHAT HAS BEEN THE U.S.'S ROLE SO FAR?

- The U.S. has been the primary arms supplier to Ukraine's war effort, but a \$60 billion aid bill has faced congressional delay.
- The Republican-controlled House of Representatives has blocked approval of the financial package, influenced by pressure tactics from former President Donald Trump.
- Hardline Republican factions advocate for Europe to assume greater responsibility for its security and emphasize equal partnership with the U.S. in security matters.

#### WHAT ABOUT THE EU?

- The 27-nation bloc overcame obstacles from Hungary to allocate €5 billion over four years to support the Ukrainian economy.
- Disputes have arisen among member states regarding additional funding for the €12 billion European Peace Facility (EPF) designated for Ukraine's war effort.
- Germany advocates for including the value of weapons supplied bilaterally into the EPF contributions, while others are concerned this would reduce the fund's overall volume.
- Some countries propose using EPF expenditure to bolster the bloc's defense industry, adding complexity to negotiations within the EU.

#### WHAT IS THE ROAD AHEAD?

- Ukraine's full NATO membership is not currently under consideration, indicating a lengthy road ahead in the process.
- NATO aims to address Ukraine's apprehensions by formalizing existing cooperation mechanisms, granting Kyiv the authority to convene emergency meetings and enhance participation.
- The anticipated reelection of President Putin in a questionable election and the potential return of Mr. Trump to power pose significant challenges for Ukraine, complicating its geopolitical predicament.



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## POLITY AND GOVERNANCE

### Cabinet Okays ₹75,000-Crore 'Free Electricity' Solar Scheme

**CONTEXT:** The Union Cabinet approved a ₹ 75,021-crore package for the 'PM-Surya Ghar: Muft Bijli Yojana' (PM Free Electricity scheme) to promote rooftop solar (RTS) installations in India.

The scheme envisages providing 300 units of "free electricity" every month to one crore households. The Centre will fund, an accompanying press statement from the Union Power Ministry says, 60 % of the cost for installing 2 kW (kilowatt) systems and 40 % of the cost for systems of 2-3 kW capacity.

#### Applying for subsidy

Households will apply for subsidy through a Central portal. The national portal will assist the households in their decision-making process by providing relevant information such as appropriate system sizes, benefits calculator, vendor rating, etc.

For the remaining costs, households will be able to "access collateral-free low-interest loan products of around 7 % at present for installation of residential RTS systems up to 3 kW". The installation expenses, excluding central subsidies have to be borne by the aspirant consumer.

#### Repaying loans

The PSU, or its affiliated agency, would be responsible for taking out a loan to finance the component not funded by the Central subsidy. This loan would be repaid to the bank by consumers selling surplus power produced back to the grid. Approximately, 60 % of the cost of installation will be subsidised by the Centre. A Central public sector unit will take a loan [from a bank] and will repay from the cost of electricity [used by the household] over and above the 300 units.

## INTERNATIONAL RELATIONS

### First Technical Team From India Arrives in Maldives

**CONTEXT:** The government confirmed on Thursday that a team of Indian technical personnel have landed in Maldives to replace military troops that have been operating aircraft there. The development indicates a compromise between the Narendra Modi government and the recently elected government led by President Mohamed Muizzu on the contentious issue of Indian troops stationed in the archipelago that had become the target of the "India Out" campaign run by the ruling party.

The first team of technical personnel to operate the advanced light helicopter at Gan has reached Maldives. It will replace the existing personnel that were until now operating this platform. The confirmation also marks a major climbdown by New Delhi that had earlier refused to withdraw the troops, including in 2018 when former President Abdulla Yameen had demanded the removal of Indian military personnel on several occasions, even refusing to extend their visas. After Mr. Yameen was defeated in elections by President Ibrahim Solih, the issue had subsided, but was revived as a campaign plank by Mr. Muizzu, who won elections in November 2023 and made the removal of Indian military personnel a "priority".



### Ahead of 'deadline'

The announcement on the first batch of replacements comes ahead of the March 10 "deadline" that the Maldives government had reportedly given India after PM Modi met with President Muizzu in early December, and the leaders set up a high-level "core group" to discuss the issue. While the Maldivian government repeatedly said that the decision to replace troops with civilian technical personnel had been taken, New Delhi had been tight-lipped on the matter, saying only that the two sides were seeking "workable" and "mutually acceptable" solutions.

On February 4, however, Mr. Muizzu surprised many by announcing to the Maldivian Majlis or parliament that a deal had indeed been struck. "As per the most recent discussions, military personnel on one of the three aviation platforms will be recalled before March 10, 2024. The military personnel on the remaining two platforms will also be recalled by May 10, 2024. The Ministry had said that the troops would be replaced by "competent technical personnel", but refused to comment on whether they would be civilian or military.

The differences over the issue of stationed troops had led to other acrimonious exchanges between the two countries in January, and Maldives had skipped a key security conference in Mauritius, for the Colombo Security Dialogue, and downgraded its presence at the Indian Ocean Conference in Perth. With the first step towards resolving the contentious issue seemingly taken, India and Maldives indicated that they were restoring progress in some of their other areas of strategic cooperation.

On Sunday, India, Sri Lanka and the Maldives completed the latest round of biennial trilateral maritime exercises called "Dosti-16" held between their coast guard services.

## POLITY AND GOVERNANCE

# Armed Forces Likely to get Non-Functional Upgrade Benefit

**CONTEXT:** The Government of India has decided to grant non-functional upgrade (NFU) benefits to military officers, resolving a long-standing legal dispute and addressing a pay disparity between the armed forces and other government services.



### Major Points on Non-Functional Upgrade (NFU) for Indian Military Officers:

- **Legal Battle:** A legal battle regarding NFU benefits for the military has been ongoing.
- **Decision:** The government will inform the court that NFU will be granted to the armed forces.
- **What is NFU?** It allows officers who are not promoted to receive the same salary and grade pay as the seniormost officer in their batch after a certain period.
- **Previous Pay Commissions:** The 6th Pay Commission granted NFU to most Group A services, but not the military. The 7th Pay Commission's verdict was mixed, leading to objections and referral to the anomalies committee.
- **Biggest Beneficiaries:** Lieutenant Colonels who haven't been promoted (large number due to hierarchy).
- **Financial Impact:** Lieutenant Colonels could receive arrears of up to ₹16 lakh, Colonels around ₹8-10 lakh.
- **Additional Information:** NFU is seen as a morale booster for the military.

**CONCLUSION:** The government's decision to grant NFU benefits to the armed forces is a significant step towards addressing a long-standing grievance and promoting pay parity between the military and other government services. This move is expected to not only have a positive financial impact on officers, particularly Lieutenant Colonels, but also act as a morale booster for the entire force. While the legal battle may be nearing its end, this decision paves the way for a more equitable and recognized compensation structure for those serving in the Indian military.

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—Benjamin Franklin



## INTERNATIONAL RELATIONS

## West Sending Troops to Ukraine Could Risk Nuclear War: Putin

**CONTEXT:** In a state-of-the-nation address, Russian President Vladimir Putin warned against deeper Western involvement in the Ukraine conflict, cautioning that such actions risk a global nuclear conflict and highlighting Russia's readiness to defend its interests against perceived threats from the West.



### Major Points:

- Russian President Vladimir Putin issued a stark warning against Western involvement in Ukraine, citing the risk of triggering a global nuclear conflict.
- Putin emphasized Moscow's determination to achieve its objectives in Ukraine during a state-of-the-nation address.
- He cautioned against the deployment of Western ground troops to Ukraine, warning of "tragic" consequences.
- The Russian leader accused Western allies of targeting Russian territory and considering sending NATO forces to Ukraine.
- Putin referenced historical invasions of Russia and warned potential invaders of dire consequences.
- He portrayed Western leaders as reckless and irresponsible, highlighting Russia's nuclear capabilities as a deterrent.
- Putin's speech underscored the heightened tensions between Russia and the West over the Ukraine conflict.

**CONCLUSION:** Putin's stern warning against Western involvement in Ukraine, coupled with his emphasis on Russia's readiness to defend its interests, underscores the precarious nature of the geopolitical situation and the potential for escalating tensions between Russia and the West.



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## INTERNATIONAL RELATIONS

## Pak. Parliament Swears in New Members Amid Protests by PTI

**CONTEXT:** Amid allegations of a rigged election, Pakistan's National Assembly swore in newly elected members, marked by protests from allies of jailed former Premier Imran Khan and chants in support of Shehbaz Sharif, expected to form the government, reflecting the contentious political landscape in the country.



### MAIN ISSUES

- Chaos ensued as Pakistan's National Assembly swore in newly elected members amid allegations of a rigged election, with allies of jailed former Premier Imran Khan protesting vigorously.
- Lawmakers from Imran Khan's Pakistan Tehreek-e-Insaf (PTI) party chanted "Vote-thief!" as Shehbaz Sharif, expected to lead the government, entered parliament with his brother Nawaz Sharif.
- Outgoing National Assembly Speaker Raja Pervez Ashraf conducted the oath ceremony at noon amidst the uproar.
- Chants of "Long Live Sharif!" filled the house as the Sharif brothers signed the register after taking their oaths, with similar accolades extended to Bilawal Bhutto Zardari, the Pakistan People's Party chairman.
- The incoming government faces formidable challenges, including a surge in militant attacks, energy shortages, and an ailing economy necessitating another bailout from the International Monetary Fund.
- Lawmakers from PTI affirmed their intent to challenge the alleged election rigging both within and outside parliament, with PTI's current head, Gohar Ali Khan, asserting that the election was indeed rigged.
- PTI has announced nationwide rallies on Saturday, alleging that election results were manipulated in numerous constituencies to prevent their victory, a claim refuted by the Election Commission of Pakistan.

**CONCLUSION:** The swearing-in of new members in Pakistan's National Assembly amid protests by PTI underscores the deep-seated political tensions and allegations of election irregularities, signalling a challenging road ahead for the incoming government amidst pressing issues facing the nation.

## ECONOMICS AND DEVELOPMENT

## India Begins Second Part of Critical Minerals Auction Worth \$362 bn

**CONTEXT:** India began the second part of its critical minerals auction worth ₹30 trillion rupees (about \$362 billion).

A total of 18 blocks of critical and strategic minerals, including graphite, tungsten, vanadium, cobalt and nickel, among others, will be auctioned in Maharashtra, Chhattisgarh and Madhya Pradesh, and the southern states of Andhra, Karnataka and Tamil Nadu, Arunachal Pradesh and Rajasthan. Seventeen mineral blocks have been put up for a composite license, while one block is for a mining lease. A composite license includes a license to examine a block and mine it afterwards. The first round of auctions was launched in November last year, in a move to drive the country's clean energy push

## ECONOMICS AND DEVELOPMENT

## Govt. Capex Shrank 40.5% in January Leaving Fiscal Deficit at 64% of Target

**CONTEXT:** The capital expenditures of the Centre contracted by a sharp 40.5% in January to ₹ 47,600 crore, from ₹ 80,000 crore a year earlier, while the fiscal deficit hit 64 % of the revised estimates for 2023-24 by the end of the month.

### Spending squeeze

Govt. shrinks January capital expenditure by a sharp 40.5% to ₹47,600 crore containing 10-month fiscal deficit at 64% of RE

- Overall fiscal deficit stood at ₹11 lakh crore by January
- Full-year capex likely to undershoot by at least ₹50,000 crore: ICRA's Nayar
- Less than 70% of planned expenditure met at agriculture, consumer affairs ministries: BoB's Sabnavis



The Centre is likely to miss its capex and revenue expenditure plans, with just two months to go in the financial year. The capex is expected to undershoot by at least ₹ 50,000 crore with ₹ 2.3 lakh crore left to be incurred in February and March to meet the full year target for capex.

Gross tax revenues needed to rise just 6 % over these two months to hit the 2023-24 goal and corporate taxes were likely to surpass last year's collections. Approximately, 75 % of the total planned expenditure for the year had been incurred in the first 10 months, so the scope for higher expenditure in the last two months was very high.

### 'Food subsidies'

Less than 70% of planned expenditure had been achieved in the ministries of agriculture and consumer affairs, which deal with outlays on the PM Kisan scheme and food subsidies. The overall fiscal deficit stood at ₹11 lakh crore by January, lower than the ₹11.9 lakh crore over the same period in 2022-23.

## ECONOMICS AND DEVELOPMENT

## January Core Sector Growth Slows to 15-Month Low, Output at 10-Month High

**CONTEXT:** The output growth in India's eight core sectors for January dropped to a 15-month low of 3.6 %, driven by a contraction in fertilizer and refinery production along with base effects from 2023 when the core sectors had grown 9.7 % in the same month.

In absolute terms, overall output levels were at a 10-month high, with production rising sequentially for the second straight month and 2.2 % above the December 2023 levels. Fertilizer production shrank 0.6 % in January, the first decline since February 2022.

The Commerce and Industry Ministry also upgraded the growth rate for December 2023 to 4.9 % from the 14-month low of 3.8 % estimated earlier. The Index of Core Industries (ICI) constitutes a little more than 40 % of the Index of Industrial Production (IIP).

Refinery products, with a 28% weightage in the ICI, dropped 4.3% in January, marking their first contraction in nine months, electricity generation, with a 20% weightage, recovered from a mere 1.2% uptick in December to rise 5.2% in January.

Coal output growth slowed slightly to 10.2%, but still clocked the seventh straight month of double-digit growth. Crude oil production broke a two-month streak of contraction to register a minor 0.7% growth in January.

While overall the core sectors' performance was a mixed bag in view of the low 3.6% uptick, cement and steel output growth, which are reflective of capex, were 7% and 5.6%, respectively, despite high base effects.

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