

## CORPORATE OFFICE

### Delhi Office

706 Ground Floor Dr. Mukherjee  
Nagar Near Batra Cinema Delhi -  
110009

### Noida Office

Basement C-32 Noida Sector-2  
Uttar Pradesh 201301

# CURRENT AFFAIRS

**Date:** 26 December 2023

## EMERGING ISSUES IN INDIA- RUSSIA RELATIONS

**MAINS RELEVANCE:** GS2 SYLLABUS- Bilateral, Regional and Global Groupings and Agreements involving India and/ or affecting India's interests:

### WHY IN NEWS:

- **External Affairs Minister** S. Jaishankar on Monday began his 5 day visit to Moscow and St. Petersburg, during which he will hold talks with Russian Foreign Minister Sergey Lavrov and Trade Minister Denis Mantu.
- The visit is also significant as it comes in lieu of the annual summit due to be held between Prime Minister Narendra Modi and Russian President Vladimir Putin, an **unbroken tradition from the year 2000 until 2021** due to the Russia-Ukraine war.
- The visit is expected to see discussions on a number of thorny bilateral issues, including continuing problems over the **rupee-rouble payment mechanism** amid a surge in the import of Russian oil and bilateral trade and **delays in supplies of defense equipment**.
- Russia's supply of the fourth and fifth regiment of the **S400 Triumph Air Defence Systems**, also under U.S. sanctions, have been delayed and are now expected in 2024.

### INDIA-RUSSIA RELATIONS: CONVERGENCE:

#### 1. GEO-POLITICAL:

- The India and Russia ties have been a longstanding relation since 1971 when Russia supported India in Liberation war of Bangladesh against pressure of Nuclear warfare by USA
- India-Russia signed the Indo-Soviet **Treaty of Friendship & Cooperation on 9th August 1971**: It was the **first political treaty** India made with another nation.
- It acted as a turning point in India's traditional **Non-aligned policy** so vigorously enunciated at Bandung in 1955.
- India further signed the "**Declaration on the India-Russia Strategic Partnership**" in **2000**.
- Political engagement has seen further highs with the current Government. For example: In 2019, President Putin signed the Executive Order on awarding PM Narendra Modi Russia's highest state decoration – The **order of St Andrew the Apostle**.
- India's decision to not join the U.S.led naval **operation against Houthi attacks** on shipping in the Red Sea, named "**Operation Prosperity Guardian**" so far is also likely to find favor in Moscow.

## 2. GEO-STRATEGIC:

- Russia has also provided “unwavering support” to India’s demand for **Permanent Seat at UNSC**
  - Russia can significantly contribute to **defusing tensions with China**: For example Russia organized a trilateral meeting among the foreign ministers of Russia, India, and China following deadly clashes in the Galwan Valley in the disputed territory of Ladakh in 2020.
  - There is a long standing mutual cooperation against Terrorism through Groupings such as Shanghai Cooperation Organisation (**SCO**) & **BRICS** etc
  - Two Inter-Governmental Commissions – one on Trade, Economic, Scientific, Technological and Cultural Cooperation (**IRIGC-TEC**), and another on Military-Technical Cooperation (**IRIGC- MTC**), meet annually.
  - Both countries regularly conduct the Tri-Services exercise ‘**INDRA**’.
  - Russia is India’s **topmost weapon supplier**:
    - Though as per **SIPRI Report 2021**: Russia’s share in India’s weapon import has fallen from 69% to **49%**
    - Examples of India’s Import: MIG-21, Sukhoi-30, T-72 tanks, Russian S-400 air defense missile system and a joint venture to manufacture AK-203 assault rifles.
    - Indian Navy’s first submarine, ‘**Foxtrot Class**’ came from Russia
    - **INS Vikramaditya**, the sole aircraft carrier operated by India, is also Russian in origin.
    - The **joint military programmes** between India and Russia include: **BrahMos cruise missile** programme, 5th generation fighter jet programme, **Sukhoi Su-30MKI** programme, Ilyushin/HAL Tactical Transport Aircraft & KA-226T twin-engine utility helicopters.
    - Russia is an important partner for India in the area of peaceful use of **nuclear energy**:
1. **Kudankulam Nuclear Power Plant (KKNPP)** is being built in India .
  2. Both India and Russia are implementing **Rooppur Nuclear Power Project in Bangladesh**

## 3. TRADE RELATIONS:

- The two countries intend to increase bilateral investment to **US\$50 billion** and bilateral trade to **US\$30 billion by 2025**.
- A Phenomenal Growth in Bilateral Trade has been observed as it has increased by around **2.1 times** in January- September in 2023, up to almost 50 billion USD owing to strong **demand for hydrocarbons in India**.
- Exceeding Expectations: India and Russia have already **achieved the bilateral trade target** of \$30 billion before the target year of 2025.
- Resilient **Engineering Exports**: According to Engineering Exports Promotion Council (EEPC) India, amid declining demand for engineering goods from major markets such as the US and China, shipments to Russia continued their **uptrend and more than doubled** to around US\$ 123 million in July 2023 from around US\$ 55 million in July 2022.
- India has also shown active engagement in the **Eastern Economic Forum (EEF)** to develop Russia’s far east (eg-Vladivostok). It will help India to Explore **Critical Minerals** such as Hydrocarbon, diamonds, gold and tungsten from Far-East.
- India and Russia are discussing a free trade agreement (FTA) involving the **Eurasian Economic Union (EEU)**, against the backdrop of bilateral economic ties seeing a sharp expansion since the start of the Ukraine conflict.

- Member countries of EEU: Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan.
- Diversifying Trade: India has diversified its export basket to Russia to include pharmaceuticals, fertilizers, coal, diamonds, chemicals, and ceramics, among other goods.
- **Rupee-Rouble Mechanism: De-Dollarization of Economy:** The payment mechanism between India and Russia was devised to circumvent the **U.S. and EU sanctions** against Russia over the Ukraine war.

#### 4. CULTURAL RELATIONS:

- Cultural contact through Yoga, Vaishnavism, Ayurveda and Dance etc
- About 20 Russian Institutions, including leading universities and schools, regularly **teach Hindi** to about 1500 Russian students
  - EXAMPLE: creation of a **Traditional Knowledge Digital Library (TKDL)**.
- Apart from Hindi, languages such as **Tamil, Marathi, Gujarati, Bengali, Urdu, Sanskrit and Pali** are taught in Russian Institutions

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#### EMERGING ISSUES BETWEEN RUSSIA & INDIA:

1. **High trade deficit incurred by India:** The skewed trade balance has been an area of concern between the two countries:
  - For example, during FY23, India had around a **\$43 billion trade deficit** with Russia, which left their exporters with **large surpluses in their Vostro accounts** in India.
  - This has meant delayed payments, as well as the need for India to use third country currencies including the **UAE Dirham and Chinese Yuan** to pay for Indian imports from Russia that have grown a massive 368% year on year from 2022 to 2023, mainly due to an **increase in import of Russian oil**, leading to a major trade deficit.
  - This has created **Challenges in Rupee- Rouble Trade:** Indian refiners are using a mix of currencies to settle most of their Russian oil purchases.
1. Both countries previously discussed trading in their local currencies but this is yet to take off because of **currency volatility and the high trade deficit**.
2. **Russia's Over Dependence on China:** China enjoys direct connectivity, advanced logistics supply, a high level of trade, and profitability with Russia.
  - Since the beginning of Russia- Russia-Ukraine conflict, Russia-China cooperation has grown in all directions.
  - The trade turnover between the two countries reached a record \$190 billion last year, increased by another 39% in the first quarter of this year compared with the same period in 2022.
2. **Infrastructure and Connectivity Issues:** Inadequate transportation infrastructure and connectivity can impede the smooth flow of goods between India and Russia.
  - The absence of a direct trade route and high shipping costs make exports to Russia a costly affair for India, as it doesn't share a land border with Russia, unlike China
3. **Divergence on International Relations:** While Russia has been openly critical of Israel's actions, and in particular, the U.S.'s support to Israel over the bombing of civilians, India's stand has been less strident.
4. **Challenging India's role as Balancing Power:** Russia along with China has been highly critical of India as **Member of QUAD** including US, Australia and Japan, grouping formed to ensure security of trade and transit in Indo-Pacific region

5. While India has been wary of **SCO's emerging outlook as "Anti-Western" grouping**: Eg- Recent inclusion of Iran and Belarus as member & Myanmar as Observer making practically every member facing sanctions by Europe & USA.
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#### **STEPS TO TAKE BY INDIAN DIPLOMACY:**

1. **Addressing Trade Imbalance:** A huge imbalance in trade heavily towards Russia is an issue in the Rupee-Ruble trade. To solve this problem, Russia is keen to **import manufacturing equipment** including machinery from India.
2. **Increasing Asia's Importance for Russia:** To compensate for the decline in trade with the West, Russia is looking much more toward Asia.
  - For India, this could mean broadening our engagement that was overly reliant on the triad of military, nuclear, and space cooperation.
3. Providing Solutions to Short- and Medium-Term Challenges in Business: **Payments, logistics, and certification** were some of the key areas of issues and it is possible to find solutions to them.
  - Attracting Russian's investors towards India's key infrastructure shall be emphasized upon
4. **Improving Rupee-Ruble Trade:** To tackle the accumulation of Indian currency in Russia, **increasing Rupee trade with third countries common to both India and Russia**, where India has a trade surplus can help in ensuring seamless money flow while solving the problem.
  - For this, India has taken steps to de-dollarize trade while pushing for the internationalization of the Indian Rupee.
5. **New Trade Routes:** The development of new trade routes like the **Eastern Maritime Corridor** and the **Northern Sea Route** will also be of interest in deepening trade ties.
  - **International North-South Transport Corridor (INSTC)** is another effective connectivity initiative to increase Indo-Russian trade.
  - The two countries are also discussing the possibility of launching a **trans-Arctic container shipping line** and processing facilities along the Northern Sea Route.
6. Defense deals and nuclear energy cooperation can further float relations

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#### **CONCLUSION:**

Thus in words of International Policy Expert **Sahasini Hiader**: India's adequate response to the crisis posed by Russia-Ukraine War has displayed its "**Diplomatic Deftness**" as India not only secured its National interest but reinforced its commitment for Rule based order. However, **addressing trade imbalances, enhancing connectivity, and exploring diversified partnerships** will be crucial for sustaining and strengthening their economic ties in the evolving global landscape.

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#### **Prelims Question (2019)**

Q: Recently, India signed a deal known as 'Action Plan for Prioritization and Implementation of Cooperation Areas in the Nuclear Field' with which of the following countries?

- (a) Japan
- (b) Russia

- (c) The United Kingdom  
(d) The United States of America  
Ans: (b)

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**POTENTIAL PRELIMS 2024 QUESTIONS:**

Q1: "Operation Prosperity Guardian" recently seen in the news is associated with which of the following:

1. Operation by India to curb Narco-Terrorism in Golden Crescent region
2. Operation by USA to provide Maritime security in Red Sea region
3. An initiative launched by BRICS countries to provide loans to Lower Middle income countries
4. A joint military exercise between all members of QUAD grouping

**ANSWER: B**

**EXPLANATION:**

**"Operation Prosperity Guardian":**

1. It is an initiative **launched by USA to protect Red Sea commerce.**
  - This follows missile and drone attacks by **Yemen's Iran-aligned Houthis:**
1. The Houthis are a large clan belonging to the Zaidi Shia sect, with roots in **Yemen's northwestern Saada province.**
2. The Houthi movement, officially called Ansar Allah (Supporters of God), began in the 1990s against the dictatorship of Yemeni President Ali Abdullah Saleh.
3. Today, the Houthis are one faction in a bloody civil war that has raged in Yemen since 2014.
4. The Houthis, backed by Iran, are a part of what Iran calls, **"The Axis of Resistance"**: an informal **anti-Israel and anti-West** political and military coalition that it leads.
5. Other notable groups in the Axis include **Hezbollah and Hamas.**
6. In Yemen, the Houthis are fighting against the Sunni-led internationally recognized Yemeni government, backed by **Saudi Arabia and the UAE.**
  - Countries Involved: The U.K., Bahrain, Canada, France, Italy, Netherlands, Norway, Seychelles, and Spain are participating.
  - Joint Patrols: These nations will conduct joint patrols in the southern **Red Sea and the Gulf of Aden**
  - **NOTE: India is NOT a member of alliance**
  - Recently Japanese owned & Liberia flagged merchant Vessel **Chem Pluto** with 21 crew members (20 Indians & 1 Vietnamese national) sailing from UAE to New Mangalore port (India) faced drone attack by Iran backed **Houthi militants** in the Red Sea region, just outside Indian **Exclusive Economic Zone (EEZ).**

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Q2: India & Russia have recently accomplished 50 years of Strategic ties through Indo-Soviet Treaty of Friendship & Cooperation 1971. Which of the following initiatives are being developed under joint cooperation by India & Russia:

1. INS Vikramaditya
2. BrahMos cruise missile programme
3. Kudankulam Nuclear Power Plant in Tamil Nadu
4. Rooppur Nuclear Power Project in Bangladesh

**Choose the correct code from options below:**

1. Only one pair

2. Only two pair
3. Only three pair
4. All of the above pair

**ANSWER: B**

**EXPLANATION:**

1. The India and Russia ties have been a longstanding relation since 1971 when Russia supported India in Liberation war of Bangladesh against pressure of Nuclear warfare by USA:
  - India-Russia signed the Indo-Soviet **Treaty of Friendship & Cooperation on 9th August 1971**: It was the **first political treaty** India made with another nation.
  - It acted as a turning point in India's traditional **Non-aligned policy** so vigorously enunciated at Bandung in 1955.
2. India further signed the **"Declaration on the India-Russia Strategic Partnership" in 2000.**
3. Political engagement has seen further highs with the current Government. For example: In 2019, President Putin signed the Executive Order on awarding PM Narendra Modi Russia's highest state decoration – The **order of St Andrew the Apostle.**
4. JOINT PROJECTS BY INDIA & RUSSIA:
  - Indian Navy's first submarine, **'Foxtrot Class'** came from Russia
  - **INS Vikramaditya**, the sole aircraft carrier operated by India, is also Russian in origin.
  - The **joint military programmes** between India and Russia include: **BrahMos cruise missile** programme, 5th generation fighter jet programme, **Sukhoi Su-30MKI** programme, Ilyushin/HAL Tactical Transport Aircraft & KA-226T twin-engine utility helicopters.
  - Russia is an important partner for India in the area of peaceful use of **nuclear energy**:
  - **Kudankulam Nuclear Power Plant (KKNPP)** is being built in India .
  - Both India and Russia are implementing **Rooppur Nuclear Power Project in Bangladesh**

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**Practice Mains Question:**

Discuss the importance of India-Russia relationship in the current global context. In light of recent developments, highlight the scope for strengthening economic and strategic cooperation between the two countries especially with regards to India's Act Far East policy. (15 marks, 250 words)

Suyash Rai

## **AD-HOC COMMITTEE TO MANAGE WFI AFFAIRS**

*This article covers "Daily Current Affairs" and the topic details "Ad-hoc committee to manage WFI affairs". This topic has relevance in the Social Justice section of the UPSC CSE exam.*

GS 2: Social Justice

**Why in the news?**

The Sports Ministry has urged the Indian Olympic Association to form an ad-hoc committee responsible for overseeing and regulating the operations of the federation. Previously, the ministry

had taken the step of suspending the recently elected governing body of the Wrestling Federation of India (WFI).

### **Background:**

- **Allegations and Protests:**

- Wrestlers, led by Vinesh Phogat, have accused WFI President Brij Bhushan of engaging in the sexual exploitation of women wrestlers, along with alleging financial mismanagement and arbitrary practices within the WFI.
- The wrestlers are demanding the registration of an FIR against Brij Bhushan, his arrest under the POCSO Act, his removal as the WFI president, and the dissolution of the federation.

- **Oversight Committee Intervention:**

- In response to the allegations, the government formed a six-member Oversight Committee, headed by MC Mary Kom, tasked with investigating the claims.
- The Oversight Committee faced delays in submitting its report, finally doing so in April before being disbanded.

- **Disrupted Election Process:**

- The government nullified the ongoing WFI election process scheduled for May 7th due to the persistent protests.
- The United World Wrestling (UWW) suspended WFI for its failure to meet election deadlines, and despite repeated postponements, the WFI rescheduled elections for December 21, resulting in the election of Sanjay Singh as the new WFI chief.

- **Fresh Protests and Governance Crisis:**

- Sanjay Singh's appointment as the new WFI chief faced strong opposition from notable wrestlers, including Vinesh Phogat, Sakshi Malik, and Bajrang Punia.
- In response to the appointment, Sakshi Malik announced her retirement, and Bajrang Punia returned his Padma Shri award as a form of protest.
- The Ministry of Youth Affairs and Sports reacted by suspending the newly elected WFI governing council, citing violations of the National Sports Code, which included the untimely announcement of Under-15 and Under-20 National Championships and the absence of the WFI Secretary-General during crucial meetings.

- **National Sports Code Violation:**

- The Ministry of Sports suspended the recognition of WFI under the National Sports Code, citing violations.
- Specific breaches included the improper announcement of competitions and the absence of the Secretary-General during key meetings.

- **Ongoing Tension:**

- The Indian wrestling community finds itself grappling with internal strife and external sanctions.
- Uncertainty prevails concerning the resolution of the serious allegations, the conduct of fair elections, and the future governance of the WFI.

### **Wrestling Federation of India (WFI): Overview**

- **Foundation and Location:**

- The Wrestling Federation of India (WFI) was established in 1958 and is headquartered in New Delhi.

- It serves as the governing body for wrestling in the country.
- **Mission and Promotion:**
- WFI focuses on promoting wrestling athletes for prestigious competitions, including the Olympics, Asian Games, National Wrestling Championships, and World Wrestling Championships.
- Its primary objective is to nurture and advance the sport of wrestling on both national and international platforms.
- **Affiliation and Compliance:**
- WFI is affiliated with the Indian Olympic Association (IOA), aligning itself with the larger Olympic movement in India.
- It adheres to the rules and regulations stipulated by the International Olympic Committee (IOC) and the United World Wrestling (UWW).
- **Role of UWW:**
- UWW, as the international governing body for wrestling, plays a pivotal role in overseeing the sport at prestigious events such as the World Championships and the Olympics.
- WFI collaborates with UWW to ensure the implementation of standardized rules and practices in the sport globally.
- **Contract System for Wrestlers (2018):**
- In a significant development in 2018, WFI introduced a groundbreaking contracts system for wrestlers.
- Wrestlers are categorized into four grades:
  - Grade A: Provides monetary support of 30 lakh rupees.
  - Grade B: Provides financial support amounting to 20 lakh rupees.
  - Grade C: Extends support of 10 lakh rupees.
  - Grade D: Offers financial assistance of 5 lakh rupees.
- Contracts undergo review on an annual basis, reflecting WFI's commitment to supporting and recognizing the contributions of wrestlers.

Source:

<https://economictimes.indiatimes.com/news/sports/ioa-debars-outgoing-wfi-officials-from-undertaking-federations-administrative-work/articleshow/100205481.cms>

**Q.1 Examine the recent controversies surrounding the Wrestling Federation of India (WFI) and the protests initiated by top Indian wrestlers. Critically analyze the impact of these controversies on the sport of wrestling in India**

**Rishabh**



# CHINESE BAN ON EXPORT OF RARE EARTH TECHNOLOGIES

**GS3 - Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.**

## WHY IN NEWS?

1. China, the world's **top processor of Rare earths minerals**, on Thursday **banned the export** of technology to extract and separate the strategic metals, as it overhauled a list of technologies deemed key to **national security**.
2. In October 2023, USA had put restrictions on exporting advanced Artificial Intelligence (AI) to China to prevent it from acquiring **cutting edge chips** to develop AI technologies such as large language models that power applications such as **ChatGPT**.
  - For example, the Biden Administration had banned two Chinese chip startups, Biren and Moore Threads.
3. In retaliation, Beijing exercised its lever as the **largest supplier** of Rare earth metals needed for chip production:
  - In July 2023, China placed restrictions on some **Gallium and germanium** products. In December, restrictions were placed on several types of **Graphites** and a ban imposed on the export of technology for making rare earth magnets and technologies for extracting and separating rare earths.
4. This can become a major energy security issue as China is the world's top processor of rare earths, accounting for 70% of the world's **production**.

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## WHAT ARE RARE EARTH MINERALS (REE)?

1. They are set of **17 metallic elements**: Including **15 lanthanides** on the periodic table in addition to **scandium and yttrium** that show similar physical and chemical properties to the lanthanides.
  - The 17 Rare Earths are: Cerium (Ce), dysprosium (Dy), erbium (Er), europium (Eu), gadolinium (Gd), holmium (Ho), lanthanum (La), lutetium (Lu), neodymium (Nd), praseodymium (Pr), promethium (Pm), samarium (Sm), scandium (Sc), terbium (Tb), thulium (Tm), ytterbium (Yb), and yttrium (Y).
  - **NOTE: Gallium and germanium banned by China are NOT Rare Earth minerals.**
2. REEs are crucial in **manufacturing of Batteries**: Minerals like Cobalt, Nickel, and Lithium are required for batteries used in Electric vehicles.
  - As per **NITI Ayog**: 80% of the country's two- and three-wheeler fleet, 40% of buses, and 30 to 70% of cars will be **EVs by 2030**.
3. REEs are an essential component of more than 200 consumer products which includes mobile phones, computer hard drives, electric and hybrid vehicles, semiconductors, flat screen TVs and monitors, and high-end electronics.
4. **Industrial use**: Traditional uses like Cerium for glass polishing and lanthanum for car catalysts or optical lenses.
5. **Manufacturing of magnets**: neodymium, praseodymium and dysprosium, are crucial to the manufacture of magnets which are used in industries and also in wind turbines and Drones.

6. Even futuristic technologies need these REEs. For example, **high-temperature superconductivity, safe storage and transport of hydrogen for a post-hydrocarbon economy**, environmental global warming and energy efficiency issues.
7. They are called 'rare earth' because earlier it was **difficult to extract** them from their oxides forms technologically.
8. They occur in **many minerals but typically in low concentrations** to be refined in an economical manner.

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### **DOMINANCE BY CHINA:**

1. China has mastered the **solvent extraction process** to refine the strategic minerals, which Western rare earth companies have struggled to deploy due to technical complexities and pollution concerns.
2. China has over time acquired global domination of rare earths, even at one point, it produced 90% of the rare earths the world needs.
3. Today, however, it has **come down to 60%** and the remaining is produced by other countries, including the QUAD countries: Australia, India, Japan and United States.
4. China under Wolf warrior Diplomacy is using supply of Critical Earth minerals as tool of **Economic warfare**:
  - Eg- China's ownership of Democratic Republic of Congo's **Cobalt mines** which produces 70% of world's Cobalt output.

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### **ADVERSE IMPACT ON INDIA:**

1. Along with REEs, Critical minerals such as Lithium (White gold), cobalt & graphite etc. are crucial to country's **manufacturing & infrastructure development**.
2. Green Energy based upon Semiconductors used to run batteries such as Lithium-Ion battery is imperative to meet India's **Net Zero target by 2070**.
3. India has only **6% of the world's rare earth reserves**. It **only produces 1% of global output** and meets most of its requirements of such minerals from China.
4. **High Import dependency** due to concentration of extraction & processing of REEs in few regions:
  - For Example: India is **100% Import dependent** for supply of critical minerals such as **lithium, cobalt, nickel, beryllium etc.**
  - REEs such as **Dysprosium, Terbium, and Europium** are not available in Indian deposits in extractable quantities.
  - In India, **monazite and thorium** is the principal source of rare earths.
5. Thus, in case of **Supply chain vulnerability** caused by export ban by China or Semiconductor chip war between USA & China can be detrimental to India's **energy security** concern and its target to become **3rd largest economy by 2027**.
6. High import dependency also leads to High **Current Account Deficit (CAD)**: Eg- India Imported worth **₹27,000 crore Copper** in 2022.

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### **ISSUES FACED BY INDIA:**

1. **Expensive exploration** & mining of deep-seated minerals such as gold, silver, copper, platinum etc

2. **Limited investment in Research & Development** of Technologies: India spend only **1.7 % of its GDP** while China spends 17 times more than India.
  - For Example: India's share in Global mineral exploration budget stands **only at 1%**
3. As per Geological Survey of India (GSI): India has done only **10% exploration** of its Geological potential while out of potential sites discovered; only 2% sites **have** been mined. (Source: Hindu Report, July 2023)
  - Due to this poor exploration & production, India has been denied membership in **Minerals Security Partnership (MSP)** launched by USA: which aims at catalyzing investment from governments and the private sector to develop supply chains of Critical minerals & challenge China's monopoly.
4. In Mining & Exploration sector, there is **huge dependency on PSUs & Govt's** Organizations such as MECL, GSI etc.
  - Example: **Indian Rare Earths Ltd (IREL)** which is a Government of India Undertaking, and **KMML**, a Kerala State Government Undertaking are actively engaged in mining and processing of beach sand minerals from placer deposits.
5. **Low Private Sector Involvement:** Mining & Exploration is highly capital intensive & long gestation period which deter Private investment.
6. Also, there is requirement of **Advance Technology** such as Aerial surveys, geochemical analysis, geological mapping etc. which are not available at remote locations and at ground level.
7. **Environmental Impact:** The chief concern is that the REEs are bound up in mineral deposits with the low-level **radioactive element like thorium**, exposure to which has been linked to an increased risk of developing **lung, pancreatic, and other cancers**.

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#### **STEPS TAKEN BY INDIA:**

##### **1. MINES & MINERALS ACT 2023:**

- To **attract private investment** in exploration of critical minerals: 6 minerals including **Lithium** has been **removed from "critical & strategic" minerals category** thus allowing private exploration.
- To encourage prospective stage exploration: Drilling & subsurface excavation has been allowed.
- National Mineral Exploration Trust (NMET) has been setup to Fund G4-G1 explorations.

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#### **WAY FORWARD:**

1. India should amend **Atomic Mineral Concession Act (2016)** which has reserved all beach Sand Mines deposits containing more than 0.75 per cent Monazite (source of REE) for government owned companies.
2. Department for rare earths (DRE) could secure access to REEs of strategic importance by offering **viability gap funding** to companies to set up facilities in the upstream sector.
3. **Australia Model:** "Junior explorer" private firms which have expertise to map commercially viable mines shall be incorporated who can further sell the research to bigger private companies which will eventually develop & operate mines.
4. **Building up domestic capability:** There is a need to build domestic capability and broad-base supply sources for such an important and strategic raw material.
5. Making it part of **Make in India campaign:** There is a need to make rare earth minerals a part of the 'Make In India' campaign, citing China's '**Made in China 2025**' initiative that focuses on new materials, including permanent magnets that are made using rare earth minerals.

6. **Supply chain resilience:** The focus should be back on building cooperation on supply chain resilience which is a trade partnership for critical and emerging technology to deal with issues of climate, economy and pandemic impact.
7. QUAD Critical and Emerging Technology Working group: It aims to develop supply resilience among Quad members which includes India, US, Japan, and Australia.
8. **Green goals:** the critical minerals and emerging technology are the major need of the hour for achievement of green future goals.
9. **Minerals Security Partnership (MSP):** India should try through diplomatic channels to enter this partnership.

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### POTENTIAL PRELIMS 2024 QUESTION:

Q1: Consider the following statements regarding Rare Earth Elements (REE) often seen in the news:

1. China accounts for more than half of the World's Rare Earth metals production
2. REEs are set of 17 metallic elements including Gallium & Germanium
3. REEs are used from manufacturing of Semiconductors to Cerium used for Glass polishing
4. They are called as "Rare" metals because of their low availability in the world

Which of the above given statements is correct?

- a. 1,2 and 4
- b. 2 and 3 only
- c. 1,3 and 4
- d. 1, and 3 only

**ANSWER: D**

### Explanation: RARE EARTH MINERALS:

1. They are set of **17 metallic elements**: Including **15 lanthanides** on the periodic table in addition to **scandium and yttrium** that show similar physical and chemical properties to the lanthanides.
  - The 17 Rare Earths are: Cerium (Ce), dysprosium (Dy), erbium (Er), europium (Eu), gadolinium (Gd), holmium (Ho), lanthanum (La), lutetium (Lu), neodymium (Nd), praseodymium (Pr), promethium (Pm), samarium (Sm), scandium (Sc), terbium (Tb), thulium (Tm), ytterbium (Yb), and yttrium (Y).
  - **NOTE: Gallium and germanium banned by China are NOT Rare Earth minerals.**
2. REEs are crucial in **manufacturing of Batteries**: Minerals like Cobalt, Nickel, and Lithium are required for batteries used in Electric vehicles.
  - As per **NITI Ayog**: 80% of the country's two- and three-wheeler fleet, 40% of buses, and 30 to 70% of cars will be **EVs by 2030**.
3. REEs are an essential component of more than 200 consumer products which includes mobile phones, computer hard drives, electric and hybrid vehicles, semiconductors, flat screen TVs and monitors, and high-end electronics.
4. **Industrial use**: Traditional uses like Cerium for glass polishing and lanthanum for car catalysts or optical lenses.
5. **Manufacturing of magnets**: neodymium, praseodymium and dysprosium, are crucial to the manufacture of magnets which are used in industries and also in wind turbines and Drones.

6. Even futuristic technologies need these REEs. For example, **high-temperature superconductivity, safe storage and transport of hydrogen for a post-hydrocarbon economy**, environmental global warming and energy efficiency issues.
7. They are called 'rare earth' because earlier it was **difficult to extract** them from their oxides forms technologically.
8. They occur in **many minerals but typically in low concentrations** to be refined in an economical manner.
9. China is the world's top processor of rare earths, accounting for 70% of the world's **production**.
10. India has only **6% of the world's rare earth reserves**. It **only produces 1% of global output** and meets most of its requirements of such minerals from China.

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### MAINS QUESTION 2024:

Q .The world is in search of alternative supply chains. India with its reserves in rare earth elements must leverage this, in this context discuss the importance of Rare Earth Material. What should be the steps for boosting Rare Earth Material industry in India? Illustrate.

Suyash Rai

## THE ISSUE OF ARTICLE 370 IS OVER IN THE LIGHT OF THE SUPREME COURT'S DECISION: BUT IT IS NECESSARY TO END THE ISSUE OF TERRORISM VICTIMS

(This article is a summary of the combined editorials of 'Indian Express', 'The Hindu', 'Official website of the Ministry of Home Affairs of the Government of India', 'Jansatta', 'Sansad TV's program Sarokar', monthly magazine 'World Focus' and 'PIB'. It is related to the summary. It also includes the suggestions of the YOJNA IAS team. This article is specifically related to the 'Indian Polity and Governance' section of the UPSC Civil Services Examination . This article is related to 'Daily Current Affairs' under 'In the light of the Supreme Court decision. The issue of Article 370 is over: But the issue of terrorism victims needs to be over.')

### GENERAL STUDIES - INDIAN POLITY AND GOVERNANCE.

#### Why in Discussion / News?

On 11 December 2023, the **Honorable Supreme Court of India** delivered its historic judgment on the abrogation of **Articles 370 and 35A** . Through this decision, **the Supreme Court confirmed the sovereignty and integrity of India**, which every Indian cherishes in his mind. The Supreme Court held that the government's decision to abrogate Article 370 on August 5, 2019—which ended the **special status of the erstwhile state of Jammu and Kashmir**—was **taken to promote constitutional integration and not disintegration**. The Court also accepted the fact that **Article 370 was 'temporary' in nature**.

## **Process of abrogation of article 370 by parliament/central government :**

### **By presidential order :**

In the Presidential Order of the year 2019, the Parliament introduced a provision and gave a new meaning to the 'Constituent Assembly of Jammu and Kashmir' as 'Legislative Assembly of Jammu and Kashmir' and then used the President's rule to abrogate Article 370. Through this, the powers of the Legislative Assembly were assumed.

### **By resolution in parliament:**

Concurrent resolutions were passed by both Houses of Parliament, Lok Sabha and Rajya Sabha, on 5 and 6 August 2019 respectively. These resolutions also repealed the remaining provisions of Article 370 and replaced them with new provisions.

### **Jammu and Kashmir reorganization act:**

The Jammu and Kashmir Reorganization Act 2019 was passed by the Parliament on 5 August 2019. This Act divided the State of Jammu and Kashmir into two Union Territories - 'Jammu and Kashmir' and 'Ladakh'.



### **Reason for abrogation of article 370 -**

#### **Reasons for unification and development of the nation:**

Article 370 hindered the full integration of Jammu and Kashmir into the Indian Union and at the same time it also created a feeling of separatism, which hindered the development of Jammu and Kashmir. It was also believed behind its integration that complete integration of Jammu and Kashmir into India would create better access to resources, infrastructure and opportunities for the people of Jammu and Kashmir.

#### **From a strong national security perspective :**

Article 370 was being misused by Pakistan to support terrorism and separatism in Jammu and Kashmir region. Repealing it would strengthen national security as the Government of India would have greater control over this area and crack down on terrorist activities.

#### **With a view to end discrimination :**

Article 370 discriminated against women, Dalits and other marginalized groups in Jammu and Kashmir. By repealing it, these groups will come under the ambit of Indian laws and they will get equal rights and opportunities.

### **With a view to ensure transparency and accountability in governance :**

Article 370 had created a lack of transparency in the governance of Jammu and Kashmir and in determining accountability. With its repeal, the state of Jammu and Kashmir will come under the ambit of the **Central Vigilance Commission (CVC) and the Right to Information Act (RTI)** , thereby ensuring better governance and accountability .

### **From the perspective of economic prosperity and development:**

Article 370 hindered economic development in Jammu and Kashmir. Repealing it would allow for more investment, tourism and job creation in the area.

### **Highlights of the decision given by the supreme court:**

#### **Article 370 is a temporary provision:**

The Supreme Court held that Article 370 was a temporary provision and the state of Jammu and Kashmir had **no internal sovereignty**. The Supreme Court also held that Article 370 was a 'temporary provision' for two primary reasons.

1. It **served a transitional purpose** , which was to make an interim arrangement for the establishment of the Constituent Assembly of Jammu and Kashmir, which was to draft the state constitution.
2. Its objective was to **facilitate the integration of Jammu and Kashmir into the Union of India in view of the war-like situation prevailing in the state in the year 1947.**

#### **The governor can assume the 'all or any' role of the state legislature:**

The Supreme Court, citing the landmark decision of **SR Bommai vs Union of India (1994)** (which deals with the powers and limitations of the Governor under President's rule), held that the Governor is an '**all or any**' member of the state legislature. ) can assume the role.

- **The Chief Justice of India (CJI)** said that **the Governor (President in the case of Jammu and Kashmir) can act 'all or none' of the state legislature and such action should be judicially tested only in exceptional cases.**
- **It is not necessary to take the consent of the state government to remove Article 370 :** The Court said in its decision that the President, exercising the powers under **Article 370 (3 ) of the Constitution, can unilaterally notify that Article 370 has ceased to exist.** Is.
- **The Supreme Court further held that there was no need for the President to obtain the concurrence of the State Government in this regard, as specified by the proviso to Article 370(1)(d).**

#### **Ratification of jammu and kashmir reorganization act 2019 :**

The Supreme Court confirmed the Jammu and Kashmir Reorganization Act 2019 to the extent that **the Union Territory of Ladakh** was separated from the State of Jammu and Kashmir.

#### **The views of the state legislature are recommendatory in nature and are not binding on the parliament:**

The Supreme Court also said that **the views of the state legislature regarding the proposed reorganization** are recommendatory in nature and not binding on the Parliament.

### **During president's rule, parliament is not the only law making body:**

The Chief Justice said that **the power of Parliament in a state under/during President's rule is not limited to mere law making.** This also extends to executive action.

- **The Court also said that when a proclamation under Article 356 is in force, there are a number of decisions which are taken by the Central Government on behalf of the State Government for the purpose of day-to-day administration.**
- **Every decision and action taken by the Central Executive on behalf of the State is not subject to challenge.**
- **Openly challenging every decision would lead to chaos and uncertainty.**

**Along with holding elections, restoration of statehood:** the supreme court said that the statehood of jammu and kashmir should be restored as soon as possible. He ordered that the elections to the legislative assembly of jammu and kashmir should be completed by 30 september 2024.

### **Establishment of 'truth and reconciliation commission:**

Justice Kaul, **in his concurring opinion, has ordered a proposal to set up a 'Truth and Reconciliation Commission'** on the lines of the commission established after apartheid in South Africa to resolve the issues that have arisen since the 1980s. To address human rights violations by both state and non-state actors in Jammu and Kashmir.

### **Article 370: historical background.**

- Article 370 in the Indian Constitution provided **special status to Jammu and Kashmir, which is a disputed area between India, Pakistan and China.**
- Its draft was written by Indian Constituent Assembly member **N. Gopalaswami Iyengar** and it was added to the Indian Constitution as a **'temporary provision'** in the year 1949.
- This provision allowed the state of Jammu and Kashmir **to have its own constitution and flag, as well as autonomy in most matters except defence, foreign affairs and communications.**
- It was based on the terms of the **Instrument of Accession**, which was signed by Hari Singh, the ruler of Jammu and Kashmir, to join India after the invasion of Pakistan in 1947.



### **Effect of abrogation of article 370:**

#### **Decline in terrorist incidents and incidents of violence:**

There has been **a significant decline in the incidents of violence in Jammu and Kashmir** since the revocation of Article 370.



- According to official figures, **the number of terrorist incidents** has declined by more than 50% in the last four years and security forces have killed more than 300 terrorists.
- The decline in terrorist incidents and violence can be attributed to a combination of factors, including increased security measures, better intelligence gathering and declining public support for extremism.

### **Initiatives of the central government to promote economic development:**

The government has implemented several initiatives to promote economic development in Jammu and Kashmir. For example – **Prime Minister's Development Package (PMDP) and Industrial Development Scheme (IDS)** .

- These initiatives of the Central Government have led to an increase in investment, employment creation and economic growth in the region.
- Jammu and Kashmir as a union territory saw **a 31% increase in tax revenue** .
- **Jammu and Kashmir's GSDP at constant prices grew at the rate of 8%** during 2022-23 , while at the national level it stood at 7%.

### **Huge investment also in the development of advanced infrastructure sector in jammu and kashmir:**

The government has also invested heavily in the development of infrastructure sector in jammu and kashmir. This includes projects such as the construction of new roads, bridges, tunnels and power lines. These reforms have made it easier for people to travel and do business in the region.

### **Huge growth in tourism sector :**

**There has been a massive increase in the number of tourists visiting Jammu and Kashmir** since the abrogation of Article 370 . This has been made possible by a combination of various factors including better security, better marketing and the introduction of new tourism initiatives.

- According to a report, Jammu and Kashmir **received 1.62 crore tourists in the year 2022, which is the highest in 75 years of India's independence.**

### **Path to solution/conclusion:**

The recent judgment of the Supreme Court has not only reinforced the principles of **'One India, Best India'** but has also proved the importance of **unity, mutual trust, development of nationalism and collective dedication for good governance.** The judgment also reveals the Court's commitment to strengthening the fabric of our nation and reinforcing the values that define us as a society. Which can also be seen as an effort towards defining India as a strong democratic country and making it grow as a democratic country.

### **PRACTICE QUESTIONS FOR PRELIMINARY EXAM:**

**Q.1 Consider the following statements in the context of Article 370.**

1. Article 370 was 'temporary' in its nature.
2. The Jammu and Kashmir Reorganization Act 2019 was passed by the Parliament on 5 August 2019.

**Which of the above statement/statements is correct?**

1. Only 1
2. Only 2
3. Both statement 1 and 2.
4. None of these.

**Answer - (c)**

**PRACTICE QUESTIONS FOR MAINS EXAM:**

**Q.1. Discussing the main arguments behind the abrogation of Article 370, in the light of the Supreme Court's decision to abrogate Article 370, discuss how it affects the economic and infrastructural development and development of the tourism sector along with the violence in the Jammu and Kashmir region. Will the type affect?**

**Akhilesh kumar shrivastav**



**Yojna IAS**  
योजना है तो सफलता है