

GOVERNANCE**Regulations on FCRA Contributions**

Recently, the Ministry of Home Affairs (MHA) issued new regulating guidelines to banks under Foreign Contribution (Regulation) Act, 2010. It states that the donations received in Indian rupees by non-governmental organisations (NGOs) and associations from any foreign source (even if that source is located in India at the time of such donation) should be treated as foreign contribution.

Key Points

- Widening the Scope of Foreign Contribution: Under the issued regulations, donations given in Indian rupees (INR) by any foreigner/foreign source including foreigners of Indian origin like Overseas Citizen of India (OCI) or Person of India Origin (PIO) cardholders should also be treated as foreign contribution.
- Meeting the Standards of FATF: The guidelines mandate that good practices should be followed by NGOs in accordance with standards of global financial watchdog- Financial Action Task Force (FATF).
- It asked NGOs to inform the Ministry about “suspicious activities” of any donor or recipient and “take due diligence of its employees at the time of recruitment.”

Existing Rules:**Mandatory Reporting by Banks:**

- All banks have to report the receipt or utilisation of any foreign contribution by any NGO, association or person to the Central government within 48 hours, whether or not they are registered or granted prior permission under the Foreign Contribution Regulation Act (FCRA) 2010.

Prescribed Banking Channels:

- In September 2020, the Foreign Contribution (Regulation) Amendment Act (FCRA), 2020 was passed by the Parliament.
- A new provision that makes it mandatory for all NGOs to receive foreign funds in a designated bank account at the State Bank of India’s New Delhi branch was inserted.
- All NGOs seeking foreign donations have to open a designated FCRA account at the SBI branch or link their existing account to it.

Reasons for FCRA Regulations:

- The annual inflow of foreign contribution has almost doubled between the years 2010 and 2019, but many recipients of foreign contribution are being not utilised the same for the purpose for which they were registered or granted prior permission under amended provisions of the FCRA 2010.
- Recently, the Union Home Ministry has suspended licenses of the six (NGOs) who were alleged to have used foreign contributions for religious conversion.
- To ensure that such contributions do not adversely affect the internal security of the country.
- Recently the National Investigation Agency (NIA) registered a case against a foreign based group that provides funds for secessionist and pro-Khalistani activities in India.
- These regulations could enhance transparency and accountability in the receipt and utilisation of foreign contributions.

Controversies Related to FCRA:

- Scope not defined: It prohibits the receipt of foreign contributions “for any activities detrimental to the national interest” or the “economic interest of the state”.
- However, there is no clear guidance on what constitutes “public interest”.
- Limits Fundamental Rights: The FCRA restrictions have serious consequences on both the rights to free speech and freedom of association under Articles 19(1)(a) and 19(1)(c) of the Constitution.

Way Forward

- Excessive regulation on foreign contribution may affect working of the NGOs which are helpful in implementing government schemes at the grassroots. They fill the gaps, where the government fails to do their jobs.
- The regulation should not hamper sharing of resources across national boundaries essential to the functioning of a global community, and should not be discouraged unless there is reason to believe the funds are being used to aid illegal activities.

INDIAN ECONOMY

Budget 2021 Highlights: Health and Wellbeing

Recently, the Minister of Finance presented the Union Budget 2021-22. This was the first ever digital Union Budget.

- It is based on six pillars - health and well-being, physical and financial capital and infrastructure, inclusive development for aspirational India, reinvigorating human capital, innovation and R&D, and 'Minimum Government, Maximum Governance'.
- This section deals with the proposals for the Health and Wellbeing Sector.

Budget and Constitutional Provisions

- According to Article 112 of the Indian Constitution, the Union Budget of a year is referred to as the Annual Financial Statement (AFS).
- It is a statement of the estimated receipts and expenditure of the Government in a Financial Year (which begins on 1st April of the current year and ends on 31st March of the following year).

Overall, the Budget contains:

- Estimates of revenue and capital receipts,
- Ways and means to raise the revenue,
- Estimates of expenditure,
- Details of the actual receipts and expenditure of the closing financial year and the reasons for any deficit or surplus in that year, and
- The economic and financial policy of the coming year, i.e., taxation proposals, prospects of revenue, spending programme and introduction of new schemes/projects.

In Parliament, the Budget goes through six stages:

- Presentation of Budget.
- General discussion.
- Scrutiny by Departmental Committees.
- Voting on Demands for Grants.
- Passing an Appropriation Bill.
- Passing of Finance Bill.

The Budget Division of the Department of Economic Affairs in the Ministry of Finance is the nodal body responsible for preparing the Budget.

The first Budget of Independent India was presented in 1947.

Key Points

in the Union Budget '21-22

The highlights from finance minister Nirmala Sitharaman's budget that sought to get India back on the road to recovery after the Covid-19 challenge while not taking the foot off the growth accelerator

<p>HEALTH, WELL-BEING</p> <p>₹2,23,846cr</p> <p>Spends planned for health and well-being, including for water and sanitation schemes. This is up 137% from last fiscal (₹94,452 crore)</p> <p>₹35,000 cr Of this has been set aside for Covid-19 vaccines alone, which can buy over billion doses</p>	<p>NOMINAL GDP GROWTH</p> <p>14.4%</p> <p>Projected rate of growth for India's nominal gross domestic product (GDP) for the next financial year for budget calculations compared to the 15.4% projected by the Economic Survey tabled in Parliament on Friday</p> <p>The GDP growth projection for the 2021-22 fiscal is among the most important figures and it is the reflection of the speed at which the government expects the economy to recover</p>
<p>BORROWING FROM MARKET</p> <p>₹9,67,708cr</p> <p>The amount government has said it will borrow from the market through G-Sec and treasury bills to fund its deficit in the 2021-22 fiscal. Market borrowings for the current financial year was raised to ₹12,73,788 crore as against the Budget Estimate of ₹5,35,870 crore — this is an increase of 137%</p>	<p>FISCAL DEFICIT</p> <p>6.8%</p> <p>The proportion of the GDP the government estimates will be the fiscal deficit in FY22</p> <p>9.5%</p> <p>The fiscal deficit estimated for FY21, because of the rise in expenditure on account of the Covid-19 pandemic and moderation in revenue during this fiscal year</p>
<p>FDI IN INSURANCE</p> <p>74%</p> <p>The government's proposal to increase foreign direct investment (FDI) limit in the insurance sector and allow foreign ownership and control with safeguards. This was earlier capped at 49%. Experts said this would attract greater capital inflow from abroad to help enhance insurance penetration in the country</p>	<p>AGRICULTURAL CESS</p> <p>₹30,000cr</p> <p>The amount expected to be raised through imposition of Agriculture Infrastructure and Development Cess (AIDC) of ₹2.5 per litre on petrol and ₹4 per litre on diesel. However, this hike is likely not to add any burden on to the consumer because the 2021-22 Union Budget has also proposed the reduction of basic customs duty on these items</p>
<p>MSMEs SECTOR</p> <p>₹15,700 cr</p> <p>The amount that has been set aside by the government for the upcoming financial year for the Micro, Small and Medium Enterprises (MSME) sector. This is more than double the budget estimated allocation in the financial year 2020-21 — ₹7,572.20 crore. Meanwhile, the revised estimate for FY21 for the second is ₹5,664.22 crore</p>	

Budget Outlay: Outlay for Health and Wellbeing in 2021-22 as against 2020-21 is an increase of **137%**.

Major Steps: Steps being taken for improving health and wellbeing:

Vaccines:

Rs. 35,000 crore for Covid-19 vaccine in Budget Expenditure (BE) 2021-22.

The Made-in-India Pneumococcal Vaccine to be rolled out across the country.

Health Systems:

PM AatmaNirbhar Swasth Bharat Yojana – a new centrally sponsored scheme to be launched, in addition to National Health Mission (NHM).

Nutrition:

Mission Poshan 2.0 to be launched to improve nutritional outcomes across 112 aspirational districts.

Universal Coverage of Water Supply:

Jal Jeevan Mission (Urban) - to be launched - to bring safe water to 2.86 crore households through tap connection.

Swachh Bharat, Swasth Bharat:

Strengthening of Urban Swachh Bharat Mission 2.0.

Clean Air:

Rs. 2,217 crore to tackle air pollution, for 42 urban centers with a million plus population.

Scrapping Policy:

Voluntary vehicle scrapping policy to phase out old and unfit vehicles.

INTERNATIONAL RELATION

UK Visa Scheme For Hong Kong Residents

Recently, the UK has launched a special visa scheme that will allow the Hong Kong residents a chance to migrate and eventually apply for British citizenship.

- The move came months after China imposed a national security law over Hong Kong enabling it to curb the 2019 pro-democracy like protests in future and also to override the powers of the government in Hong Kong.
- The move is considered the UK's most generous welcoming of foreign workers since the entry of new European Union (EU) citizens in 2004 - when 10 countries were added to the bloc - at a time when the UK was also a member. The UK officially left the EU on 31st January 2020.

Key Points

Background:

- Since July 2020, after the national security law was implemented, the British government has already allowed around 7,000 people from Hong Kong to move to its shores.
- These were allowed permission to migrate not through the visa scheme, but through government action on compassionate grounds.
- In response to the Law, Australia, Britain and Canada have also suspended their extradition treaties with Hong Kong.

Conditions for the Special Visa Scheme:

- The visas will be issued to those in Hong Kong holding a British National (Overseas) passport and their immediate dependents, and will offer a fast track to UK citizenship.
- Applicants who get the visa can live and work in the UK for 5 years, after which they apply for settlement. Twelve months after this, they can apply for citizenship.

Reason for Announcing Visa Scheme (National Security Law):

- Threat from National Security Law: China implemented new national security law for Hong Kong, that could impose the People's Republic of China's arbitrary and opaque criminal system onto the Hong Kong common law system.
- National security act is seen as breach of the Basic Law, the mini-constitution which defines ties between Hong Kong and Beijing (China's capital).

Provisions of National Security Law:

- Crimes of secession, subversion, terrorism and collusion with foreign forces are punishable by a maximum sentence of life in prison.
- Damaging public transport facilities can be considered terrorism.
- Those found guilty will not be allowed to stand for public office.
- Establishment of a new security office in Hong Kong, with its own law enforcement personnel - neither of which would come under the local authority's jurisdiction.

- Hong Kong will have to establish its own national security commission to enforce the laws, with a China-appointed adviser.

UK's Stand:

- The imposition of the security law “a serious and clear breach of the Sino-British Joint Declaration”, referring to a 1984 treaty between the two countries.
- Under the Treaty, China promised to honour Hong Kong’s liberal policies, system of governance, independent judiciary, and individual freedoms for a period of 50 years from 1997.

China's Stand:

- China criticised the UK move. The British side disregarded the fact that Hong Kong returned to China 24 years ago.
- China also said that it would no longer be recognising BN(O) passports, saying that the citizenship offer “seriously infringed” on China’s sovereignty.

The Handover of Hong Kong from Britain to China

- Hong Kong was formerly a British colony and was handed over to mainland China in 1997, becoming one of its Special Administrative Regions (SAR).
- It is governed by a mini-constitution called the Basic Law, which affirms the principle of “one country, two systems”.

Way Forward

- National security law endangers Hong Kong’s position as an East Asian trading hub, and along with the UK’s action it should invite global criticism for Beijing, which is already being accused of withholding key information related to the Covid-19 pandemic.

INDIAN CULTURE

Community in news: Matua

The Matua community of West Bengal was recently in news.

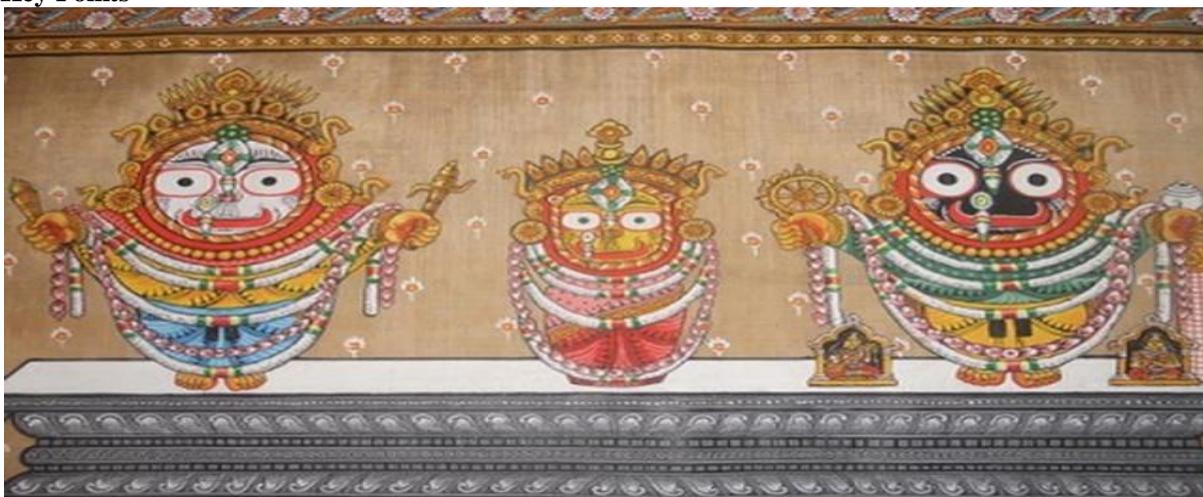
Key Points

- The Matua community has members on either side of the Bengal border.
- It is associated with a religious movement begun in the 1870s by Harichand Thakur of a Namasudra (SC) family, who hailed from Safaldanga in East Bengal.
- In the early 20th century, his son Guruchand organized the movement socially and politically.
- In 1915, the Matua Federation was established.
- Today, Matuas constitute the second-largest SC population of West Bengal.
- For years, the Matuas were demanding an amendment to the Citizenship Act of 2003, whose provisions made it difficult for refugees to get citizenship.

Art in news: Pattachitra

‘Pattachitra’ painting was recently in news when Prime Minister cited the example of Bhagyashree Sahu, a young student from Rourkela in Odisha for her keen interest in ‘Pattachitra’ painting, during his Mann ki Baat program.

Key Points



- Patta means cloth, and Chitra means picture.
- Pattachitra is a picture painted on a piece of cloth.

- It is based in the states of West Bengal and Odisha.
- **Bengal tradition:** It is centered around Kalighat (in Kolkata). The theme is Not much devotional.
- **Odisha tradition:** It is centered around Puri. Almost all of the Chitrakar community hails from a small village in Puri district called Raghurajpur.
- Odisha paintings are based on Hindu mythology and are especially inspired by Jagannath and the Vaishnava sect.
- All colors used in the Paintings are natural.

SCIENCE AND TECHNOLOGY

Ethylene glycol: a chemical found in antifreeze

Eleven US soldiers recently fell sick after accidentally drinking ethylene glycol, a chemical found in antifreeze.

Important value additions

- Ethylene glycol is an industrial compound found in consumer products including automotive antifreeze, hydraulic brake fluids, some stamp pad inks, ballpoint pens, solvents, paints, plastics, films, and cosmetics, and is also used as a pharmaceutical vehicle.
- It is a synthetic liquid, which is odourless.
- It is used to make antifreeze and de-icing solutions for cars, airplanes, and boats.
- Ethylene glycol has a sweet taste and is often accidentally or intentionally ingested.
- Once ingested, ethylene glycol is chemically broken down into toxic compounds.
- These by-products then affect the central nervous system (CNS), the heart, and then the kidneys.
- The ingestion of sufficient amounts can be fatal.
- Ethylene glycol can be disseminated through indoor air, water, food, outdoor air, and agricultural products.

INDIAN POLITY AND GOVERNANCE

National E-Vidhan Application (NEVA) Project

National E-Vidhan Application (NEVA) Project in Meghalaya was recently in news.

Key Points

- e-Vidhan is a Mission Mode Project (MMP) included in Digital India Programme.
- Nodal Ministry for its implementation: Ministry of Parliamentary Affairs (MoPA)
- Funding of NeVA is on the pattern of Central Sponsored Scheme i.e. 60:40; and 90:10 for North East & hilly States and 100% for UTs.
- The funding for e-Vidhan is provided by the MoPA.
- Technical support: Ministry of Electronics and Information Technology (MeitY).

Additional Information

- Paperless Assembly or e-Assembly is a concept involving electronic means to facilitate the work of Assembly.
- It enables automation of the entire law-making process, tracking of decisions and documents, sharing of information.

Aim of NeVA: To bring all the legislatures of the country together, in one platform thereby creating a massive data depository without having the complexity of multiple applications.

- Further, live webcasting of Lok Sabha TV and Rajya Sabha TVs is also available on this application.
- Doordarshan has already been enabled with provision to incorporate similar facilities in respect of State Legislatures.

IMPORTANT FACTS FOR PRELIM

Vaghai-Bilimora Heritage Line

The Western Railway has decided to not stop the services of three trains, including the 107-year-old narrow gauge heritage train between Vaghai and Bilimora, in Gujarat permanently.

Other two narrow gauge trains run between Miyagam, Choranda and Malsar, and Choranda junction and Moti Karal.

In rail transport, track gauge or track gage is the spacing of the rails on a railway track.

Key Points

- The Ministry of Railways, previously issued a letter to the Western Railway ordering permanent closure of 11 "uneconomic branch lines" and narrow gauge sections of the Western Railway, including three from Gujarat.

About the Vaghai-Billimora Train:

- It started in 1913, was a remnant of Gaekwad dynasty who ruled the princely state of Baroda. Tribal people from the interior commute by this train regularly. The train covers a distance of 63 kilometres.
- At the instance of Gaekwad rulers, the British laid railway tracks and it was operated by Gaekwad Baroda State Railway (GBSR) owned by Sayajirao Gaekwad III.
- The Gaekwad jurisdiction was spread across parts of Saurashtra, Mehsana in north Gujarat, and Bilimora in South Gujarat.
- The founder of the dynasty was Damaji I who had risen to power by 1740. The last Gaekwar, Sayaji Rao III, died in 1939.
- For about 24 years the train was run by a steam engine, which was replaced by a diesel engine in 1937.
- In 1994, the original steam engine was put on the display at Churchgate Heritage Gallery in Mumbai.
- This was much before the Western Railway came into existence in 1951 with the merger of the Bombay, Baroda & Central India Railway, the Saurashtra, Rajputana and Jaipur state Railways.
- The 63-km Billimora-Vaghai and the 19-km Choranda-Moti Karal routes are among those five routes the Indian Railways had proposed to be preserved as "industrial heritage" in 2018.

DAILY ANSWER WRITING PRACTICE

Qns. 'Indian diaspora has a decisive role to play in the politics and economy of America and European Countries'. Comment with examples.

Ans:

The Indian Diaspora has evolved over three phases in firstly Indian people were taken by colonial powers to work as plantation workers (like in Sri Lanka, Caribbean islands, Fiji, etc.), secondly, in search of better economic opportunities, many Indian went to countries like the US and many European countries and thirdly to gulf countries as skilled and semi-skilled laborers.

Today, the Indian diaspora is both agent and the instrument of India's soft power and in developed countries, it acts as an effective player in impacting the dynamics of these countries.

Rich Minority Group: Indian diaspora is one of the richest minorities in many developed countries, this helped them to lobby for favorable terms regarding India's interests.

For example, at 2.8 million, Indians may number just 1% of the U.S. population, but they are the most educated and richest minority, according to a 2013 Pew survey.

Considerable Vote Bank: Indian diaspora is not just a part of India's soft power, but a fully transferable political vote bank as well.

Prime Minister Narendra Modi's reception at Madison Square Garden is a way of thanking the Indian-American community members who played a big part in his electronic campaign and election funding.

Indian Diaspora in Political Position: Many people of Indian origin hold top political positions in many countries, in the US itself they are now a significant part of Republicans and Democrats, as well as the government.

Most recently, the newly elected Vice president of the US, Kamala Harris, is of Indian origin.

Influencing Foreign Policy Decision: Indo-US Civil Nuclear Deal is a case in point, as ethnic Indians in the United States successfully lobbied for clinching of the Nuclear-deal.

Indian Identity: Within America and Europe, the Indian Diaspora is an effective public diplomacy tool and is acknowledged for its work ethos, discipline, non-interference, and peaceful living with the locals. These values ultimately contribute to identity creation, image projection, and image cultivation of the Indians in the developed world.

New Wave of Indian Migration: The Indian Diaspora has been channeled into U.S. and European countries mainly through student admission programs, beneficiaries of H-1B visa program, family-based preference, and temporary worker visa programs.

Currently, a high percentage of Indian immigrants are young, highly educated, and well established in science, technology, engineering, and math (STEM) sectors.

Conclusion

Today, the Indian diaspora is more prosperous than before and its involvement in India's development is increasing. In this context, India should craft fully conduct diaspora diplomacy so as to turn diaspora potential into diaspora dividend.

DAILY QUIZ

1. Consider the following statements about Constitutional Provisions regarding Budget:

1. Article 112 refers to the Union Budget as the Annual Financial Statement (AFS).
2. The first Budget of independent India was presented in 1950.
3. A budget has to go through three stages including presentation of budget, its scrutiny and passing of finance bill.

Which of the statements given above is/are not correct?

- a) 1 and 2 only
- b) 2 only
- c) **2 and 3 only**
- d) 3 only

2. With reference to recommendations of resource allocation by 15th Finance Commission, consider the following statements:

1. It has recommended maintaining the vertical devolution as 50:50 between States and the Union.
2. For horizontal devolution of resources, the criteria 'income distance' has maximum weightage.

Which of the statements given above is/are correct?

- a) 1 only
- b) **2 only**
- c) Both 1 and 2
- d) Neither 1 nor 2

3. Consider the following statements about Dedicated Freight Corridor (DFC):

1. It is a high speed - high capacity railway corridor dedicated to transportation of goods and commodities only.
2. The Union Budget 2021 has proposed the commissioning of Eastern and Western DFC by 2022.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) **Both 1 and 2**
- d) Neither 1 nor 2

4. The recently launched Mitra Scheme is related to which of the following?

- a) **Textile sector**
- b) Education sector
- c) Electronic manufacturing
- d) Renewable energy sector

5. Consider the following statements regarding the 15th Finance Commission's Report:

1. It provided range for the fiscal deficit and debt path of both the Union and States.
2. It set the fiscal deficit target for the Centre at 4% of Gross Domestic Product (GDP) in 2021-22.

Which of the statements given above is/are correct?

- a) **1 only**
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2