

INTERNATIONAL RELATION**History of Russia and Ukraine**

Recently, Russia recognised two independent republics out of Ukraine (Donetsk and Luhansk - Donbass region), signaling the inevitable war that followed. In the declaration of war, the Russian President described Ukraine with no history or identity, and was entirely and fully created by the former Soviet Union (USSR). Ukraine and Russia share hundreds of years of cultural, linguistic and familial link.

What is the Early History of Ukraine?

- A millennium ago, what is Ukraine today lay at the heart of the Kyivan Rus' (Rus' land).
- Kyivan Rus was a federation of the East Slavic, Baltic, and Finnic peoples of eastern and northern Europe, with its capital in Kyiv. Modern Ukraine, Russia, and Belarus all trace their cultural ancestry to the Kyivan Rus'.
- The Kyivan Rus' reached its greatest size and power in the 10th and 11th centuries.
- In the mid-13th century, the Kyivan Rus', weakened by the decline of trade as the Byzantine Empire collapsed, fell apart under the onslaught of the Mongol Golden Horde, who sacked Kyiv in 1240.
 1. The Byzantine Empire, also called Byzantium, was the eastern half of the Roman Empire, based at Constantinople (modern-day Istanbul) that continued on after the western half of the empire collapsed.
 2. The Golden Horde was the group of settled Mongols who ruled over Russia, Ukraine, Kazakhstan, Moldova, and the Caucasus from the 1240s until 1502.
- In the early 15th century, large parts of the former Kyivan Rus' were incorporated into the multi-ethnic Grand Duchy of Lithuania.
- By the Union of Lublin, Poland, in 1569, the Crown of the Kingdom of Poland and the Grand Duchy of Lithuania came together to form the Polish-Lithuanian Commonwealth, which was among Europe's biggest countries at the time.
- The beginnings of the modern Ukrainian national identity can be traced back to about a century after this event.

What are other Salient Features of Ukraine?

- **Geography:** Ukraine is in the east of Europe, and is bound by Russia to its northeast, east, and southeast, and the Black Sea in the south. In the southwest, west, and north, Ukraine shares borders, in the anticlockwise direction, with Moldova, Romania, Hungary, Slovakia, Poland, and Belarus. It is the largest country in Europe after Russia itself, with an area of 6,03,550 sq km, or about 6% of the continent.
- **Demography:** In July 2021, Ukraine's population was estimated at 43.7 million. Of this, 77.8% was of Ukrainian ethnicity and 17.3% was Russian, and Ukrainian and Russian speakers made up 67.5% and 29.6% of the population respectively.
- **Economy:** Ukraine is the poorest country in Europe in terms of gross domestic product and gross national income per capita. It has deposits of iron ore and coal, and exports corn, sunflower oil, iron and iron products, and wheat.
- **Relations With India:** India is Ukraine's largest export destination in the Asia Pacific region.
 1. The country's major export to India is sunflower oil, followed by inorganic chemicals, iron and steel, plastics, and chemicals.
 2. Ukraine's major import from India is pharmaceutical products.

When Did Ukraine Incorporate into Russia?

- In the 18th century, Empress Catherine the Great (1762-96) of Russia absorbed the entire ethnic Ukrainian territory into the Russian Empire.
- The Tsarist policy of Russification led to the suppression of ethnic identities and languages, including that of the Ukrainians.
- Within the Russian Empire though, many Ukrainians rose to positions of prosperity and importance, and significant numbers migrated to settle in other parts of Russia.
- More than 3.5 million Ukrainians fought in World War I on the side of the Russian Empire, but a smaller number fought against the Tsar's army with the Austro-Hungarians.
- **Ukraine Becoming part of USSR:** The World War I led to the end of both the Tsarist and Ottoman empires.
 1. As a mainly communist-led Ukrainian national movement emerged, several small Ukrainian states sprang up.
 2. Months after the Bolsheviks took power in the October Revolution of 1917, an independent Ukrainian People's Republic was proclaimed, but a civil war continued between various claimants to power, including Ukrainian factions, anarchists, Tsarists, and Poland.

3. In 1922, Ukraine became part of the Union of Soviet Socialist Republics (USSR). The Soviet Union had its roots in the October Revolution of 1917, when the Bolsheviks, led by Vladimir Lenin, overthrew the Russian Provisional Government that had replaced Tsar Nicholas II.

What was the Ottoman Empire?

- An empire created by Turkish tribes in Anatolia (Asia Minor) that grew to be one of the most powerful states in the world during the 15th and 16th centuries.
- The Ottoman period spanned more than 600 years and came to an end only in 1922, when it was replaced by the Turkish Republic and various successor states in southeastern Europe and the Middle East.
- At its height the empire encompassed most of southeastern Europe to the gates of Vienna, including present-day Hungary, the Balkan region, Greece, and parts of Ukraine, portions of the Middle East now occupied by Iraq, Syria, Israel, and Egypt, North Africa as far west as Algeria, and large parts of the Arabian Peninsula.

What was the Status of Ukraine After the Collapse of USSR?

- In 1991, the USSR was dissolved.
- The Demands for independence had been growing in Ukraine for a couple of years previously, and in 1990, over 300,000 Ukrainians created a human chain in support of freedom. This was followed by the Granite Revolution when students sought to prevent the signing of a new agreement with the USSR.
- On 24th August, 1991, after the failure of the coup to remove President Mikhail Gorbachev and restore the communists to power, the parliament of Ukraine adopted the country's Act of Independence. Subsequently, Leonid Kravchuk, head of the parliament, was elected Ukraine's first President.
- In December 1991, the leaders of Belarus, Russia, and Ukraine formally dissolved the Soviet Union and formed the Commonwealth of Independent States (CIS).
- However, Ukraine's parliament, the Verkhovna Rada, never ratified the accession, so Ukraine was legally never a member of the CIS.

What is the Recent History of Russia-Ukraine Conflict?

- In 2014, Russia had annexed Crimea from Ukraine following a hastily called referendum, a move that sparked fighting between Russia-backed separatists and government forces in eastern Ukraine.
- Recently, Ukraine has urged the North Atlantic Treaty Organization (NATO) to speed up his country's membership in the alliance.
- Russia declared such a move a "red line", and worried about the consequences of the US-led military alliances expanding right up to its doorstep.
- This has led to the present war between Russia and Ukraine.

GOVERNANCE**Gobar-Dhan Plant: 2nd Phase of SBM-U**

Recently, the Prime Minister has inaugurated "Gobar-Dhan (Bio-CNG) Plant" in Indore with the aim of removing lakhs of tonnes of garbage that is occupying thousand acres of land and causing air and water pollution leading to many diseases. It has been established under the second phase of Swachh Bharat Mission (SBM-U 2.0).

The plant is based on zero landfill models, whereby no rejects would be generated. Additionally, the project is expected to yield multiple environmental benefits, viz. reduction in greenhouse gas emissions, providing green energy along with organic compost as fertilizer.

What are the Key Points of Swachh Bharat Mission-Urban 2.0?**About:**

- SBM-U 2.0 was announced in Budget 2021-22, as the continuation of SBM-U first phase.
- The government is trying to tap safe containment, transportation, disposal of fecal sludge, and septage from toilets. SBM-U first phase was launched on 2nd October 2014 aiming at making urban India Open Defecation Free (ODF) and achieving 100% scientific management of municipal solid waste. It lasted till October 2019.
- It will be implemented over five years from 2021 to 2026 with an outlay of Rs.1.41 lakh crore.
- The Mission is being implemented under the overarching principles of "waste to wealth", and "circular economy".

Aim:

- It focuses on source segregation of garbage, reduction in single-use plastic and air pollution, by effectively managing waste from construction and demolition activities and bioremediation of all legacy dump sites.
- Under this mission, all wastewater will be treated properly before it is discharged into water bodies, and the government is trying to make maximum reuse a priority.

Mission outcomes:

- All statutory towns will become ODF+ certified (focuses on toilets with water, maintenance and hygiene)
- All statutory towns with less than 1 lakh population will become ODF++ certified (focuses on toilets with sludge and septage management).
- 50% of all statutory towns with less than 1 lakh population will become Water+ certified (aims to sustain toilets by treating and reuse of water).
- All statutory towns will be at least 3-star Garbage Free rated as per MoHUA's Star Rating Protocol for Garbage Free cities.
- Bioremediation of all legacy dumpsites.

ECONOMY

Securities and Exchange Board of India

Recently, Madhabi Puri Buch, former whole-time member of the Securities and Exchange Board of India (SEBI), has been appointed as its new chairperson — the first woman to head the market regulator. She will hold the position for three years. Earlier in January 2022, SEBI launched Saaṛthi – a mobile app on investor education.

What is SEBI?

About:

- SEBI is a Statutory Body (a Non-Constitutional body which is set up by a Parliament) established on 12th April, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
- The basic functions of SEBI is to protect the interests of investors in securities and to promote and regulate the securities market.
- The headquarters of SEBI is situated in Mumbai. The regional offices of SEBI are located in Ahmedabad, Kolkata, Chennai and Delhi.

Background:

- Before SEBI came into existence, Controller of Capital Issues was the regulatory authority, it derived authority from the Capital Issues (Control) Act, 1947.
- In April, 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.
- Initially SEBI was a non statutory body without any statutory power.
- It became autonomous and given statutory powers by SEBI Act 1992.

What is SEBI's Structure?

- SEBI Board consists of a Chairman and several other whole time and part time members.
- SEBI also appoints various committees, whenever required to look into the pressing issues of that time.
- Further, a Securities Appellate Tribunal (SAT) has been constituted to protect the interest of entities that feel aggrieved by SEBI's decision.
 1. SAT consists of a Presiding Officer and two other Members.
 2. It has the same powers as vested in a civil court. Further, if any person feels aggrieved by SAT's decision or order can appeal to the Supreme Court.

What is SEBI's Power And Functions?

- SEBI is a quasi-legislative and quasi-judicial body which can draft regulations, conduct inquiries, pass rulings and impose penalties.
- It functions to fulfill the requirements of three categories:
 1. **Issuers:** By providing a marketplace in which the issuers can increase their finance.
 2. **Investors:** By ensuring safety and supply of precise and accurate information.
 3. **Intermediaries:** By enabling a competitive professional market for intermediaries.
- By Securities Laws (Amendment) Act, 2014, SEBI is now able to regulate any money pooling scheme worth Rs. 100 cr. or more and attach assets in cases of non-compliance.
- SEBI Chairman has the authority to order "search and seizure operations". SEBI board can also seek information, such as telephone call data records, from any persons or entities in respect to any securities transaction being investigated by it.
- SEBI performs the function of registration and regulation of the working of venture capital funds and collective investment schemes including mutual funds.
- It also works for promoting and regulating self-regulatory organizations and prohibiting fraudulent and unfair trade practices relating to securities markets.

What are the Issues and Related Concerns?

- In recent years SEBI's role became more complex, the capital markets regulator is at a crossroads.
- There is excessive focus on regulation of market conduct and lesser emphasis on prudential regulation.

- SEBI's statutory enforcement powers are greater than its counterparts in the US and the UK as it is armed with far greater power to inflict serious economic injury.
- It can impose serious restraints on economic activity, this is done based on suspicion, leaving it to those affected to shoulder the burden of disproving the suspicion, somewhat like preventive detention.
- Its legislative powers are near absolute as the SEBI Act grants wide discretion to make subordinate legislation.
- The component of prior consultation with the market and a system of review of regulations to see if they have met the articulated purpose is substantially missing. As a result, the fear of the regulator is widespread.
- Regulation, either rules or enforcement, is far from perfect, particularly in areas like insider trading.
- The Securities offering documents are extraordinarily bulky and have substantially been reduced to formal compliance rather than resulting in substantive disclosures of high quality.

Way Forward

- There is need of an attitudinal change, indeed, hundreds of inputs about the market being full of crooks necessitating a crackdown and severe intervention would be received.
- The foremost objective of SEBI should be cleaning up the policy space in this area of the market.
- SEBI must give special attention to human resources and matters within the organization. SEBI must encourage lateral entry to draw the best talent.
- Alignment and fitment of senior employees upon merger of the Forward Markets Commission into Sebi remains an open area of work.
- Enforcement can be strengthened with continuous monitoring and improving market intelligence.
- India's financial markets are still segmented. One regulator can't be blamed for another's failure when the remit over a financial product overlaps. In this context a unified financial regulator makes eminent sense to remove both overlap and excluded boundaries.

PRELIMS FACT

One Rank One Pension

Recently, the Supreme Court asked the Centre to show how many persons in the Armed forces have benefitted from 'One Rank One Pension' (OROP) policy. The court also said that Centre's stand on OROP presented a much "rosier picture" than what is actually given to the pensioners of the Armed forces.

What is OROP?

- OROP means the payment of the same pension to military officers for the same rank for the same length of service, irrespective of the date of retirement. Before OROP, ex-servicemen used to get pensions as per the Pay Commission's recommendations of the time when they had retired.
- Uttar Pradesh and Punjab have the highest number of OROP beneficiaries.
- Armed Forces Personnel who had retired till 30th June 2014 are covered under it.
- The implementation of the scheme was based on recommendation of the Koshiyari committee, a 10 member all-party parliamentary panel formed under the chairmanship of Bhagat Singh Koshiyari.

2. Exercise Dharma Guardian 2022

Recently, a Joint Military Exercise, "Exercise Dharma Guardian-2022", between India and Japan will be conducted at foreign training node, Belagavi (Belgaum, Karnataka) from 27th February to 10th March 2022.

What is Exercise Dharma Guardian?

- Exercise Dharma Guardian-2022 is an annual training event which is being conducted in India since 2018.
- The scope of this exercise covers platoon level joint training on operations in jungle and semi urban/urban terrain.
- The joint exercise schedule includes house interventions drills, raid on terrorist hideouts in semi urban terrain, combat first aid, unarmed combat & close quarter combat firing where both sides will jointly train, plan and execute a series of well-developed tactical drills for neutralisation of likely threats.
- Special emphasis is being laid on enhancing tactical skills to fight global terrorism and on enhancing inter-operability between the forces and to promote Army to Army relations.

What are Other Military Exercises between India and Japan?

1. **Malabar:** India and Japan with the United States and Australia participate in the naval wargaming exercise named Malabar.
2. **JIMEX (naval)**
3. **SHINYUU Maitri (Air Force)**

DAILY ANSWER WRITING PRACTICE

Qns. Corporate governance in India is in need of structural reforms which will promote transparency, fix accountability and reward efficiency. Analyse. (250 words)

Introduction

Corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. Ethics is at the core of corporate governance, and management must reflect accountability for their actions on the global community scale.

Body**Background**

- The Securities and Exchange Board of India (SEBI) passed its final order in a sordid saga, involving the country's largest stock exchange.
- The order, strongly censuring senior officials of the NSE, including its former MD and CEO Chitra Ramkrishna, throws light on a series of governance lapses at the stock exchange.
- The stock exchange regulator has levied fines on the parties involved in acts of impropriety, and also barred NSE from introducing any new products for a six-month period.
- The order highlights the scale of misgovernance, including the violation of several rules and regulations.
- More worryingly, the episode has exposed the absence of checks and balances at the stock exchange.

Need for structural changes in Corporate Governance in India

- It is common for friends and family of promoters and management to be appointed as board members.
- In India, founders' ability to control the affairs of the company has the potential of derailing the entire corporate governance system. Unlike developed economies, in India, identity of the founder and the company is often merged.
- Women director appointed are primarily from family in most of the companies which negates the whole reform.
- Appointed independent directors are questionable as it is unlikely that Independent Directors will stand-up for minority interests against the promoter. In the Tata case, these directors normally toe the promoter's line.
- An independent director can be easily removed by promoters or majority shareholders. This inherent conflict has a direct impact on independence.
- Data protection is an important governance issue. In this era of digitalisation, a sound understanding of the fundamentals of cyber security must be expected from every director.
- Board's Approach to Corporate Social Responsibility (CSR) is often found unsupportive.
- Conflict of Interest – The ICICI Bank Ltd fiasco demonstrates the challenge of managers potentially enriching themselves at the cost of shareholders in the absence of a promoter.
- In the corporate world, much is forgiven on grounds of performance.
- When a performing CEO chooses to unduly favour a particular individual or individuals, boards see that as a forgivable infirmity.
- As for dysfunctional or ineffective boards, these remain the norm despite numerous regulations, seminars and papers over the past four decades.

Measures to improve Corporate Governance:

- Ensure a balanced, competent and diverse Board: Business should strive for directors who are qualified, understand the business and can offer a fresh perspective. Studies show Boards with greater gender diversity result in improved financial performance.
- The top management must be allowed to choose not more than 50% of the independent directors.
- The rest must be chosen by various other stakeholders — financial institutions, banks, small shareholders, employees, etc.
- Review your Board composition on a regular basis to identify any shortcomings and make timely improvements.
- Build solid foundations for oversight: Establish, monitor and evaluate the roles and responsibilities of the Board and management. The Board needs to have visibility of management actions and key decision making.
- Gear key performance indicators towards long term value creation not just in the short term.
- Prioritize risk management: Establish an effective risk management and internal control framework and periodically review its effectiveness. Developing a disaster recovery plan is essential.
- Ensure integrity in corporate reporting including safeguards such as conducting external audits of the business.

- Provide timely and balanced information: Providing transparency to key stakeholders both in the good and bad times promotes stakeholders' confidence in the business.
- Emphasise integrity, promote ethical behaviours and consult different categories of stakeholders on their interests.
- Treat shareholders equitably and respect their rights.
- Ensure adequate disclosures around related parties' transactions and director's other interests. This is especially important where a director may have external financial interests that could influence his decision.
- Regulators must penalise errant directors through a whole range of instruments — strictures, financial penalties, removal from boards and a permanent ban from board membership.

Conclusion:

The effectiveness of the Corporate Governance has become a global concern. Mainly after many corporate collapse (e.g. Enron, Boeing etc.), fraud cases (e.g. Lehman Brothers), shareholder suits or questionable strategic decisions are drawing attention to the top level decision-making body of the corporation and the board of directors, necessitating the need for ethical considerations where in Indian context, Uday Kotak committee recommendations can form guidelines for better ethical corporate governance.

DAILY QUIZ

Q1. The doctrine of "essentiality" was invented by the Supreme Court in which of the following case?

- Shirur Mutt Case**
- Amna Bint Basheer Case
- Fathima Tasneem Case
- Kesavananda Bharti Case

Q2. Consider the following statements about the Iran Nuclear Deal:

- It was the result of prolonged negotiations between Iran and Australia.
- Under the deal, Iran agreed to significantly cut its stores of centrifuges, enriched uranium and heavy-water.

Which of the statements given above is/are correct?

- 1 only
- 2 only**
- Both 1 and 2
- Neither 1 nor 2

Q3. Consider the following statements about Operation AAHT:

- It is a nationwide operation to curb human trafficking.
- It is launched by the Narcotics Control Bureau.

Which of the statements given above is/are correct?

- 1 only**
- 2 only
- Both 1 and 2
- Neither 1 nor 2

Q4. Consider the following statements:

- The reserve is located in Telangana.
- This sanctuary is catchment for the rivers Godavari and Kadam.
- The sanctuary is one of the richest teak forests in the state.

The above given statements refers to which of the following protected site?

- Sathyamangalam Tiger Reserve
- Kawal Tiger Reserve**
- Bandipur Tiger Reserve
- Kanha Tiger Reserve

Q5. Consider the following statements:

- Cabinet Committee on Parliament Affairs (CCPA) looks after the progress of government business in the Parliament.
- It is headed by Union Home Minister.

Which of the statements given above is/are correct?

- 1 only**
- 2 only
- Both 1 and 2
- Neither 1 nor 2