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Weekly Editorial Analysis (WEA)

29th May 2021

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Note -

- The Newspaper clippings pasted in PDF are important from Mains point of view as it contains the fodder material for Mains Answer Writing.
- Also watch DND video lectures everyday @ 4 PM on Sleepy's YouTube channel in order to understand how to get the most out of everyday's Newspaper .

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1. Deflating India's COVID black market boom

- In the gloomy battle against the novel coronavirus pandemic, what has emerged as most reprehensible is the brazen attempt by profiteers in filling the gap following the desperation of many patients and families.
- With the second wave of infections and the rise in COVID-19 positive cases in India, the necessity for integral medicines, hospital beds and oxygen supplies has gone up incrementally.

Flourishing market

Tocilizumab injections

- In July 2020 a racket of selling **fake and spurious tocilizumab injections** in Surat and Ahmedabad was unearthed by the Gujarat Food and Drugs Control Administration.

Remdesivir vials

- Police in Ahmedabad arrested a few people for preparing **fake remdesivir vials** for sale using a mixture of glucose and salt and affixing them with fake brand labels.

Oxygen Cylinder

- In Kanpur, Uttar Pradesh, a racket to market **oxygen cylinders** in the black market was uncovered after raids on a godown.

Issues

- The **desperate need for vital medical supplies** has forced many hapless citizens to pay more than the market price to procure these medicines.
- Distribution of remdesivir in the States is mostly controlled by the **local governments**, while decisions about oxygen supplies to the States are predominantly decided by Union bodies. Yet, citizens have been approaching alien sources to procure medical supplies. Helpline numbers inundated with calls and **difficult to connect**
- Inadequacy of resources
- This inaccessibility, a redundant and long communication process flow, and a **delay in rendering responses** are what have affected the reliability of these helplines as far as people are concerned.

Why black market thrive

- Any market, black or otherwise, is a dynamic hemisphere which is **consumer-driven**.
- There is public demand for what the products these black markets or rackets have to offer and which is why they thrive.
- A patient and their attendants face challenges of **resource availability** and significant constraints of time within which they need a solution, resulting in tremendous mental pressures.
- Alleged hospital **bed-booking scams**, the unnecessary hoarding of COVID-19 essentials by the elite, and possible **VIP culture** practices have contributed to the erosion of trust.

- These elements have all combined to force the public to look elsewhere for sources beyond the probability of the government rendering them assistance.

Way forward

- Need efficient **multi-dimensional preventive model** rather than a control mechanism that functions much after the damage has been already done.
- **Administrative mechanisms** need to be expanded qualitatively and quantitatively.
- We need to **operationalise technological knowledge** in order to ease the communication processes which could reduce the burden on data entry operators and the management information systems to induce better responsive behaviour.
- We need an **expert planning model** which not only allocates the resources judiciously but also allows a follow-up of the entire process flow to ensure that there are no illegal deviations.
- In oversight, we need a **strong, decentralised and independent vigilance system** which promotes transparency in this desperate situation to ensure quality in the performance of administrative set-ups.

Way forward (Role of Volunteer organisations)

- India is blessed with numerous volunteer organisations trying to tackle the various challenges of the pandemic. Unfortunately, in many instances, **they do not enjoy governmental support**.
- The state machinery **needs to identify such groups**, train them, optimise them and deploy them on a priority basis and ensure that there is no concentration of human resources in a single vertical.

2. A single global tender for vaccine procurement

- With only 20 million vaccine shots available for the entire month of May for the 600 million people aged 18-44 years in India, many State governments have resorted to floating global tenders for COVID-19 vaccines.

Vaccine production

- Reducing Central government monopsony can theoretically increase production.
- However, it is **unlikely to manifest quickly enough** to aid in successfully preparing for a third wave through vaccination, especially in the presence of limiting factors like reduced raw materials.
- **Without any increase** in supplies, expanding eligibility to the 18-44 years age group will only spread vaccines thinly, which makes little epidemiological and operational sense.

Vaccine pricing

- Uniform vaccine prices for all States can prevent exploitation of possible economies of scale.
- Leaving prices to an **oligopolistic market** favours unhealthy competition among States.
- The **new vaccination strategy** has now forced States to compete in an unfavourable international market,
- Making **State governments pay higher prices** for the vaccines essentially increases government expenditure, though the burden now has shifted to the States.

Way Forward

- **Revisit the policy** and use the limited vaccine supply for the adult high-risk and vulnerable group, identified as per the target population.
- **Reconsider opening vaccination for the 18-44 years age group** in August 2021, when vaccine supply is likely to stabilise.
- This can be done earlier if adequate supplies become available.
- Central government can **coordinate with the States** and on behalf of all the willing States, float a single global tender for vaccine procurement.
- This is unlikely to yield much as most **vaccine manufacturers hardly have any spare capacity** for the next few months, but a single powerful purchaser is more likely to tip the balance in India's favour, apart from accomplishing obvious efficiency and equity gains.
- The benefits of being the single purchaser are not alien to the current government – the Centre's own flagship healthcare programme, the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana, is an exemplar of such benefits
- The Central government procured the vaccines and States dealt with delivery.
- The fact that the federal government has provided vaccines free to all even in the United States, which is a poster child of laissez-faire and arguably, an inspiration behind many of India's recent health policy pronouncements, should be an eye-opener

Right to Health

- Article 21 of the Constitution is often interpreted as embracing the right to health.
- The rights-based approach in health in operational terms connotes accessibility, availability and affordability, and the significance of these magnifies multifold during an emergency of the proportions we are seeing today.
- On May 14, 2021, the Indian government announced that over two billion doses of vaccines against SARS-CoV-2 will be produced in India from August to December.
The government can be applauded on its intent: vaccinating a billion Indians with two doses each should in theory give India herd immunity.
- But while the number 2.1 billion doses makes sense, little else does. Vaccines don't save lives; rapid, mass, repeated vaccinations do.

3. Vaccination is our only weapon

Vaccinate on a war footing

- In the **2019 general election**, in just five weeks, about 610 million Indians voted at one million polling stations that were supervised by 10 million election officials.
- If the nation can be mobilised every five years for the general election, there is no reason why India cannot vaccinate one billion Indians in five weeks.
- On a war footing, India needs to vaccinate 75% of the population in five weeks, not five months.

- Up to May 23, only 10.9% of the population had received one dose and only 4% had been fully vaccinated with two doses.
- On average 1.5 million Indians have been vaccinated every day since the vaccination programme started on January 16.
- If in the 150 days between August and December this year, about 2.1 billion doses are produced, India requires not just the production but the administration of at least 14.4 million vaccines per day.
- But it lacks the infrastructure to administer the produced vaccines at 10 times the current rate. It will fail in this critical task unless it mobilises the armed forces for logistics.
- Every health worker not working in a hospital and every medical, paramedical, and nursing student will have to be on vaccine administration duty.
- Unless every Indian is protected either by vaccination or herd immunity, India will remain unprotected.

Virus mutation

- Spreading viruses mutate. The only way a host can break the cycle of replication and mutation is if the host's immune system neutralises the virus.
- Immunity is acquired in only **two ways** – either by natural infection or vaccine-derived immunity.
- The problem with the current rate of vaccination is that in the **large population groups which remain unvaccinated or under- vaccinated**, the virus is spreading, replicating, and mutating.
- Unless it resorts to **mass, rapid vaccinations**, India will be condemned to new variant pandemic cycles that will keep surging and receding with cyclical and devastating consequences on lives and livelihoods.

Vaccine efficacy

- All vaccines are **not equally effective** – high efficacy equals high economic benefit.
- The primary driver of the choice of a vaccine manufacturer is **not just the ability to produce large quantities in the time frame required; it is the efficacy of the vaccine** following peer reviews, publications and rollout.
- Equally important is **the ability of the manufacturer to quickly re-engineer and produce updated vaccines** against the prevalent strains and future 'variants of concern'.
- Both the Russian **Sputnik V** and the Chinese **Sinopharm vaccines** were rolled out widely and ahead of sufficient phase 3 trial data.
- Mostly low- and middle-income countries have given **emergency use licence** to both these vaccines and millions have been vaccinated with them.
- Both vaccines remain **under review by the European Medicines Agency**. On May 7, the World Health Organization listed Sinopharm for emergency use and is expected to do the same for Sputnik V shortly.
- However, **absence of transparency** in clinical trial protocols and of the data and its analysis have cast doubts on approval of these vaccines in developed countries with access to other vaccines.

Case of Seychelles

- Despite being the most vaccinated nation in the world, with more than **60% of its population fully vaccinated**, the Seychelles is battling a surge of the virus and has had to reimpose a lockdown.
- In the Seychelles, **57% were given Sinopharm** (donated by the United Arab Emirates), while **43% were given AstraZeneca** (produced by the Serum Institute of India).
- On a per capita basis of reported cases, the **Seychelles outbreak is worse** than India's.
- All vaccines do not necessarily demonstrate the efficacy that the manufacturers tout.
- **Manufacturers must be held to account** not just on their production targets but on efficacy data. Transparency in clinical trials including post-vaccine rollout analysis is mandatory.

Issue need to resolve

- Until all Indians are protected, none of us is protected.
- The government's announcement that **2.1 billion doses will be provided in five months**, without any mention of a central vaccine agency managed by experts to govern the purchase, procurement and production centrally for all States, will create and promote vaccination asymmetry.
- It will exacerbate the pre-existing healthcare iniquity and inequity in India.
- To the **rich-poor, rural-urban, digital divides** we now appear to be adding a new vaccination divide.

4. Another challenge

- The second wave of the pandemic has thrown up another serious challenge.
- There is now a growing number of **mucormycosis cases** being reported in COVID-19 patients.
- A concerned Health Ministry has now asked all States to classify mucormycosis, a fungal infection, as a notifiable disease under the Epidemic Diseases Act 1897; a few States have complied.
- As a notifiable disease, every suspected and confirmed case is to be reported to the State Health Department.
- While the infection is caused by a group of moulds called **mucormycetes**, which are commonly found in the environment, the fungi are largely harmless under normal circumstances.
- But COVID-19 patients with **uncontrolled diabetes** who are on steroid therapy face a higher infection risk.
- Breathing in the fungi spores can cause an infection in the lungs or sinuses which can spread.
- Even when blood sugar is under control, indiscriminate **steroid** use can cause an increase in blood sugar levels, making such patients more susceptible to mucormycosis infection.
- While **WHO "strongly recommends"** that **corticosteroids such as dexamethasone** be used in **treating patients with severe and critical COVID-19**, they should not be used in non-severe COVID-19 patients.
- The absence of any new or repurposed drugs to effectively treat COVID-19 patients and the **lack of clear guidelines** in using certain drugs have led to indiscriminate drug use, including steroids.

- The infection can be cured without even **surgery** if detected early. This is one more reason why people, particularly those with diabetes, should get vaccinated soon. Since complete vaccination prevents severe disease, diabetics will not need steroids, and hence will not suffer from mucormycosis.

5. Slowing the pace of India's mucormycosis threat

- This outcome was our greatest fear as the administration of **dexamethasone** and other steroids began to become common.
- As oncologists who rely on steroids in many of our protocols, and having managed several cases of mucormycosis, we are acutely aware that treatment protocols need to differ from patient to patient due to the complexities in clinical presentation and an individual's tolerance to treatment.
- Some States, including Tamil Nadu, have declared mucormycosis as a notifiable disease under the Epidemic Diseases Act. Guidelines and protocols need to be adapted and modified rapidly to arrest this growing epidemic.
- The estimated **burden of mucormycosis in India is 14 per 100,000** in a study published in Current Fungal Infection Reports .
- This is almost **70 times higher** than what is reported in other countries

Focus on diabetes

- It must be made absolutely clear that mucormycosis is **not transmitted from one individual to the other**, the way COVID-19 is.
- The most common cause is uncontrolled diabetes mellitus (raised blood sugars).
- Other causes include the treatment of some **cancers**; steroids, chemotherapy or immunotherapy, and solid organ or stem-cell transplantations.
- The common sites of presentation include **rhino-cerebral** involvement (i.e., the fungus can damage the nose, paranasal sinuses, the eyes and the brain), and pulmonary involvement (i.e., the fungus can cause pneumonia).
- Raised blood sugars being a cause is of particular concern for multiple reasons.
- According to a study in The Lancet , the number of people with **diabetes increased to 65 million in 2016 in India**.
- The highest prevalence of diabetes was observed in **Tamil Nadu, Kerala and Delhi**.
- The crude prevalence of diabetes above 20 years of age has increased to 7.7% in 2016, from 5.5% in 1990.
- Further, there is an underlying **higher genetic susceptibility** to diabetes in Indians; some of these cases could get unearthed only after exposure to steroids.

Impact of treatment

- In a lab study published in Nature Metabolism , SARS-CoV-2 can **potentially multiply in pancreatic cells** and contribute to increased blood sugar levels in COVID-19 patients.

- **Steroids** form a very important aspect of treatment for COVID-19 because they lower death rates by reducing the cytokine storm phase which can develop in some patients.
- However, steroids when used excessively or prematurely, and without medical supervision can be harmful.
- Besides causing **reduced immunity levels**, steroids can also **increase blood sugar levels** which can cause additional harm if left unchecked. Dexamethasone, methylprednisolone or prednisone are among the steroids used in the treatment of COVID-19

Treatment approach

Multi-disciplinary approach

- Mucormycosis is associated with very high morbidity and mortality.
- Its treatment requires a multi-disciplinary team approach that includes **microbiology, pathology, radiology, infectious diseases, surgery, pediatrics, hematology**, intensive care, dermatology, and pharmacology.
- A multi-disciplinary approach is simply not feasible on a large scale, especially in areas with limited medical access.

Surgery

- Surgery for mucormycosis can be debilitating **requiring major resections**.
- In the case of rhino-cerebral mucormycosis especially, surgery is usually **required in addition to antifungal drugs**.
- If these surgeries cannot be performed, the outcome is dismal

Drugs

- Additionally, there are limited antifungal drugs available for mucormycosis.
- The gold standard drug is **liposomal amphotericin B**, which is priced out of reach for many.
- **Amphotericin B deoxycholate** (conventional) is cheaper, but is associated with an unfavourable toxicity profile including kidney problems, abnormalities in electrolyte levels; reduced sodium, potassium, calcium and magnesium levels can lead to other toxicities.
- Some other expensive treatment options include **posaconazole and isavuconazole**.
- All these medicines often have to be administered for prolonged durations, making treatment protocols difficult to sustain on a large scale, given the cost implications and difficulty in drug administration due to its side-effects.

Way forward

- **Steroid use** at home for COVID-19 should be only under the supervision of a health-care worker.
- The control of **blood sugars** during steroid intake is crucial to avoiding mucormycosis.
- When patients are medicating themselves at home, **monitoring of capillary blood glucose** is essential.
- If high blood sugars are encountered, a tele-consult with a doctor is advisable.

- Going a step further, health authorities may consider arranging for blood glucose monitoring for patients at home on steroids, and also promoting awareness campaigns on the importance of controlled blood sugar levels.
- Patients on steroids for COVID-19 should **report symptoms** of mucormycosis at the earliest.
- Among other symptoms, they should look out for **facial swelling** on one side, protrusion of the eyeball, new-onset visual disturbances, headache and vomiting, new onset swelling or ulcers with blackish discolouration, and prolonged fever.
- COVID-19 treatment experts and policy-makers may consider widespread training of health-care personnel including **Accredited Social Health Activists (ASHAs)** and nursing professionals to raise awareness on mucormycosis while educating people locally.

6. Weathering storms

- India's capacity to withstand multiple, near-simultaneous shocks is being tested, with a Very Severe Cyclonic Storm, Yaas, striking Odisha, just a week after an even stronger Cyclone Tauktae wreaked havoc along the west coast.
- Yaas, which put up an unnerving display of tornadoes and rain, smothered the north **Odisha coast** as it made landfall, but the preparatory mass evacuation from habitations appears to have limited the loss of life.
- Yet, **thousands have lost houses and property.**
- **West Bengal and Jharkhand** also bore the brunt of the weather system's force, as it punched its way inland from May 26, weakening into a deep depression.
- The 2021 season comes as another reminder that India will have to improve its resilience to cyclones.
- Governments are, no doubt, more sensitive to loss of life today and are raising the capacity of the disaster response forces, but much work needs to be done when it comes to protecting assets and creating fiscal instruments to help people rebuild their lives.

Amphan destruction

- The World Meteorological Organization in its State of the Global Climate 2020 report described **Cyclone Amphan that hit Bengal in May** last year as the costliest cyclone on record for the North Indian Ocean, with economic losses to India of the order of \$14 billion.
- In human terms the extreme event displaced 2.4 million people. What stood out in its aftermath was **corruption in the distribution of relief**, putting West Bengal Chief Minister Mamata Banerjee in a spot.
- The Amphan experience should convince Chief Ministers that they must insure people against losses from catastrophes using a system of documentation that makes relief and rehabilitation funds non-discretionary.

Mitigation measures

- Pre Disaster
 - ✓ cyclone forecasting, tracking and warning systems

- ✓ Cyclone shelters, cyclone-resistant buildings, road links, bridges
- ✓ Early Warning Dissemination System
- ✓ Mock drills, and training of local population National Cyclone Risk Mitigation Project Use of satellites
- During disaster
 - ✓ Use of social media to advice people Food, Health & Hospital facilities Evacuation
- Post-disaster
 - ✓ alternative means of communication Implementation of policies Future learning

Odisha case

1999	Huge loss due to super cyclone
Amphan cyclone	evacuation of the people to meet its zero causality target.
Methods	<ul style="list-style-type: none"> • Evacuation, movement of people in low-lying areas and kutcha houses to cyclone shelters, safeguarding Rabi crops in mandis • Deployment of ODRAF, NDRF teams, • Setup Odisha State Disaster Management Authority • Around 900 cyclone shelters have been built in vulnerable pockets of the state • Clear communication plan • Protecting natural defenses (Mangroves)

India's effort	
National Cyclone Risk Mitigation Project	<ul style="list-style-type: none"> • To protect the vulnerable local communities from the impact of cyclones and other hydro-meteorological calamities. • Implemented by NDMA • World bank-financial assistance
ICZM Project	comprehensive plan to manage coastal areas.
IMD's Colour Coding of Cyclones	weather warning that is issued by the IMD to aware people ahead of natural hazards.
Impact-based cyclone warning system	<ul style="list-style-type: none"> • By India Meteorological Department(IMD) • District or location will issue specific warnings which will factor in the infrastructure, local population, settlements, land use as well as other elements will be disseminated and prepared. • If a district is to be hit by a wind up to 160 kmph, the system will warn about the kind of infrastructure that will likely get damaged and these can be mapped.

Mitigation Measures proposed by UN-HABITAT	
Hazard Mapping	To predict the vulnerable areas affected by the storms
Land use planning	Avoid settlements in high risk areas
Engineered Structures	public infrastructure of the country should be designed keeping in mind the hazard mapping of the cyclone.
Non-Engineered Structures	steep-slope roof to avoid the risk of being blown away Plantations of trees
	Cyclone Sheltering Flood Management Mangrove Plantation Artificial Hills (Refuge during flood)



7. The many benefits of an eco tax

- The Indian government announced a pandemic-related stimulus package in FY 2020-21 though there was large decline in tax revenue.
- The **fiscal deficit for FY 2020-21 (revised estimates) is projected to be 9.5% of the GDP**; for 2021-22, it is pegged at 6.8%.
- The focus is on maintaining fiscal discipline. In this peculiar scenario, sustained health financing in India remains a challenge.

Household spending on health

- The World Health Organization (WHO) provides data on the percentage of the total population where the household expenditure on health was greater than 10% and 25% of the total household expenditure or income in India in 2011.

- As far as health expenditure above 10% is concerned, 17.33% of the population in India made out-of-pocket payments on health.
- The percentage was higher in rural areas compared to urban areas.
- Globally, the average was 12.67%, which means that 12.67% of the population spent more than 10% of their income (out of their pocket) on health.
- In Southeast Asia, 16% spent more than 10% of their household income on health.
- The Western Pacific region came second in the list of regions that saw a rate higher than the global average. Similarly, 3.9% of the population in India made more than 25% of out-of-pocket payments on health, with 4.34% in the rural areas.

The Economic Survey of India 2019-20

- An increase in public spending from 1% to 2.5-3% of GDP, as envisaged in the National Health Policy of 2017, can **decrease out-of-pocket expenditure from 65% to 30%** of overall healthcare expenses.
- This is where the importance of alternate sources of health financing in India needs to be stressed.
- The COVID-19 pandemic has also forced countries all over the world to rethink climate change and the need for preservation of the environment.
- Fiscal reforms for managing the environment are important, and India has great potential for revenue generation in this aspect.

Fixing the eco tax rate

- Environment regulation, in turn, may take several forms: **command and control; economic planning/urban planning**; environmental tax (eco tax)/subsidies; and cap and trade.
- India currently focuses majorly on the **command-and-control** approach in tackling pollution.
- The success of an eco tax in India would depend on its architecture, that is, **how well it is planned and designed**. It should be credible, transparent and predictable.
- Ideally, the eco tax rate ought to be **equal to the marginal social cost** arising from the negative externalities associated with the production, consumption or disposal of goods and services.
- This requires an **evaluation of the damage to the environment** based on scientific assessments. This would include the adverse impacts on the health of people, climate change, etc.
- The eco tax rate may, thus, be fixed commensurate to the marginal social cost so evaluated.
- The Madras School of Economics had already undertaken extensive studies in this regard.
- Environmental tax reforms generally involve three complementary activities:
 - ✓ Eliminating existing subsidies and taxes that have a harmful impact on the environment
 - ✓ Restructuring existing taxes in an environmentally supportive manner
 - ✓ Initiating new environmental taxes.
- Taxes can be designed either as revenue neutral or revenue augmenting.

- In case of **revenue augmenting**, the additional revenue can either be targeted towards the provision of environmental public goods or directed towards the overall revenue pool.
- In developing countries like India, the revenue can be used to a greater extent for the provision of environmental public goods and addressing environmental health issues.
- In India, eco taxes can target three main areas
 - ✓ Differential taxation on vehicles in the transport sector purely oriented towards fuel efficiency and GPS-based congestion charges
 - ✓ In the energy sector by taxing fuels which feed into energy generation
 - ✓ Waste generation and use of natural resources.
- Tax revenues can be generated through eco taxes.
- There is also a need to integrate environmental taxes in the Goods and Service Tax framework as highlighted by the Madras School of Economics in its studies.

Benefits of Environmental tax

- Environmental tax reforms can **mobilise revenues to finance basic public services** when raising revenue through other sources proves to be difficult or burdensome.
- Revenue from environmental tax reforms can also be used to **reduce other distorting taxes** such as fiscal dividend.
- Environmental tax reforms **help internalise the externalities**, and the said revenue can finance research and the development of new technologies.

Challenge

- Environmental regulations may have significant costs on the private sector in the form of slow productivity growth and high cost of compliance, resulting in the possible **increase in the prices of goods and services**.

Global experience

- European experience shows that most of the taxes also generate substantial revenue and there is **no evidence** on green taxes with sustainable development goals leading to a '**no growth**' economy.
- Most countries' experiences suggest negligible impact on the GDP, though such revenues have not necessarily been used for environmental considerations.
- Thus, the negligible impact on the GDP may be a temporary phenomenon.
- Hence, this is the right time for India to adopt environmental fiscal reforms as they will reduce environmental pollution and also generate resources for financing the health sector.

8. One-state solution, the way forward in Palestine

- For more than 50 years, well-intentioned and more cynical, local and external actors involved in the attempts to bring peace and reconciliation to historical Palestine have religiously adhered to the two-state solution as the only way forward.

Expansion of Jewish state

- The so-called civilised world through the United Nations insisted that the Palestinians should give half of their homeland to the settler movement of Zionism.
- The Palestinians attempted to convince the international community that the problem was not only about dispensing with half of their homeland but that the settler movement of Zionism would not be content with just half of the country and intended to take as much of it as possible and leave in it as few Palestinians as possible.
- Under the guise of UN support, the new **Jewish state took over nearly 80% of historical Palestine** and ethnically cleansed almost a million Palestinians (more than half of Palestine's population), and in the way demolished half of Palestine's villages and most of its towns in nine months in 1948; an event known by the Palestinians as the **Nakba, the catastrophe**.

Incremental cleansing

- It was impossible after 1948 to repeat a massive ethnic cleansing, so it was substituted by incremental ethnic cleansing (the last stage in this process was one of the root causes that ignited the cycle of violence last week — the proposed **eviction of Palestinians from Shaykh [Sheikh] Jarrah**, an East Jerusalem neighbourhood, as part of an overall attempt to Judaise East Jerusalem).
- Imposing military rule in the West Bank and the Gaza Strip after they were occupied was another means which enclaved the people there without basic human and civil rights.
- Imposing a version of an **Apartheid regime on the Palestinian** minority in Israel is another method and the constant refusal to allow the 1948 refugees to return completes the matrix of power that allows Israel to retain the land and disregard a demographic reality by which the Jews are not the majority in historical Palestine.

It is Israel that decides

- The two-state solution, offered for the first time by liberal Zionists and the United States in the 1980s, is seen by some Palestinians as the best way of ending of the occupation of the West Bank and at least the partial fulfilment of the Palestinian right for self-determination and independence.
- This is why the Palestine Liberation Organization was willing to give it a go in 1993, by signing the **Oslo Accords**.
- But the Palestinian position has no impact in the current balance of power.
- What mattered is how Israel interprets the idea and the fact that there is no one in the world that could challenge its interpretation.
- The Israeli interpretation, until the rise of Benjamin Netanyahu to power in 2009, was that the two-state solution is another means of having the territories, the West Bank and the Gaza Strip, without incorporating most of the people living there.
- In order to ensure it, Israel partitioned the West Bank (which is 20% of historical Palestine) into a Jewish and an Arab part.
- This was in the second phase of the Oslo Accords, known as the Oslo II agreement of 1995. The Palestinians were forced to accept it under American and Egyptian pressure.

- One area, called area C, which consists of 60% of the West Bank) was directly ruled from 1995 until today by Israel.
- The remaining 40% of the West Bank, areas A and B under Oslo II, were put under the Palestinian Authority, which optimistically calls itself the state of Palestine, but in essence has no power whatsoever, unless the one given to it, and withdrawn from it, by Israel.

A Bantustanisation

- The Gaza Strip was divided too. But the Jewish part was small and could not be defended from the local national movement's wrath. So, the settlers were taken out in 2005 and Israel hoped that another Bantustan, like the one in areas A and B, would be established there under the Palestinian Authority's rule and under the same conditions.
- But the people of Gaza opted to support a new player, Hamas, and its ally, the Islamic Jihad, which resisted this offer. They supported them not only because there was a return to religion in the face of the ongoing predicaments but also because there was big disappointment from the compliance of the PLO with the Oslo arrangements. Israel responded by imposing a callous siege and blockade on the Gaza Strip that, according to the UN, made it unliveable.
- To complete its strategy that included the partition of the West Bank, its Bantustanisation, and the siege of Gaza, Israel passed in 2018 a citizenship law, known as the nationality law, which made sure that the Palestinian citizens who live in Israel proper (which is Israel prior to the 1967 occupation of the West Bank and the Gaza Strip) and who are supposedly equal citizens of the Jewish state, will in essence become the "Africans" of a new Israeli Jewish apartheid state: living in a permanent regime that discriminates against them in all aspects of life on the basis of their nationality.

Two-state solution is impossible

- The endless negotiation on the two-state solution was based on the formula that once the two states become a reality, Israel will stop these severe violations of the Palestinian civil and human rights, wherever they are.
- But while the wait continued, more Palestinians were expelled and the Jewish settler community in the West Bank doubled and tripled and took over the fertile land, leaving no space for Palestinian expansion.
- The presence of more than 600,000 Jewish settlers, with a very high rate of natural growth, means that Israel will never consider moving them out; and without that, even a soft version of a two-state solution is impossible.

Decolonise, build a new state

- The whole premise of the two-state solution is wrong and that is why it did not materialise.
- It is based on the assumption of parity and of framing the conflict as one fought between two national movements. But this is not a "conflict" as such.
- This is a settler colonial reality which began in the late 19th century and continues until today.
- The late scholar, Patrick Wolfe, described settler colonial movements as motivated by a logic he called "the elimination of the native".
- Sometimes it led to genocide, as it happened in North America, sometimes it translated to an ongoing ethnic cleansing operation, which is what has unfolded in Palestine.

- The two-state solution is not going to stop the ethnic cleansing; instead, talking about it provides Israel international immunity to continue it.
- The only alternative is to decolonise historical Palestine. Which means that we should aspire to a state for all its citizens all over the country, based on the dismantlement of colonialist institutions, fair redistribution of the country's natural resources, compensation of the victims of the ethnic cleansing and allowing their repatriation.
- All this will be so that settlers and natives should together build a new state that is democratic, part of the Arab world and not against it, and an inspiration for the rest of the region which desperately needs such models to push it forward towards a better future.

9. A September exit, Afghanistan at the crossroads

- The fragile Afghanistan peace process has been in disarray as the Washington-desired conference to be hosted by the United Nations in Istanbul, Turkey – earlier scheduled for late April- early May – remains suspended due to the reluctance of Afghan's Taliban.
 - ✓ Turkey had to announce the postponement of talks until the end of Ramzan.
 - ✓ Now there is some hope of breaking the impasse as the Taliban have expressed an openness to attend the Istanbul summit with the rider that the final outcome will be achieved in Doha.
 - ✓ Although it gives an impression of the Taliban snubbing Turkey, the real issue regarding Afghan peace, however, should be: 'what' is to be done, and not 'who' does it or 'how' it is done.

An American calibration

- The Istanbul conference is being calibrated by the Biden administration with its plans to completely withdraw from war-torn Afghanistan.
- United States President Joe Biden is insistent on withdrawing the troops on September 11, even without any power-sharing deal between the warring parties.
- With the rising level of violence, prospects of negotiating peace in Afghanistan seem bleak. Since the announcement of an exit date, Afghanistan continues to witness deadly attacks across its provinces.
- For instance, multiple blasts outside a girls school in Kabul recently was the worst terror attack in Afghanistan in a year.
- However, while adopting a tough posture, the Taliban have nonetheless kept the space open for engagement with the Afghan government.
- After a long pause in peace talks, they met in Qatar on May 14, the second day of a three-day ceasefire.

Pakistan's emergence

- Being the Taliban's chief patron, Pakistan is the most important player in the Afghan conflict. After months of negotiations, the U.S.-Taliban deal was signed in February 2020, and Pakistan took full credit for it.
- Unlike his predecessor, Mr. Biden has not set timelines, upping the ante for many stakeholders.

- As the U.S. military presence in Afghanistan for almost two decades had kept Washington reliant on Rawalpindi for operational and other support, Pakistan not only treated the U.S. as its geopolitical pawn but also smartly mobilised this factor against India.
- With the disappearance of this lethal dependence, Pakistan faces an uphill task in conducting a viable Afghan policy.
- Therefore, Pakistani Foreign Minister Shah Mahmood Qureshi's latest phone call to the U.S. Secretary of State Antony J. Blinken should be seen in this context.
- Expressing Pakistan's desire for "close economic cooperation, enhanced regional connectivity and common vision for a peaceful South Asia", the crux of Mr. Qureshi's discussion was in laying stress on the need for "responsible withdrawal" of foreign forces, clearly indicating fear of a pyrrhic victory.

Dealing with the President

- An essential element of Mr. Biden's plan is to make Mr. Ghani agree to dissolve his government and set up a new governing system that would include the Taliban, which could finally decide the future distribution of power and changes to the Afghan Constitution.
- But Mr. Ghani refuses to step down for an interim regime to take over, insisting that a new government should emerge through elections in which he promises not to run.
- Mr. Ghani is seen as a figure who has deepened divisions among an already fractured Afghan political elite, besides failing miserably to wean the Pashtuns away from the Taliban.
- Ever since his controversial re-election, rival contenders for power are increasingly attacking his legitimacy, challenging his motivations and grounds of support.
- On the contrary, the Taliban continues to display a large measure of cohesion, despite reports of its fragmentation.
- Without an immediate ceasefire, a tough summer awaits the Afghan security forces.
- The Taliban now draw support from a wide variety of regional powers, including Russia, China and Iran.
- However, these countries too want the insurgent group to moderate its position.
- China, which has earned notoriety of being the free rider in Afghanistan, seems confused as the American exit looms large.
- Despite public rhetoric of asking the U.S. to leave, the Chinese policy makers have become more comfortable over the years with America's military presence in Afghanistan which has suppressed many terrorist groups which threaten China directly or Beijing- friendly regimes in Central Asia.

China and India

- Since the need to focus on great-power competition appears to have been factored considerably into Mr. Biden's decision of strategic retrenchment from Afghanistan, it has serious implications for China; it would leave Beijing vulnerable to its spillover effects particularly in the restive Xinjiang province.
- That is why China has remained invested in all major regional Afghan-centric negotiations. Though it has a stake in the success of the Istanbul talks, its latest offer of hosting intra- Afghan talks in Beijing will only confound the current contradictions.

- Nevertheless if all regional frameworks fail to achieve Afghan peace, Beijing will not hesitate in asking for a potential UN intervention, as revealed by Chinese Foreign Minister Wang Yi.
- India has been the key regional backer of the Ghani government, supporting an “Afghan-led, Afghan-owned and Afghan-controlled” peace process.
- New Delhi rightly fears a Taliban-dominated regime in Kabul might allow Pakistan to dictate Afghanistan’s India policy.
- That is why India’s External Affairs Minister S. Jaishankar, has underlined the need for “a genuine double peace” (within and around Afghanistan).
- But despite being offered a seat at Istanbul at the U.S.’s behest, New Delhi remains a peripheral player.
- As opportunism and strategic boldness seem to have become the main structuring poles of Afghan conflict resolution diplomacy, India’s policy preference for courting Kabul’s traditional political elite has faced a distinctive drawback; it has no leverage with the Taliban.
- Hence, there is nothing unethical in exploring the possibility of developing links with the amenable section of the Afghan Taliban.

Finally, India and Pakistan

- The strategic competition between Washington and Beijing, China’s growing rivalry with India, and New Delhi’s tense relationship with Islamabad are some of the factors which will certainly affect the situation in Afghanistan as the U.S. leaves the country.
- Thus, any reduction in tensions between India and Pakistan, irrespective of who plays the mediator, will have an indirect stabilising effect on Afghanistan.
- Moreover, Pakistan has a direct stake in the success of peace talks because it is aware of the negative fallout of another cycle of violence in Afghanistan – unconstrained refugee flows and terror attacks inside its territory. It remains to be seen how border fencing along the controversial Durand Line can minimise this negative fallout.
- While the September 11 exit would bring the U.S.’s “forever war” to an end, it is unlikely to result in peace if Afghan stakeholders show their utter inability to take the process forward. But If the path of negotiations is either abandoned or accepted half-heartedly, it will be impossible to stop Afghanistan’s descent into chaos and civil war.

10. Guarantor beware

- The Supreme Court judgment upholding creditors’ right to proceed against personal guarantors to loans provided by them to a corporate borrower **helps lift the uncertainty over the extent to which banks and other financial lenders can pursue** not only the corporate debtor but also the individuals who had furnished personal guarantees to enable the flow of credit to the company they had stood surety for.
- This ought to be of significant consequence to the financial system, already under a mountain of bad loans, by helping expedite the resolution of such stressed assets.

- The judges made clear that the government was right in “carving out personal guarantors as a separate species of individuals”, given the “intimate connection between such individuals and corporate entities to whom they stood guarantee”.
- Banks now stand a real chance of recovering substantially more from the resolution of a stressed corporate entity, as in most cases it has been the relatively affluent promoters who have been standing as individual personal guarantors for the loans extended to the companies they promoted.

Impact

- Several corporate leaders are set to be impacted.
- The promoters of many defaulting corporates, which are facing action under the IBC, had furnished guarantees for thousands of crores in loans availed by the companies they ran.
- The State Bank of India alone had submitted in the apex court that it had served demand notices aggregating to more than ₹39,000 crore to individuals who had signed as guarantors for credit provided to corporate entities.
- The judges also cleared the air over another issue that is bound to strengthen the creditors’ positions in all ongoing, future and even completed insolvency proceedings.
- The Bench ruled that the approval of a resolution plan for the corporate debtor does not extinguish the personal guarantor’s liability, which it said “arises out of an independent contract”.
Lenders can now proceed against the guarantors to enhance recovery given that most banks agree to ‘haircuts’ when negotiating a resolution plan with a new promoter for the defaulting company.
- The only wrinkle here is that once the resolution plan becomes legally binding, the guarantor loses the recourse to remedy from the borrower when the creditor invokes the personal guarantee.
- Entrepreneurs will now have to think twice before signing a personal guarantee unless they can be very certain that the business they found will not flounder.

11. Insolvency and Bankruptcy Code (IBC) 2016

- Insolvency and Bankruptcy Code 2016 was implemented through an act of Parliament. It got Presidential assent in May 2016.

Need

- The law was necessitated due to huge pile-up of non- performing loans of banks and delay in debt resolution.
- Insolvency resolution in India took 4.3 years on an average against other countries such as United Kingdom (1 year) and United States of America (1.5 years), which is sought to be reduced besides facilitating the resolution of big-ticket loan accounts.

What is the timeframe for completion of the exercise under the Code?

- Companies have to complete the entire insolvency exercise within 180 days under IBC.
- The deadline may be extended if the creditors do not raise objections on the extension.
- For smaller companies including startups with an annual turnover of Rs 1 crore, the whole exercise of insolvency must be completed in 90 days and the deadline can be extended by 45 days.

- If debt resolution doesn't happen the company goes for liquidation

What does the committee of creditors do?

- A committee consisting of the financial creditors who lent money to the debtor is formed by the insolvency professional.
- The creditors' committee decides the future of the outstanding debt owed to them.
- They may choose to revive the debt owed to them by changing the repayment schedule or selling the assets of the debtor to get their dues back.
- If a decision is not taken in 180 days, the debtor's assets go into liquidation.

What happens under liquidation?

- If the debtor goes into liquidation, an insolvency professional administers the liquidation process. Proceeds from the sale of the debtor's assets are distributed in the following order of order:
- First insolvency resolution costs, including the remuneration to the insolvency professional, second secured creditors, whose loans are backed by collateral and third dues to workers, other employees, forth unsecured creditors.

Insolvency Professionals	cadre of licensed professionals is proposed to be created registered with insolvency professional agencies administer the resolution process, manage the assets of the debtor, and provide information for creditors to assist them in decision making. IPs- persons enrolled with IPA (Insolvency professional agency (IPA) and regulated by Board and IPA will conduct resolution process; it will act as Liquidator/ bankruptcy trustee; they are appointed by creditors and override the powers of the board of directors.
Insolvency Professional Agencies	conduct examinations to certify the insolvency professionals and enforce a code of conduct for their performance.
Information Utilities	centralized repository of financial and credit information of borrowers

Adjudicating authorities	National Companies Law Tribunal (NCLT), for companies; and the Debt Recovery Tribunal (DRT), for individuals duties of the authorities will include approval to initiate the resolution process, appoint the insolvency professional, and approve the final decision of creditors.
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Insolvency and Bankruptcy Board:	The Board will regulate insolvency professionals, insolvency professional agencies and information utilities set up under the Code.
Insolvency Professional Agencies	conduct examinations to certify the insolvency professionals and enforce a code of conduct for their performance.



IBC amendment 2018	Recognises homebuyers as financial creditors	Gave homebuyer representation in the Committee of Creditors (CoC)
	minimum voting threshold for the CoC	Key decision <input type="checkbox"/> 66% (Prev-75%) Routine decisions <input type="checkbox"/> 51% (Prev-75%) Withdrawing resolution plan from NCLT (90%)
	Assent of the Competition Commission of India (CCI)	Needed before the Committee of Creditors (CoC) finalises a resolution plan.

IBC amendment 2019	Time-limit for resolution process	Previous-180-270 Now-330 days
	Financial creditor	If large in no.-appt representative to attend COC
	Initiation of resolution process	Code <ul style="list-style-type: none"> NCLT must determine the existence of default within 14 days of receiving a resolution application. Based on its finding, NCLT may accept or reject the application Amendment <ul style="list-style-type: none"> If not passed an order within 14 days, it must record its reasons in writing. <ul style="list-style-type: none"> If the government had given any license, permit, registration etc. then it'll not be cancelled while IBC proceedings are going on.

Pre-Packaged Insolvency Resolution Process announced for MSMEs	Resolution of the debt of a distressed company through an agreement between secured creditors and investors instead of a public bidding process.
Positive	Faster resolution Minimises Disruptions to the Business reduce litigation
Issues	Transparency Loss to creditor

Supreme Court ruling on creditors invoking personal guarantees

- SC has said is that mere approval of a resolution plan for a debt-laden company does not automatically discharge a promoter from their liability in lieu of the personal guarantee they had given to secure the funding for the company.

- Since personal guarantees from promoters are a kind of assurance to lenders that the monies being borrowed will be returned, the apex court has said that under the contract of guarantee, the liability of the promoter will be over and above the liabilities of the company.

Challenges for IBC

Lack of operational NCLT benches:

- In July 2019, announced setting up of 25 additional single and **division benches of NCLT** at various places including Delhi, Jaipur, Kochi, Chandigarh, and Amravati, most of these remain non-operational or partly operational on account of lack of proper infrastructure or adequate support staff.

Liquidation

- High number of liquidations is a cause for major worry as it violates IBC's principal objective of resolving bankruptcy.

Poor resolution plan approval rate

- As per Insolvency and Bankruptcy Board of India (IBBI), of the **2,542 corporate insolvency cases filed** between December 1, 2016 and September 30, 2019, about 156 have ended in approval of resolution plans – a mere 15%.
- Achievements of the IBC
 - ✓ Speedier Resolution:
 - ✓ Before IBC, resolution processes took an average of 4-6 years
 - ✓ After the enactment of IBC, they came down to 317 days.
 - ✓ Higher Recoveries rate
 - ✓ Before IBC 22%
 - ✓ After IBC 43%
 - ✓ Behaviour change
 - ✓ Many business entities are paying up front before being declared insolvent.
 - ✓ Many cases have been resolved even before it was referred to NCLT.
- Increase in CIRP admitted cases
 - ✓ By the end of March 2019, a total of 1858 cases were admitted for resolution – of which 152 have been appealed/reviewed/settled, 91 have been withdrawn, 378 ended in liquidation and 94 have ended in approval of resolution plans.