

Mains Master

West trade agenda is neo-protectionist

Context

- Rising concerns about Western nations subtly using environmental policies to protect their domestic industries, a practice termed neo-protectionism.

Background

- Traditional protectionism involves tariffs and quotas to directly shield domestic markets.
- Neo-protectionism utilizes regulations and policies (often related to the climate crisis) to achieve protectionist goals indirectly.

Neo-Protectionism by the West: Examples

- Carbon Border Adjustment Mechanism (CBAM):** Imposes tariffs on imports with high carbon footprints, aimed at promoting low-carbon industries within the EU.
 - Downside:** Could harm downstream European sectors (like car manufacturing) due to reliance on those high-carbon baseline materials. There's also the risk of stifling innovation and isolating European industries from global markets.
 - The **sustainability** of CBAM may be limited by its potential for unintended negative consequences for EU industry.
- US Inflation Reduction Act (IRA):** Promotes domestic clean energy production. Its 'Made in America' mandates for vehicles and batteries have led to accusations of hindering exports to the US market and encouraging EU companies to relocate for tax benefits.
- EU's Response:** To counter the IRA, the EU launched its Green Deal Industrial Plan, including the Net Zero Industry Act and the Critical Raw Materials Act.

How Neo-Protectionism Emerged

- The COVID-19 pandemic exposed vulnerabilities and over-reliance on individual nations within global supply chains.
- Western nations began emphasizing self-reliance and national security, intertwined with the climate agenda, as justification for neo-protectionist measures.

The Double Standard of the West

- Criticizing India's Atmanirbhar Bharat: Western critics labeled India's initiative to boost domestic manufacturing as protectionist, while ignoring their own similar strategies masked as climate initiatives.

Is India Really Protectionist?

- India's Atmanirbhar Bharat emphasizes transforming India into a global manufacturing hub with initiatives like Production Linked Incentives (PLI), rather than a purely protectionist approach.

Conclusion

- Western nations employ neo-protectionist policies, disguising economic interests behind a veneer of environmental concern. This undermines fair and free trade principles and uses double standards in criticizing developing nations.
- As economist John Maynard Keynes observed, situations necessitate a level of national self-sufficiency for economic stability and mitigation of unemployment. The West should acknowledge this reality and cease employing double standards that veil their protectionist actions.

SC refers Kerala govt.'s suit on net borrowing cap to five-judge Bench

Context

- Kerala is facing a financial crisis due to restrictions placed on its borrowing limits by the central government.
- The state government has filed a lawsuit with the Supreme Court arguing these limits violate principles of federalism.

Background

- India has a federal system where financial powers are shared between the central (Union) government and individual states.
- Article 293 of the Indian Constitution gives states the power to borrow, but also allows the central government to impose conditions on this borrowing.

Why the Matter is Before a Constitution Bench

- The Supreme Court recognizes that Kerala's lawsuit raises profound legal questions about the balance of power between states and the central government.
- A 5-judge Constitution Bench is needed to address fundamental questions about fiscal federalism, the role of the Finance Commission, and the Reserve Bank of India.

What the Constitution Bench Will Decide

- Does "fiscal federalism" guarantee states the right to set their own borrowing limits, or can the central government impose restrictions?
- Has Kerala received unfair treatment compared to other states?
- Do the central government's limitations conflict with the role of the Reserve Bank of India as India's debt manager?
- Must the central government consult with states before implementing Finance Commission recommendations?

Article 293 Provisions

- Article 293(1):** Grants states the power to borrow within India.
- Article 293(3):** Allows the central government to impose conditions or restrictions on state borrowing.

Future Outlook

- The Supreme Court's initial ruling provides some relief to Kerala but does not directly address the core issue of borrowing limits.
- The decision of the Constitution Bench will have far-reaching implications for the financial freedoms of Indian states and the balance of power between states and the central government. This decision could potentially reshape the fiscal relationship between India's state and central governments.

ED can summon anyone for 'any information': SC

Context

- The Supreme Court of India is asserting the broad investigative powers of the Enforcement Directorate (ED).

Background

- The ED summoned four District Collectors from Tamil Nadu in connection with a money laundering investigation related to illegal sand mining.
- The Collectors did not appear in person, stating they were busy with election duties and needed more time to gather information.

Supreme Court's Observation

- The Supreme Court firmly upheld the ED's authority to summon anyone considered necessary for an investigation.
- The court criticized the Collectors for disregarding a previous court order and showing disrespect for the law and the Constitution.

What Prompted the Supreme Court

- The Collectors' failure to comply with the ED summons and their disregard for the court's previous order.

Implications

- This ruling reinforces the extensive powers of the Enforcement Directorate in conducting investigations.
- It emphasizes that individuals summoned by the ED are legally obligated to cooperate, regardless of their positions or other duties.

Constitutional and Legal Issues

- The ruling delves into Section 50 of the Prevention of Money Laundering Act (PMLA), which grants the ED broad powers of summoning.
- It raises potential questions about the balance between the need for investigative powers and the rights of individuals.

Conclusion

The Supreme Court's ruling is a significant affirmation of the Enforcement Directorate's authority. The case highlights the obligation of citizens to comply with ED summons and the potential consequences of non-compliance.

Why did Centre turn a blind eye to Patanjali's 'COVID cure' claim, asks SC

Context

- The Supreme Court of India is questioning the government's inaction in response to Patanjali Ayurved's claims of having a cure for COVID-19.

Background

- During the pandemic, Patanjali heavily advertised its products as a cure for COVID-19.
- The Indian government's own committee found that Patanjali's products lacked sufficient evidence to support these claims.

Why Supreme Court is Furious

- The Court is concerned that Patanjali's misleading advertisements, combined with the government's inaction, created a false sense of security and potentially undermined public health efforts.
- Patanjali violated the Drugs and Magic Remedies (Objectionable Advertisements) Act of 1954, which prohibits misleading claims about medications.
- The Court is critical of Baba Ramdev, Patanjali's co-founder, for ignoring previous court orders and continuing to advertise misleading information.

The Issue with Patanjali

- Patanjali made false claims about their products being a cure for COVID-19 without proper scientific backing.
- These claims exploited public fear and desperation during the pandemic.

Legal Provisions

- Patanjali is in violation of the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954.
- The Supreme Court initiated contempt proceedings against Patanjali and its founders for disregarding the Act.

Implications

- Public trust in legitimate medical treatments and institutions could be eroded by such misleading claims.
- The government's lack of action raises questions about their regulatory role and the potential for complicity.

Course Correction


- The Supreme Court is compelling the government to issue a statement clarifying that Patanjali's products were not proven COVID-19 cures and should only be considered supplementary.
- Patanjali and its representatives are facing possible perjury and contempt charges for their false advertising.


Conclusion


This incident highlights the importance of regulating medical claims, especially during public health crises. It also raises concerns about the government's responsibility to protect public health and well-being from misinformation and false cures.

Prelims Booster

Will India experience more heat wave days this summer?

 **Heat Wave Forecast:** IMD predicts above-average heat wave days in multiple regions of India, exacerbated by El Niño conditions.

 **Factors Behind Heat Waves:** Climate change and El Niño events intensify heat waves, impacting over 90% of India with severe consequences on livelihoods and public health.

 **EC Advisory:** Election Commission issues guidelines to manage heat wave impact during voting, emphasizing hydration and protection from high temperatures.

Heat Wave Measurement Criteria:

- The IMD declares a heat wave based on specific criteria:
 - Maximum temperature reaching at least 40°C in the plains and 30°C in hilly regions.
 - Departure of around 4.5-6.4°C from the normal maximum temperature.
 - Actual maximum temperature crossing 45°C.
 - 'Severe heat wave' declared if temperature exceeds 47°C.
 - Qualitatively, a heat wave can occur when temperatures become fatal to the human body.

Govt. working on green steel policy'

Green Steel Policy Development:

The Steel Ministry is working on a comprehensive green steel policy focusing on low-carbon emission steel production, including defining manufacturing processes, required skill sets, and funding support.

Decarbonisation Strategy:

Task forces have been established to explore green steel-making modalities, with a recent task force investigating the use of biochar or biomass in blast furnaces to reduce carbon emissions during manufacturing.

Future Initiatives:

India is considering developing its own pure-hydrogen based DRI technology, with pilot projects and consortium-based facilities being explored to advance hydrogen-based steel production.

Emission Reduction Goals:

The domestic steel sector contributes 12% of India's greenhouse gas emissions, with an emission intensity of 2.55 tonnes of CO₂ per tonne of crude steel produced, higher than the global average of 1.9 tonnes of CO₂.

Funding Allocation:

The Ministry of New and Renewable Energy has allocated ₹455 crore for piloting hydrogen use in steelmaking, with a formulated scheme to support the transition towards greener steel production.

Study shows as much as 82% EU farm subsidies boost high-emission food

EU Farm Subsidies Impact:

A study revealed that over 80% of EU agriculture subsidies promote high-emission livestock and animal-product farming, hindering the bloc's climate targets and sustainability efforts.

Livestock Subsidies Dominance:

Direct payments to livestock farmers, accounting for half of the subsidies, primarily fund high-emission agriculture, with significant support for animal feed production.

Financial Incentives for Emissions:

Subsidies for livestock, including feed production, contribute to increased emissions, with subsidies for beef production nearly doubling when factoring in feed costs.

Impact on Climate Goals:

The study highlights that the EU's Common Agriculture Policy (CAP) poses challenges to climate change mitigation and adaptation efforts, as it favors animal-based products over more sustainable plant-based alternatives.

Climate Concerns in Agriculture:

Given that global food systems contribute significantly to greenhouse gas emissions, the study underscores the need for policy shifts towards more sustainable agricultural practices to align with climate objectives.