## Speaker vs judicial intervention

- In 1992 (Kilhoto Hollohan vs Zachillhu), a Constitution Bench, while upholding the validity of the anti-defection law, held that the Speaker's decision was subject to judicial review, albeit on limited grounds.
- It also made it clear that this should take place after a final decision, and there can be no interim order, except if there is an interim disqualification or suspension.
- There are Court judgments that say compliance with natural justice is not based on the number of days given, but on whether sufficient opportunity was given before a decision.
- Based on a conclusion in Nabam Rebia (2016) that a Presiding Officer should not adjudicate any defection complaint while a motion for his own removal is pending, the dissidents sent a motion to get the Deputy Speaker removed.
- After he rejected it, the rejection has also been questioned in court, thus raising a jurisdiction question on the adjudicatory power of the Deputy Speaker, who, of necessity, has to decide disqualification questions in the absence of a Speaker.
- Section 62(5) of the Representation of the People Act, 1951, which prevented the two MLAs from casting their votes.
- In the past, the Supreme Court has observed that the intent of this provision is to maintain the integrity of elections by excluding 'persons with criminal background' from participating in them.
- Ideally, this objective can be achieved through a provision that disenfranchises persons who have been convicted of certain kinds of grave offenses.
- However, Section 62(5) does not use conviction as the yardstick for disenfranchisement; it uses confine me under
- Trial prisoners under-trial prisoners (who constitute over 75% of India's nearly 5 lakh prisoners) cannot vote.
- Neither can persons detained in civil prison for failing to repay a debt.
- But remarkably, a person who has been convicted for a criminal offense and has managed to secure bail can vote.
- Section 62(5) in direct collision with Article 14 of the Constitution (equality before the law to all persons).
- Whenever a law treats two groups of persons unequally, it must satisfy a set of basic tests under Article 14 to be valid: the distinction created by the law must be based on coherent differences between the two groups of persons, and these differences

 

must have a rational link with the objective that the law seeks to achieve.

- Section 62(5) treats a group of people differently by stripping them of the right to vote.
- What sets this group apart from those allowed to vote is their confinement in prison.
- Section 62(5) has survived many challenges before the courts.
- Each time, the courts have lauded the objective of weeding out criminal elements from the electoral process, but have stopped short of examining whether the provision, in the manner in which it is worded, can claim to achieve this aim.

**THE HINDU**

## China's intervention in the Horn of Africa

**The story so far:**

- China has been investing across the African continent throughout the last decade.
- While the emphasis has been on investments and raw materials, it took a new turn on June 20, with the first "China-Horn of Africa Peace, Governance and Development Conference."
- Beijing's first special envoy to the region Xue Bing, appointed in February 2022, said that this is the first time China aims "to play a role in the area of security"

**What are the recent projects between China and countries from the Horn of Africa?**

- China's focus on the Horn is a part of its focus on Africa.
- In January 2022, during his 17th trip to Africa, China's Foreign Minister and State Councillor Wang Yi focused on increasing the infrastructural investments in African countries.
- He refuted accusations of debt-trapping the countries and asserted China's three objectives in Africa: controlling the pandemic, implementing a Forum on China-Africa Cooperation (FOCAC) outcomes, and upholding common interests while fighting hegemonic politics.
- The FOCAC promotes China's role in the infrastructural and societal development of the Horn.
- In the 2021 forum, the entire region of the Horn participated and four resolutions were adopted: the Dakar Action Plan, the China-Africa Cooperation Vision 2035, and the Sino-African Declaration on Climate Change and the Declaration of the Eighth Ministerial Conference of FOCAC.

**What are China's primary interests/investments in the Horn of Africa?**

- China's interests are related to four major areas: infrastructural projects, financial assistance, natural resources, and maritime interests.
- Looking at Chinese investments in infrastructure, one of its landmark projects was fully funding the $200 million African Union headquarters in Addis Ababa.
- It has also made significant investments in railways; it is building the Addis-Djibouti railway line connecting the land-locked country with Eritrean ports in the Red Sea.
- Chia has also invested in the Mombasa-Nairobi rail link in Kenya, and has already delivered on railway projects in Sudan.
- It also has a viable military hardware market in Ethiopia and has built over 80 infrastructural projects in Somalia, including hospitals, roads, schools, and stadiums.
- In Djibouti, 14 infrastructural projects are funded by China.
- With respect to financial assistance, Ethiopia, is one of the top five African recipients of Chinese investments, and also has a debt of almost $14 billion.
- The third major Chinese interest in Africa is the presence of natural resources — oil and coal.
- Beijing has invested $400 million in Mombasa's oil terminal.
- China is also interested in minerals such as gold, iron ore, precious stones, chemicals, oil, and natural gas in Ethiopia.
- The fourth major area is related to maritime interests.
- China's first and only military base outside its mainland is in Djibouti.
- During his visit in early 2022, Wang hinted at China's willingness to develop Eritrea's coast which would connect to China's investments in land-locked Ethiopia.
- The U.S. has speculated that China wishes to build another military base in Kenya and Tanzania, thereby increasing its military presence in the region.

**THE HINDU**

## Partnership for Global Infrastructure and Investment (PGII)

**The story so far:**

- On June 26, U.S. President Joe Biden along with his G7 allies unveiled the ambitious mobilization of Global Infrastructure and Investment (PGII), announcing the collective mobilization of $600 billion by 2027 to deliver "game-changing" and "transparent" infrastructure projects to developing and middle-income countries.

- The PGII is being seen as the G7's counter to China's multi-trillion dollar Belt and Road Initiative (BRI) to build connectivity, infrastructure, and trade projects skeptical, in Europe, Africa, and Latin America.

**What is the PGII?**

- The West has been skeptical of the BRI since it was launched in 2013 by President Xi Jinping, as it was considered to be part of China's larger strategy to increase geopolitical influence in Asia and other developing countries.
- The U.S., along with G7 partners the U.K., Japan, France, Canada, Germany, Italy, and the European Union (EU), had in 2021 announced the launch of the Build Back Better World (B3W) with the aim of narrowing the $40 trillion infrastructure gap in the developing world.
- The PGII is a "values-driven, high-impact, and transparent infrastructure partnership to meet the enormous infrastructure needs of low and middle-income countries and support the United States and its allies' economic and national security interests".
- The G7 members aim to collectively mobilize $600 billion by 2027 to invest in sustainable and quality infrastructure projects in developing countries, including India and strengthen the global supply chain.

**What kind of projects will the PGII undertake?**

- All PGII projects will be driven by "four priority pillars that will define the second half of the 21st century".
- First, the G7 grouping aims to tackle the climate crisis and ensure global energy security through clean energy supply chains.
- Second, the projects will focus on bolstering digital information and communications technology (ICT) networks facilitating technologies such as 5G and 6G internet connectivity and cybersecurity.
- Third, the projects aim to advance gender equality and equity, and lastly, to build and upgrade global health infrastructure.

**How does it compare to China's BRI?**

- The Belt and Road project was started to revive connectivity, trade, and infrastructure along what was China's ancient Silk Road. China had announced a two-pronged approach of building a Silk Road Economic Belt on Land and a maritime 21st century Silk Road.
- The project initially aimed to strengthen connectivity with Southeast Asia but later expanded to

South and Central Asia, Africa, Europe, and Latin America, with Mr. Xi saying it would "break the bottleneck in Asian connectivity".

- The G7 meanwhile has specifically touted the PGII as a values-based plan to help underfunded low and middle-income countries meet their infrastructure needs.
- PGII has laid focus on climate action and clean energy, while China has built large coal-fired plants under BRI along with solar, hydro, and wind energy projects.
- While the G7 has pledged $600 billion by 2027, Morgan and Stanly estimate that China's overall funding for BRI by that time could reach $1.2 to 1.3 trillion dollars with the actual funding being higher.
- Under the PGII, large private capital will be also mobilized while China's BRI is majorly state-funded.
- Besides, the BRI was also launched at a time when China's local construction firms were short of projects in developed Chinese provinces.
- While G7 leaders emphasized 'transparency' as the cornerstone of PGII projects, the BRI has faced criticism for making countries sign confidential tenders for extending massive loans, leaving countries indebted to China.
- For instance, after the BRI's flagship $62 billion China-Pakistan Economic Corridor, Pakistan owes Beijing a large proportion of its foreign debt.
- China builds BRI's projects by extending large, low-interest loans to countries that have to usually be paid over 10 years.
- There have been cases of debt-saddled countries failing to repay on time.

**THE HINDU**

## GST reform

- Three years ago, the Centre and the States of the Union of India struck a grand bargain resulting in the launch of the unified Goods and Services Tax (GST) era.
- The States gave up their right to collect sales tax and sundry taxes, and the Centre gave up excise and services tax.
- The nationwide GST promised frictionless commerce across State borders, buoyant and leak-proof tax compliance, and removal of inefficiencies like the cascade of "tax on tax"
- Reimbursement was to be funded by a special cess called the GST compensation cess.
- The promised reimbursement was to fill the gap for an assured 14% year-on-year tax growth for five years, and it was generous to a fault
- As the economy battles a pandemic and recession, the tax collection has

 

dropped significantly, while expenditure needs are sharply higher, especially at the frontline of the battle, at the State level.

- But it seems that the States have been told that they are on their own to meet the shortfall in revenues.
- The onus is on the Centre
- First, the States do not have recourse to multiple options that the Centre has, such as the issue of a sovereign bond (in dollars or rupees) or a loan against public sector unit shares from the Reserve Bank of India.
- Second, the Centre can anyway command much lower rates of borrowing from the markets as compared to the States.
- Third, in terms of aggregate public sector borrowing, it does not matter for the debt markets, nor the rating agencies, whether it is the States or the Centre that is increasing their indebtedness.
- Fourth, fighting this recession through increased fiscal stimulus is basically the job of macroeconomic stabilization, which is the Centre's domain.
- Fifth, and most importantly, breaking this important promise, using the alibi of the COVID-19 pandemic causes a serious dent in the trust built up between the Centre and States.

**The Australian example**

- A comparison with Australia which also coincidentally shares its GST anniversary with India, is apt.
- For the past two decades their GST rate has been constant at 10%. Of course, India's single rate of 12% has to cover petrol, diesel, electricity, transport, and real estate as well.
- Some extra elbow room for the States' revenue autonomy is obtained by allowing the States non-VATable surcharges on a small list of "sin" goods such as liquor, tobacco, polluting goods such as sport-utility vehicles, and industrial fuels such as diesel, aviation turbine fuel and coal.
- A low moderate single rate of 12% encourages better compliance, reduces the need to do arbitrary classification and discretion, reduces litigation, and will lead to buoyancy in the collection.
- The commitment to a low and stable rate, à la Australia and many other federal democracies, is a must.
- Of course the compensation-cum-reimbursement incentive can remain, but more in the nature of what was done for VAT harmonization

**The third tier of government**

- Even after 28 years of the 73rd and 74th Amendments, the local governments do not have the promised transfer of funds, functions, and functionaries.

- These local bodies face increased responsibility for providing government services, especially in view of increased urbanization and decentralization.
- Of the 12% GST, 10% should be equally shared between the States and the Centre, and 2% must be earmarked exclusively for the urban and rural local bodies, which ensures some basic revenue autonomy for them.
- The actual distribution across panchayats, districts, and cities would be given by respective State Finance Commissions.
- We also need to zero-rate exports. GST is a crucial and long-term structural reform that can address the fiscal needs of the future, strike the right and desired balance to achieve co-operative federalism and also lead to enhanced economic growth.

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