

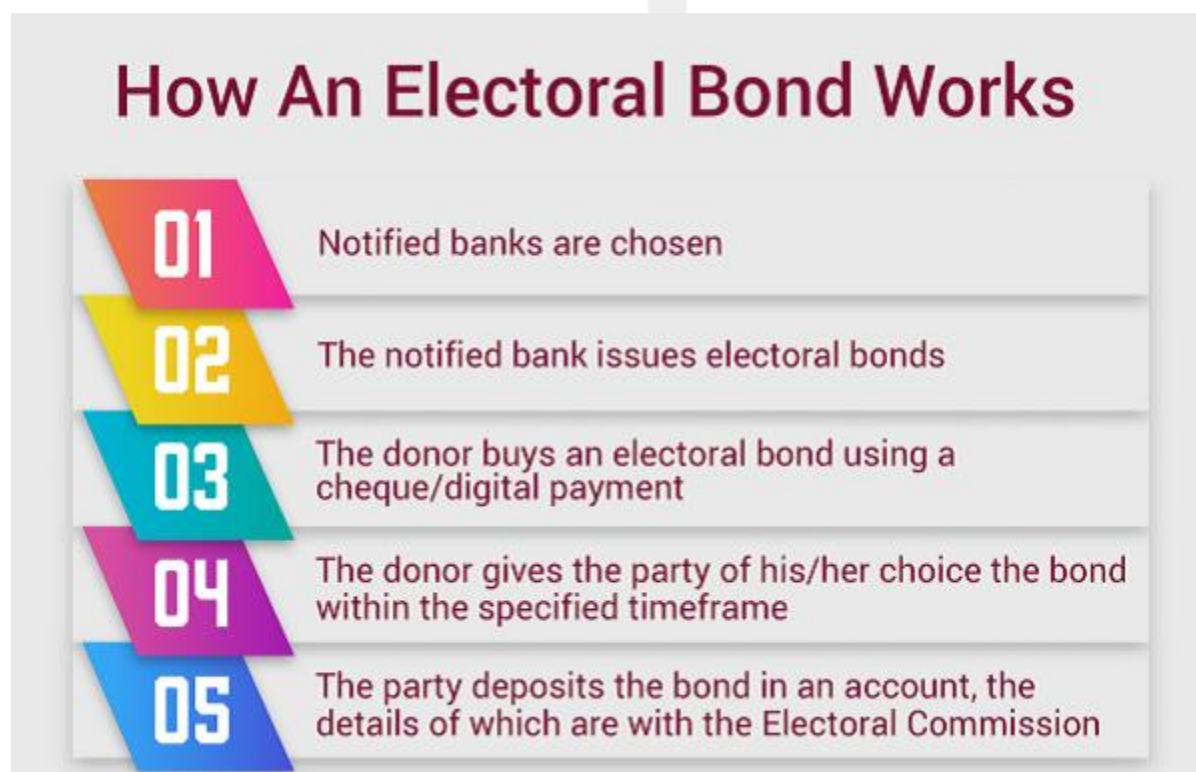
UPSC EDITORIAL ANALYSIS 16 JUN 2021

EDITORIAL 1: NEEDED: FULL DISCLOSURE ON ELECTORAL BONDS

Topic: General Studies Paper-2 (Indian Polity)

Context:

- Both the Congress and the Bharatiya Janata Party (BJP) were held guilty by Delhi High Court in 2014 for illegally accepting donations from two companies registered in India but whose controlling shareholder was Vedanta, a foreign company.
- The donation received was in contravention of the Foreign Contribution (Regulation) Act (FCRA), 1976, as the donations accrued from “foreign sources” within the meaning of the law.
- Thus, In 2016 and 2018, the government amended the FCRA through the annual Finance Bills, to retrospectively legalise the violations and provide full anonymity to corporate and foreign political donors.



A new form of anonymity

- Supreme Court in a recent public Interest Litigation (PIL) by the Association of Democratic Reforms (ADR), downplayed the concerns of the corrupting influence of anonymous corporate and foreign money.

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- Earlier, only profit-making domestic companies could contribute to political parties; now loss-making companies can too.
- Earlier, foreign companies contribution was not allowed for political parties, but now they can be fully funded by a foreign company operating in India or by a foreign entity through a shell company.
- In 2017, the then Finance Minister reduced the anonymous cash donations to political parties from ₹20,000 to ₹2,000 to ensure greater transparency in political funding.
- However, it also introduced electoral bonds to bring in a new form of anonymity to thousands of crores of donations.
- According to Electoral Bond rules, Only the ruling party via the State Bank of India (SBI) can completely access the full account of all donations being made via electoral bonds, to itself and Opposition parties.
- The Public, Parliament, the Election Commission and the Opposition parties do not have this information.

The ADR PIL challenged the electoral bonds as unconstitutional.

- However, In March 2021, the Supreme Court refused to stay the sale of electoral bonds before the West Bengal elections and instead asked for several documents to establish a paper trail on donations to cull out such information from both sides (purchaser of bond and political party) and do some match the following.
- According to the Right to Information (RTI) Act of 2005, there should be easier access to information held by public authorities but that is not the case in electoral Bonds.
- No ordinary person has the resources to navigate documents on government websites or pore over income tax returns, few civic and non-profit organisations that tried to simplify information to enable accountability have been systematically delegitimised.
- Supreme Court's Judgement against PIL Suggesting a "match the following" is incorrect as it would set aside individual donors and focus just on registered entities, and registered entities cannot be tracked easily.
- Even if registered companies file annual financial statements, many do not disclose political donations and political parties also do not need to disclose their electoral bond donors either.
- According to sources there are around 25 lakh potential donors comprising just companies and firms out of which 12.6 lakh are active private limited companies as of January 31, 2021.
- Unlike what is stated in the judgment, the annual reports of all these companies are not easily accessible on the website of the Ministry of Corporate Affairs.
- More than 12 lakh firms filed income tax returns for the assessment year 2018-19. Firms have no regulatory mandate to submit their annual reports except for filing their annual tax returns since their functioning is regulated by Acts other than the Companies Act of 2013.
- Even if the documents are available in the public domain, they will not specify donations to parties.
- the Finance Bill of 2017 amended Section 182 of the Companies Act of 2013 states to remove the requirement for declaring separate donations to political parties.
- Even the company statements might have a total aggregate amount of all donations, including philanthropic ones might be sub-categorised as "political contributions through

electoral bonds.” Nowhere are donations to specific political parties required to be mentioned.

- Even if one goes through these documents to find from whom the political donation was received, there is nothing to match it with political parties that are not even supposed to know their electoral bond donors.
- The annual audit reports with a total of all donations received via electoral bonds are required. These reports are mostly submitted with great delays.
- For instance, Before few days the audit reports for 2019-20 major national parties were made available on the Election Commission’s website. but BJP’s report is not yet available as the Election Commission and extended the deadline for the submission of Annual Audit Reports for 2019-20 to June 30, 2021.
- Even if the reports are submitted on time, there would be no idea of donations of a company to that received by a political party as only aggregate amounts are available.
- Therefore, the “match the following” suggestion of the Supreme Court falls flat on its face. It is impossible for an average voter to go through the documents of lakhs of entities and track potential company and firm donors wherein even recipient-wise information is unavailable.
- It is only RTI (Right to Information) applications with the SBI that offer a glimpse into the crores of money funding to the political parties and therefore influencing public policies.
- If the Supreme Court or the legislature could order full and real-time disclosure, to the actual benefit of transparency and accountability. Instead, meagre civil society resources are expended in filing PILs (Public Interest Litigation) and RTI applications, at significant personal risk.

Winners and losers

- Electoral bonds give political power to companies, wealthy individual donors, and foreign entities, diluting the universal franchise of one voter-one vote.
- If companies can influence policies through hidden donations, then Every vote is not equally valuable.
- Thus, after the implementation of electoral Bonds, the winner is the ruling party at the Centre and State, and the loser is the average voter.

Conclusion:

- ✓ Companies and political parties should portray moral leadership and voluntarily disclose the identity of recipients and donors, as the Jharkhand Mukti Morcha recently did.
- ✓ Otherwise, voters will be stuck with ruling party war chests of resources, being subject to relentless election campaigns, while donors surreptitiously and directly influence policy.

Reference:

<https://www.thehindu.com/opinion/op-ed/needed-full-disclosure-on-electoral-bonds/article34824570.ece>

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EDITORIAL 2: THE ROAD FROM GALWAN, A YEAR LATER

Topic: General Studies Paper-2 (India and its Neighbourhood Relations)

Context:

- Last year on June 15, there was a violent clash between India and China at the Line of Actual Control (LAC) in Galwan in Ladakh.
- During the Clash 20 Indian soldiers and at least four soldiers of China's People's Liberation Army (PLA) died and this was the First death after 1975.
- Further, 50 Indian soldiers were taken captive by the PLA during the clash and released in batches over three days as per Indian media reports.
- Details about the violent incident have not been officially made public so far.



Political accountability:

- No official briefing or press conference about the situation in Ladakh has taken place in the last 13 months.
- Even in parliament, there are monologues with no questions allowed from other representatives of the people.
- Mr Modi while addressing the all-party meet, after 4 days of the Galwan attack said that No one has intruded and nor is anyone intruding, nor has any post been captured by someone.
- In dealing with the Ladakh border crisis, the Government has been using dodging, denial and digression.

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- In the recent 'State of Nation' poll conducted by C-Voter, 44.8% of respondents said the Chinese encroachment in Ladakh was a failure of the Modi government, while only 37.3% said it was not.
- The crisis in Ladakh erupted months after the second informal summit took place between Mr Modi and President Xi Jinping at Mamallapuram, Tamil Nadu.
- After Chinese informal summit, Mr Modi hosted the then United States President Donald Trump for a political event in Ahmedabad, Gujarat.
- According to the public, Mr Modi foreign policy prowess to the power of his persona and his chemistry with other world leaders may have led to Chinese incursions and Mr Modi is blamed for Ladakh Security.

Military situation

- Currently, 50,000-60,000 soldiers have been deployed at the line to prevent any further ingress by the PLA.
- Chinese soldiers are present at the LAC in Gogra, Hot Springs and Demchok gives the PLA some tactical advantage.
- However, the major concern for Indians is the Chinese control of Depsang Plains.
- According to retired Military officers, India weakened its negotiating position during the talks with the PLA and there has been no progress in talks after the disengagement at Pangong lake and Kailash range in February.
- The Indian Army is always in an alert mode to prevent any Chinese misadventure.
- Based on orders of Chief of Defence Staff General Bipin Rawat certain forces from the Pakistan border have been reoriented towards the China border as China is a bigger security threat for India than Pakistan.
- The Ladakh crisis has exposed India's military weakness to tackle a collusive threat from China and Pakistan at the same time.
- Hence, to avoid such an eventuality, the Government opened backchannel talks with Pakistan which led to the reiteration of the ceasefire on the Line of Control.

External rebalancing

- The Ladakh crisis has led the Government to relook its external partnerships, especially with the United States.
- Though the U.S tweeted that the "India-China border situation" was discussed, The Indian side was silent about it.
- According to the U.S, they have provided intelligence and logistics support to the Indian forces in Ladakh, and the Indian military has sought to learn from the American experience of implementing the Multi-Domain Operations (MDO) doctrine to wage a war of the future against a technologically superior PLA.
- Indian army is of view that China is "a larger neighbour and has got a better force, better technology and India needs to prepare itself for a larger neighbour.
- The military importance of the Quad remains moot, as India, Japan and Australia have refused to do joint naval patrolling with the U.S. in the South China Sea.
- India is presently focussing on its land borders and its limited resources for military modernisation in a period of economic decline impinge on its maritime ambitions in the Indo-Pacific.

Balancing act

- Though India tried to have talks with China and address the burgeoning Chinese influence in the neighbourhood have faltered, exacerbated by the mishandling of the second wave of the novel coronavirus pandemic.
- Along with the Geopolitical India China problem, The problem is also Economic.
- Despite the border crisis and the Indian restrictions on Chinese technology companies, China displaced the U.S. to be India's biggest trade partner in 2020-21, up to nearly 13% of India's total trade compared to 10.4% a year ago.
- Most of the Equipment required for the treatment of the pandemic had been imported from China, But Mr Modi refused to acknowledge it and as a result, it underplayed Mr Xi's message to Mr Modi offering support and assistance.
- India has requested Beijing to grant visas to Indian students and businesspersons but has refused medical aid or Chinese vaccines.
- India has kept the border issue as the centre for normalising the relationship with China,

Unappetising choices

- For the last few decades, Indian diplomats were of the view that they can tackle the Chinese problem without any military crisis.
- The idea of deterrence has failed and the Chinese Army has refused to have talked for cooperation, thus India earlier policy of simultaneous competition and cooperation has become a failure.
- It would be difficult for India to take sides in the new Cold War between the U.S. and China, as it has always valued its strategic sovereignty. With no outcome of peaceful talks, India is left with the daunting task of living with this tense and uneasy calm with China for some time, a challenge brought to the fore by the Ladakh crisis.

Conclusion:

- ✓ The Ladakh crisis and the aftermath have significantly altered India's thinking towards China. The relationship is at a crossroads now. The choices made in India will have a significant impact on the future of global geopolitics.

Reference:

The road from Galwan, a year later: <https://thg.page.link/wPFY42rviJ9Fxvmx6>

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