

## J&K House to have 114 seats, migrant quota

Lok Sabha passes Bill: Amit Shah says reservation of seats for those displaced in the 1990s will ensure that the voice of the community is heard loud and clear in the new House; the Home Minister says he never claimed that removal of Article 370 would bring an end to terrorism; says the 'zero-terror' plan, will be '100% implemented' by 2026

Vijaita Singh  
NEW DELHI

The Lok Sabha on Wednesday passed the Jammu and Kashmir Reorganisation (Amendment) Bill, 2023 and the Jammu and Kashmir Reservation (Amendment) Bill, 2023, the former seeking to reserve seats for "Kashmiri migrants, people displaced from Pakistan-occupied Kashmir [PoK] and Scheduled Tribes" in the yet-to-be constituted 114-seat J&K Assembly.

Responding to statements made by Opposition members that abrogation of Article 370 of the Constitution in J&K could not put an end to terrorism, Union Home Minister Amit Shah said that he had never made such a claim.

He said a "zero-terror" plan, formulated three years ago, will be "100% implemented" by 2026 in J&K. He said the reservation of seats for Kashmiri migrants, who were displaced from their own

homes in the 1990s, will ensure that the voice of the community is heard "loud and clear" in the J&K Assembly and if any such crisis arises in future, they are able to stop it.

### Empowers L-G

The Reorganisation Bill increases the total number of seats in J&K Assembly from 107 to 114, with reservation of nine seats for Scheduled Tribes for the first time. It also empowers the Lieutenant-Governor to nominate three members in the Assembly – two from the Kashmiri migrant community including one woman, and the third member being a representative of people from PoK who took refuge in India following the wars with Pakistan in 1947, 1965 and 1971.

The J&K Reservation Bill seeks to replace the term "weak and underprivileged classes (social castes)" in the J&K Reservation Act, 2004 to "Other Backward Classes" as declared by the Union Territory.

### Making changes

A look at the J&K Reorganisation (Amendment) Bill and the J&K Reservation (Amendment) Bill

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Point of view: Home Minister Amit Shah speaks in the Lok Sabha on Wednesday. PTI

The 2004 Act pertains to reservation in appointment and admission in professional institutions for the members of the Scheduled Castes, Scheduled Tribes, and other Socially and Educationally Backward Classes.

Mr. Shah said that the Opposition's contention that the law cannot be amended as the principal Act passed on August 5, 2019 is under challenge in the Supreme Court does not hold ground as the top court never stayed the im-

plementation of the Act. He said there is "status quo".

### Attack on Nehru

Mr. Shah said former Prime Minister Jawaharlal Nehru made "historical blunders" by taking the Kashmir issue to the United Nations, and agreeing to ceasefire when the Army was winning the war.

Congress members walked out of the House as Mr. Shah blamed India's first Prime Minister for the "two blunders," which he

said brought suffering to the people of J&K. The members returned later, but none of the members of other INDIA parties joined them during the walkout.

Mr. Shah said if Nehru had taken the right steps, a large chunk of territory would not have been ceded, and PoK would have been part of India. He added that he supported the term "Nehruvian blunder" as they were not mere mistakes. He quoted a letter written by Nehru where he

admits that agreeing to a ceasefire was a mistake.

After their walkout, Biju Janata Dal (BJD) leader Bhartruhari Mahtab mocked the Congress members saying the Home Minister should also talk about the "Himalayan blunder", a reference to Nehru's actions leading up to the war with China in 1962.

Mr. Shah quipped that his comments on the two blunders had already upset the Opposition benches and if he had used the phrase "Himalayan blunder", they would have resigned.

Mr. Shah was replying to a debate on the two Bills passed by the Lok Sabha on Wednesday.

Congress member Adhir Ranjan Chowdhury's said that though terror attacks have dipped in the Kashmir Valley, such incidents have increased across Pir Panjal in the Jammu region which have resulted in the killing of 23 security force personnel between April and November 2023 alone.

Responding to Mr. Chowdhury, Mr. Shah said,

"They are connecting terrorism with Article 370. Nobody said that after Article 370 is gone, terrorism will stop in Kashmir. I had said that after Article 370 is scrapped, there is going to be a sharp drop in spread of separatist ideology, the root cause.... Subsequently terrorism will end too. A zero-terror plan is in action for the past three years. By 2026 the plan will be 100% implemented, as I am sure Modi ji will come back to power."

### 'Acknowledge changes'

He said "people who vacation in England" will never be able to acknowledge the changes on the ground in J&K. He said incidents of terrorism, infiltration, and stone-pelting have seen a sharp decline since 2019. He did not answer to the pointed questions from Opposition members on when Assembly election will be held in J&K or when the Statehood will be restored.

## Garba dance of Gujarat makes it to UNESCO list

**Sreeparna Chakrabarty**  
NEW DELHI

Gujarat's traditional dance form 'Garba' was on Wednesday included in the list of Intangible Cultural Heritage by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The popular dance form is the 15<sup>th</sup> cultural item from India to make it to the UNESCO list. Kolkata's Durga Puja was the last one added two years ago.

The inclusion has been made under the provisions of the 2003 Convention for the Safeguarding of Intangible Cultural Heritage. The international cultural body described the 'Garba' as a ritualistic and devotional dance performed in India.

## Creating certainty

Healthier inflows from GST offer policy makers the bandwidth to fix its flaws

**T**he Goods and Services Tax (GST), which turns six and a half years old this month, has yielded almost ₹3.4 lakh crore through October and November. While revenues in October marked the second highest monthly collections, November's kitty is the third highest. Both these months also recorded accelerated revenue growth after a sequence of slowing upticks that culminated with September recording a 27-month trough of 10.2%. October's GST inflows were up 13.4% and November's by 15.1%, with revenues from domestic transactions up 20%, the highest in 14 months. Festive fervour surely bolstered last month's nearly ₹1.68 lakh crore of GST revenues, which were based on transactions in October, and that trend may persist this month as well on the back of anticipated last-minute Deepavali spending. Prior to this two-month spike, GST revenues had crossed ₹1.65 lakh crore on only three occasions, which were typically driven by year-end compliances. Now, the average monthly collection so far in 2023-24 stands at ₹1.66 lakh crore, and economists believe central GST receipts may surpass Budget estimates even if one factors in a relative slowdown in the final quarter of this year.

With revenues buoyant, in no small part due to tighter compliance and a crackdown on tax evaders, the government must consider resetting its ambitions and work towards making the GST a truly good and simple tax, as it was promised to be. At a recent industry interaction, responding to concerns about the manner in which a spate of GST demand notices and investigations have unfolded in recent months, Finance Minister Nirmala Sitharaman said the GST is still at a stage of moving from "uncertainty to certainty" on some grounds and those aspects are being sorted out now. That certainty needs to be pursued at a broader level to provide genuine comfort to investors about India's tax regime being stable and predictable. For one, pending taxpayer appeals against central GST levies have risen by a quarter this year to hit nearly 15,000 cases by October and it is necessary that appellate tribunals cleared by the GST Council become operational at the earliest to unwind this pendency and set clear precedents for future tax treatment disputes. It is equally critical to lay down a road map to bring in excluded items such as petroleum and electricity into the GST framework as well as the rejig of its complicated multiple rate structure. With the general election ahead, some dithering on such reforms may be understandable, but the GST Council must not lose focus of the unfinished agenda and keep deliberating on its to-do list, so that these steps can be fast-tracked after the Lok Sabha election.

## Power to the people

Congress has an opportunity to show its governance model in Telangana

**A**numula Revanth Reddy has traversed a long political distance to emerge as the Congress Chief Minister of India's youngest State, Telangana. Not restrained by ideological harnesses, fired up by burning ambition, and endowed with the capacity to work hard, Mr. Reddy and the Congress turned out to be a perfect fit for each other. Leaving behind his many past lives, including in the Rashtriya Swayamsevak Sangh-affiliated Akhil Bharatiya Vidyarthi Parishad and the Telugu Desam Party, he arrived in the Congress, in 2017. His rise within the party has been as impressive as the rise of the Congress itself, and perhaps both are linked. The threat that Mr. Reddy posed to his chair was sensed early on by the outgoing Chief Minister K. Chandrashekar Rao (KCR), which partly explains how he landed up on the wrong side of the law in a sensational bribe for vote case. But nothing would break the momentum of Mr. Reddy. His relentless campaign against KCR endeared him to an expanding segment of voters who thought many in the Opposition camp were not being true to their roles. Mr. Reddy developed a good rapport with the central leadership of the Congress, and galvanised enough momentum for the party that other leaders had no option but to fall in line with him.

Having climbed the peak, fresh challenges begin for Mr. Reddy and the Congress. Congress leader Rahul Gandhi has placed caste justice as a motif of his politics, and the party victory in Telangana is indeed built on a multi-caste, multi-religious social coalition. Congress leaders who have stayed with the party through bad times could justifiably feel aggrieved that a later entrant has come on top when the party won power. Of particular note is Mallu Bhatti Vikramarka, who was Congress Legislature Party leader in the outgoing Assembly. A Dalit, who walked across the State in a successful mobilisation for the party, he has to be accommodated respectfully if the Congress wants to make its social justice plank meaningful and trusted by the masses. The party has 64 MLAs but only 17 can become Ministers besides the Chief Minister. The new government has to keep itself stable with the slim majority it has in the 119 strong Assembly. Considering all these factors, the Congress has made it clear that its Telangana government would not be a 'one man show'. The Congress has also promised to further embellish the array of welfare schemes in the State. The party's governance and political management in Telangana will also have a ripple effect in other States, particularly in Andhra Pradesh. Telangana presents a potentially rewarding challenge for Mr. Reddy and the Congress.



# Navigating the U.S.-China relationship

What was the outcome of the summit between U.S. President Joe Biden and his Chinese counterpart Xi Jinping held on the sidelines of the Asia-Pacific Economic Cooperation conference? Why does the status of Taiwan remain a contentious issue between the two superpowers?

## EXPLAINER

Garimella Subramaniam

### The story so far:

**T**he U.S. President Joe Biden and his Chinese counterpart Xi Jinping held a summit, their second, in San Francisco on November 15, on the sidelines of the Asia-Pacific Economic Cooperation conference. Their aim was to resurrect a bilateral relationship that is now at its lowest point since Washington and Beijing established diplomatic ties in 1979.

### What did the meet accomplish?

The most consequential outcome was the decision to restore military-to-military communications between the two nuclear weapons states, critical to prevent potentially catastrophic miscalculations. The respective defence forces will now resume regular exchange of information under the Military Maritime Consultative Agreement that started in 1998. These channels were closed after Nancy Pelosi's (then Speaker of the U.S. House of Representatives) controversial visit to Taiwan in August 2022, the first visit by a Speaker in 25 years. A self-ruled island state, Taiwan's status remains a bone of contention between the world's biggest superpowers, with China pursuing the goal of its reunification into the mainland. Under the "one-China" policy, Washington accepts Beijing as the only legitimate government of China and acknowledges, but does not endorse, Taiwan as part of that country, and provides concrete security guarantees under the Taiwan Relations Act. President Biden has on several occasions pledged that the U.S. would intervene if China attacked Taiwan.

Beijing condemned Ms. Pelosi's travel as constituting a serious violation of the status quo. President Xi, who has often asserted his resolve to reunify the island with the "motherland," warned his counterpart that Washington was "playing



**Tense ties:** Chinese President Xi Jinping and U.S. President Joe Biden at APEC meet on Nov. 15. REUTERS

with fire". Beijing vented its ire by firing ballistic missiles off the Taiwan coast and conducted military drills as a deterrence exercise, even as Ms. Pelosi went ahead with her programme. More recently, House Speaker Kevin McCarthy received Taiwan's President Tsai Ing-wen in April in California, the highest American official to do so on U.S. soil.

### Where does the trade dispute stand?

Amid this hostile political environment, businesses from the world's two biggest economies are having to navigate an equally volatile economic and trade policy framework. Within months of his ascent to the White House, President Biden issued an executive order in June 2021, blacklisting 59 defence and surveillance companies under the so-called "Chinese military-industrial

complex". This is in addition to the Trump administration's blacklisting in 2019 of several Chinese Artificial Intelligence (AI) start-ups for alleged human rights abuses in Xinjiang.

More specifically, Washington and Beijing are leveraging their own areas of strength to inflict maximum damage on the other. A case in point is the sweeping controls the Biden administration enacted in October 2022, further extended in October 2023, on exports of advanced computer chips for the manufacture of semiconductors. The curbs bar U.S. and non-U.S. firms, whose products contain American technology, from supplying hardware and software to specific Chinese companies, besides prohibiting American citizens and firms from collaborating with Chinese chip makers, except under special permission. The rationale behind

the export bans is to undercut Beijing's strides in AI and supercomputing, which have powered its supersonic and nuclear weapons capability, which Washington views as detrimental to its security interests. On top of the ban on tech exports comes the executive order Biden issued in August prohibiting U.S. investments in the high-tech arena.

China has hit back in kind, clamping a ban in July on gallium and germanium exports, raw materials used in the production of microchips and weapons systems. These are the items listed in the U.S. inventory of materials critical for economic and national security. Additionally, curbs were imposed in October on exports of various types of graphite, a vital mineral for the production of electric vehicle batteries, where China enjoys dominance in the global supply chain. The government further tightened its anti-espionage and data protection laws on the grounds of strengthening national security, forcing firms to designate "for China" digital tools, set up China specific email ids and hive-off country exclusive servers.

### What is the way forward?

The escalation of the bilateral dispute was epitomised in the muscular approach that the U.S. adopted to shore up global hegemony during the Trump presidency and, conversely, China's quest for world military and technological supremacy that has crystallised under President Xi. The contours of this conflict have not fundamentally altered under President Biden's leadership. But a slight dose of realism seems to have been infused into navigating this complex relationship. There is in evidence a greater accent on exploring pragmatic avenues of coexistence through de-risking the two economies, rather than disengagement or 'decoupling'. This is a subtle but significant shift, and the only hope in the short term that the superpowers will climb down from their hard positions.

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## THE GIST

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## One in five children in rich countries living in poverty, UNICEF report points out

**Agence France-Presse**  
UNITED NATIONS

Sixty-nine million children – or more than one in five – live in poverty in the world's 40 richest countries, UNICEF said in a report released on Wednesday, blasting Britain and France for their particularly bad standings.

That's despite a drop in child poverty rates in the periods from 2012 to 2014 and 2019 to 2021, by around 8% in the 40 European Union and Organization for Economic Cooperation and Development (OECD) wealthy countries assessed.

"This is equivalent to around 6 million children out of a total child population of 291 million," said UNICEF Innocenti, the United Nations agency's research arm.

But at the end of 2021



The report called for action and political will to ensure children's well-being. AFP

there were still more than 69 million kids in poverty in those countries.

### Deep impacts

"For most children this means that they may grow up without enough nutritious food, clothes, school supplies or a warm place to call home," said Bo Viktor Nyfand of UNICEF Innocenti, highlighting the impact of such struggles on

young people's physical and mental health. The UNICEF figure is based on relative poverty, which is around 60% of the national median income, often used in developed countries to establish their own poverty levels.

The report called for action to ensure children's well-being and for political will among the countries surveyed, stressing that a country's wealth did not automatically lift its children out of poverty.

Since 2012, the biggest setbacks have been seen in some of the richest countries. U.K. saw a 19.6% jump in child poverty – or half a million extra children, and France's rate went up 10.4%.

In the U.S., the number of poor children has fallen by 6.7%, but more than one child in four still lives in relative poverty.

EVA STALIN IAS

# Sovereign wealth funds struggle to turn their trillions to climate finance

ANALYSIS

Reuters

LONDON/DUBAI

Sovereign wealth funds that control nearly \$12 trillion in assets are unlikely to quickly dismantle the hurdles in the way of urgently needed increases to their climate investments, even as COP28 talks seek to close the funding gap.

Funds such as those of Norway and the United Arab Emirates, COP28 host, face obstacles including mandates that require predictable returns that make it hard to find enough sustainable projects in which they can invest.

So far, sovereign wealth funds, the largest of which are sustained by oil, have committed less than \$10 billion to the climate cause, even though a dozen interviews with sovereign wealth funds and analysts who track them showed that funds, big and small, are increasingly concerned with the energy transition.

"I'm not seeing wide-ranging investment strategy against climate change in funds around the world," said Bernardo Bertolotti, director of the Sovereign Investment Lab at Bocconi University in Milan. "With the notable exception of Singapore and New Zealand, the commitments so far have been lackluster, accounting for less than 5% of total sustainable investments."

Some smaller funds, such as those in Nigeria and Bahrain, are boosting renewables or carbon off-



**Yawning gap:** UNCTAD pegged the annual developing world funding gap at \$4 trillion. REUTERS

setting, while a survey published in November showed more than a third of public funds planned to increase allocations to green bonds and assets.

## Stagnating investment

But the outright level of cash that sovereign wealth funds have put towards renewable energy and other sustainable investments has stagnated.

Research by the Center for the Governance of Change at Spain's IE University tallied global sovereign wealth funds' sustainable investments — everything from renewable energy to recycling and sustainable agriculture — at \$9.3 billion last year — below the 2018 peak of \$9.6 billion. During and after the pandemic, analysts said caution increased as a deteriorating world economic outlook drove investors to safer assets and sapped investment appetite for unpredictable green technology.

The limited sovereign wealth investment compares with their \$11.6 trillion of assets under management, and with UNCTAD estimates of a \$5.8 trillion global sustainable finance market.

Figures from the International Forum of Sovereign Wealth Funds (IFSFW) and the International Renewable Energy Agency similarly show sovereign wealth fund investments are stuck.

"From the numbers we track... we haven't seen growth," said Ute Collier, acting director for knowledge, policy and finance at International Renewable Energy Agency.

## Mandates matter

U.N.-commissioned research found the world needs \$125 trillion by 2050 to achieve net zero greenhouse gas emissions; UNCTAD pegged the annual developing world funding gap at \$4 trillion.

The U.N. and the International Finance Corporation are among those turning to sovereign wealth funds to fill it.

There are roughly 100 sovereign wealth funds worldwide and they include those launched even by cash-poor countries.

Some run assets, such as state-owned airlines or telecoms, while others facilitate foreign investment at home. The top 10, dominated by oil wealth, control 90% of the assets.

HSCL to invest +  
₹4,800 cr. to  
make LFP for  
EV batteries

Our Bureau  
MUMBAI

Himadri Speciality Chemicals Limited (HSCL) will invest ₹4,800 crore over the next 5 to 6 years for setting up a plant that will produce 2 lakh tonnes of lithium iron phosphate (also known as LFP or lithium ferrophosphate), a key material for making lithium ion batteries used in electric vehicles.

This is the first such plant in India.

In the first phase, it will invest ₹1,125 crore in the first phase for a 40,000 tonne per annum plant in Odisha. It intends to complete the project in 27-36 months.

The project will be executed by the step-down, wholly-owned subsidiary, Himadri Future Material Technology.

Lithium iron phosphate is the key cathode material, accounting for 52% of the cost of lithium batteries (LiB) used largely in electric vehicles.

## Revenue and funding

The company intends to fund 70-80% of the investment through internal accruals, as it targets becoming to become debt-free by repaying ₹230 crore of debt by March.

At full capacity, the company expects to generate a revenue of over ₹4,000 crore from the investment. It has already tied up raw material supplies of lithium carbonate from Australia, South America, and Africa and the company is confident of securing enough supplies despite growing demand.

(The writer is with The Hindu businessline)