

# AIR SPOTLIGHT

## 48<sup>TH</sup> G7 SUMMIT: PM MODI AS SPECIAL INVITEE



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### Context

- **Germany** has held the **G7 Presidency** since 1<sup>st</sup> January 2022. “Progress towards an equitable world” is the goal of the German G7 Presidency.
- G-7 members comprising Canada, France, Germany, Italy, Japan, the UK and the US currently represent close to 45% of the global GDP and more than 10% of the world's population.
- For the 2022 summit, Prime Minister **Narendra Modi** attended the summit as a special invitee along with other leaders of the global South such as Argentina, Indonesia, Senegal and South Africa.

### About G7

- It is an **intergovernmental organization** consisting of Britain, the US, Canada, France, Germany, Italy and Japan.
- The heads of government of the member states, as well as the representatives of the European Union, meet at the annual G7 Summit.

- **G7 represents 58% of the global net wealth** (\$317 trillion), more than **46% of the global gross domestic product (GDP)** based on nominal values, and more than 32% of the global GDP based on purchasing power parity.
- The seven countries involved are also the **largest IMF-advanced economies** in the world.

The 48<sup>th</sup> G7 summit took place in the backdrop of the Ukraine crisis that has triggered a major food crisis as well as issues relating to energy security. Ahead of the summit, India's foreign secretary said that India's regular participation at the summit reflects that the Western countries need India's support to confront major global challenges.

#### In the backdrop of the geopolitical turmoil triggered by the Ukraine crisis, what would the G7 agenda be?

- Though informal the G7 summit has had its importance since its very existence i.e., 1975. Its priorities have changed over time it started for economic growth, then it started focusing on security and foreign policy of the members and now it is started discussing **climate change, energy security and food security**.
- The change in priorities is in the wake of the pandemic and the Ukraine crisis. However, among the member countries, the host **Germany** wants the discussion to be held on sustainable development or economic stability, healthy lives and investment in a better future.
- As far as **India** is concerned, it is **already associated with G7 summits** in the past. PM Modi participated in France and UK summits and is now in Germany. This shows that the West knows the importance of the world's largest democracy, the second-largest market in the world and the third-largest economy in the world, which need India in making important global decisions.

Lately, India has emerged as a major global power and for solutions to any global issue, Indian support is required. Hence, PM Modi's participation in G7 is very significant.

#### What is the significance of the G7 summit from India's perspective?

- As the world's second-largest market, PM Modi has always asked **foreign investors to invest in India**. And G7 represents nearly 45% of the global GDP, hence, India would want to develop good trade relations with all the countries and will continue working on various free trade agreements (FTA).
- If we talked about **climate change**, India along with France was the first to start International Solar Alliance (ISA) initiative to push for renewable energy. So, the economy along with the environmental concerns puts India in an important position.
- In sense of the **Russia-Ukraine crisis**, though **India's stand** was not palatable to the Western countries, India maintained the principle stand of peace, cessation of hostilities, dialogue and diplomacy. This reflects India's moral authority on geopolitical issues and its strategic diplomacy.
- Apart from this, India has already signed **FTA** with Australia and it will finalise FTA with Europe Union by the end of 2023, India will even preside over G20 in 2023. So, from this viewpoint, this summit will be very important for India in exchanging views with countries on various issues that are of global concern.

India in this agenda is set to discuss issues like the environment, food security, health, counter-terrorism, gender equality and democracy.

### What does India indicate concerning cooperation in counter-terrorism?

- Terrorism is being a very **major problem for India** for the last four decades. At present time various countries are promoting cross-border terrorism as their foreign policy. So, with the ongoing international pressure, major countries are on the same page concerning terrorism.
- PM Modi raised a very fundamental issue in 2015 at the United Nations Security Council (UNSC) that first there is a need to **define terrorism** to be very clear about whom we should fight with.
- Just like **climate change** there is a need for global cooperation (already being practised in the West) to fight, India wants to shed light on cooperation between security agencies to end terrorism. So, it becomes important as well as imperative to discuss such an issue that is global and more particularly problematic for India.

**The energy security issue is one of the agendas of the G7 summit. India's procurement of crude oil from Russia was India's stand on the Ukraine crisis by its Western partners. Whereas India defends its decision saying India will go by its national security interest.**

### How the issue of India's crude oil procurement will be discussed in G7?

- Indian experts considered this as the **hypocrisy** of the Western countries. The unrest was created by the West itself so they should bear the burden and find a solution.
- On the other hand, India was accused of financing the war by purchasing crude from Russia. Whereas the ground reality is the **West has purchased more oil and gas** as compared to India during the same period.
- India is **dependent on imports** for its energy security, with unrest India looked for a cheap supplier of crude oil i.e., Russia. Hence, there would not be a direct against India on this issue.

### What expectation should be made from the G7 summit in the context of India's interests?

- It would not be directly related to India's interest but India would be able to judge the approach of Western countries on various issues raised. This will benefit India to form the base of the agendas for the next **G20 summit** which will be hosted by India.
- In April 2022, India witnessed several visits from **foreign delegations** and now India was on the table with the top leaders of the world economics. So, this will benefit the Indian economy in a furious time that will provide **leeway to negotiate** on beneficial terms.

**India has been the major stakeholder in the Indo-Pacific region. India has raised concerns about China's rapid increase in its military strength in the region as well as bullying and assertiveness in the Indo-pacific region.**

### What would be the implications for the Indo-pacific region arising out of the G7 summit?

- India in its recent meetings like **QUAD** and **BRICS** has mentioned maritime security, border security, sovereignty and territorial integrity and raised concern about China should follow the rules of the sea.
- With the Indo Pacific Economic Forum (IPEF) and the Blue Pacific Group, India has already maintained good **bilateral relations** with France, the UK, the USA, Australia, Japan and South Korea. These will be very important in moving the West towards the South.

### Will Russia and China be worried about India's deeper engagement with the G7?

- India has recently attended the BRICS summit, Shanghai Cooperation Organisation (SCO) and is also planning to host the SCO summit in 2023. This makes it clear to not just Russia and China but also to the West that India is part of various international organisations.
- With India maintaining such a stance will not be an immediate cause of concern for Russia. China may be sceptical about the QUAD grouping and India's interest in the Indo-Pacific region.

<https://newsonair.gov.in/Spotlight.aspx#>



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## NEWS IN BRIEF: PRELIMS SPECIAL

### Prime Minister Narendra Modi in UAE



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#### Context

- After attending G7 Summit in Germany, PM Modi reached **Abu Dhabi** in the United Arab Emirates (UAE).
- PM Modi was attended by **Sheikh Mohammed Bin Zayed Al Nahyan**, the President of UAE.

#### India-UAE

- India and United Arab Emirates (UAE) enjoy strong bonds of friendship based on age-old cultural, religious and economic ties between the two nations.
- India-UAE **bilateral relations** have received impetus from time to time with the exchange of high-level visits from both sides.
- The traditionally close and friendly India- UAE bilateral relationship has evolved into a significant partnership in the **economic and commercial sphere**.
- India and UAE signed a **Cultural Agreement** in 1975 Embassy continue to organize various cultural activities on its own as well as by collaborating with Indian Associations/Cultural Organisations based in UAE.
- UAE is home to an **Indian expatriate community** of more than 2.6 million – the largest expatriate community in the UAE. Professionally qualified personnel constitute about 15 & 20 per cent of the community, followed by 20 per cent of white-collar non-professionals (clerical staff, shop assistants, salesmen, accountants, etc) and the remainder 65% comprises blue-collar workers. There is a significant business community in India.

<https://newsonair.gov.in/News?title=Prime-Minister-Narendra-Modi-reaches-Abu-Dhabi-in-UAE-after-attending-G-7-Summit-in-Germany&id=443343>



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### GST Council



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#### Context

- The finance minister **Nirmala Sitharaman** is set to chair the 47<sup>th</sup> meeting of the GST Council in Chandigarh.

#### About GST Council

- The process for **creating GST Council** started in India when the Constitution (One Hundred and Twenty-second Amendment) Bill 2016, for the introduction of Goods and Services Tax (GST) was accorded assent by the President on 8th September 2016.
- As per **Article 279A (1)** of the amended Constitution, the president should approve to constitute within 60 days of the commencement of Article 279A.
- On 10th September 2016, the notification stated to **bring Article 279A into force** with effect from 12th September 2016.
- Following the assent of the GST Bill, the Union Cabinet in a meeting held on 12th September 2016 approved the setting-up of the GST Council and setting-up of its Secretariat. Further, Finance Minister Shri Arun Jaitley also decided to call the **First Meeting** conducted on 22nd and 23rd September 2016 in New Delhi.
- The GST Council consists of the following members:
  - The **Union Finance Minister** (as Chairman).
  - The **Union Minister of State in charge** of Revenue or Finance.
  - The Minister in charge of Finance or Taxation or any other Minister, **nominated by each State Government**.

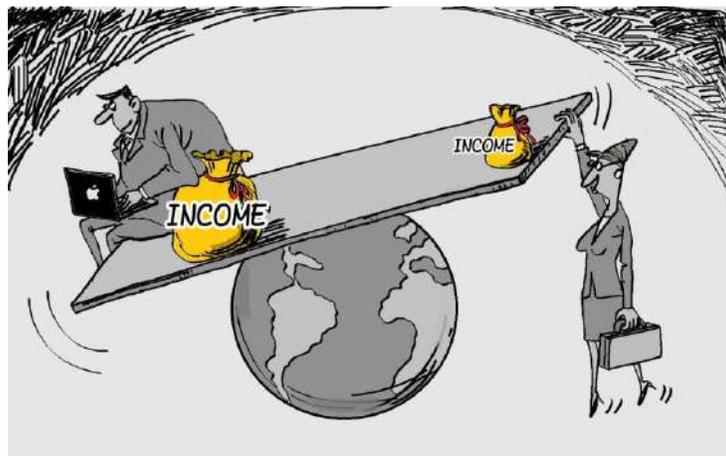
- The GST Council will make **recommendations** on:
  - GST shall include taxes, cesses, and surcharges;
  - Goods and services which possibly will be subject to, or exempt from GST;
  - The threshold maximum value of turnover for the function of GST;
  - Rates of GST;
  - GST laws, principles of levy, apportionment of IGST and principles associated with place of supply;
  - Special provisions concerning the eight north-eastern states, Himachal Pradesh, Jammu and Kashmir, and Uttarakhand; and other associated matters.
  - Other matters about the implementation and regulation of GST in India.

<https://newsonair.gov.in/News?title=Finance-Minister-Nirmala-Sitharaman-chairs-47th-meeting-of-the-GST-Council-in-Chandigarh&id=443321>



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### Income Inequality



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#### Context

- **State Bank of India (SBI)** in its **Ecwrap Research Report** says that the income inequality in India has declined significantly in India.
- In the wake of pandemic and geopolitical issues, India has performed well in terms of income equality that even India's **poverty ratio** has also declined to 17.9 per cent in 2020-21 from 21.9 per cent in 2011-12.

### Income inequality in India

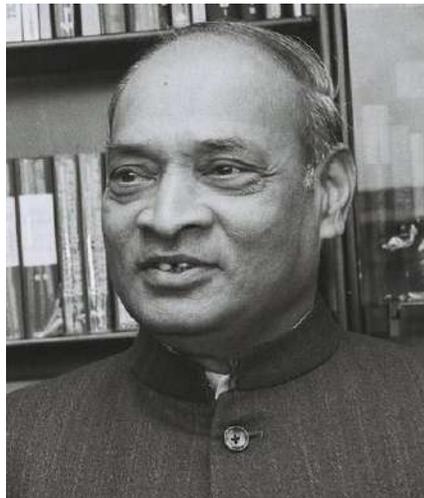
- There are different kinds of inequalities in India that are **multidimensional and intersectional**.
- While **multidimensional poverty** has been an area of study in the field of developmental economics since the early 2000s, multidimensional inequality is a fairly new perspective. Such an approach focuses on the **interrelationship between different variables** like income, labour, education, health and household conditions to emphasise the degree of deprivation.
- The interrelationship is such that lack of one kind leads to the household becoming deprived in other areas as well.
- This **deprivation has both social and economic roots** that reinforce oppressive structures that limit an individual's (and by extension, the whole society) capabilities and liberties.
- **Economic factors** like loss of job, informalisation of work that takes away worker benefits, low incomes and having no assets or wealth transcend into the social lives by restricting their mobility and having no assets or wealth transcend into the social lives by restricting their mobility and trapping the households in a vicious circle of dearth and inequities.

<https://newsonair.gov.in/News?title=Income-Inequality-in-India-declined-significantly-since-2017&id=443328>



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**P V Narasimha Rao**



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### Context

- **Vice President M Venkaiah Naidu** paid tributes to former Prime Minister P V Narasimha Rao on his birth anniversary.

### About P V Narasimha Rao

- **Pamulaparti Venkata Narasimha Rao** served as the **10th Prime Minister of India**, who ushered the country into an era of economic reforms. Rao served as the PM from June 21, 1991, to May 16, 1996, for a total of 1,791 days.

- Rao, who was **born on June 28, 1921**, at Vangara in Karimnagar district in Andhra Pradesh, had a legislative experience of over 40 years. He was a member of the Andhra Pradesh Assembly from 1957 to 1977 and a member of the Lok Sabha from 1977 to 1998 (from sixth to eleventh Lok Sabha).
- He became a member of the **All-India Congress Committee (AICC) in 1951**. In 1957, he became a member of the Andhra Pradesh Assembly after winning from Manthani seat (now in Peddapalli district in Telangana). He represented the same constituency for three more terms – in 1962, 1967 and 1972.
- In 1962, Rao became a **minister in the Andhra Pradesh government** and held various portfolios including law, education and health until 1971, when he took over as the Chief Minister. He remained the CM till 1973.
- In 1977, Rao entered national politics after winning from Andhra Pradesh's Hanamkonda parliamentary constituency. He was re-elected from the same constituency in 1980 when he was **inducted into the Indira Gandhi ministry as the external affairs minister**. Later, he also served as the **home minister** in the Indira government.
- In the 1991 general elections (10th Lok Sabha), Congress made a comeback by winning 232 of 487 seats it contested. Rao, however, did not contest the election. So, after the election results following the **assassination of Rajiv Gandhi**, when Rao was sworn in as the PM on June 21, 1991, he was not a member of Parliament. However, a few months later, he contested the by-poll from Andhra Pradesh's Nandyal constituency and won.

<https://newsonair.gov.in/News?title=Vice-President-M-Venkaiah-Naidu-pays-tribute-to-former-PM-P-V-Narasimha-Rao-on-his-birth-anniversary&id=443339>



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### Dak Karmayogi



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#### Context

- 'Dak Karmayogi', an **e-learning portal** of the Department of Posts was launched by Communications Minister **Ashwini Vaishnav** and MoS Communications Devusinh Chauhan in Delhi.

#### About Dak Karmayogi

- This portal has been developed 'In-House' under the vision of '**Mission Karmayogi**', which was conceptualized by Prime Minister Shri Narendra Modi to bring efficiency in the actions of all the employees of the Government of India and transform the efficiency of bureaucracy with '**Minimum Government**' and '**Maximum Governance**'.
- 'Dak Karmayogi' portal will enhance the competencies of about **4 lakh Gramin Dak Sevaks** & Departmental employees by **enabling the trainees** to access the uniform standardized training content online or in blended campus mode to enable them to effectively deliver several G2C services for enhanced customer satisfaction.
- On successful completion of the final summative assessment, a system-generated **course completion certificate** will be sent to the trainee's registered email ID automatically.
- Trainees can give their feedback, ratings and suggestions for every video and other learning content so that necessary enrichment can be ensured.

<https://newsonair.gov.in/News?title=E-learning-%e2%80%98Dak-Karmayogi%e2%80%99-portal-of-Department-of-Posts-launched-in-Delhi&id=443351>



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