



# NEWS ANALYSIS

20 SEPTEMBER 2024

# Today's Prelims practice Question

Arrange the following places from West to East.

1. Lebanon
2. Cyprus
3. Iraq
4. Jordan

Select the correct answer code:

- a) 1-2-4-3
- b) 2-1-4-3
- c) 2-1-3-4
- d) 1-2-3-4

# Explanation



# Today's Prelims practice question

Q)The Digital Payments Index (DPI) is released by

- a) Indian Banks' Association
- b) Reserve Bank of India (RBI)
- c) NITI Aayog
- d) National Statistical Office (NSO)

# Harappan Civilization

## Harappan civilisation: enigma remains even after 100 years of exploration

### U.S. Subramanian

Exactly 100 years ago, on September 20, 1924, *The Illustrated London News* published an article containing explosive news which has reverberated down the decades and continues to cast a long shadow in South Asia even a century later. Headlined "First Light on a Long-forgotten Civilisation: New Discoveries of an Unknown Prehistoric Past", the article authored by John Marshall, then Director-General of the Archaeological Survey of India (ASI), announced the discovery of what he called the "civilisation of the Indus Valley".

A century later, this Bronze Age civilisation is called the Harappan civilisation, named after Harappa, now in Pakistan, which was the first site to be discovered in the area. For the past 100 years, the Harappan civilisation has mesmerised and baffled town planners, epigraphists, metallurgists, hydrologists, specialists in ceramics, mathematicians, astronomers, and others. Its enigmas have intrigued them.

At the apogee of its prosperity, it was a "technological powerhouse" that excelled in town planning,

harvesting water, building reservoirs, stadia, warehouses, underground irrigation systems, massive fortification walls and building soaring boats, fabricating bronze and copper artefacts, and in making beads, exquisite painted pottery, and terracotta products. Its craftsmen made seals of steatite and carved them with realistic human and animal motifs and a script within a cramped space of two cm by 1.5 cm.

### Uncanny similarity

Two ASI archaeologists were instrumental in the discovery, and were credited by Marshall in his article. Daya Ram Sahni first excavated Harappa in 1921-22, finding seals, painted pottery, and beads. Known as an "industrious, accurate and modest" man, Sahni later became the ASI's first Indian Director-General. The other key player was Rakhal Das Banerji. In 1922, he started excavating Mohenjo-daro, also located in modern-day Pakistan, and found seals, pottery, copper products, and crucibles at that site.

In June 1924, Marshall summoned Sahni and Banerji to meet him in his office in Shimla with their finds. He was struck by the uncanny similarity in the objects found at Harappa



Marks of a civilisation: Bathing platforms, a well, drains, and the remains of a carved drainage wall at Harappa, a site

and the late phase (2000 BC to 1500 BC), when it decayed and collapsed. Mohenjo-daro, Harappa, and Ganweriwala, all now in Pakistan, and Rakhigarhi and Dholavira, both in India, are the five of the biggest Harappan sites out of nearly 2,000 in the civilisation area, which is spread over 1.5 million sq.km in India, Pakistan, and Afghanistan. There are 1,500 sites in northwestern India, including in Gujarat, Haryana, Jammu and Kashmir, Maharashtra, Rajasthan, and Uttar Pradesh. The village of Daimabad on the banks of the Godavari river in Maharashtra is the southernmost outpost of the Harappan civilisation. There are about 500 sites in Pakistan, and a few in Afghanistan. The civilisation burgeoned on the banks of

the Indus and Saraswati rivers, the latter of which is believed to have dried up around 1900 BC.

According to Indian civilisation scholar Asko Parpola, "its most characteristic features" were "the fully developed Indus script; finely carved stamp seals with writing and/or an iconographic motif; standardised measures, including

cubic weights made of chert carefully cut and polished, employing a combination of binary and decimal systems...; the large-scale use of burnt brick, standardised in size, with the ratio 1:2:4, the most effective for bonding; exquisite lapidary art, featuring highly developed micro-drilling of very long beads made of hard carnelian, decorated with chemically stained motifs." (From Parpola's *The Roots of Hinduism: The Early Aryans and the Indus Civilisation*, 2015, Oxford University Press).

Filling the gap

Vasant Shinde, who has excavated several Harappan sites in India, noted that the civilisation's discovery was significant on two counts. First, most historians were of the opinion, before it was discovered, that settled life in this part of the world first occurred around the sixth century BCE, leaving a gap in South Asian history. Historian Vincent Smith had said India jumped from the Stone Age to the (Buddhist) stupas. "The discovery of the Harappan civilisation filled the so-called gap and pushed back in one stroke the antiquity of the settled life in this part of the world

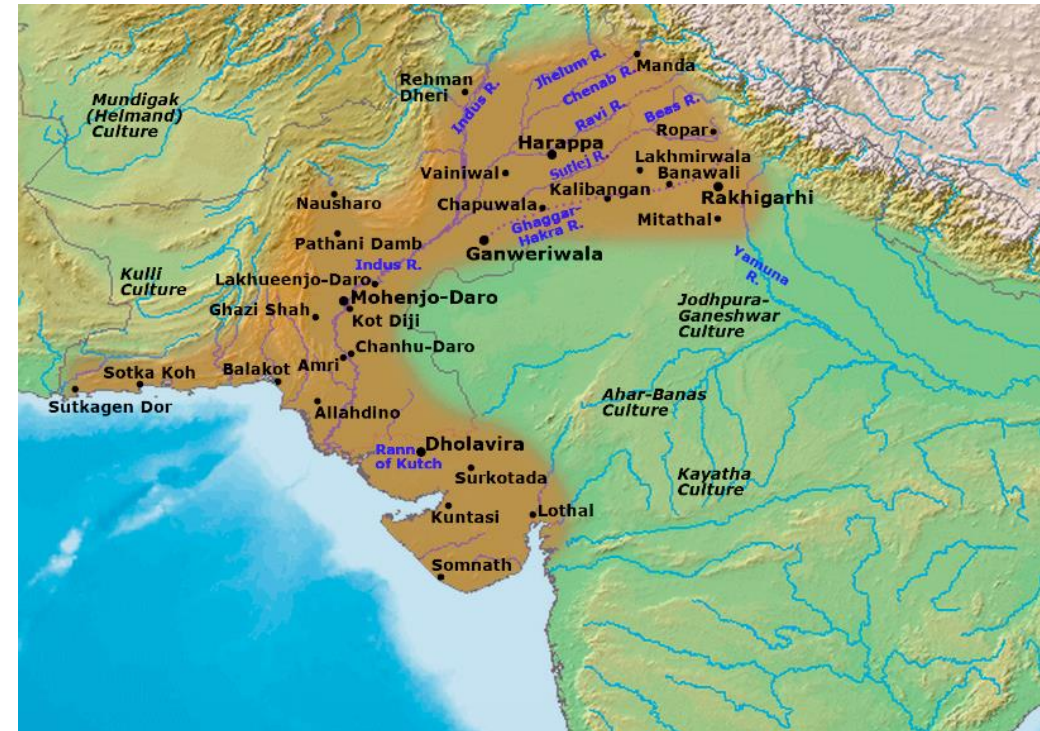
by more than 3,000 years," Dr. Shinde said. Second, the discovery added one more ancient civilisation in Asia, besides the Egyptian and the Mesopotamian, and unravelled the Harappan civilisation's maritime contacts with West Asia from 3000 BC. Iravatham Mahadevan, who hunted for 50 years to decipher the Indus script, had asserted that the civilisation was both pre-Aryan and non-Aryan. Mehrgarh, in Balochistan, in where it all began around 7000 BC. "The roots of the Harappan civilisation lie in Mehrgarh, around eight millennium BC," asserted R.S. Bisht, who excavated Dholavira in Gujarat from 1989-90 to 2004-05.

The book *The Wonder that was Harappan Civilisation*, brought out by *The Hindu*, has reproduced Marshall's story, first published in *The Illustrated London News*. On January 4, 1928, *The Hindu* had issued a full page to publish a summary of his statement on the subject. Read the original report by John Marshall at [bit.ly/harappan100](http://bit.ly/harappan100)

(This article is based partly on extracts from *The Wonder that was Harappan Civilisation*, curated by Mr. Subramanian.)

- On September 20, 2024, the centenary of **John Marshall's groundbreaking article** in *The Illustrated London News* is being observed.
- Marshall, then-Director General of the **Archaeological Survey of India (ASI)**, announced the **discovery of the Indus Valley civilization**, now known as the **Harappan civilization**.
- This event has significant historical implications, as it revealed a sophisticated urban culture in South Asia that existed around 2500 BCE, reshaping understandings of ancient history.

- ❑ The Harappan civilization, also known as the **Indus Valley civilization**, flourished during the **Bronze Age**, approximately from **3300 BCE to 1300 BCE**.
- ❑ **Other important Civilizations:** Egyptian (7000BC to 3000BC) and Mesopotamian (6500BC to 3100BC) civilizations.
- ❑ It is characterized by **advanced urban planning, agricultural practices, and trade networks**.
- ❑ The civilization was **technologically sophisticated**, exhibiting expertise in various fields including **metallurgy, ceramics, and hydraulic engineering**.
- ❑ The name "**Harappan**" derives from the archaeological site of Harappa, one of the first sites to be discovered in modern-day Pakistan.



## Key features of the civilization include:

- ❑ **Urban Planning:** Cities like Harappa and Mohenjo-daro featured grid patterns, advanced drainage systems, and standardized fired-brick construction.
- ❑ **Economy and Trade:** The civilization engaged in extensive trade with regions such as Mesopotamia, evidenced by found seals and artifacts.
- ❑ **Script and Art:** The Harappans developed a writing system (Indus script), and their artisans created intricate seals, pottery, and jewelry.
- ❑ Mohenjodaro was divided into two main parts: the Citadel and the Lower Town.
- ❑ **Citadel:** Constructed on mud brick platforms, it was walled and likely served special public purposes.
- ❑ **Lower Town:** Also walled, built on a raised platform, indicating a systematic approach to construction.
- ❑ A well-designed drainage system was a hallmark of Harappan cities. Every house was connected to street drains made of **mortar, lime, and gypsum.**

# FATF and India

## • FATF on India: Effective anti-money laundering system, low prosecution

(MCA) registry for availability of accurate owner information, and the link between money laundering and human trafficking.

India's main sources of money laundering originate from within, and the country faces a "disparate range" of terrorism threats from regional insurgencies in the Northeast and North, and Left-Wing Extremist groups, the Paris-based inter-governmental organisation said. The "most significant" terror threats seem to be related to the Islamic State or al-Qaeda linked groups active in and around Jammu and Kashmir, it said. Its largest money laundering risks are related to fraud including cyber-enabled fraud, corruption and drug trafficking, it said.

For the non-profit organisations (NPO) sector, the FATF said India should ensure that measures aimed at preventing the sector from being abused for terror financing are implemented. "Outreach should be conducted in a more focused, coordinated and risk-based manner by the relevant competent authorities, ensuring NPOs at risk of terror financing abuse enhance their understanding of the risks, including the sources, channels and end-use of funds as per their re-

spective theatre," it said.

The report also called for major changes to address delays in prosecution of terror financing cases. Noting that there was a disruption to the progress of prosecution of cases under the Prevention of Money Laundering Act (PMLA) during 2014-2022 as the government faced several challenges to the constitutionality of the law, the report said although the number of money laundering investigations increased since the review period, the number of prosecution complaints and concluded trials did not show a proportionate increase.

Between 2008 and the FATF team's visit in 2023, the Enforcement Directorate (ED) was able to secure convictions in 28 money laundering cases, it said.

The "regular follow-up" ranking is being seen as a favourable outcome by New Delhi, as some developed countries had raised objections. "Some developed countries pointed out that the onus of disclosing details of beneficial ownership is with the companies. We responded by saying that there are systems to identify investments coming from tax havens," a government official

said. The "regular follow-up" rating is currently shared by only four other G20 countries – the UK, France, Italy and Russia (now suspended from FATF). Most of the developing countries are in the "enhanced follow-up" category, which requires submission of reports on an annual basis, as against once in three years in the "regular follow-up" category.

The FATF said India should improve its framework for implementing targeted financial sanctions to ensure freezing of funds and assets without delay, and streamline the process for communicating such listings.

The report also flagged the need for India to define domestic PEPs (politically exposed persons) under the anti-money laundering laws. Reporting entities should improve identification of domestic PEPs and take risk-based enhanced measures in relation to them, it said.

Last year, the government had incorporated the definition of foreign PEPs as individuals who have been "entrusted with prominent public functions by a foreign country, including the heads of states or governments, senior politicians, senior government or judicial or military officers, senior executives of state-

owned corporations and important political party officials". However, it has not defined domestic PEPs under PMLA.

Responding to the report, Finance Ministry officials said India recognises the need to streamline the trial process in terror financing and money laundering cases and is taking steps to improve it. Additional Secretary (Revenue) Vivek Aggarwal said the FATF has given a high rating to India on major parameters, including financial intelligence, anti-money laundering and terror financing risks, and disclosure of beneficial ownership.

Of the recommendations made by the FATF, fast-tracking trials in terror financing and money laundering cases is important, while the rest are ancillary in nature, he said.

Prior to this report, the FATF had undertaken an evaluation for India in June 2010. India was then placed in the "regular follow-up" category, but was subsequently removed after a follow-up report in June 2013. Due to the pandemic and pause in the FATF's assessment process, the next round of mutual evaluation had been postponed to 2023.

As per a report by the **Financial Action Task Force (FATF)**, India has employed an **effective system** that has improved **anti-money laundering (AML)** and tackled counter-terrorist financing over the past 5 years, but there is **room for improvement** in aspects such as long pendency of trials and shortcoming in assessment of money laundering risks emanating from offences such as human trafficking.



## **Economic and Risk Landscape**

- ❑ As a lower-middle-income country with the world's fifth-largest economy, India faces significant money laundering risks from fraud, corruption, and drug trafficking.
- ❑ India confronts serious threats from terrorist groups like ISIL and Al Qaeda, necessitating improved prosecution and sanctions for terrorist financiers.

## **Financial Inclusion and Transparency**

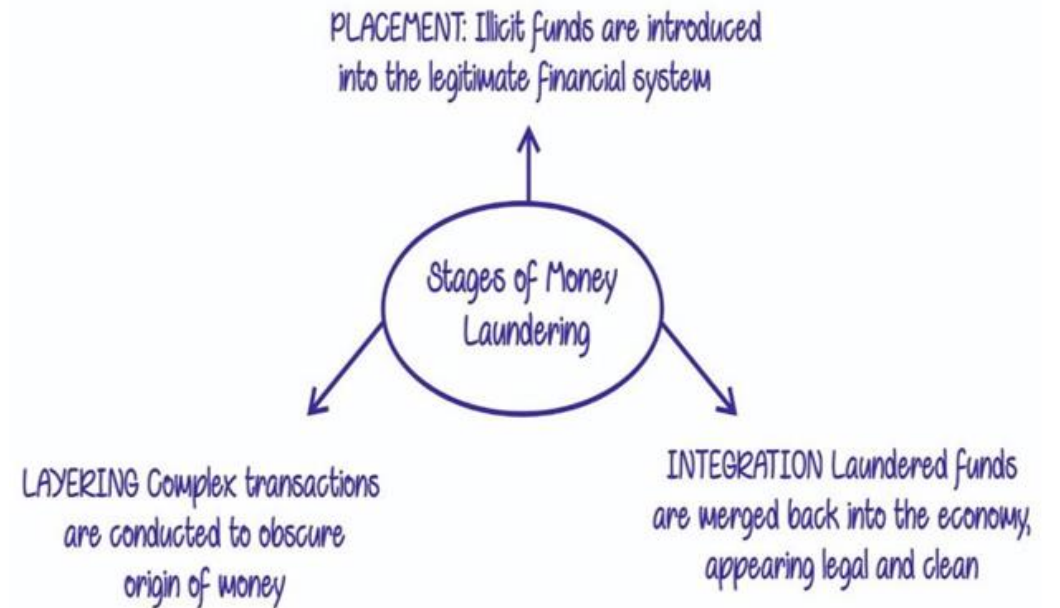
- ❑ India has significantly boosted financial inclusion, with more citizens gaining access to bank accounts and digital payment systems.
- ❑ There is a strong understanding of risks in the financial sector, particularly among commercial banks, although smaller institutions require further development.

## What is Money Laundering?

❑ Money laundering is the process of transforming proceeds from criminal activities to disguise their illegal origin. This allows criminals to enjoy their profits without attracting attention to the underlying illicit activities

## Common Sources of Criminal Proceeds

- ❑ **Illegal Activities:** Arms sales, drug trafficking, smuggling, and organized crime (e.g., prostitution rings).
- ❑ **Financial Crimes:** Embezzlement, insider trading, bribery, and computer fraud.
- ❑ **Objectives of Money Laundering:** Criminals aim to control their funds while minimizing attention to their illegal activities.



## Anti-Money Laundering Laws

- ❑ The international community has established the **Financial Action Task Force (FATF) in 1989**, an intergovernmental organisation that sets international standards to combat money laundering and terrorist financing.
- ❑ As part of its mandate, the FATF issued 40 recommendations, providing a framework for countries to prevent and combat these financial crimes.
- ❑ India became the 36th member of the watchdog in 2010.
- ❑ In response to this international obligation, India enacted as the **Prevention of Money Laundering Act (PMLA) in 2002** (under Article 253).
- ❑ The core objective of the PMLA is to address the laundering of illicit funds generated through activities such as drug trafficking.
- ❑ By targeting the flow of illegal proceeds, the legislation aims to protect the financial infrastructure of the country.

# Simultaneous elections

## Logistics of holding simultaneous elections in India: task before the ECI

DAMINI NATH  
NEW DELHI, SEPTEMBER 30

THE UNION Cabinet on Wednesday accepted the recommendations of the High Level Committee on One Nation, One Election (ONOE), which laid out the roadmap to hold simultaneous elections to Lok Sabha and the state Assemblies and, ultimately urban and rural local bodies.

For ONOE to become a reality, however, the Election Commission of India (ECI) will have its task cut out.

### What has been ECI's position on ONOE?

Lok Sabha and Assembly elections were held simultaneously up to around 1967, after which election cycles started falling out of sync, as many legislatures were dissolved before the end of their terms. At present, elections to the Andhra Pradesh, Arunachal Pradesh,

Odisha, and Sikkim Assemblies are held together with Lok Sabha elections.

The ECI has said over the years that it supports the idea of bringing election cycles back in sync, but this would require amendments to the Constitution as well as additional funds. In 2022, however, then Chief Election Commissioner (CEC) Sushil Chandra said that the ECI was "fully geared up" for ONOE.

Parliamentary Standing Committees and Law Commissions have discussed simultaneous elections in the past. In its submission to the Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice in 2019, the ECI listed several "difficulties" in implementing the idea.

"The chief issue highlighted by them is that simultaneous conduct of elections would require large-scale purchase of Electronic Voting Machines (EVM) and Voter Verifiable Paper Audit Trail (VVPAT) machines. The Commission expects that a total of Rs 2,94.15

crore will be needed. The machines would also need to be replaced every 15 years which would again entail expenditure. Further, staging these machines would increase the man-housing cost," the committee report said.

### What did the ECI tell the Kovind Committee?

The High Level Committee, whose recommendations the Cabinet accepted on Wednesday, was constituted under former President Ram Nath Kovind in September 2021. It wrote to the ECI on January 12 and February 20 asking for inputs on ONOE.

In its submission, the ECI sent the same response that it had provided to the Law Commission of India, which had examined the issue in March 2021. It said that at least Rs 8,000 crore would be needed to procure the EVMs and VVPATs that would be

needed to hold simultaneous elections to Lok Sabha and state Assemblies. The ECI did not consider the requirement for local body polls, as they are administered by State Election Commissioners.

At the time of announcement of Lok Sabha elections in March, the ECI said votes would be cast at 30,48 lakh polling stations across the country, and more than 1 crore polling and security personnel would be deployed. These numbers will increase if elections to all states Assemblies were to be held at the same time as the Lok Sabha election.

In its submission to the Law Commission and the Kovind committee, the ECI estimated that a total 53,76 lakh ballot units and 38,67 lakh control units of EVMs, and 41.65 lakh VVPATs would be needed for simultaneous elections in 2029.

This entails the addition of 28,55 lakh ballot units, 17.78 lakh control units, and 17.79 lakh VVPATs to the ECI's existing inventory at an estimated cost of Rs 2,951.39 crore. This amount does not include the costs of transportation, warehousing, first-level checking, and other related costs, the ECI said.

The ECI also said that the two state-owned companies that make the EVMs and VVPATs, Bharat Electronics Ltd (BEL) and Electronics Corporation of India Ltd (ECIL), would need time to manufacture the additional units that would be needed for simultaneous elections.

### What has been ECI's practical experience with holding simultaneous elections?

The ECI has faced challenges in scheduling elections simultaneously due to requirements of security, weather conditions, festivals, and other factors. Earlier this year, it decided against holding elections in the Jammu and Kashmir Assembly along with

the Lok Sabha election due to the additional security requirements for all candidates.

Some 400-500 additional companies of security forces would be needed, which would not be possible to mobilise with Lok Sabha elections also underway in the country, CEC Rajiv Kumar said while announcing the elections. "The entire administrative machinery said in one voice that they can't do it simultaneously," Kumar said.


Assembly elections in J&K are currently underway. Votes will be cast in Haryana on October 5, but the ECI has decided to keep the elections in Maharashtra, which has been held together with Haryana in the past, for later, again citing the requirement of large number of security forces, and various festivals which need to be kept in mind while preparing the election schedule.

The Maharashtra elections are now expected in November. Counting in J&K and Haryana will take place on October 8.

- ❑ The Union government has decided to proceed with the recommendation of a high-level committee led by **former President Ram Nath Kovind to implement simultaneous elections for Lok Sabha and State Assemblies**, amidst opposition from various political parties and civil society.
- ❑ This move aims to synchronize elections at multiple levels to enhance governance and reduce costs.


- ❑ The committee recommends holding simultaneous Lok Sabha and State Assembly elections, followed by municipal and panchayat polls within 100 days.
- ❑ This initiative requires constitutional amendments to be passed in both Parliament and State Assemblies.
- ❑ The rationale includes reducing election costs and mitigating the continuous campaigning by political parties.
- ❑ There is minimal empirical data supporting the claim that simultaneous elections will lead to significant cost savings.
- ❑ Currently, general elections are already time-consuming, and synchronizing elections may prolong this process further.
- ❑ Additionally, if a State Assembly is dissolved early, midterm elections will not grant a full five-year term, undermining the cost-cutting rationale.

## The Way Ahead


Niti Aayog refers to UK which enacted the  Fixed-term Parliaments Act, 2011, mandating completion of a term of Parliament before general elections are held 

 **Recommends dividing states and union territories into two groups for simultaneous polls**

 Says the term of 14 states in the first group commence in April-May 2019	For the remaining 17, it can be from Oct-Nov 2021
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 Says fixed terms can be implemented by “suitable amendments in the Constitution and the applicable statutory framework”

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- ❑ The proposal risks undermining the federal structure by reducing the significance of State and local elections, which have distinct roles in a multi-tiered governance system.
- ❑ Each electoral tier allows voters to make choices based on specific socio-economic factors and local issues, fostering diversity in representation.
- ❑ The centralization of elections could dilute the importance of these levels and alter the nature of political representation.

## The Latest Pitch & Roadblocks

### CLASH OF ROLES

The Law Commission raised common voter list issue with the EC on Wednesday

EC prepares electoral roll for polls to Parliament and state legislatures while States do it for Panchayati Raj institutions and municipal bodies

While some states rely on EC's roll, others do it de novo

### SETTING BOUNDARIES

As far as EC's purview is concerned, the delimitation of constituencies is frozen until 2031

There is no such bar on states for determining the boundaries of wards for local election

To enable a common electoral roll, all states will have to amend respective laws to freeze constituency boundaries to synch to a uniform calendar

### LOGISTICAL ISSUES

EC says it's difficult to prepare list for over 78 cr electors as there is no uniform system for preparation of rolls by SECs

It would not be possible for the ECI to collect the data of Panchayat, municipal body and ward numbers and feed it into a common database

**₹500 crore**

Required for preparing common roll

**₹300 crore**

Proposed to be allocated in Budget

**Q)The growing tensions between the United States and China have been characterized by some analysts as a new Cold War or Cold War 2.0. In this context, how should India navigate its foreign policy? Comment.**

## China will be 'high' on Quad Summit agenda: U.S.

**Sciram Lakshman**  
WASHINGTON DC

China will be "high on the agenda" at the summit-level meeting of the Quadrilateral Security Dialogue (Quad), comprising the U.S., India, Australia and Japan, according to White House spokesperson John Kirby.

U.S. President Joe Biden will host Quad leaders in his hometown of Wilmington, Delaware, on Saturday. Mr. Biden will meet individually with Prime Minister Narendra Modi as well as Prime Ministers Anthony Albanese of Australia and Fumio Kishida of Japan. They will also meet together to discuss "responding cooperation across a range of critically



**Common goals:** U.S. President Joe Biden will host Quad leaders in his hometown of Wilmington in Delaware in the U.S. on Saturday. AP

important issues" according to the White House.

"In fact, it would be irresponsible if they did not talk about the challenges that still exist in the region, caused by aggressive PRC military action, for instance, unfair trade prac-

tices, tensions over the Taiwan Strait. I have no doubt that all these issues will come up," he said.

### Other agendas

Also on the agenda are health security, natural disaster response, maritime

security, infrastructure, critical and emerging technologies, climate, clean energy and cyber security, according to Mr. Kirby.

### Human rights

Asked by a journalist at Wednesday's White House briefing if Mr. Biden would discuss human rights with Mr. Modi, Mr. Kirby said he did not want to get ahead of the conversations but that if appropriate, Mr. Biden would do so.

"There's not a conversation that he has with foreign leaders where he does not talk about the importance of respecting human and civil rights, and that includes with Prime Minister Modi," Mr. Kirby said, adding that Mr. Biden had raised the issue previously with Mr. Modi.

"And I'm sure that as appropriate, he'll be [doing so] going forward," he said.

Also expected are announcements that demonstrate that the Quad "thrives over the long term", Mr. Kirby said on Thursday.

The group has seen commitments from Democratic and Republican Presidents.

It was revived in 2007, during the Donald Trump presidency, while Mr. Biden hosted the first leader-level meeting of the Quad in September 2021.

The summit will be the last such meeting for two of the four leaders, with Mr. Biden and Mr. Kishida announcing that they will not seek re-election.

## Approach

- ❑ Introduce state of US CHINA relations
- ❑ Discuss tensions between USA and China
- ❑ Discuss India's foreign policy in the context of new cold war 2.0
- ❑ Conclude the answer by writing a way forward

In recent years, the relationship between the United States and China has undergone a profound transformation, marked by a complex interplay of economic competition, technological rivalry, security concerns, and geopolitical tensions.

### Tensions between USA and China

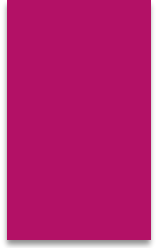
- ❑ The U.S.-China trade relationship has been a focal point of tension. Both countries engaged in a trade war, imposing tariffs on each other's goods.
- ❑ The competition for technological dominance, particularly in areas such as 5G, artificial intelligence, and cybersecurity, has heightened tensions.
- ❑ Concerns over human rights violations, particularly in relation to the treatment of Uighur Muslims in Xinjiang and political developments in Hong Kong, have strained diplomatic relations.
- ❑ The South China Sea has been a source of tension, with the U.S. expressing concerns about China's assertiveness in the region.



## India's foreign policy in the context of new cold war

- ❑ India has traditionally followed a policy of non-alignment and strategic autonomy. In the current scenario, India may continue to pursue a balanced approach, avoiding entanglements in formal alliances that could jeopardize its independent decision making ability.
- ❑ As both the United States and China are significant trade partners for India, maintaining economic ties with both nations is crucial. India should strive to enhance economic cooperation while mitigating potential risks associated with global economic tensions.
- ❑ Fostering stronger ties within its immediate neighborhood and the broader Indo-Pacific region can be beneficial for India. Engaging in regional forums and promoting stability in the region can enhance its strategic standing.
- ❑ Active participation in international institutions like the United Nations and the World Trade Organization allows India to contribute to global governance and advocate for its interests while maintaining a principled stand on issues.

India's foreign policy should be dynamic, flexible, and responsive to evolving global dynamics. It should seek to protect its national interests, promote economic growth, and contribute to global peace and stability while avoiding unnecessary entanglements in power rivalries.





# Thank you

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