



Foreign Portfolio Investors (FPI) and Forex Reserve

For Prelims: Forex Reserve and its components, FPI, FDI, Special Drawing Rights (SDR)

For Mains: Objectives of holding forex reserves and its significance, significance of FPI and FDI

Why in News?

The [Reserve Bank of India \(RBI\)](#) added another 16.58 tonnes of gold to the country's [foreign exchange reserves](#) in the last six months, bringing the country's gold holdings to more than 700 tonnes (around 760.42).

- Gold was acquired by the RBI at a time when [Foreign Portfolio Investors \(FPIs\)](#) left India, and forex reserves **dropped by USD44.73 billion** from USD 642.45 billion in September 2021 to USD 597.72 billion on April 29, 2022.
- Now, India is the **ninth-largest holder of gold reserves**.

What are Foreign Portfolio Investors?

- Foreign portfolio investment (FPI) consists of securities and other financial assets passively held by foreign investors. It does not provide the investor with direct ownership of financial assets and is relatively liquid depending on the volatility of the market.
 - Examples of FPIs include stocks, [bonds](#), [mutual funds](#), [exchange traded funds](#), American Depositary Receipts (ADRs), and Global Depositary Receipts (GDRs).
- FPI is part of a **country's capital account** and is shown on its [Balance of Payments \(BOP\)](#).
 - The BOP measures the amount of money flowing from one country to other countries over one monetary year.
- The [Securities and Exchange Board of India \(SEBI\)](#) brought **new FPI Regulations, 2019**, replacing the erstwhile FPI Regulations of 2014.
- FPI is often **referred to as "hot money"** because of its tendency to flee at the first signs of trouble in an economy. FPI is **more liquid, volatile and therefore riskier** than FDI.

What are the Benefits of FPIs?

- **Accessibility to International Credit:**
 - Investors may be **able to reach an increased amount of credit** in foreign countries, enabling the investor to utilize more leverage and generate a higher return on their equity investment.
- **Increases the Liquidity of Domestic Capital Markets:**
 - As **markets become more liquid**, they become more profound and broader, and a more comprehensive range of investments can be financed.
 - As a result, **investors can invest with confidence** knowing that they can promptly manage their portfolios or sell their financial securities if access to their savings is required.
- **Promotes the Development of Equity Markets:**
 - Increased competition for financing **leads to rewarding superior performance**, prospects, and corporate governance.

- As the market's liquidity and functionality evolve, equity prices will become value-relevant for investors, ultimately driving market efficiency.

What is the Difference between FPI and FDI?

- FPI and FDI are **both important sources** of funding for most economies.
- A [Foreign Direct Investment \(FDI\)](#) is an **investment made by a firm or individual in one country** into business interests located in another country. **FDI lets an investor purchase a direct business interest** in a foreign country.
 - **Example:** Investors can make FDI in a number of ways. Some common ones include establishing a subsidiary in another country, acquiring or merging with an existing foreign company, or starting a joint venture partnership with a foreign company.

Differences Between FDI and FPI		
Parameters	FDI	FPI
Definition	FDI refers to the investment made by foreign investors to obtain a substantial interest in the enterprise located in a different country.	FPI refers to investing in the financial assets of a foreign country, such as stocks or bonds available on an exchange.
Role of investors	Active Investor	Passive Investor
Type	Direct Investment	Indirect Investment
Degree of control	High Control	Very low control
Term	Long term investment	Short term investment
Management of Projects	Efficient	Comparatively less efficient
Investment has done on	Physical assets of the foreign country	Financial assets of the foreign country
Entry and exit	Difficult	Relatively easy
Leads to	Transfer of funds, technology, and other resources to the foreign country	Capital inflows to the foreign country
Risks Involved	Stable	Volatile

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What are Foreign Exchange Reserves?

- Foreign exchange reserves are **assets held on reserve by a central bank** in foreign currencies, which can include bonds, treasury bills and other government securities.
- It needs to be noted that most foreign exchange reserves are held in US dollars.
- **India's Forex Reserve include:**
 - Foreign Currency Assets
 - Gold reserves
 - Special Drawing Rights

- Reserve Tranche Position with the [International Monetary Fund \(IMF\)](#).

What is the Significance of Rising Forex Reserves?

- **Comfortable Position for the Government:**
 - The rising forex reserves give comfort to the government and the RBI in managing India's external and internal financial issues.
- **Managing Crisis:**
 - It serves as a cushion in the event of a [Balance of Payment \(BoP\)](#) crisis on the economic front.
 - **Limits external vulnerability** by maintaining foreign currency liquidity to absorb shocks during times of crisis or when access to borrowing is curtailed.
- **Rupee Appreciation:**
 - The rising reserves have also helped the rupee to strengthen against the dollar.
 - **Provides the capacity** to intervene in support of the national or union currency.
- **Confidence in Market:**
 - Reserves will **provide a level of confidence to markets** and investors that a country can meet its external obligations.
- **Role in Policy Making:**
 - **Supporting and maintaining confidence** in the policies for monetary and [exchange rate](#) management.

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Q. Which one of the following groups of items is included in India's foreign-exchange reserves? (2013)

- (a) Foreign-currency assets, Special Drawing Rights (SDRs) and loans from foreign countries (b) Foreign-currency assets, gold holdings of the RBI and SDRs
- (c) Foreign-currency assets, loans from the World Bank and SDRs
- (d) Foreign-currency assets, gold holdings of the RBI and loans from the World Bank.

Ans: (b)

Q. With reference to Foreign Direct Investment in India, which one of the following is considered its major characteristic? (2020)

- (a) It is the investment through capital instruments essentially in a listed company.
- (b) It is a largely non-debt creating capital flow.
- (c) It is the investment which involves debt-servicing.
- (d) It is the investment made by foreign institutional investors in the Government securities.

Ans: (b)

- Foreign Direct Investment (FDI) is the investment through capital instruments by a person resident outside India in:
 - An unlisted Indian company; or
 - 10% or more of the post issue paid-up equity capital on a fully diluted basis of a listed Indian company.
- Thus, FDI can be in a listed or unlisted company.
- The capital invested in India via FDI is non debt creating and not allowed to serve debt.
- An investment is called Foreign Portfolio Investment, if the investment made by a person (or institutional investors) resident outside India in capital instruments is:
 - less than 10% of the post issue paid-up equity capital on a fully diluted basis of a listed

Indian company, or

- less than 10% of the paid up value of each series of capital instruments of a listed Indian company.
- Therefore, option (b) is the correct answer.

[Source: IE](#)

Shallow and Deep Ecologism

Why in News?

As India continues to grapple with the unrelenting heat waves, it becomes relevant to unpack two strands of environmental philosophy that reinvent the relationship between nature and humans — **Shallow and Deep Ecologism**.

What is Ecology?

- Ecology is the study of the relationships between living organisms, including humans, and their physical environment.
- It seeks to understand the vital connections between plants and animals and the world around them.
- It also provides information about the benefits of ecosystems and how we can use Earth's resources in ways that leave the environment healthy for future generations.

What are Shallow and Deep Ecologism?

- **Background:**
 - The concepts emerged in the 1970s, when Norwegian philosopher Arne Næss sought to look beyond the popular pollution and conservation movements of his milieu to address environmental degradation.
 - In his study of ecological concerns, Næss is more preoccupied with the role of the individual in nature. He believes that owing to increased anthropocentrism, humans have cut themselves off from nature, viewing nature and themselves as competing entities and establishing a master-slave dynamic.
 - By placing humans at the heart of the environmental crisis, Næss outlines the difference between the two styles of ecologism.
- **Shallow Ecologism:**
 - Shallow ecology refers to **the philosophical or political position that environmental preservation should only be practiced to the extent that it meets human interests**.
 - It is **more like a powerful and fashionable fight against pollution** and resource depletion rather than a radical change.
 - Exponents of this **philosophy believe in continuing our present lifestyle, but with specific tweaks aimed at minimising the damage to the environment**.
 - Also referred to as **weak ecologism**, it may **include the use of vehicles that cause less pollution or air conditioners that do not release [chlorofluorocarbons \(CFCs\)](#)**.
 - This branch of ecologism primarily serves to maintain the lifestyle of those dwelling in

developed countries.

▪ **Deep Ecologism:**

- Deep ecologism believes that **humans should radically change their relationship with nature.**
- Its proponents **reject shallow ecologism for prioritizing humans above other forms of life**, and subsequently preserving the environmentally destructive way of life in modern societies.
- It maintains that by **sustaining this lifestyle, shallow ecologism further widens the inequalities between countries.**
 - For instance, despite constituting only 5% of the world's population, the U.S. accounts for 17% of the world's energy consumption and **is the second largest consumer of electricity after China.**
 - Similarly, while low and middle-income countries have recorded lower cumulative and per capita carbon dioxide emissions over the past two centuries, it is the wealthier countries which are most responsible for a majority of carbon emissions.

What are the Objectives of Deep Ecologism?

- It **aspires to sustain nature by making large-scale changes** to our lifestyle.
 - These may include limiting the commercial farming of meat to preserve forest areas and reduce the artificial fattening of animals,
 - The **reshaping of transport systems which involves the use of internal combustion engines.**
- Besides advocating these lifestyle changes, deep ecologism shifts the attention from pollution and conservation narratives to robust policy formulation and implementation.
 - According to Næss, **policy-making must be aided by the reorientation of technical skills and inventions in new directions that are ecologically responsible.**
- Næss recommends that ecologists should reject work that is supervised by authorities with limited ecological perspectives. As irreplaceable informants, ecologists should not submit to power which does not recognize critical ecological priorities.
- Additionally, to recognize the complex richness of different lifeforms, **deep ecologism calls for a re-evaluation of the 'survival of the fittest' doctrine.**
 - Survival of the fittest should be **understood through the human ability to cooperate and coexist with nature**, as opposed to exploiting or dominating it.
- Deep ecologism thus prioritizes a 'live and let live' attitude over an 'either you or me' approach.

How can Deep Ecologism be Promoted?

▪ **Socialism:**

- Deep ecologism **in particular belongs to socialism.**
- In his writings on deep ecologism, Næss argues that **a narrow focus on pollution and conservation movements is counterproductive.** He believes that when projects are only implemented to solve pollution, it generates evils of a different kind.
 - For instance, the installation of pollution control devices may increase the cost of living, **leading to an increase in class difference.**
- An ethically responsible ecologism is one which operates in the interest of all economic classes.

▪ **Decentralization of Decision Making:**

- The environment may also become more **vulnerable when decisions are strongly influenced by majority rule**, without taking local interests into consideration.
- According to Næss, a **solution to this can be found in decentralizing the decision-making process and strengthening local autonomy.**
- A chain consisting of a local board, a municipal council, a state-wide institution, a national government institution, a coalition of nations, and a global institution can be reduced to one made up of a local board, a nation-wide institution, and a global institution.
- **A lengthy decision-making chain is unfavourable** as it is prone to excluding local interests.

▪ **Acknowledging Regional Differences:**

- Næss cautions humans against adopting a 'vague, global' approach to the environmental

crisis.

- A holistic perspective to the crisis is one which acknowledges regional differences and the disparities between developed and underdeveloped nations.
- Næss stresses that the political potential of the movement be realised, and that those in positions of power be held accountable. The responsibility of solving the climate crisis falls on policy-makers as much as it does on scientists and ecologists.

[Source: TH](#)

ASI's Excavation of Rakhigarhi

For Prelims: Archaeological Survey of India, Indus Valley Civilization.

For Mains: Major Findings of Rakhigarhi, Harappan Civilization.

Why in News?

The recent excavation of Harappan site of Rakhigarhi by [Archaeological Survey of India \(ASI\)](#) has revealed the structure of some houses, lanes and drainage system.

- The ASI excavations also revealed pieces of copper and gold jewellery, terracotta toys, besides thousands of earthen pots and seals.
- The idea of this excavation is **to make the archaeological site of Rakhigarhi accessible to people** by exposing the structural remains and conserving them for future viewing, along with providing amenities to the visitors.
- Also, DNA samples were collected from two unearthed human skeletons and sent for scientific examination, the outcome might **tell about the ancestry and food habits of people who lived in the Rakhigarhi region thousands of years ago.**

What is Rakhigarhi?

- [Rakhigarhi](#) is the largest Harappan site in the Indian subcontinent.
 - Other large sites of **Indus valley Civilization (Harappan civilization)** in Indian sub-continent are Harappa, Mohenjodaro and Ganveriwala in Pakistan and Dholavira (Gujarat) in India.
- At Rakhigarhi, the excavations are being done to trace its beginnings and to study its gradual evolution from 6000 BCE (Pre-Harappan phase) to 2500 BCE.
 - The site was **excavated by Amarendra Nath of ASI.**
- Rakhigarhi is among **the five [iconic sites](#) announced by Union Finance Minister during Budget Speech in 2020.**
 - The other such sites are Hastinapur in Uttar Pradesh, Sivasagar in Assam, Dholavira in Gujarat and Adichanallur in Tamil Nadu.

What are the Major Findings of the Site?

- **Settlements:**

- The archaeological excavations revealed the mature Harappan phase represented by planned township having mud-brick as well as burnt-brick houses with a proper drainage system.
- **Seals and Pottery:**
 - A cylindrical seal with five Harappan characters on one side and a symbol of an alligator on the other is an important find from this site.
 - The ceramic industry was represented by red ware, which included dish-on-stand, vase, perforated jar among others.
- **Rituals and Burials:**
 - Animal sacrificial pits lined with mud-brick and triangular and circular fire altars on the mud floor have also been excavated that signifies the ritual system of Harappans.
 - The excavations have yielded a few extended burials, which certainly belong to a very late stage, maybe the medieval times.
 - Two female skeletons, who were buried with a plethora of pottery and adorned jewellery like jasper, agate beads and shell bangles, have been excavated.
- **Other Antiquities:**
 - Blades; terracotta and shell bangles, beads of semi precious stones, and copper objects; animal figurines, toy cart frame and wheel of terracotta; bone points; inscribed steatite seals and sealings.
- **Study of DNA Samples:**
 - Recently, a study of [DNA](#) from skeletal remains excavated from the Harappan cemetery at Rakhigarhi found that the people in the Harappan Civilization have an independent origin.
 - This study negates the theory of the Harappans having Steppe pastoral or ancient Iranian farmer ancestry.

What is Harappan Civilization?

- It is also known as **Indus Valley Civilization**.
- It flourished **around 2,500 BC**, in the western part of South Asia, in contemporary Pakistan and Western India.
- The **Indus Valley was home to the largest of the four ancient urban civilizations** of Egypt, Mesopotamia, India, and China.
- In the 1920s, the Archaeological Department of India carried out **excavations in the Indus valley** wherein the ruins of the two old cities, viz. Mohenjodaro and Harappa were unearthed.

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Q. With reference to the difference between the culture of Rigvedic Aryans and Indus Valley people, which of the following statements is/are correct? (2017)

1. Rigvedic Aryans used the coat of mail and helmet in warfare whereas the people of Indus Valley Civilization did not leave any evidence of using them.
2. Rigvedic Aryans knew gold, silver and copper whereas Indus Valley people knew only copper and iron.
3. Rigvedic Aryans had domesticated the horse whereas there is no evidence of Indus Valley people having been aware of this animal.

Select the correct answer using the code given below:

(a) 1 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

Ans: C

Q. Which of the following characterizes/characterize the people of Indus Civilization? (2013)

1. They possessed great palaces and temples.
2. They worshipped both male and female deities.
3. They employed horse-drawn chariots in warfare.

Select the correct statement/statements using the codes given below:

(a) 1 and 2 only

(b) 2 only

(c) 1, 2 and 3

(d) None of the statements given above is correct

Ans: (b)

[Source: IE](#)

BHARAT TAP Initiative

For Prelims: Need to Conserve Water, Swachh Bharat Mission, Atal Mission for Rejuvenation and Transformation (AMRUT), AMRUT 2.0, Initiatives Related to Water Conservation.

For Mains: Water Conservation, Government Policies & Interventions.

Why in News?

Recently, the Minister for Housing and Urban Affairs launched the **BHARAT TAP initiative** at the **‘Plumbex India’** exhibition. This exhibition is aimed at products and services **related to the plumbing, water, and sanitation industry**.

- At the exhibition, NAREDCO (National Real Estate Development Council) MAHI’s ‘Nirmal Jal Prayas’ initiative was also launched.

What is BHARAT TAP Initiative?

- It is a concept to use low flow tap and fixtures.
 - It will provide low-flow, sanitary-ware at scale, and thereby **reduce water consumption**

at the source considerably.

- It is estimated to save approximately 40% of water. This will in turn result in water saving and energy saving due to less water and energy will be required for pumping, transporting, and purification.
- This initiative will also be accepted quickly in the country and will lead to a **renewed focus on water conservation efforts**.

What is NAREDCO MAHI?

- It seeks to help solve the global water crisis, removing the financial barriers that stand between people in need and **access to safe water and sanitation at home**.
 - Nirmal Jal Prayas' initiative will look into **mapping ground water** as it is very important to save underground water and will work to save 500 crore litres of water per year.
- The women wing of NAREDCO, was set up in 2021 with an aim to empower women entrepreneurs and encourage the **participation of women in the real estate sector** and allied fields.
 - It strives to create an environment where women in the real estate sector can come together to share experiences, harnesses their skills, draw on their resources, influence, grow and bring about lasting change.
 - Such an initiative in water conservation will be of immense importance to save water.

What is the Need to Conserve Water?

- **Increased Demand:** There is an increased demand for water for domestic, industrial, and agricultural needs and limited surface water resources.
- **Limited Storage:** Limited storage facilities owing to the hard rock terrain, along with the added disadvantage of lack of rainfall, especially in central Indian states.
- **Over-extraction of Groundwater:** [Green Revolution](#) enabled water-intensive crops to be grown in drought-prone/ water deficit regions, leading to over-extraction of groundwater.
 - Frequent pumping of water from the ground without waiting for its replenishment leads to **quick depletion**.
- **Contamination:** Water contamination, as in the case of pollution by landfills, septic tanks, leaky underground gas tanks, and from overuse of fertilizers and pesticides leads to damage and depletion of groundwater resources.
- **Inadequate Use:** Inadequate regulation of groundwater encourages the exhaustion of groundwater resources without any penalty.
- **Deforestation & Unscientific Methods:** Deforestation, unscientific methods of agriculture, chemical effluents from industries, and lack of sanitation also lead to pollution of groundwater, making it unusable.

What are the other Initiatives for Water Conservation?

- [Swachh Bharat Mission:](#)
 - In contrast to the construction or supply led programs of the past (Central Rural Sanitation Programme), SBM is a demand-centric model. It focuses on behaviour change to generate demand for sanitation services by the rural population which is then followed by supply.
- [Atal Mission for Rejuvenation and Transformation \(AMRUT\):](#)
 - The purpose of this mission is to ensure that every household has access to a tap with an assured supply of water and a sewerage connection.
 - To ensure that every household has access to a tap with an assured supply of water and a sewerage connection.
- [AMRUT 2.0:](#)
 - AMRUT 2.0 aims to provide 100% coverage of water supply to all households in around 4,700 ULBs (Urban Local Bodies).
 - It also seeks to promote [Atmanirbhar Bharat](#) through encouraging Startups and Entrepreneurs ([Public Private Partnership](#)).
- [The National Aquifer Mapping and Management Program \(NAQUIM\):](#)
 - It envisages mapping of aquifers (water-bearing formations), their characterization, and the development of Aquifer Management Plans to facilitate [sustainable management of](#)

[groundwater](#) resources.

- **[Mahatma Gandhi National Rural Employment Guarantee Act:](#)**
 - Aims to improve groundwater harvesting, build water conservation and storage mechanisms, and has enabled the government to introduce water conservation as a project under the Act.
- **[Jal Kranti Abhiyan:](#)**
 - Active efforts to revolutionise villages and cities through block-level water conservation schemes.
 - For example, the **Jal Gram Scheme** under it aimed at developing two model villages in water-starved areas for water conservation and preservation.
- **National Water Mission:**
 - Aims to conserve water, minimise wastage and ensure more equitable distribution both across and within states through integrated water resources development and management.
- **[NITI Aayog's Composite Water Management Index:](#)**
 - Aims to achieve effective utilization of water.
- Jal Shakti Ministry and **[Jal Jeevan Mission:](#)**
 - Jal Shakti Ministry was formed to tackle water issues holistically.
 - Jal Jeevan mission aims to provide piped water to all rural households by 2024.
- **[Atal Bhujal Yojana:](#)**
 - Central sector scheme for sustainable management of groundwater with community participation through the formation of Water User Associations, water budgeting, preparation and implementation of Gram-panchayat-wise water security plans, etc.
- **[Jal Shakti Abhiyan:](#)**
 - Launched in July 2019 as a campaign for water conservation and water security in the country.
- **[National Water Awards:](#)**
 - Organised by the Department of Water Resources, River Development, and Ganga Rejuvenation, Ministry of Jal Shakti.
 - Focus on the good work and efforts made by individuals and organisations across the country, and the government's vision for the path to **Jal Samridh Bharat**.

UPSC Civil Services Examination, Previous Year's Question (PYQs):

Q. If National Water Mission is properly and completely implemented, how will it impact the country? (2012)

1. Part of the water needs of urban areas will be met through recycling of waste-water.
2. The water requirements of coastal cities with inadequate alternative sources of water will be met by adopting appropriate technologies that allow for the use of ocean water.
3. All the rivers of Himalayan origin will be linked to the rivers of peninsular India.
4. The expenses incurred by farmers for digging bore-wells and for installing motors and pumpsets to draw ground-water will be completely reimbursed by the Government.

Select the correct answer using the codes given below:

- A. 1 only
- B. 1 and 2 only
- C. 3 and 4 only
- D. 1, 2, 3 and 4

Ans: B

[Source: PIB](#)

Sagittarius A* : Black Hole at Centre of Milky Way

Why in News?

Recently, Scientists from the [Event Horizon Telescope \(EHT\)](#) facility, revealed the first image of the black hole named Sagittarius A* at the centre of our galaxy - the Milky Way.

- Nearly all galaxies have these giant black holes at their centre, where light and matter cannot escape, making it extremely hard to get images of them.
- Researchers called the black hole “**the gentle giant in the centre of our galaxy**”.

What does Black Hole Image Unveil?

- This image of the black hole referred to as **Sagittarius A* (Sagittarius A(asterisk))** gave further support to the idea that the compact object at the centre of our galaxy is indeed a black hole.
 - It is near the border of Sagittarius and Scorpius constellations. **It is 4 million times more massive than our sun.**
- It strengthens Einstein’s general theory of relativity that a point in space where matter **is so compressed as to create a gravity field from which even light cannot escape.**
- The researchers said that imaging Sagittarius A*, the black hole at the centre of the Milky Way, was much more difficult than imaging M87.
 - In 2019, the Event Horizon Telescope made history by releasing the first ever image of a black hole [Messier 87 \(M87\)](#) – the black hole at the centre of a galaxy M87, which is a supergiant elliptic galaxy.

What are Black Hole?

- The concept was theorized by Albert Einstein in 1915 and the term ‘black hole’ was coined in the mid-1960s by American physicist John Archibald Wheeler.
- Usually, the black holes belong to two categories:
 - One category ranges between a few solar masses and tens of solar masses. These are thought to form when massive stars die.
 - The other category is of supermassive black holes. These range from hundreds of thousands to billions of times that of the sun from the Solar system to which Earth belongs.
- In April 2019, the scientists at the Event Horizon Telescope Project released the [first-ever image of a Black Hole](#) (more precisely, of its shadow).
- [Gravitational waves](#) are created when two black holes orbit each other and merge.

Galaxy

- A galaxy is a huge collection of gas, dust, and billions of stars and their solar systems, all held together by gravity.
- Earth is the part of the **Milky Way Galaxy**, which also has a super Massive Blackhole in the middle.

Event Horizon

- There is a region of space beyond the black hole called the event horizon. This is a "point of no return", beyond which it is impossible to escape the gravitational effects of the black hole.

Event Horizon Telescope Project

- EHT is a group of 8 radio telescopes (used to detect radio waves from space) located in different parts of the world.

UPSC Civil Services Examination, Previous Year's Question (PYQs)

Q. Recently, scientists observed the merger of giant 'blackholes' billions of light-years away from the Earth. What is the significance of this observation? (2019)

- (a) 'Higgs boson particles' were detected.
- (b) 'Gravitational waves' were detected.
- (c) Possibility of inter-galactic space travel through 'wormhole' was confirmed.
- (d) It enabled the scientists to understand 'singularity'

Ans: (b)

[Source: TH](#)

Association of Asian Election Authorities (AAEA)

Why in News?

Recently, India has been **unanimously elected as the new Chair of the Association of Asian Election Authorities (AAEA)** for 2022-2024 at the recently held meeting of the Executive board and General Assembly at Manila, Philippines.

- The newly added members to the Executive board include **Russia, Uzbekistan, Sri Lanka, Maldives, Taiwan and Philippines.**

What is AAEA?

- It was established in 1998 in **pursuance of the resolution passed by participants** of the Symposium on Asian Elections in the 21st century held from January 26-29, 1997 in Manila, Philippines.
- Currently 20 Asian Election Monitoring Bodies are members of AAEA.
- [Election Commission of India](#) is a **founder member EMB of the AAEA** and also served on the Executive Board of the AAEA as the Vice Chair during 2011-13 and Chair during 2014-16.
- AAEA is also an Associate Member of the 118 member **Association of World Election Bodies (A-WEB).**

What is the objective of AAEA?

- To **provide a non-partisan forum** in the Asian region for sharing experiences and best practices among election authorities.
- To discuss and act upon ways to promote open and transparent elections with the objective of supporting [good governance](#) and democracy.

What Role India Plays in AAEA?

- India has **regularly organised several international training programmes** for the member

countries at the International Institute for Democracy and Election Management (IIDEM).

- The IIDEM has been instrumental in training over 250 officials from AAEA member countries since 2019.
- The ECI has also **organized the International Election Visitors Programme** and International Virtual Election Visitors Programme (IEVP), which was held during Assembly elections in 2022, for the member countries.

What is Election Commission of India?

- The **Election Commission of India (ECI)** is a constitutional body envisaged to uphold the values of equality, equity, impartiality, independence enshrined in the Indian Constitution and the rule of law in superintendence, direction, and control over the electoral governance.
- Part XV of the Indian constitution deals with elections, and provides for the establishment of the ECI.
- [Article 324 to 329](#) of the constitution deals with powers, function, tenure, eligibility, etc of the commission and the members.
- The members of the ECI are **appointed by the President of India** based on the recommendations made by the Prime Minister.
 - However, **Article 324(2)** provides that the Parliament is entitled to enact legislation regarding the appointment of Election Commissioners (ECs).

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Q. Consider the following statements: (2017)

1. The Election Commission of India is a five-member body.
2. Union Ministry of Home Affairs decides the election schedule for the conduct of both general elections and bye-elections.
3. Election Commission resolves the disputes relating to splits/mergers of recognised political parties.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 2 and 3 only
- (d) 3 only

Ans: (d)

- According to the Article 324 of the Indian Constitution, the Election Commission of India is an autonomous constitutional authority responsible for administering Union and State election processes in India. The body administers elections to the Lok Sabha, Rajya Sabha, State Legislative Assemblies in India, and the offices of the President and Vice President in the country.
- Originally the Commission had only one Chief Election Commissioner. It currently consists of a Chief Election Commissioner and two Election Commissioners. Hence, statement 1 is not correct.
- The Commission is vested with quasi-judicial power to settle disputes relating to splits/ mergers of recognised political parties. Hence, statement 3 is correct.
- It decides the election schedules for the conduct of elections, whether general elections or bye-elections. Hence, statement 2 is not correct. Therefore, option (d) is the correct answer.

Source: PIB

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