

Joint Sitting of Parliament and Leader of House

Source: TOI

Why in News?

The President of India recently addressed the **joint sitting of both houses of Parliament**. It was the first time he addressed the **newly elected 18th Loksabha**.

What is the Joint Sitting of Parliament?

- About:
 - A joint sitting involves both houses of Parliament (Lok Sabha and Rajya Sabha) meeting together.
- Types of Joint Sittings in the Constitution:
 - There are two main types of joint sittings in the Indian parliamentary system.
 - First is the <u>presidential address under Article 87</u> and
 - Second is the resolution of legislative deadlocks under <u>Article 108.</u>
 - Article 87 of the Indian Constitution outlines when the President addresses both Houses of Parliament.
 - The President addresses the <u>Rajya Sabha</u> and Lok Sabha at the beginning of the first session after each general election.
 - The President also addresses both Houses at the **beginning of the first session** of each year.
 - The Constitution (First Amendment) Act of 1951 modified Article 87 as follows: In clause (1), the phrase "every session" was replaced with "the first session after each general election to the House of the People and at the commencement of the first session of each year.
 - Significance of Joint Sitting:
 - They provide an opportunity for the President to outline the government's policy priorities and legislative agenda.
 - The address after general elections is particularly significant as it often reflects the mandate and priorities of the newly elected government.
 - Article 108 of the Constitution can be called in the following scenarios:
 - when a bill is passed by one house but rejected or not returned by the other.
 - When the President returns a bill for reconsideration.
 - When more than six months have elapsed from the date of the
 - receipt of the bill by the other House without the bill being
 - passed by it.
 - Key provisions for Joint Sittings:
 - Chaired by the Lok Sabha Speaker
 - Follows Lok Sabha rules of procedure.
 - A guorum is one-tenth of the total members from both houses
 - Used as a last resort to resolve legislative deadlocks.
 - Exceptions to Joint Sittings: The two exceptions are:

- Money Bills (Article 110)
- Constitution Amendment Bills (Article 368)

Note:

- Only three bills have been passed through joint sittings since 1950:
 - Dowry Prohibition Bill, 1960
 - Banking Service Commission (Repeal) Bill, 1977
 - Prevention of Terrorism Bill, 2002

Who is the Leader of the House (LOH)?

- Current LOH in Rajya Sabha:
 - On the opening day of the Rajya Sabha's 264th session, Health Minister Jagat Prakash Nadda was officially appointed as the Leader of the House in the Rajya Sabha.
- Legal Backing:
 - The term Leader of the House is officially defined in the <u>Rules of Procedure for both the</u> <u>Lok Sabha and the Rajya Sabha.</u>
- Appointment Process:
 - He is a minister and a member of the Rajya Sabha and is nominated by the prime minister to function as such.
 - Additionally, the **Leader of the House** has the authority to appoint a Deputy Leader of the House.
 - In the United States, a comparable position is known as the 'majority leader.'
- Responsibilities:
 - Conducts the overall process, especially debates and discussions
 - Maintains harmony among members
 - Upholds the respect of the Rajya Sabha
 - Maintains standard proceedings during parliamentary debates
- LOH in Lok Sabha:
 - In the Lok Sabha, the Leader of the House is typically the Prime Minister if they are a house member. If not, it's a Minister who is a member and is nominated by the Prime Minister for this role.
 - By convention, the Prime Minister is always the Leader of the Lok Sabha.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

- Q. Which of the following is/are the exclusive power(s) of Lok Sabha? (2022)
 - 1. To ratify the declaration of Emergency.
 - 2. To pass a motion of no-confidence against the Council of Ministers.

3. To impeach the President of India.

Select the correct answer using the code given below:

(a) 1 and 2

(b) 2 only

(c) 1 and 3

(d) 3 only

Ans: B

Russian Consignment to India via INSTC

For Prelims: Central Asia, Baltic, Chabahar Port, ICPOA, INSTC.

For mains: International North-South Transport Corridor, Significance, Potential and Challenges.

Source: ET

Why in News?

he Vision Recently, Russia has sent two trains carrying coal to India through the International North-South **Transport Corridor (INSTC)** for the **first time**.

■ The consignment will travel over **7,200km** from **St. Petersburg**, Russia to Mumbai port via Bandar Abbas port of Iran.

What is the International North-South Transport Corridor (INSTC)?

- About:
 - INSTC is a 7,200-kilometer Multimode Transit Route linking the Indian Ocean and the Persian Gulf to the Caspian Sea via Iran and onward to northern Europe via St. Petersburg in Russia.
 - It connects ship, rail, and road routes for moving cargo between India, Iran, Azerbaijan, Russia, Central Asia, and Europe.
- Origin:
 - It was launched on 12th September 2000 in St. Petersburg, by a trilateral agreement signed by Iran, Russia and India at the Euro-Asian Conference on Transport in **2000** for promoting transportation cooperation among the Member States.
- - Since then, INSTC membership has expanded to include 10 more countries (total 13)-Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Syria, Belarus, and Oman.
- Routes and Modes:
 - Central Corridor: It begins from the Jawaharlal Nehru Port in Mumbai and connects to the Bandar Abbas port (Iran) on the Strait of Hormuz. It then passes through the Iranian territory via Nowshahr, Amirabad, and Bandar-e-Anzali, runs along the Caspian Sea to reach the Olya and Astrakhan Ports in Russia.
 - Western Corridor: It connects the railway network of Azerbaijan to that of Iran via

the cross-border nodal points of Astara (Azerbaijan) and Astara (Iran) and further to Jawaharlal Nehru port in India via sea route.

• **Eastern Corridor:** It connects **Russia to India through the Central Asian countries** of Kazakhstan, Uzbekistan, and Turkmenistan.



What is the Significance of INSTC for India?

Diversification of Trade Routes:

- INSTC allows India to bypass chokepoints like the Strait of Hormuz and the Red Sea (Suez Canal route), making its trade more secure.
- The <u>Israel-Hamas conflict</u> and the <u>Houthi attacks</u> on ships in the southern <u>Red Sea</u> have highlighted the significance of having alternative trade routes.
- Through this India can bypass Pakistan and unstable Afghanistan to reach Central Asia.

Enhanced Connectivity with Central Asia:

- It connects India to markets in Russia, the Caucasus, and Eastern Europe, facilitating trade, energy cooperation, defense, counterterrorism, and cultural exchanges with Central Asian Republics through initiatives like "Connect Central Asia".
- The INSTC significantly reduces transit time by 20 days and freight costs by 30% compared to the Suez Canal route.

Energy Security:

- The INSTC facilitates India's access to energy resources in Russia and Central Asia and can reduce reliance on the Middle East.
- Since the <u>Russia-Ukraine war</u>, imports of metallurgical coal from Russia have tripled, and are expected to grow amid declining imports from Australia.
- Strengthening Ties with Iran and Afghanistan:

- India has invested in the <u>Chabahar Port</u> in Iran's Sistan-Balochistan province and signed an agreement for the INSTC, aiming to facilitate trade with Central Asian countries.
- Chabahar Port is essential for India, Iran, and Afghanistan as it offers direct sea access and trade opportunities in the region.

What are the Challenges Related to Full Utilization of INSTC?

- Limited International Funding: Unlike China's Belt and Road Initiative (BRI) with its dedicated funding institutions, INSTC lacks significant financial funding from major institutions like the World Bank and Asian Development Bank.
- **US Sanctions on Iran:** The harsh sanctions imposed on Iran after the **US's withdrawal** from the **JCPOA (Joint Comprehensive Plan of Action)** in 2018 resulted in many global companies withdrawing from infrastructure projects in Iran.
- Security Concerns in Central Asia: The presence of terrorist organizations like the <u>Islamic</u>
 <u>State (IS)</u> in Central Asia poses a significant security threat along the corridor which can deter
 investment and smooth operation of the route.
- Differential Tariffs and Customs: Disparities in customs regulations and tariff structures across member states create complexities and delays for cargo movement.
- Uneven Infrastructure Development: The corridor utilizes various modes of transport (ship, rail, road). Uneven infrastructure development across member states, particularly underdeveloped rail networks in Iran, creates bottlenecks and hinders the seamless movement of goods.
 - There is a lack of a joint work plan for developing the corridor and its business ecosystem.

Way Forward

- Proactive Approach: A proactive approach, particularly by founding members India and Russia, is crucial for the success of INSTC.
 - This could involve joint marketing efforts, infrastructure development initiatives, and diplomatic efforts to address political hurdles.
- Financing Gap: Infrastructure development and corridor maintenance require substantial investment.
 - Private sector participation should be encouraged by mitigating risks through improved security and political stability in the region.
- Streamlining Customs and Tariffs: Implementing a harmonized customs regime and implementing mutual recognition agreements would simplify procedures and expedite cargo movement.

Conclusion

The INSTC corridor has the potential to create a strong trade connection between India, Russia, Iran and Baltic and Scandinavian countries. It could boost economies, improve relations between involved countries, and counter China's influence in Central Asia. However, there are challenges like bureaucracy and regional conflicts that need to be addressed for INSTC to be successful.

Drishti Mains Ouestion:

What is the geopolitical and geoeconomic importance of the International North-South Transport Corridor (INSTC) for India?

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. What is the importance of developing Chabahar Port by India? (2017)

- (a) India's trade with African countries will enormously increase.
- (b) India's relations with oil-producing Arab countries will be strengthened.
- (c) India will not depend on Pakistan for access to Afghanistan and Central Asia.
- (d) Pakistan will facilitate and protect the installation of a gas pipeline between Iraq and India.

Ans: (c)

Mains

- **Q.** In what ways would the ongoing U.S-Iran Nuclear Pact Controversy affect the national interest of India? How should India respond to this situation? **(2018)**
- **Q.** The question of India's Energy Security constitutes the most important part of India's economic progress. Analyse India's energy policy cooperation with West Asian countries. **(2017)**

Trends in Remittances Inflow

For Prelims: <u>World Bank</u>, <u>Remittances</u>, <u>Foreign exchange</u>, <u>Organisation for Economic Cooperation and Development</u>, <u>Gulf Cooperation Council</u>, <u>National Payments Corporation of India</u>

For Mains: Remittance Trends Across the Globe, Factors Affecting Remittance Flows to India, Measures to Boost Remittance Inflow.

Source: BS

Why in News?

According to the latest report by the **World Bank**, the **growth in remittances to India** is likely to **halve** in **2024** compared to **2023**.

This slowdown is attributed to "reduced outflows from GCC (Gulf Cooperation Council)
countries, amid declining oil prices and production cuts.

What are Remittances?

- About:
 - Remittances are the funds or goods that migrants send back to their families in their home country to provide financial support.
 - They are an important source of income and **foreign exchange** for many developing countries, especially those in **South Asia**.
 - Remittances can help **reduce poverty**, improve living standards, support education and health care, and stimulate economic activity.
 - India sent out 18.7 million emigrants in 2023.

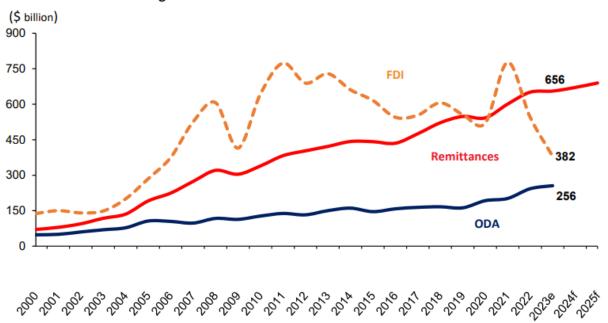
Growth of Remittances:

- India received USD 120 billion in remittances in 2023 with growth at 7.5%.
- It is forecasted to grow at 3.7% in 2024 to reach USD 124 billion, while the growth estimate for 2025 is 4% and it is expected to reach USD 129 billion by 2025.

Remittances Inflows in Countries:

- In 2023, India topped in remittances inflow list, followed by Mexico (USD 66 billion), China (USD 50 billion), the Philippines (USD 39 billion), and Pakistan (USD 27 billion).
- India's foreign assets increased more than liabilities in 2023-24 according to RBI data.

Remittances Larger than FDI and ODA in 2023



Migration Trends

- In 2023, there were approximately 302.1 million international migrants globally, according to World Bank data.
 - **Economic migrants** constituted an estimated **252 million** of the total international migrants.
- Refugees and asylum seekers numbered around 50.3 million in 2023, according to the <u>United Nations High Commissioner for Refugees (UNHCR)</u>.

What are the Factors Affecting Remittance Flows to India?

- Top Sources of Remittances for India:
 - Around 36% of total remittance flows to India are sent by high-skilled Indian migrants residing in 3 high-income countries like the United States, the United Kingdom, and Singapore.
 - The post-pandemic recovery led to a tight labour market in these regions, resulting in wage hikes that boosted remittances.
 - Among the other high-income destinations for Indian migrants, such as the <u>Gulf</u>
 <u>Cooperation Council (GCC)</u> countries, **UAE accounted for 18**% of India's remittance flows, while **Saudi Arabia**, **Kuwait**, **Oman**, and **Qatar** collectively accounted for **11**%.
- Reason for Consistent Remittance Inflow:

Strong Economic Conditions:

- In developed economies like the **US**, **UK**, and **Singapore**, **lower inflation and strong labour markets** have benefited **skilled Indian professionals**, resulting in **increased remittance inflows** to India.
- High employment growth and a general decrease in inflation in Europe contributed to the increase in remittances worldwide.
- Diversified Migrant Pool:
 - India's migrant pool is no longer concentrated solely on high-income countries. A significant portion resides in the <u>Gulf Cooperation Council (GCC)</u>, offering a buffer during economic downturns in either region.
 - Favorable economic conditions in GCC, including high energy prices and curbed food price inflation have positively impacted employment and incomes for Indian migrants, especially those in less-skilled sectors.
 - India and the United Arab Emirates (UAE) signed a pact in 2023 to establish a <u>Local Currency Settlement System (LCSS)</u> to promote the use of the <u>Indian rupee (INR)</u> and <u>UAE Dirham (AED)</u> for cross-border transactions further boosting remittance flows.
- Improved Remittance Channels:
 - Initiatives like <u>Unified Payment Interface (UPI)</u> have enabled real-time fund transfers, allowing remittances to be sent and received instantly.
 - The National Payments Corporation of India (NPCI) has allowed NRIs to use
 UPI in several countries including Singapore, Australia, Canada, Hong Kong, Oman,
 Qatar, USA, Saudi Arabia, United Arab Emirates, and the United Kingdom, Sri Lanka,
 Bhutan, Mauritius, France, Nepal.

How can Remittance Inflow in India be Increased?

- Boosting Financial Inclusion: World Bank data indicates only 80% of Indians have bank accounts. Expanding formal financial services, especially in rural areas can facilitate easier remittance transfers through a wider network of bank branches, ATMs, and digital platforms.
- Reducing Remittance Costs: As per World Bank data, India has high remittance costs (5-6%).
 - Introducing competition between remittance service providers and promoting digital channels can lower transaction costs, while government incentives for formal channels can boost adoption.
- Enhancing Remittance Infrastructure: Upgrading payment systems and leveraging new technologies like blockchain can streamline the remittance process.
 - The Reserve Bank of India's Centralized Payment System such as <u>Real Time Gross</u>
 <u>Settlement (RTGS)</u> and <u>National Electronic Funds Transfer (NEFT)</u> is a step towards this
 goal.
- **Targeted Diaspora Engagement:** Increased government engagement with the Indian diaspora through programs like <u>Pravasi Bharatiya Divas</u> and the Know India Programme can strengthen connections.
 - Offering attractive investment options and tax breaks, as suggested by the <u>International</u> <u>Monetary Fund (IMF)</u> data can incentivize higher remittance inflows.

Promoting Economic Stability:

 Implementing sound macroeconomic policies, improving the ease of doing business, and addressing corruption is crucial for diaspora confidence which can create a more attractive environment for remittance flows.

Drishti Mains Ouestion:

Analyze the factors influencing remittance inflows to India and discuss the policy measures that can be implemented to enhance their contribution to the Indian economy.

UPSC Civil Services Examination, Previous Year Questions

Q1. Which of the following constitute Capital Account? (2013)

- 1. Foreign Loans
- 2. Foreign Direct Investment
- 3. Private Remittances
- 4. Portfolio Investment

Select the correct answer using the codes given below:

- (a) 1, 2 and 3
- (b) 1, 2 and 4
- (c) 2, 3 and 4
- (d) 1, 3 and 4

Ans: (b)

Q2. With reference to digital payments, consider the following statements: (2018)

- 1. BHIM app allows the user to transfer money to anyone with a UPI-enabled bank account.
- 2. While a chip-pin debit card has four factors of authentication, BHIM app has only two factors of authentication.

Which of the statements given above is/are correct?

- (a) 1 only
- **(b)** 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (a)

Q3. Which of the following is a most likely consequence of implementing the 'Unified Payments Interface (UPI)'? (2017)

- (a) Mobile wallets will not be necessary for online payments.
- (b) Digital currency will totally replace the physical currency in about two decades.
- (c) FDI inflows will drastically increase.
- (d) Direct transfer of subsidies to poor people will become very effective.

Ans: (a)

Mains

Q. 'Indian diaspora has a decisive role to play in the politics and economy of America and European Countries'. Comment with examples. **(2020)**

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