Prelim Bits 12-10-2021 | UPSC Daily Current Affairs

Polexit

A Polish court in its ruling rejected the primacy of EU law over Polish national legislation in certain matters.

- **Ruling of the Poland's Constitutional Tribunal -** Some articles of one of the EU's primary treaties were not compatible with the Polish Law.
- EU law should not have primacy over every national legislation in Poland.
- Polish Judges should not use EU law to question their peers.
- **Course of events -** Since the power change in 2015, the ruling Poland's nationalist Law and Justice party brought new changes in the Polish Judiciary.
- Amendments to the legal system increased more government control and political interference over the judiciary, thereby reducing its independence in some aspects.
- The changes were condemned by the European Commission as well as other international legal bodies.
- Poland also introduced a new Supreme Court chamber which had the power to sanction judges for specific rulings.
- The chamber was also being used to silence and punish those judges who had spoken against the government.
- The Commission asked the European Court of Justice (ECJ) to levy daily fines to Poland for not suspending the activities of this new SC chamber.
- The ECJ also ruled that the new system of appointing Polish judges infringes EU law.
- It was after this ruling that prime minister Morawieck brought the legal challenge.
- It is the first time since the formation of the EU that a leader of a member state has questioned its treaties openly in a constitutional court.
- **Effects -** Challenge to the EU's legal framework [The founding principles of the EU's legal order clearly establish the EU's primacy over national laws of all its member states.]
- Setback in relations between Poland and the European Union
- Possible impact on trade, jobs and other benefits flowing from EU to Poland
- Demands for freeze of all kinds of financial flows from EU to Poland
- A possible "legal Polexit" (much in line with the Brexit - the withdrawal of the United Kingdom from the EU)
- But several thousand Poles have taken to the streets to reaffirm their demand to stay in the bloc.
- After the widespread backlash, the PM reiterated the fact that Poland wants to stay in the EU.

European Court of Justice (ECJ)

- The ECJ is the supreme court of the European Union (EU) in matters of the EU law.
- It is a part of the Court of Justice of the European Union (CJEU).
- The Luxembourg-based court was found in 1952 after the Treaty of Paris.
- It ensures that EU law is interpreted and applied the same in every EU country, and that the countries and EU institutions abide by the EU law.
- It settles the legal disputes between national governments and EU institutions.

- In terms of hierarchy, the national courts of member countries are below the ECJ in matters of EU law.

European Commission

- The European Commission is the executive of the European Union.
- It is responsible for initiating laws, enforcing the laws of the EU and managing the EU's policies.
- The Commission is steered by a group of 27 Commissioners, known as 'the college,' who together take decisions on political and strategic matters.
- A new college of Commissioners is appointed every 5 years.

Indian Space Association (ISpA)

Indian PM recently launched the Indian Space Association (ISpA) - the premier industry association of space and satellite companies.

- ISpA aspires to be the collective voice of the Indian Space industry.
- It will be a forum of the space industry in the Indian private sector and partner the Government of India and other key stakeholders in the formulation of an enabling policy framework for the space sector.
- ISpA also plans to work in close coordination with IN-SPACe.
- ISpA is represented by leading home grown and global corporations with advanced capabilities in the space and satellite technologies.
- Its founding members include Bharti Airtel, Larson & Toubro, Nelco (Tata Group), OneWeb, Mapmyindia, Walchandnagar Industries and Alpha Design Technologies.
- Other core members include Godrej, Hughes India, Ananth Technology Limited, Azista-BST Aerospace Private Limited, BEL, Centum Electronics, Maxar India.
- **Objectives**
- Contribute to the accelerated development of India's space industry
- Aids the vision of making India Atmanirbhar and a global leader in the space arena
- Building global linkages, to bring in critical technology and investments to create more high skill jobs

The current size of the global space economy stands at about USD 360 billion.

India accounts for only about 2% of the space economy with a potential to capture 9% of the global market share by 2030.

Minimum Corporate Tax

136 countries, including India, agreed to enforce a minimum corporate tax rate of 15%, and an equitable system of taxing profits of big companies in markets where they are earned.

- Big multinationals such as Apple, Alphabet and Facebook, as well as those such as Nike and Starbucks are funnelling profits through low-tax jurisdictions to avoid paying taxes.
- The new proposal is thus aimed at minimising the opportunities for multinational enterprises (MNEs) to indulge in profit shifting.
- The OECD has led the talks on a minimum corporate tax rate for a decade.
- The current decisions effectively ratify the OECD's *two-pillar package* that aims to ensure that

large MNEs "pay tax where they operate and earn profits".

- **Pillar One** aims to ensure a fairer distribution of profits and taxing rights among countries with respect to the largest MNEs.
- This entails reallocation of some taxing rights over MNEs from their home countries to markets where they have business and earn profits, regardless of whether firms have a physical presence there.
- **Pillar Two** seeks to put a floor on competition over corporate income tax, through a global minimum corporate tax rate that countries can use to protect their tax bases.
- A multilateral convention is to be signed next year (2022) in this regard.
- The 15% floor under the corporate tax will come in from 2023, provided all countries move such legislation.
- This will cover firms with global sales above 20 billion Euros ($23 billion) and profit margins above 10%.
- A quarter of any profits above 10% is proposed to be reallocated to the countries where they were earned, and taxed there.
- Kenya, Nigeria, Pakistan and Sri Lanka have not yet joined the deal.
- **Challenges and concerns -** Bringing consensus among all major nations, since this impinges on the right of the sovereign to decide a nation's tax policy.
- There are apprehensions that the minimum tax could affect countries' ability to attract investment with features like research and development credits and special economic zones that offer tax breaks to investors.
- **India's position -** India is close to deciding the specifics of the two-pillar proposal and is in the final stages of deciding on the details.
- India may have to withdraw its digital tax or equalisation levy if the global tax deal comes through.

Reduction in Stubble Burning

The Centre-constituted Commission for Air Quality Management said that there could be reduced stubble burning in the coming seasons due to two main factors.

- **Reduction in the area under paddy cultivation -** The total paddy area in Haryana, Punjab and the eight NCR (National Capital Region) districts of Uttar Pradesh has reduced by 7.72% during 2021 as compared to the previous year.
- **A shift away from paddy varieties that take long to mature -** PUSA-44 variety has the longest duration (145-150 days) of maturity and leaves a shorter window for wheat sowing after its harvest.
- Also, it's the non-basmati variety of rice, whose stalk remains, that is usually burnt off by farmers ahead of sowing wheat.
- So, crop diversification and moving away from PUSA-44 variety with short duration High Yielding Varieties are thus part of the action plan for control of stubble burning.
- With this, total paddy straw generation from the non-basmati variety of rice is likely to be reduced by 12.42%.

Decadal prediction for the Indian Ocean Dipole (IOD)

A new study from the University of Hyderabad (UoH) claims to have found out decadal prediction skills for the Indian Ocean Dipole (IOD) to enable monsoon forecast for the next 5-10 years in advance.

- Retrospective decadal forecasts, with initial conditions from 1960 to 2011 from existing four

models were analysed.
- It was found that the two models - **MIROC5 from Japan and CanCM4 from Canada** - show significant prediction skills for up to 10 years, with strongest leads up to 2 years.
- **Influencing factors -** The predictability of IOD comes from the subsurface ocean signals in the Southern Ocean.
- The El Nino-Southern Oscillation events, which occur in the tropical pacific, are also well known as a major climate driver.

Indian Ocean Dipole

- The IOD, also known as the Indian Niño, is an irregular oscillation of sea-surface temperatures.
- It involves an aperiodic oscillation of sea-surface temperatures (SST), between "positive", "neutral" and "negative" phases.
- As part of it, the western Indian Ocean becomes alternately warmer (positive phase) and then colder (negative phase) than the eastern part of the ocean.
- A **positive phase** sees above normal sea-surface temperatures and greater precipitation in the western Indian Ocean region with a corresponding cooling of waters in the eastern Indian Ocean.
- This tends to cause droughts in adjacent land areas of Indonesia and Australia.
- The **negative phase** involves warmer water and greater precipitation in the eastern Indian Ocean, and cooler and drier conditions in the west.
- A **neutral phase** would mean sea temperatures were close to average across the Indian Ocean.
- The IOD thus affects the strength of monsoons over the Indian subcontinent.
- The IOD is one aspect of the general cycle of global climate, interacting with similar phenomena like the El Niño-Southern Oscillation (ENSO) in the Pacific Ocean.
- An IOD can either aggravate or weaken El Nino's impact on the Indian monsoon. If there is a positive IOD, despite an El Nino year, it can bring good rains to India.

Source - The Hindu, The Indian Express, Down To Earth

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