GS PAPER 1

Society

India No Longer A Nation With World's Largest Poor Population

Syllabus: Population and Associated Issues

In News

- US based think tank Brookings has published a study titled *'The Start Of A New Poverty Narrative'*.
- The report highlighted that with persistent decline in poverty, India is no longer a nation having largest number of poor people in world. The study defines poverty as **living on less than $1.9 a day**.
- The study has cited data from World Poverty Clock and new projections on country economic growth from the International Monetary Funds' World Economic Outlook. Each April and October, World Poverty Clock data are updated to take into account new household surveys.
- These form the basic building blocks for poverty trajectories computed for 188 countries and territories, developed and developing, across the world.

Key Highlights

- According to the study, Nigeria has already overtaken India as the country with the largest number of extreme poor in early 2018, and the Democratic Republic of the Congo could soon take over the number 2 spot.
- At the end of May 2018, the study suggested that Nigeria had about 87 million people in extreme poverty, compared with India's 73 million.
- It highlighted that extreme poverty in Nigeria is growing by six people every minute, while poverty in India continues to fall.
- Noting that about 725 million people were in extreme poverty at the beginning of 2016, the report said that the world is needed to reduce poverty by 1.5 people every second to achieve the goal and yet it has been moving at a pace of only 1.1 people per second.

Gender Inequality Extremely High In Work & Politics In India

Syllabus: Social Empowerment

In News

- According to a recent report by the McKinsey Global Institute (MGI) for the Asia-Pacific region, gender inequality in India is extremely high at the workplace and in terms of legal protection and political voice.
- The report assessed inequality on the basis of a Gender Parity Score (GPS) that uses 15 indicators of gender equality in work and society.
- With 1.0 signifying parity, India's score was 0.30 in gender equality at work and 0.78 in legal protection and political voice.

Key Highlights

- The report suggests that advancing women's equality in the countries of Asia Pacific could add $4.5 trillion to their collective GDP annually in 2025, a 12% increase over a business-as-usual GDP trajectory.
- Comparing the 15 indicators under four broad categories, the report finds India behind the Asia-Pacific average in all four, but ahead of Bangladesh and Pakistan.
- It notes, however, that India has progressed faster than any other country in the Asia-Pacific region in the last 10 years, primarily due to advances in education and a reduction in maternal mortality.

1. <u>GS PAPER 2</u>

Constitution, Polity, And Governance

<u>Promotions In Govt. Offices Should Go On: Supreme Court</u>

Syllabus: Indian Constitution: Historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

In News

- The Supreme Court orally observed that promotions in government offices should go ahead in accordance with law. The court was responding to the government's complaint that the entire promotion process was in limbo because of uncertainty over reservation in promotion for the Scheduled Caste/Scheduled Tribe employees due to the decisions of various High courts.

- The petition before the Supreme court bench is the centre's challenge to the Delhi High Court's verdict in 2017 quashing the government order extending reservation in promotion to employees of the Scheduled Castes and the Scheduled Tribes beyond five years from November 16, 1992.

Current Standings On Reservation In Promotion

- In ***Indra Sawhney Case of 1992,*** the Supreme Court rejected reservation in promotions, observing that reservation of appointments under Article 16(4) is confined to initial appointments and does not extend to matter of promotion. It also disallowed consequential seniority criteria in promotion. Thus, it deprived reservation in promotion for SC/ST who were enjoying it since 1950s.

  FROM YES TO NO TO MAYBE
  - ➤ Reservation in promotions allowed since 1955 till the SC held it unconstitutional in 1992
  - ➤ In 1995, law was amended to allow it
  - ➤ The new law was challenged in SC and in 2006, the court said that before framing any law, the state will have to satisfy the test of:
    1. Backwardness
    2. Inadequate representation
    3. Overall efficiency
  - ➤ Relying on the 2006 SC judgment, several high courts struck down reservations in promotion
  - ➤ UPA government introduced a bill that said all SCs and STs shall be deemed backward. The bill awaits passing by Parliament
  - ➤ On Tuesday, the apex court allowed promotions temporarily till it decides on the legality of the law

- To continue the existing share of reservation in the promotions as well, the government made four amendments of the constitution viz. ***77th, 81st, 82nd and 85th*** to provide not only for reservations in promotion but also for consequential seniority on that basis. A new Article 16(4A) was added.

- In the ***M Nagaraj case (2006),*** the validity of these amendments was challenged in the SC through various petitions on the ground that these altered the Basic Structure of the Constitution. But the court upheld the amendments as they did not alter the basic structure of the constitution. The court further held that these provisions are ***merely enabling provisions***. If a state government wishes to make provisions for reservation to SC/STs in promotion, the state has to collect quantifiable data showing *backwardness of the class, inadequacy of representation of that class, and maintenance of administrative efficiency*.

- ***Recent legal position:*** A number of High Courts following Nagaraj have struck down reservation in promotions after applying these requirements.

Final Analysis

- The government should consider and enact policies that lift all people irrespective of the caste such as universal public education and public health of reasonable quality. It could for instance focus on improving primary education which will create a level playing field among communities by the time aspirants reach higher education and government jobs.

- To check discrimination at more advanced levels, the government could establish equal opportunity commissions as existing in advanced countries. It's high time government junks populism and thinks out of the box.

Law Commission to Codify Personal Laws

Syllabus: Indian Constitution: Historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

In News

- ***Introduction:*** In what is being perceived as the first step towards bringing a uniform civil code (UCC) for the country, the Law Commission is preparing a report on the codification of personal laws. The commission is examining the "defects" in the personal laws followed by various communities to rationalize them. This is likely to pave the way for a common code.

- ***Personal law meaning:*** Personal laws cover matters of property, marriage, divorce, inheritance and succession. Currently, there are different personal laws for Hindus, Muslims, Christians, Parsis and others. A uniform code will mean a set of common personal laws for all citizens.

- ***Article 44:*** Article 44 of the Directive Principles sets implementation of uniform civil code as the duty of the State.

- **Commission's role:** The commission for this purpose drew a list of over 30 individuals including eminent lawyers, politicians, former ministers, religious and political institutions and NGOs for consultations.

- ***Issue has remained illusive:*** It was for the first time a government had asked the commission, which has a crucial advisory role on legal reform, to look into the politically controversial issue - even after 68 years of Independence consensus on having uniform civil code has remained elusive.

> **A Debate On Uniform Civil Code**
>
> The proponents of UCC say that is important for national consolidation and religious harmony. Even our Constitution, under *Article 44*, obliges State to secure its citizens a UCC throughout the territory of India. Several legislative measures have been taken to ensure a uniform code for Hindus like Hindu code 1952, Hindu Marriage Act 1955 etc.
>
> However, the passage of such legislation was not without hardship as it was considered as *excessive interference* in the religious affairs, and that too only for the majority Hindu. Also UCC is rejected on the ground that *concession needs to be given to minorities*. It is also needed due to the inequal status of women in India. Muslims are opposed to it as Muslim community derive their identity from muslim personal law.

A Crisis Of Governance In Delhi

Syllabus: Functions & responsibilities of Union & State, Issues & challenges pertaining to federal relations, devolution of powers and finances up to local levels and challenges therein.

In News

- The Chief Minister and four of his cabinet colleagues have been camping for three days in the Lieutenant Governor's office to press him to end a protest by bureaucrats.

- This is only the latest bone of contention between the LG and the Aam Aadmi Party (AAP) government, which says the centre is trying to impede its functioning and stop development work undertaken by it.

- The provocation for the latest round of differences between the bureaucracy and the state government is the alleged assault on Chief Secretary Anshu Prakash on February 19 at the chief minister's residence.

Other Reason For Dispute

- *Demand for full statehood:* The unending Delhi issue of full statehood v/s partial statehood and the constitutional provisions of *Article 239AA*.

- *Issue of power sharing:* The result is a fractured arrangement of power sharing with law and order, land and services residing with the central government. The state government has also contested this arrangement.

- *Breakdown of trust between political and bureaucratic class:* Trust between the political class and bureaucracy is near a total breakdown after the alleged attack on Chief Secretary in February 2018.

- *Special power to the LG:* The special power to the LG in respect of UT of Delhi is also a matter of regular dispute.

Arguments Against Demand For Full Statehood

- *Special Sensitiveness of Delhi:* The principle of special sensitivities for national capitals (for example, Washington DC, London, Paris etc.) on account of their national and international importance, geographical location and strategic significance has been consistently invoked to make a case for Delhi's claim to full statehood to be treated differently from that for Goa or even a more empowered partial statehood in Puducherry.

- *Security is Of Primary Importance:* It is the upkeep of maximum standards of security by which the safety of capital is judged. Any attack on a Union Minister or diplomat will result in an unsafe tag not just for Delhi but the country. So police cannot be kept solely in the hands of state government.

- *National Capital Houses Critical Infrastructure* such as parliament, presidential estates, defence and foreign missions, and most governments maintain strategic control over the city's critical services like land and public order.

- *Delhi Government Not In The Position To Bear Various Administrative Cost:* An important point against the grant of statehood to the Delhi is the inability of its city government to bear the cost of police salaries and the pension liabilities of all city government employees, which are today borne entirely by the Centre.

- *Parochial View On Land Allocation:* Statehood would bring land allocation under the city government whose concern will be satisfying local demands rather than taking holistic view.

Arguments In Favour Of Statehood Demand For Delhi

- *Against The Elected And Accountable Government:* Such constitutional arrangements militate against the preferences of the elected government, which is accountable to the citizens.

SPECIAL STATUS

Is Delhi a quasi State or a Union Territory with perks?

- Delhi was like any other Union Territory (UT) till 1991, when the 69th Constitutional Amendment changed its name and status to the National Capital Territory of Delhi

- Delhi remains a UT in the First Schedule of the Constitution, but is not governed by Article 239 that applies to other UTs

- The 1991 amendment gave Delhi special powers under Article 239 (AA) of the Constitution. Unlike other UTs, Delhi got an elected legislative assembly

- Article 239 (AA) gives Delhi's assembly jurisdiction over all subjects in the State list apart from law and order, land and public order

- Conflict arises as some experts say Delhi is almost a State, citing Article 239 (AA), while others say it is a UT with perks

- Another point of conflict is the role of the Lieutenant-Governor, who is appointed by the Centre and reports to the MHA. But, as per Article 239 (AA) and the GNCT of Delhi Act, the L-G must act on aid and advice of Delhi's Council of Ministers

- *Two Power Centres Create Confusion*: In the current system, power is divided between the Chief Minister and the Central Government through the LG. This dual control creates an inherent tension between the two power centres.

- *Law & Order Should Be State Government's Responsibility*: Today, Delhi Police reports to the Union Home Ministry. It, thus, negate the principle that law and order responsibility is primarily that of the state government.

- *Union Government Exercises Immense Authority:* Though Delhi Assembly is given the powers to govern and make laws on all except three subjects i.e. public order, police and land but the Union government has been violating this constitutional provision and has been exercising authority on several subjects.

- *Delhi Does Not Have Its Own Officers:* Delhi, being a UT, does not have a cadre of officers of its own and is part of a common cadre shared with other UTs. Therefore, it is argued that if Delhi had its own cadre like all states have the impasse between the offices of the CM and the LG would not have arisen.

- *Delhi Likely To Emerge As Largest Metropolis:* Delhi with a population over 17 million is likely to emerge as world's largest metropolis by 2035 with a projected population over 43 million. Thus, need a special state government.

- *Global Trend:* Experts say even if some national capitals like Washington DC, London and Paris are not states, all of them have a governance structure that gives the local government legislative, financial, and administrative powers but Delhi has none of these.

Final Analysis

- The sit-in at the LG's office is not likely to pay dividends either for Delhi or for the AAP. Effective policy changes are only possible in times of peace and one of the Delhi government critical flaws is that it's constantly engaged in conflict, which often ends up in theatrics replacing governance.

- The Centre is not entirely without fault in the series of standoffs. There have been accusations of files pending for longer than required, several decisions being overturned on technical grounds and AAP MLAs being embroiled in police cases that have led nowhere.

- At the same time, the government must introspect and adopt a more mature approach to the bureaucracy. Slandering the entire administration as corrupt may rouse the cadres but yields diminishing returns in the long term.

- Moreover, considering statehood is not a feasible option in the current political climate, the sensible thing that the AAP government can do is to press for genuine autonomy and greater clarity on its functional jurisdictions. This will help it put up a decent show and fulfill the expectations of its electorate.

- Finally, with overlapping and contested jurisdictions, it is imperative to institutionalize dispute resolution as has been adopted by national capitals around the world.
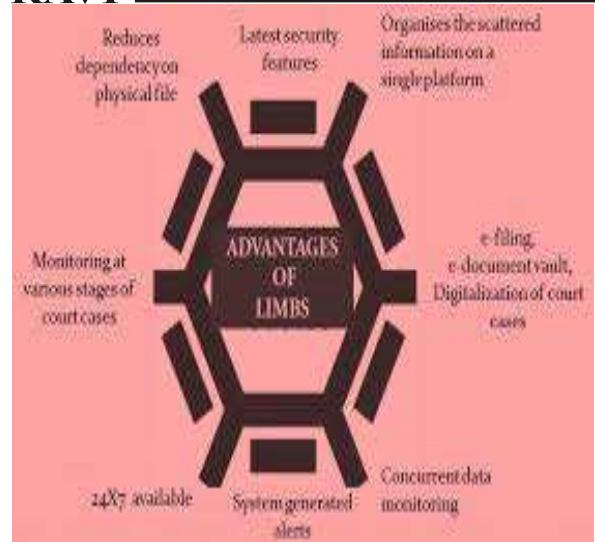

The Legal Information Management and Briefing System

Syllabus: Structure, organization, and functioning of Judiciary and Related Issues

About LIMBS

- *Introduction:* LIMBS stands for Legal Information Management and Briefing System and is a Ministry of Law and Justice initiative.

- **Purpose:** The idea is to reduce government litigation and make government litigation more efficient. At the moment, LIMBS is applicable only to the civil cases,.

- **Single platform:** Earlier, information about cases involving 64 ministries/departments was scattered in different places typically in the form of physical files. That information is now available on a single platform in electronic form. In June 2017, about 135060 cases were part of LIMBS. That number is now 265272.

- **Beneficial Use Of The Data:** Once data are available in this form several issues can be resolved such as the delay, the financial implication, clubbing, settling dispute outside court, ensuring distribution of cases is even across advocates, analyzing track record of specific advocates etc.

- **Prioritizing cases:** LIMBS assign priority to the cases such as contempt cases, on their financial implication on the government.

- **SMS reminders:** It also sends SMS prompts to the concerned officials for a timely action.

Conclusion

- The LIMBS should also be extended to criminal cases and to the cases of the state governments.

- Moreover, the government should also take other steps to reduce litigation such as avoiding unnecessary appeals, proper financing, and infrastructure requirement of the courts etc.

Encouraging Mediation To Settle Disputes

Syllabus: Structure, organization, and functioning of Judiciary and Related Issues

In News

- India will participate in deliberations at United Nations Commission on International Trade Law (UNCITRAL) in New York on an important issue concerning resolution of commercial disputes. Commercial disputes are resolved not only through courts and arbitration but also through mediation.

- The deliberations will consider how these settlement agreements arrived in disputes in international commercial transactions will be implemented by courts in different countries.

Provisions Of The Draft Convention

- **Definition of mediation:** The draft convention defines mediation as a process whereby parties attempt to reach an amicable settlement of their dispute with the assistance of a third person (the mediator). The mediator lacks the authority to impose a solution upon the parties to the dispute.

- **Mandatory pre-litigation mediation:** Mandatory pre-litigation mediation has been introduced in commercial disputes.

- **Settlement Agreement Is A Defence For Dispute Filed Before Court:** Courts of a country before which a mediated settlement agreement is brought must ensure implementation of the terms of settlement. The courts will allow a party to a settlement agreement to rely on this agreement as a defence in cases filed on the basis of disputes already settled by the agreement.

- *Court Can Decline Enforcement Only On Certain Conditions:* When the settlement agreement comes up before the court for implementation or enforcement, the court will review it on the basis of certain conditions. These include the capacity of the parties to enter into the agreement, the question whether the subject matter of the agreement is one that can be settled through mediation in terms of its domestic laws and so on. Once the agreement has been reviewed, the court must enforce the agreement on the terms agreed. Courts can decline enforcement only on these conditions.

- *Enforcement of Settlement Agreement:* The draft convention relates to the enforcement of settlement agreements arising from disputes in international commercial contracts. Thus, UNCITRAL has formulated principles on which countries should recognize and enforce mediation agreements arising from cross-border disputes.

Process of Mediation

Benefits For India By Adopting The Convention

- *Fill Policy Gap Relating To Cross Border Dispute:* The adoption of convention will address a policy gap on outcomes from the mediation process involving cross-border disputes.

- *Encourage Mediation In Commercial Dispute:* With a definitive legal framework recognizing and enforcing mediated settlement agreements, businesses will be encouraged to consider mediation in managing and resolving disputes that arise in their commercial transactions.

- *Save Loss Of Earning Due To Dispute Being Taken Outside India For Resolution:* India has lost substantial earnings as a result of international disputes being taken for resolution outside the country. Strengthening the dispute resolution policies will encourage dispute resolution in India where the commercial relationship once began.

- *Linking Laws Of Different Countries On Mediation:* The convention will link laws adopted by countries to recognize domestic mediation and extend them beyond their boundaries. Thus, countries will have a consistent framework for enforcing mediation agreements made in other countries.

- *Ensure Certainty Of Enforcement:* Thus, with this convention comes the certainty that settlement agreements through mediation will be acknowledged as a resolution of the dispute and will be respected and enforced. Further if the court were to decline enforcement, this will be done on grounds that are known to international parties.

Way Forward

- 174 countries recognize mediation and conciliation as a method of resolving disputes and as an alternative to going to courts. Thus, convention is a step in the right direction.

- International business and dispute resolution institutions such as the *International Chamber of Commerce, the Singapore International Mediation Centre, and the World Intellectual Property Organisation* all have established rules and assist businesses in resolving disputes through mediation. Businesses in turn have turned to mediation as the first step in resolving differences that arise in their international disputes. The convention is opportune and will facilitate legal reform to ease dispute resolution.

By-polls Generate Heat Over EVMs, VVPATs

Syllabus: Elections and Representation of People's Act

In News

- Opposition parties and BJP demanded repolling claiming hundreds of EVMs and Voter Verifiable Paper Audit Trail (VVPAT) machines deployed in Kairana, Bhandara-Gondia and Palghar Lok Sabha and Noorpur assembly bypolls developed snags and were not replaced for hours.

- The Election Commission said malfunction was in VVPATs. Factors responsible may include first-time use by polling staff, extreme heat, placement of VVPAT under direct light, and mishandling during use.

- The various sections of the political parties have remanded the introduction of ballot papers which were used earlier.

Complaint Against Ballot Papers/Benefits Of Using EVM

- ***High chances of booth capturing:*** There is a concern that using ballot papers will bring back the bad old days of booth capturing and rigging.

- ***Cumbersome exercise and:*** Counting ballot papers is a cumbersome, time-consuming process considering the large number of electorates in India.

- ***Not eco-friendly:*** It consumes a number of trees for holding paper polls.

- ***No one challenged that EVM can't be hacked:*** While political parties are quick to accuse rivals of tampering with EVMs, no party came forward after the EC had challenged any outfit to hack EVMs after there were complaints that machines were hacked during 2017 Uttarakhand assembly polls.

- ***Use of VVPAT will allay the concern:*** The VVPAT that has been recently added to the EVM to audit the voter tallies stored in the machine will further allay the concern of the people.

VVPAT

- VVPAT machines are used to verify that the vote polled by a voter goes to the correct candidate.

- VVPATs are a second line of verification particularly and are particularly useful in the time when allegations around Electronic Voting Machines tampering crop up.

- After a voter presses the button on the EVM against the chosen candidate the VVPAT prints a slip containing name of the candidate and the election symbol and drops it automatically into a sealed box. The machines give the chance for the voter to verify their vote.

Complaint Against EVM/Benefits Of Using Ballot Papers

- ***Charges against EVM:*** From charges of tampering to planting chips in EVMs to hacking them etc, all kinds of charges have been levelled against the voting machine.

- ***Technical snag:*** One genuine complaint heard in almost all polls is that pertaining to a technical snag in EVMs in polling booths in remote villages. EC authorities unfortunately take their own time to get replacements.

- ***Booth capturing possible also in EVM era:*** With inadequate security, booth capturing could have been in vogue even in an EVM era.

- ***Original purpose of shifting to EVM no longer an issue:*** With each polling booth video recorded by the EC and mobile phones ubiquitous enough to send out proof of booth capturing or rigging by anyone, the original reason to shift to EVMs has certainly diminished if not disappeared.

- ***Many developed countries uses ballot papers:*** Many democracies like Britain, Germany, France, Ireland, the Netherlands and Italy use or have gone back to using ballot paper.

Way Forward

- It is important for all sides to step back and first understand that at stake is the very integrity of the democratic process. This faith in the election system has given India constitutional and democratic stability. It has enabled a smooth transfer of power from one government to another. It has ensured that despite anger and disillusionment with political regimes, the majority of citizens remain wedded to peaceful methods of political change. And that is why any criticism must be made with care.

- Parties are right to raise concerns. But they must not interpret the malfunctioning of a few units of VVPATs to suggest that the entire EVM machine model is flawed.

- The credibility of the outcome is more important than a delay of a few hours in getting the right and trusted results.

- At the same time, ECI must recognize that there is now a substantial section of political opinion which has doubts about the integrity of EVMs; the onus lies on it to make the process even more robust be fully transparent and allay doubts and ensure that efficiency does not come at the cost of credibility.

North Eastern Council To Come Under Direct Control Of Home Ministry

Syllabus: Constitutional/Statutory/Regulatory/Quasi-Judicial Bodies

In News

- The Union Cabinet decided to bring the North Eastern Council under the direct control of Home Ministry. The council, which is the nodal agency for the economic and social development of the North Eastern region, was till now chaired by the Development of North Eastern Region (DoNER) Minister.

- Thus, Home Minister will be the ex-officio chairperson of the Council. The DoNER Minister will be the Vice Chairman and all the Governors and Chief Ministers of North Eastern States as Members.

- The development comes in the backdrop of the government pushing the economic agenda in these strategically located states especially with respect to the long-pending infrastructure projects.

- The cabinet's decision also comes at a time when Japan has joined hands with India to aggressively develop infrastructure projects in the northeastern states.

Benefits Of The Proposed Changes

- ***Resolve Long Pending Infrastructure Projects:*** This will also resolve the issue of long-pending infrastructure projects in North-eastern region with the help of Japan.

- ***Become More Effective Body:*** The new arrangement will provide a forum for discussing inter-state matters more comprehensively and will help repositioning North Eastern Council to become a more effective body for the North Eastern region.

- ***Perform The Role of Zonal council:*** Under the new arrangement, the Council will now also perform the tasks undertaken by the various zonal councils to discuss such inter-state issues as drug trafficking, smuggling of arms and ammunition, and boundary disputes.

- ***Effective Implementation And Review Of The Programme:*** The Council shall from time to time review the implementation of the projects and schemes and recommend effective measures for coordination among the state governments for these projects.

Thus, the above decision is in consonance with the fact North Eastern region is among the government's top-most priorities and it wanted to see the council emerge as a very effective body.

Not Equating UPSC Members with Judges Upsets Bureaucrats

Syllabus: Constitutional/Statutory/Regulatory/Quasi-Judicial Bodies

In News

- The Centre's recent changes in its appointment rules to equate UPSC members with central government secretaries and not Supreme Court judges, as was the norm earlier, has sparked a debate with bureaucrats complaining that the positions have been downgraded.

- The government plans to bring in similar changes in other institutions such as Central Information Commission and Central Administrative Tribunal.

Rationale

- ***Statutory Appointment Can't Be Equated With SC judges:*** The Government plea is that the members cannot be treated at par with Supreme Court judges as the former are statutory appointments.

- ***Qualification Requirements Are Different:*** Moreover, the required qualifications are different from those needed to be appointed as judges of the Supreme Court. Judges requires specialized skills and experience, distinct from what retired bureaucrats appointed in these statutory bodies have.

- ***To Bring Parity In Different Organisation:*** Further government says that the intent was only to bring parity in statutory organisations because only a select few of them have members equivalent to judges.

- ***Protecting Sanctity Of The Status Of SC Judges:*** The intent is also to protect the sanctity of the status of Supreme Court judges. Thus, the intent was not to downgrade or dilute these posts but to ensure that all the privileges enjoyed by judges are not extended to members of these bodies. Retirement benefits, perks and protocol benefits enjoyed by posts equivalent to Supreme Court judges are more than government secretaries.

Challenges

- ***UPSC Has An Important Role:*** UPSC members not only play the most important role in selection of IAS officers, but also in framing and amendment of recruitment rules for various services and posts, hearing disciplinary cases relating to different civil services, and advising the government on any matter referred to the commission. These tasks are done in a much better way when the members have the grade of judges. Now after being reduced to secretary or cabinet secretary the courts will always have moral superiority over the members which can affect their working.

- ***Changes are difficult to bring as requires amendment in law:*** Experts also said that bringing changes to CIC will be a challenge for the government as the status of information commissioners equivalent to the chief election commissioner and election commissioners are equated to Supreme Court judges by the Right to Information (RTI) Act itself and to bring changes, one will have to amend the Act.

- ***May Affect Consultation In The Bodies Such As CAT:*** Also in the case of CAT, the presence of administrative appointees along with judicial ones might stress for consultation challenges.

RBI to Seek More Power

Syllabus: Constitutional/Statutory/Regulatory/Quasi-Judicial Bodies

In News

- Recently the RBI Governor Urjit Patel has sought more legislative powers to effectively regulate state-owned banks.

- His plea to the Parliamentary Standing Committee on Finance was also to make banking regulatory powers ownership-neutral so that the RBI is able to exercise the same supervisory powers over state-owned banks as over private sector banks.

- In its ***Financial Sector Assessment Programme (FSAP)*** of India (2017), the IMF had raised concerns over weaknesses in the independence of the RBI. The regulator for example does not have the powers to remove PSB directors or management, appointed by the government. It cannot force a merger or trigger a liquidation of PSBs and also has limited legal authority to hold PSB boards accountable when it comes to strategic direction, risk profiles, assessment of management and compensation. It recommended a strategic plan for consolidation, divestment and privatization of state-owned banks.

Challenges Faced By RBI

- ***Lack of power to regulate PSBs:*** The public-sector banks are not banking companies under the definition of *Sec 5(C) of the Banking Regulation Act* and are statutory corporations to which the concerned section doesn't apply. This apparently is a great constraint for the RBI.

- ***General constraint faced by RBI:*** RBI also does not have the power to appoint or remove CMDs or directors, give a licence or remove it, impose conditions, call meetings of bank directors or depute its officers for board meetings or appoint observers.

Way Forward

- The reform should enable the regulator to take legal action against any errant PSB level the playing field between private and public-sector banks and raise corporate governance.

- The RBI should also stop the practice of appointing its nominees on the boards of PSBs given that there is a conflict of interest with its supervisory role. The RBI's remit should be in charge of bank supervision and not operations.

- The RBI must exercise the powers it already has, especially that of moral suasion.

- It also needs to improve skill sets of its supervisors and create domain specialists with legal, banking and audit backgrounds. Lateral entry into the RBI should be encouraged to draw in the best talent for supervision. A revolving door policy can also work if done right.

Composite Water Management Index

Syllabus: Government Policies and Interventions For Development In Various Sectors and issues arising out of their design and implementation.

In News

- In pursuit of **cooperative and competitive federalism**, **NITI Aayog** has come up with an important tool, **Composite Water Management Index (CWMI)**, to assess and improve the performance of States/ Union Territories in efficient management of water resources. Simultaneously a **web portal** on the subject has also been launched.

- CWMI has been developed by ***comprising 9 broad sectors with 28 different indicators*** covering various aspects of ground water, restoration of water bodies, irrigation, farm practices, drinking water, policy and governance.

- This has been done through a first of its kind water data collection exercise in partnership with **Ministry of Water Resources, Ministry of Drinking Water and Sanitation** and all the States/ Union Territories.

- The index will provide useful information for the states and also for the concerned Central ministries, enabling them to formulate and implement suitable strategies for better management of water resources.
- The purpose of releasing these ranks is to push the states to increase their supply of drinking water for all rural and urban areas and contain the contamination of this water. This report is meant to increase the efficiency of water resources in all states.
- For the purposes of analysis, the reporting states were divided into **two special groups - North Eastern and Himalayan states and Other States**, to account for the different hydrological conditions across these groups.

Highlights Of The Report

Statistical Findings

- The report ranks **Gujarat as number one** in reference year (2016-17), followed by Madhya Pradesh, Andhra Pradesh, Karnataka and Maharashtra. In North Eastern and Himalayan States, **Tripura** has been adjudged number 1 in 2016-17 followed by Himachal Pradesh, Sikkim and Assam.
- India is suffering from 'the **worst water crisis**' in its history with about 60 crore people facing high to extreme water stress and about two lakh people dying every year due to inadequate access to safe water.
- Citing data by agencies like **FAO** and **UNICEF**, the report said 40 per cent of population will have no access to drinking water by 2030 and 21 cities, including New Delhi, Bengaluru and Hyderabad, will run out of groundwater by 2020, affecting 100 million people. This will lead to an eventual **loss of 6 per cent** in the country's **GDP**.
- Further, with nearly **70 % of water being contaminated**, India is placed at **120th** among 122 countries in the water quality index.

Reasons For Water Distress

- Indian cities and towns often run out of water throughout summer due to the absence of infrastructure to deliver piped water to homes.
- Erratic rainfall also causes chaos in rural areas where people are similarly affected by a lack of access to safe water.
- Groundwater is increasingly used for farming when monsoon rains do not deliver a sufficient level of precipitation meaning there is little to drink.
- Policies like several states giving free electricity to farmers or giving financial support for groundwater extraction – borewells and tubewells – results in uncontrolled exploitation and wastage of resource.
- Drip irrigation, a method that means farmers use drastically less fertiliser and diesel, has failed to become popular and its implementation is expensive for most people with state governments providing limited support.
- **Poor data management** and an abject **failure to properly price water** has prevented the country from making any significant progress on this front. Where data is available, it is often unreliable due to the use of **outdated collection techniques and methodologies**. Groundwater data in India is based on an inadequate sample of around 55,000 wells out of a total of around 12 million wells in the country.
- **Inter-State river disputes** have turned intractable and as the Cauvery issue has demonstrated, State governments would rather seek judicial intervention than be accused of bartering away the rights to a precious resource under a shared, cooperative framework.

Way Forward

- According to the report, 52 % of India's agricultural area remains dependent on rainfall, so the future expansion of **irrigation** needs to be focused on **last-mile efficiency.**

- The report called for a **user-centric approach to water management**, especially in agriculture. It advocates decentralisation of irrigation commands, offering higher financial flows to well-performing States through a **National Irrigation Management Fund**. Awards and incentives would help to advance such schemes, making States feel the need to be competitive.

- Two areas that need urgent measures are **augmentation of watersheds** that can store more good water, for use in agriculture and to serve habitations, and **strict pollution control enforcement**. Pollution can be curbed by levying suitable costs.

- Steady urbanisation calls for a new management paradigm, augmenting sources of clean drinking water supply and treatment technologies that will encourage reuse.

- These forward-looking changes would need **revamped national and State institutions**, and **updated laws**. A legal mandate will work better than just competition and cooperation as it would make governments accountable.

Conclusion

Considering water as a **shared resource**, it is the need of the hour that India implements and enforces the schemes strictly and effectively in order to achieve the **Sustainable Development Goal** of providing clean water to all. **Reduce, reuse, and recycle** must be the watchwords if we have to handover a liveable planet to the future generations.

Government Monitoring Facebook's Data Sharing

Syllabus: Important aspects of governance, transparency and accountability (e-governance, RTI, citizens charters etc)

In News

- The Government is studying the reports which allege that Facebook is sharing user data with at least 60 different device manufacturers including companies such as Apple, Samsung, Microsoft, Amazon and Blackberry.

- The report of New York Times says that Facebook allowed the device makers access to the data of users friends without their explicit consent even after declaring in 2015 that it would no longer share such information with outsiders.

What data protection law is all about:
It seeks to put in place a legal structure by which no organisation can disclose specific personal data about individuals

What is specific personal data?
- Data by which individuals can be identified
- Caste, health, finances, race, ethnicity are some such categories

By when will the law be formalised?
- The committee has released its white paper inviting stakeholders' response
- Once responses are in by December 31, final recommendations will be made
- The govt will then take the final call

- The social media company is already under fire for the data breach incident involving UK-based data analytics and political consultancy firm Cambridge Analytica.

- In an attempt to address these issues, government had last year set up a committee of experts under the leadership of *BN Srikrishna* to frame principles which will form the basis of legislation on data protection.

Challenges

- ***India Is Still Lax In Its Approach:*** With rapid advances in information and communication technology, data is an asset whose value keeps increasing over time. India unfortunately has been lax in thinking about the strategic implications of this asset.

- The use of data is subjected to a loose and fragmented regulatory architecture, which has cost us in terms of potential economic benefits.

- ***Lack of Dedicated Law On Data Protection:*** There is lack of any proper law, which deals with the issue of data protection, data localization, legal liability for misuse of data etc.

Way Forward

- Indian legislation needs to be in sync with emerging global practices. This makes it essential to keep privacy now recognized as intrinsic to the right to life and liberty at the heart of the planned law and that should also include clear guidelines for data localization in the legislation.

- The most recent milestone in the growing body of data protection regulation is the ***European Union General Data Protection Regulation (GDPR).*** In it there is a strong emphasis on data localization requiring certain customer data to remain within the borders of a particular region or country. Thus, acknowledging the strategic importance of data and thereby striving to keep control over its usage. This principle should be the foundation of data protection legislation in India.

- Thus, an Indian data protection law will have to strike a balance by being a stringent law without hurting its growing digital economy. This will help in establishing a privacy trust ecosystem for citizens beyond the digital domain helping to set base privacy laws for other sectors like telecom and health.

WI-FI Choupals

Syllabus: Important aspects of governance, transparency and accountability (e-governance)

In News

- The Union Ministry of Electronics & Information Technology (MeITY) launched 5000 Wi-Fi Choupals in villages in partnership with common service centre. It was jointly inaugurated by Union Electronics and IT Minister**.**

- The aim of Wi-Fi Choupals is to transform rural Internet connectivity through BharatNet. They focus on developing rural Wi-Fi infrastructure and to host suitable applications to provide various ICT services at an affordable cost. They will provide 60,000 Wi-Fi hotspots in rural areas enabling people effective Internet access for their various digital processes. Wi-Fi Choupals are in addition to broadband connectivity provided gram panchayat through optical fibre network under BharatNet.

- BharatNet is Centre's rural internet connectivity programme which is implemented by Bharat Broadband Network Limited (BBNL). It is world's largest rural broadband connectivity programme using Optical fibre. It seeks to connect all of India's households, particularly the rural areas, through demand, affordable broadband connectivity of 2 Mbps to 20 Mbps to realize vision of Digital India. The project is being funded by Universal service Obligation Fund.

Government Opens Lateral Entry for 10 Joint Secretary-Level Posts

Syllabus: Role of civil services in a democracy.

In News

- The Government has invited the application for the post of Joint Secretary for a person over 40 years of age and with 15 years of work experience in any of the 10 fields like economic affairs, civil aviation or commerce.

- The selected individuals will be given three-year contracts extendable to five years based on performance in key Ministries and given the pay scale of a joint secretary which is from Rs 1.44

lakh to Rs 2.18 lakh per month plus perks like government accommodation and vehicle. Individuals working in private sector companies, consultancy firms and international or multinational organisations are eligible to apply.

- There is a shortage of joint secretary level officers at the Centre and a Committee Of Secretaries as well as the NITI Aayog recommended lateral entry of professionals as joint secretaries to fill this gap. The post has been the domain of All India Service officers from the IAS, IRS, IPS and Income Tax Services.

Benefits Of Lateral Entry

- ***Bring In Fresh Ideas And Augment Manpower:*** The lateral entry exercise is aimed at bringing in fresh ideas and new approaches to governance and also to augment manpower.

- ***Ensure Entry Of Best Across The World:*** They provide an opportunity to attract and retain the best from across the world that have a sector perspective and boost a ministry's capabilities.

- ***Ensure Entry Of Specialist Officers:*** Indian administrators are generalists and this has its own advantage of them having a larger and more comprehensive vision. But in an era when policymaking has become increasingly specialized, there is a need for officials who are immersed in a particular area.

- ***Resolve Issue Of Under Staffing At Senior Officer Level:*** Contrary to the widespread impression that it is bloated, the government is actually understaffed. For instance, the Foreign Ministry has fewer diplomats to service India's global ambitions than Singapore has. This is true for other departments too where senior officials end up dealing with policy and operational matters.

- ***Global Best Practice:*** Lateral hiring is common practice in other democracies such as the UK, US and Canada.

- ***Supported by Various Commissions:*** In its 2002 report, the Civil Services Review Committee headed by *YK Alagh* recommended lateral entry along the lines of countries like the US where the administration has a mix of permanent civil servants and mid-career professionals. (view was also supported by *Surinder Nath Committee(2003)* and the *Hota Committee* (2004)

Challenges

- ***Entrenched Bureaucracy May Not Accept Outsider:*** Most importantly such joint secretary of the non-civil service variety in any Ministry would have adjustment issues, as the entrenched civil service hierarchies may not easily accept such outsiders.

- ***Conflict of Interest (revolving door):*** There is chance of conflict of interest, as a private individual with a certain specialization will work in a related ministry. The issue also cropped up in the UK some years ago with respect to corporate executives on deputation to the Energy Ministry.

- ***Politicization Of Bureaucracy:*** The Indian bureaucrats have come through an independent system and will remain in office irrespective of the political regime. But If lateral entry becomes a way for only those who are politically and ideologically committed to the regime in power, the exercise will be undermined.

- ***Limited Duration Of Tenure:*** Since the appointment is for a period of three to five years only, many may not be sure what would be their future if they leave their current positions.

- ***Move Is Against The Affirmative Action:*** The 10 post notified by the government does not talk about the reservation for SC/ST. Thus, the move has been considered against the affirmative action.

- **Limited Impact:** Opening up lateral entry for just ten positions may for all these reasons be too limited a reform to work.

Way Forward

- Diversity must remain an important principle in lateral entries as well. The process must be transparent, objective, and entirely based on merit. This is critical as the first step towards a broad-based institutionalization of a wider and deeper talent pool focusing on specific skill-sets.

- For such reforms to acquire credibility, they must be accompanied by steps to uphold institutions such as the Central Information Commission. The Centre also needs to alter perceptions that committed bureaucracy accountable to none and running roughshod over institutions.

- Moreover, administrative reforms must accompany lateral entry. There should be periodic reviews of mid-career officers to weed out underperformers. IAS monopolies in Ministries like Home, S&T, Sports etc. must go and other cadres deserve consideration too.

Proposed Change In The Recruitment Pattern

Syllabus: Role of civil services in a democracy.

In News

- The Department of Personnel and Training has recently issued instructions on the allocation of cadre (state) and subjects to the entrants of Indian Civil Services. According to it, for allocating services and cadres, the combined marks obtained in the CSE and the 3-months foundation course will be taken into consideration.

- At present successful candidates are allocated services based on their ranks in the Civil Service Exam and their preferences. Candidates qualifying for the IAS and IPS are allocated cadres (States) based on their examination ranks and preferences.

Positives

- **Training Will Not Be Lightly Taken:** Newly selected probationers considers foundation course as just a formality as they have been already allocated services and that affect their performance when they join at field postings. But If their marks and rank in CSE and performance in foundation course will be mandatory, they will attend the training more seriously.

- **Holistic Aspect:** Consideration of the marks of CSE and the foundation course will help in taking holistic aspect of candidates administrative ability rather than just academic knowledge.

- **3 Months Provides A Sufficient Times To Assess:** Three months is a sufficient time to judge the character and behaviour of a person, which is far more important than the ability to score more marks in written exam and 20 minutes interview process.

- **A Step Towards Civil Services Reform:** The introduction of such a reform will set the pace for many more reforms in different areas of civil services.

Negatives

- **Violates Article 320:** Article 320(1) says that it shall be the duty of the Union and the State Public Service Commission to conduct examinations for appointments to the services of the Union and the services of the State respectively. Thus, the duty of conducting the CSE is vested only in the UPSC. If the marks secured in the foundation course in the training academy are included for allocation for services, it would make the training academy an extended wing of the UPSC which it is not. Therefore, the new proposal violates Article 320(1).

- **May Lead To Favouritism And Politicization In Service Allocation:** The Chairperson and members of the UPSC are provided security of their tenure and unchangeable conditions of service under Article 316, and Article 319 bars them from holding further office on ceasing to be members. These constitutional safeguards enable them to function independently without fear or favour. Whereas the Director of the training academy is a career civil servant on deputation and she can be summarily transferred. The faculty members of the training academy are either career civil servants on deputation or academicians. Neither do they enjoy the constitutional protection that the UPSC members enjoy nor is there any bar on their holding further posts. This means that the Director and faculty members will not be able to withstand pressure from politicians, senior bureaucrats, and others to give more marks to favoured candidates.

Brewing storm

CURRENT PRACTICE

UPSC allocates services and cadres to trainee officers based on their ranks in the civil services exam

NEW PROPOSAL

A selected officer-trainee will be able to know about his/her service only after attending the three-month Foundation Course at the Mussoorie academy

Rahul Gandhi @RahulGandhi

Rise up students, your future is at risk! RSS wants what's rightfully yours. The letter below reveals the PM's plan to appoint officers of RSS's choice into the Central Services, by manipulating the merit list using subjective criteria, instead of exam rankings.

Impact if 'suggestion' becomes an 'order'

- It will dilute the role of UPSC, the controlling authority of the prestigious civil services examinations

- Currently, service allocation to the candidates is made only on the basis of final results of civil services examinations. However, if such order comes, then final scoring will be done on the basis of performance at the Foundation Course

- 'Favouritism' can't be ruled out in allcation if marks or performance at Foundation Course could be considered

- A top-ranker may slip to lower position if he does not perform well at the Foundation Course

- **Risk of Corruption:** There is also the grave risk of corruption in the form of 'marks for money' in the training academy.

- **Introduce Subjectivity:** There is a risk of introducing subjectivity and bias in an otherwise objective and rigorous selection process.

- **Can Play Havoc With The Career Due To Subjectivity Involved:** It is well known that competition in the CSE is very intense. The difference of a few marks can decide whether a candidate will get the IAS or say the Indian Ordnance Factories Service. Therefore, the inclusion of the highly subjective foundation course marks can play havoc with the final rankings and with the allocation of services and cadres and ruin countless careers.

- **Lack of Adequate Infrastructure:** The training academy has facilities to handle not more than 400 candidates for the foundation course. If this limit is exceeded, the foundation course will have to be conducted in other training academies situated in other cities. And it will be impossible to do the kind of rigorous and objective evaluation that is required under the government's new proposal. Needless to say, the evaluation of the trainees will be even less rigorous and objective when the foundation course is conducted in training academies situated elsewhere.

- **Administratively Unworkable:** While about 600-1000 candidates are selected every year for all the services put together, nearly 60-70% of the candidates qualifying for the IPS and Central Services Group A do not join the foundation course in Mussoorie as they prepare for the civil services (main) examination again to improve their prospects. Clearly, they cannot be compelled to attend the foundation course because that would amount to depriving them of their chance of taking the examination again. So, the new proposal is administratively unworkable.

- **Ignores The Real Problems:** Nobody denies that the steel frame of the Indian civil services has turned somewhat rusty and needs reform. But what is odd about the new proposal is that it seeks to tinker with precisely that aspect of the civil services (recruitment) that is least in need of reform. The need of the hour is to focus on initiating specialization, performance-based progression, lateral entry etc.

Way Forward

- Regardless of the questionable merits of the proposal the fact that it has brought the issue of bureaucratic reforms back into the headlines is itself a valuable contribution. The government ought to reassess the entire structure of the civil service instead of taking steps in fits and starts to make public services more management-oriented and relevant to present challenges.

- Moreover, the LBSNAA with its superb facilities would be the apposite instrument for formulating such a project. However, it would need to be restructured with training courses redesigned and faculty selected in line with the new demands.

Social Justice

Indecent Representation of Women (Prohibition) Act (IRWA)

Syllabus: Mechanisms, laws, institutions and bodies constituted for the protection and betterment of vulnerable sections

In News

- The Indecent Representation of Women (Prohibition) Act (IRWA), 1986 prohibits indecent representation of women through advertisements, publications, writings, paintings, figures or in any other manner.
- The Indecent Representation of Women (Prohibition) Amendment Bill, 2012 was introduced in Rajya Sabha in December, 2012 which referred the Bill to Department related Parliament Standing Committee for consideration.
- Amendments have been proposed to widen the scope of the act, based on the observations made by a **parliamentary standing committee** and recommendations from the **National Commission for Women (NCW)**.
- Since the enactment of the Act, technological revolution has resulted in the development of new forms of communication, such as internet, multi-media messaging, over-the-top (OTT) services and applications like Skype, WhatsApp, Snapchat etc. Keeping in mind these technological advancements, it has been decided to widen the scope of the law so as to cover such forms of media on one hand and to strengthen existing safeguards to prevent indecent representation of women through any media form.

Proposed Amendments

- 'Indecent representation of women' has been changed to "the depiction of the figure or form of a woman in such a way that it has the effect of being indecent or derogatory or is likely to deprave or affect public morality".

- Amendment in definition of the term **advertisement** to include **digital form or electronic form or hoardings, or through SMS, MMS etc.**

- Amendment in definition of **distribution** to include publication, license or uploading using computer resource, or communication device.

- Bringing the Act in tune with the **Information Technology Act, 2000**, it expands the existing Section 4 of the Act which prohibits publication or sending by post books and pamphlets with such indecent representation. It will now include '**any material**' that is published or distributed. This would bring into the purview of the legislation social media platforms and digital means of communication such as WhatsApp, Snapchat, Instagram etc.

- Creation of a **Centralised Authority** under the aegis of National Commission of Women (NCW). This Authority will be headed by Member Secretary, NCW, having representatives from Advertising

Standards Council of India, Press Council of India, Ministry of Information and Broadcasting and one member having experience of working on women issues.

- The Centralised Authority will be authorized to receive complaints or grievances regarding any programme or advertisement broadcasted or publication and investigate/ examine all matters relating to the indecent representation of women.

- *Penalties*: The amendment enhances penalties for various offences in line with the **IT Act, 2000**. The penalty for the first offence has been increased to imprisonment of 3 years and a fine between Rs 50,000 and Rs 1 lakh. Earlier the punishment was 2 years and a fine of Rs 2,000. For a subsequent offence, the term of imprisonment shall be between two and seven years and a fine between Rs 1 lakh and 5 lakh.

Criticism

- Third Wave Feminism, in its fight for gender equality, shifted its focus to the liberty of women to express their sexuality and freedom from conformation to dress codes and to bodily autonomy. In contemporary times, to equate nudity with indecency would be to **disregard the advances made by women's movements for equality** through various campaigns which are a means to advocate for empowerment.

- Further, this would also encourage **moral policing of women's bodies** to the extent that any content involving "nudity" would be disallowed or banned, irrespective of the purpose behind its publication, much like the **breast cancer awareness video** which was **banned by Facebook**, though the social media platform later issued an apology for the same.

- When the standard of derogatory portrayal is not categorically defined, there is always a possibility of the same being interpreted on the benchmark of an **orthodox morality**.

- Unless a standard is set to determine exactly what the legislation attempts to penalise, the regulatory framework proposed to be enforced may turn out to be hollow to a certain extent. Though the playing field has been demarcated, the rules of the game have been left open to interpretation.

Conclusion

The Bill once enacted may be an advancement of law in terms of making it a comprehensive regulatory framework keeping up with the times and evolving so as to bring within its domain the publication and distribute of data in all its forms, both print and electronic. However it needs to address the lacunae in its current form so that it does not impinge on the freedom of expression of women while creating a safe environment and protecting their privacy.

India's First Advanced Forensic Lab Dedicated To Women Related Cases

Syllabus: Mechanisms, laws, institutions and bodies constituted for the protection and betterment of vulnerable sections

In News

- In order to address the gaps in forensic DNA analysis, the **Ministry of Women and Child Development** laid the foundation of **Sakhi Suraksha Advanced DNA Forensic Laboratory** in Central Forensic Science Lab (CFSL), Chandigarh.

- The lab is being set up as a model forensic lab and would be replicated in other parts of the country.

- It will be funded from the Nirbhaya Fund.

Features Of The Labs

- There will be four units in each of these labs:

(i) **Sexual Assault And Homicide Unit:** This unit of the specialised DNA labs will take into account cases of sexual assault, rapes and killings, and delve into deeper investigation of the same.

(ii) **Paternity Unit:** The paternity unit will be helpful in solving cases related to criminal paternity, gender selection, and child swapping in hospitals.

(iii) **Human Identification Unit:** This unit will play an important role in solving cases of missing persons or children.

(iv) **Mitochondrial Unit:** This unit will be responsible for conducting mitochondrial gene analysis (mitochondria is the cell powerhouse of genetic material) in cases where analysing regular nuclear DNA is not possible -- such as, in cases of highly degraded samples. It can also be used to **better explore family relationships**.

- Along with these forensic labs, special forensic kits for rape would be distributed to all the police stations and hospitals by the month of July.

- The kits will contain instructions on evidence/samples to be collected along with the equipment required to collect the evidence.

- The kit with the samples will then be sent to the DNA labs after being locked safely so that they remain uncontaminated.

- The inviolable packaging will mention the time when the sample was sealed along with the names of the police officer and the doctor involved in the case.

Benefits

- Forensic analysis plays a **critical role in criminal investigation** and the Advanced Lab will aid in forensic DNA analysis of pending sexual assault cases in the country.

- Advanced laboratories with latest high throughput DNA technology will help the criminal justice system to **meet international standard**.

- In sexual assault cases, the ideal time frame to complete the examination and submission of report is 90 days. But with the present infrastructure, in the absence of advanced automated technology and lack of skilled human resources, it has not been feasible to complete examination and file report within the stipulated timeframe. The labs will plug this gap and facilitate **timely justice to women and children** which is grossly lacking at the moment.

- It will help in storing and **preserving the biological crime exhibit in a scientific manner**, which is important to make any examination/reporting meaningful.

- The exhibits would help in meeting the demands of the courts of more admissible, accurate and powerful forensic proof for human individualisation.

- The current capacity of CFSL, Chandigarh is less than 160 cases per year and the Sakhi Suraksha Advanced DNA Forensic Laboratory is estimated to **increase the capacity *to 2000 cases per year***. Further, 5 more advanced forensic labs would come up in Mumbai, Chennai, Guwahati, Pune and Bhopal in the next 3 months bringing the total minimum annual capacity of the labs to 50000 cases. The Labs in Chennai and Mumbai would be set up with WCD funds while remaining 3 labs would be set up with funds by Home Ministry.

Conclusion

Forensic science plays a vital role in the criminal justice delivery system by providing investigators with scientifically based information through the analysis of physical evidence. With increasing reports of crime against women such as sexual assault, foeticide, homicide etc. there is an increasing demand for better scientific analysis of physical evidence. The labs would not only aid the judicial process in tracking and incriminating the actual culprits but would also go on to create a strong deterrence effect.

Report on 'Women in Prisons'

Syllabus: Mechanisms, laws, institutions and bodies constituted for the protection and betterment of vulnerable sections

In News

- The Ministry of Women and Child Development (MWCD) has released a report titled 'Women in Prisons'.
- The report aims to build an understanding of the various entitlements of women in prisons, the various issues faced by them, and possible methods for resolution of the same.
- The report contains a comprehensive list of recommendations for improving the lives of women under incarceration, addressing a wide range of issues pertaining to pregnancy and childbirth in prison, mental health, legal aid, reintegration in society, and their caregiving responsibilities among others.

Key Highlights

- The report covers a wide range of issues such as the needs of the elderly and the disabled, the needs of pregnant women, needs of those who have recently given birth but whose children are not with them in prison, those who have miscarried, or those who have recently undergone abortion.
- The report suggests that prior to their imprisonment, women with care-giving responsibilities must be allowed to make arrangements for their children, and a reasonable suspension of detention may also be provided for this purpose.
- To address the problems of loss of ties with the child, the report encourages greater links of the child with the mother throughout her incarceration through extended visits and frequent meetings.
- The report proposes that bail should be granted to those under-trial women who have spent one-third of their maximum possible sentence in detention, by making necessary changes in Section 436A of the CrPC which provides for release after half of the maximum sentence has been served.
- The report also recommends that a maximum time frame may be decided for release of women prisoners after bail is granted but surety is not produced. This would ensure that poor or financially dependent women are not left to languish in prisons.
- Considering the needs of women in their post-natal stages, the report recommends a separate accommodation for mothers in post-natal stage to maintain hygiene and protect the infant from contagion, for at least a year after childbirth.
- To make legal aid more effective, the report suggests that legal consultations must be conducted in confidentiality and without censorship.
- Re-integration of women in society is a grave problem. Many are abandoned or harassed post-release, mainly due to the stigma attached with incarceration, which is even more pronounced in cases of women. The report proposes a comprehensive after-care programme to be put in place, covering employment, financial support, regaining of child custody, shelter, counselling, continuity of health care services etc. Counselling should also be provided to family members and employers to adequately receive the woman after release.
- At least one voluntary organisation should be designated in each district to help with integration of released prisoners.
- Prisoners must also be given the ***right to vote***, so as not to disconnect them from the larger political process and to enable them to become equal citizens of a democracy.
- It highlighted the need for a more robust grievance redressal system. The report therefore recommends that apart from the prisoner herself, her legal adviser or family members should be allowed to make complaints regarding her stay in prison. An inmate register can also be placed at an accessible spot in the prison for submitting grievances.

- Keeping in mind the mental needs of prisoners, it has been recommended that inmates should have access to female counsellors/psychologists at least on a weekly basis or as frequently as needed by them.
- It was found that women have to face numerous problems in prisons owing to inadequacy of female staff which often translates to the reality that male staff becomes responsible for female inmates, which is undesirable.
- It was also found that women were not provided with meals that are nutritious and according to their bodily requirements.
- Also, a robust grievance redressal mechanism was required to tackle cases of sexual harassment, violence and abuse against women in jails.

Facts

- As per most recent data available from the end of 2015, there are 4,19,623 persons in jail in India, of which, 17,834 (about 4.3%) are women. Of these, 11,916 (66.8%) are undertrial prisoners.
- In India, an analysis of prison statistics at five-year intervals reveals an increasing trend in the number of women prisoners – from 3.3% of all prisoners in 2000 to 4.3% in 2015.
- A majority of female inmates are in the age group of 30-50 years (50.5%), followed by 18-30 years (31.3%).
- Of the total 1,401 prisons in India, only 18 are exclusive for women, housing 2,985 female prisoners.

India Among 90 Countries Without Paid Paternity Leaves

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

According to a UNICEF analysis, as a part of its **Super Dads** campaign, India is among 90 countries in the world which do not offer paid paternity leaves.

Highlights Of The Analysis

- Almost two-thirds of the world's children under one year old - nearly 90 million - live in countries where their fathers are not entitled by law to a single day of paid paternity leave.
- India and Nigeria, which have high infant populations, are among 92 countries that do not have national policies in place that ensure new fathers get adequate paid time off with their newborn babies.
- Other countries with high infant populations, including Brazil and Congo, all have national paid paternity leave policies, albeit offering relatively short-term entitlements.

Need for Paternal Leaves

- Children's brains form important neural connections within the first 1,000 days, which could decide their health, learning abilities, and income in later years.
- Evidence suggests that when fathers bond with their babies from the beginning of life, they are more likely to play a **more active role in the child's development**.
- Positive and meaningful interaction with mothers and fathers from the very beginning helps shape children's **brain growth and development for life**, making them **healthier and happier**, and **increasing their ability to learn**.
- Research also suggests that when children positively interact with their fathers, they have **better psychological health, self-esteem and life-satisfaction in the long-term**.

- Parenting roles across the world have involuntarily fallen on women's shoulders leading to gender stereotyping. Paternal leaves by breaking such stereotypical walls will facilitate sharing of familial responsibilities consequently giving women the freedom to pursue their careers actively.

Change afoot

- UNICEF urged governments to implement national family-friendly policies that support early childhood development, including paid paternity leave.
- Leading by example earlier this year, UNICEF modernised its approach to parental leave provisions, with up to **16 weeks of paid leave for paternity across all of its offices worldwide** - the first United Nations agency to extend such leave beyond the standard four weeks.
- UN agency noted that around the world, momentum for family-friendly policies was growing. It cited the example of **India**, where officials are proposing a **Paternity Benefit Bill** for consideration in the next session of Parliament which would allow fathers up to three months of paid paternity leave.
- **The Maternity Benefit (Amendment) Act, 2017** has increased the duration of paid maternity leave available for women employees from the existing 12 weeks to 26 weeks.

Conclusion

We cannot be 'For Every Child', if we are not also 'For Every Parent'. Hence we have to ask more of governments and more of employers if we're going to give fathers and mothers the time and resources they need to nurture their children, particularly during the earliest years of a child's life.

> **UNICEF**
>
> - The United Nations Children's Fund is a United Nations programme headquartered in New York City that provides humanitarian and developmental assistance to children and mothers in developing countries.
> - It is a member of United Nations Development Group.
> - The **United Nations International Children's Emergency Fund** was created by the United Nations General Assembly on 11 December 1946, to provide emergency food and healthcare to children in countries that had been devastated by World War II.
> - In 1950, UNICEF's mandate was extended to address the long-term needs of children and women in developing countries everywhere.
> - In 1953 it became a permanent part of the United Nations System, and the words "international" and "emergency" were dropped from the organization's name, making it simply the United Nations Children's Fund, retaining the original acronym, "UNICEF".
>
> **Super Dads Campaign**
>
> - It is a campaign launched by the United Nations Children's Fund (UNICEF) that celebrates a father's essential role in a child's early cognitive development.
> - The Super Dads initiative is a part of a larger campaign called **#EarlyMomentsMatter** which aims to bring awareness to the significance of early childhood experiences on a child's future.

Suvidha Bio-Degradable Napkins

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- In a move to improve menstrual hygiene practices in India, the government will offer **fully biodegradable low-cost** sanitary napkins called **Suvidha** at all of its *Pradhan Mantri Janaushadi Pariyojana stores*.

- It was released by the **Bureau of Pharma PSUs of India (BPPI)**, in association with the department of pharmaceuticals, on the occasion of World Environment Day.

Health Security

- According to the **National Family Health Survey 2015-16**, about 78 % women in urban areas use hygienic methods of protection during menstrual period, however **only 48 % women in rural areas have access to clean sanitary napkins**.
- Use of unhygienic aids during due to non-affordability cause fungal infections, Reproductive Tract Infection, Urinary Tract Infection, Cervical cancer and also make women vulnerable to infertility.
- At a time when average market price of four sanitary napkins is around ₹32, the **oxo-biodegradable** pads priced at ₹10 for four pads will act as a big boost to the **health security of women**, specially for those who are under privileged and are in rural areas. The launch is in line with the aim of making **quality drugs** available **at affordable prices** to common people.
- The step further aims to ensure **swachhata, swasthya** and **suvidha** (hygiene, health and convenience) for unprivileged women.

Environment Protection

- India produces 1.13 lakh tonnes of sanitary pad waste in a year that amounts to 12.3 billion disposable sanitary napkins.
- Unlike branded products which take 500 years to degrade in nature, Suvidha **oxo-biodegradable** napkins contain a special additive that help the napkin **decompose in around 6 months on exposure to oxygen**.
- It also helps the country align its policies with the World Environment Day theme of '**Beat the Plastic**'.

Conclusion

Although this step will address the problem of **availability and affordability** in rural areas which will go a long way in improving the health security of women, but it is equally important to supplement these steps with sustained **awareness campaigns** that bring about a change at the **behavioural level** in adoption and use of healthy menstruation products.

Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)

- It is a campaign launched by the **Department of Pharmaceuticals** to provide quality medicines at affordable prices to the masses.
- PMBJP stores have been set up to provide generic drugs, which are not only affordable but are equivalent in quality and efficacy as expensive branded drugs.
- **Bureau of Pharma PSUs of India (BPPI)** is the implementation agency for PMBJP.

Use Of Auto-Disable Syringes For All Clinical Purposes

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- In view of Comprehensive Health Technology Assessment (HTA) report done by PGI Chandigarh on behalf of Dept of Health Research pointing out high mortality and morbidity in patients and healthcare workers due to transmission of infection of HIV, HCV and HBs, and the cost effectiveness of Auto Disable Syringes, the Andhra Government has decided to make usage of AD syringes mandatory for all clinical purposes. It has become the **first Indian state** to do so.

- The biggest Global Campaign for use of Safe Injection Practice came early in 2015 when WHO Director-General, Margaret Chen flagged off the biggest Global initiative since Polio Eradication and Hand Wash Campaign called "Global Health Initiative on Injection Safety" and chose India, Egypt and Uganda as the focus Countries to spearhead the Campaign. .WHO has also given the directive to all Member States and Institutions to go for the mandatory use of SMART Auto-Disable Safety engineered Syringes in Healthcare System by 2020 and urged all Donor Institutions to supply only AD / RUP / SIP Syringes henceforth in their Campaigns depending upon local manufacturing capacity and availability and affordability.

- India is catching up with the world where Safe Injection policies exist India consumes over 4 Billion Syringes per year of which nearly 60% as unsafe and 1/3 being reused. Addressing the unsafe injection practices is an important public health agenda, especially in low and middle income countries. The poor hygiene in hospitals acts as amplifier for disease as a patient gets admitted for a specific treatment but ends up getting treated for a hospital acquired infection. The reuse of medical syringes continues to be a matter of serious concern as it poses grave health risks both to the patient as well as to medical professionals in light of growing AMR (Anti Microbial Resistance) and also acts as a barrier to the Government's resolve of eliminating these diseases by 2030.

MoU Between Ministry of MSME and Ministry of AYUSH

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- Ministries of MSME and AYUSH joined hands for developing enterprises in the traditional medicine sector.
- The MoU will create synergies through the institutions and schemes of both ministries for the development of AYUSH enterprises in the country.
- The objective of this partnership is to position India as a **world leader in "Holistic Healthcare"**.

The Rise of Ayush

- AYUSH industry includes **Ayurveda, Yoga, Unani, Siddha and Homoeopathy** drug manufacturing units as well as the healthcare delivery centers in public & private sectors and are essentially dominated by MSMEs, which need handholding support in the areas of **entrepreneurship development**, **capacity building** and **financial assistance** in order to grow and increase the market share of AYUSH.
- The AYUSH industry is expected to grow in double digits and provide direct employment to 1 million people and indirect jobs to 25 million persons by 2020.
- According to the **WHO**, the global herbal market is estimated to reach about $5 trillion by 2050 from the current level of $6.2 billion.
- The domestic market for AYUSH sector has been increasing steadily over the past decade. There is also an acceptance of traditional medicines worldwide. Therefore, export of AYUSH products like food supplements, nutraceuticals and herbal extracts has increased significantly.
- India is the world's second largest exporter of medicinal plants after China and both countries together produce more than 70 per cent of the total global demand for herbal products.
- Under the partnership, the two ministries will organise regional **workshops for entrepreneurship development**. The MSME ministry will frame new schemes for AYUSH industries to avail benefits of the lender to small industries - SIDBI. Young Indian entrepreneurs planning a start-up could find a lot of opportunities in holistic healthcare.

Conclusion

The growth in the ecosystem of alternative medical treatments can be explored as an opportunity to bring the Indian system of medicine in the mainstream and integrate AYUSH infrastructure into the Indian healthcare system. Further, the step would also help in tapping the maximum potential of AYUSH in imparting **preventive, curative, rehabilitative and holistic healthcare** which has been a part of India's **socio cultural heritage**.

Ban On Growth Drug Oxytocin

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.
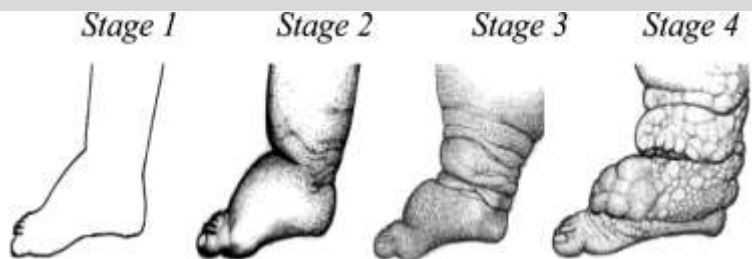
In News

- Major curbs on the production and sale of growth hormone oxytocin will come into effect from July 1 with the government determined to end its misuse. All private manufacturing of oxytocin will end from July 1 and its production for domestic use will be restricted to only one public sector company, Karnataka Antibiotics and Pharmaceuticals Limited (KAPL).

- This move follows a previous ban on imports of oxytocin used heavily in enhancing puberty among child victims of sex trafficking, inducing child birth and boosting the growth of vegetables and fruits.

- Earlier in 2014, the Centre banned oxytocin injections but misuse of the hormone continued. Studies have suggested rural health workers in some areas used oxytocin injections to induce child birth among women during home deliveries. Excessive use of oxytocin in cattle by farmers to improve milk production leading to reduction in the animal's lifespan was also documented. Humans consuming oxytocin-infested milk can suffer hormonal imbalances**.**

- Oxytocin is a neurotransmitter and a hormone produced in the hypothalamus. From there, it is transported to and secreted by the pituitary gland at the base of the brain. It plays a role in the female reproductive functions from sexual activity to childbirth and breast feeding.

Lymphatic Filariasis

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- Lymphatic filariasis (LF), commonly known as elephantiasis, is a neglected tropical disease. Infection occurs when filarial parasites are transmitted to humans through mosquitoes. Infection is usually acquired in childhood causing hidden damage to the lymphatic system.

Stage 1   Stage 2   Stage 3   Stage 4

- The painful and profoundly disfiguring **visible manifestations of the disease, lymphoedema, elephantiasis and scrotal swelling occur later in life and can lead to permanent disability**. These patients are not only physically disabled, but suffer mental, social and financial losses contributing to stigma and poverty.

- Lymphatic filariasis is caused by infection with parasites classified as nematodes (roundworms) of the family Filariodidea. There are 3 types of these thread-like filarial worms:

o **Wuchereria bancrofti**, which is responsible for 90% of the cases
o **Brugia malayi**, which causes most of the remainder of the cases
o **Brugia timori**, which also causes the disease.

Global Alliance to Eliminate Lymphatic Filariasis (GAELF)

GAELF is alliance of partners from 72 LF endemic national country programmes, NGOs, private sectors, academic and research institutes and international development agencies that assists WHO Global Programme to Eliminate Lymphatic Filariasis. It was formed in 2001, since then it is being held biennially.

India Launches Its First National Healthcare Facility Registry

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- The Union ministry of health and family welfare has launched the National Health Resource Repository (NHRR).

- It will be the first ever registry in the country which will facilitate registry of authentic, standardised and updated geo-spatial data of all public and private healthcare.

- ISRO is the project technology partner for providing data security.

- The vision of National Health Resource Repository project is to strengthen evidence-based decision making and develop a platform for citizen and provider-centric services by creating a robust, standardised and secured IT-enabled repository of India's healthcare resources

- NHRR will be the ultimate platform for comprehensive information of both private and public healthcare establishments including Railways, ESIC, Defence and Petroleum heath establishments.

- Some key benefits of the NHRR project are to create a reliable, unified registry of country's healthcare resources showing the distribution pattern of health facilities and services between cities and rural areas.

- Additionally, it shall generate real-world intelligence to identify gaps in health and service ratios, and ensure judicious health resource allocation and management.

- It shall identify key areas of improvement by upgrading existing health facilities or establishing new health facilities keeping in view the population density, geographic nature, health condition, distance.

National Health Profile-2018 Released

- Union Minister of Health and Family Welfare released the National Health Profile (NHP)-2018 prepared by the Central Bureau of Health Intelligence (CBHI).

- The National Health Profile covers demographic, socio-economic, health status and health finance indicators, along with comprehensive information on health infrastructure and human resources in health.

Replacing UGC with a New Higher Education Regulator

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- The government has announced that it will dissolve the University Grants Commission (UGC) and replace it with a new Higher Education Commission of India (HECI).

- For this purpose, the Human Resource Development (HRD) Ministry has released the draft Higher Education Commission of India (Repeal of University Grants Commission Act) Bill 2018.

Key Highlights

- HECI will be the new, apex regulator for university and higher education in India. It will set benchmarks for academic performance, ensure that institutions adhere to these, and act against those that violate standards.
- It will specify norms for learning outcomes, lay down standards of teaching/research, and will provide a roadmap for mentoring of institutions found failing in maintaining the required academic standards.
- The Commission shall have the power to grant authorization for starting academic operations. Not only that, it will also have powers to revoke authorization granting to a higher education institution in case of willful or continuous default in compliance with the norms / regulations.
- The Commission has been given a mandate to specify norms and processes for fixing of fee chargeable by higher education institutions and to advice the Central Government/State Governments regarding steps to be taken for making education affordable to all.
- The Commission will monitor, through a national data base, all matters covering the development of emerging fields of knowledge and balanced growth of higher education institutions in all spheres and specially in promotion of academic quality in higher education.
- HECI will be governed by a commission headed by a chairperson and vice-chairperson selected by a committee which will include the Cabinet Secretary and Higher Education Secretary (HRD). 12 other members, including officials from various stakeholder ministries, two serving V-Cs, an industry doyen, and two professors will be part of the panel.

How Different Is HECI Bill From UGC Act

HECI Act	UGC Act
Composition - Chairman, Vice Chairman, Secretary and 12 other members	Composition - Chairman, Vice Chairman, Secretary and 10 other members
It will have no funds to dole out (No grant giving powers, this function has been entrusted with MHRD). It will only focus on academic functions.	Vested with grant-giving powers
It will have an advisory council chaired by HRD Minister	No provision of advisory council
It will accept online applications for its approval	No provision for online application
Retirement Age of Chairman, Vice Chairman – 70 years	Retirement Age of Chairman, Vice Chairman – 65 years
Two year cooling off period has been prescribed for the further employment of chairman, Vice Chairman and members in higher education institutions	They can accept job offers in higher education institutions (i.e. No cooling off period)

About UGC

The UGC was set up in 1953 and became a statutory body through an Act of Parliament in 1956.

- The UGC seeks to promote responsible understanding between the institutions, the Government and the community at large.

- It mediates interests between institutions and the Administration. On the one hand, the UGC safeguards the academic freedom and institutional autonomy of the institutions, while on the other it ensures value for money for the taxpayers.
- The three primary functions of UGC are
  - (i) Overseeing distribution of grants to universities and colleges in India.
  - (ii) Providing scholarships/fellow to beneficiaries, and
  - (iii) Monitoring conformity by universities and colleges to its regulations.

Criticism of UGC

- Among the many criticisms of its functions is the failure of the UGC to attract world-class faculty to Indian universities – something that even Pakistan has managed to do.
- The UGC is the apex regulatory body for higher education but has often become mired in turf wars with technical education watchdog AICTE, autonomous institutes like the IITs and diploma-awarding ones like the IIMs.
- The name "University Grants Commission" is something of a misnomer. The UGC's primary function is to coordinate the functioning, determine and maintain standards across India's universities. Distributing grants is a secondary function. By giving it a misleading name the focus got shifted, which resulted in the bedeviling of the functioning of the UGC all these years.
- The falling standards of higher education is a reality that India has been contending with even as the number of students enrolling in colleges and universities has grown exponentially.
- The commission has also instituted a flawed system of rewarding research, the **Academic Performance Index**, which is based on the number of citations an article gets and the journal in which it is published. This has replaced a system of peer-review and expert appraisal that many believe is better.
- At a time when many experts are calling for decentralization of the higher education, the UGC is representative of centralized structure.
- Different controversies:
  - ✓ The commission forced Delhi University to roll back its newly introduced four-year undergraduate programme. It took a U-turn as previously it had allowed the same. It was a direct encroachment of university's autonomy as under the Delhi University Act, 1922 DU has freedom to decide its own course structure, content etc.
  - ✓ Shortly after the Delhi University episode, the UGC shot off a notification to all IITs asking them to make sure the degrees they confer are in line with UGC specifications. The IITs retorted that they are autonomous institutes that do not have to follow UGC diktats.
  - ✓ Forcing universities to introduce Choice Based Credit System (CBCS), without taking other necessary steps to harmonize the universities, had created a controversy.
  - ✓ In 2013, the UGC locked horns with the AICTE over regulation of business schools when it issued guidelines to institutions such as the IIMs that award post-graduate diplomas in management. The government intervened to resolve the issue by allowing the UGC to regulate B-schools awarding degrees and the AICTE to look after those awarding diplomas.
  - ✓ The UGC in May 2016 passed a Regulation, which has become controversial and its impact has been perceived as drastically negative on the researcher's freedom to craft research areas as well as for undermining the autonomy of the universities and institutions.
- Various committees have recommended abolishing the commission.
  - ▪ The Yashpal Committee recommendations to abolish the UGC
  - ▪ The committee headed by former UGC chairman Hari Gautam proposed setting up a National Higher Education Authority while abolishing UGC.

India- Maldives Tie Take a Dip

Syllabus: India and its neighbourhood- relations.

In News

The Abdulla Yameen regime of Maldives has asked India to remove its second 'gift' naval chopper (ALH Dhruv) from the Laamu atoll.

Key Highlights

- The Indian government had gifted 2 ALH helicopters to the Maldives but the Yameen government is upset about the presence of Indian navy staff who are stationed in the Maldives for the maintenance of the choppers.
- India had stationed six pilots and over a dozen ground personnel to operate the ALHs and also help the Maldivian National Defence Forces.
- The location of Laamu is significant as this is where the Chinese are said to be considering building a port.
- Even Addu (location of the other Indian chopper) is significant as it is located at Equatorial Channel and close to Diego Garcia. It is being speculated that Male wants to rid both these strategic locations of any Indian footprint.

India and China in Maldives

- Gradually China is gaining prominence in Maldives which is causing tension in India.

- There were media reports that China was looking to establish a base in Maldives after leasing out one of the islands under the liberalised leasing scheme brought in by the Yameen Government which was denied by both Male and Beijing.

- China is assisting Maldives in some infrastructure and developmental projects including a bridge between the island in which the airport is located Hulhumale,and the Capital island, Male.

- Maldives is also part of China's Silk Road project.

- Though the President's Office has however clarified that China policy does not interfere with or diminish the country's special relationship with India but India needs to be cautitious.

GMR Issue in Maldives

- Relations between India and Maldives came under a strain after Male had terminated the agreement it entered into with GMR in 2010 for the modernisation of the Ibrahim Nasir International Airport.

- The airport was taken over by the Maldives Airports Company Limited after a legal tussle with GMR.

- The Maldives government explained the reason for cancellation of the project was that the contract was illegally awarded by the then President Nasheed.

- The country's anti-graft watchdog has ruled out any corruption in the leasing of the international airport to GMR.

- The airport expansion project was subsequently given to the Chinese company which will plough in US $ 800 million. GMR meanwhile, has won an arbitration against the Maldives.

- The quantum of damages to be paid by the Maldives is yet to announced by the arbitration tribunal in Singapore.

Visit of Prime Minister to Indonesia, Malaysia and Singapore

Syllabus: India and its neighbourhood- relations.

In News

- Prime Minister Shri Narendra Modi paid an official visit to the Republic of Indonesia (May 29-31) and Republic of Singapore (May 31-June 2).
- In between, he also made a brief stopover in Kuala Lumpur, Malaysia on 31 May 2018 to meet the newly elected Prime Minister of Malaysia, H. E. Dr. Mahathir Mohammad.
- Indonesia, Malaysia and Singapore, three countries in ASEAN, are Strategic Partners of India.
- Government of India attaches high importance to its relations with the ASEAN region and is committed to deepening its relationship with individual ASEAN member states, within the framework of Government's Act East Policy.
- The visit would enable the Leaders to discuss bilateral, regional and international issues of mutual interest.

A. Indonesia

- At the invitation of the President of Indonesia, H.E. Joko Widodo, Prime Minister of the India paid his first official visit to Indonesia.
- During the visit a number of MoUs were signed. These are:

Name of the MoU / Agreement	Scope of cooperation
1. Agreement between India and Indonesia for cooperation in the field of Defence	Regular bilateral dialogue and consultation on strategic defence and military issues of common interest, cooperation among the Armed Forces including Army, Navy, Air Force and Aerospace, humanitarian aid, disaster relief etc..
2. Framework Agreement between India and Indonesia on cooperation in the exploration and uses of outer space for peaceful purposes	Use of Integrated Biak Ground Stations for mutual benefit, hosting of Indian ground station in Indonesia, support for launch services of LAPAN made satellites; joint research and development activities in space technology etc.
3. MOU between India and Indonesia on Scientific and Technological Cooperation	Information and Communication Technology, Marine Science and technology, energy research, disaster management etc.
4. MOU between India and Indonesia on Technical Cooperation in Railways sector	For improvement of Railways
5. MOU between India and Indonesia on Health Cooperation	Research and development - Active Pharmaceutical Ingredients (API) etc.
6. MOU between Lal Bahadur Shastri National Academy of Administration of India and National Institute of Public Administration of Indonesia (NIPA)	Exchange of working or study visits, trainers, lecturers etc. with a view to sharing respective knowledge and experience
7. Exchange of plan of activities	Plan of Activities to celebrate **70 years of diplomatic relations** between India and Indonesia in the year 2019-20
8. MOU between Kite Museum	Organization / participation in Annual Kite Festivals,

	Ahmedabad and LayangLayang Gujarat	kite exhibitions etc. for cultural exchange
9.	MOU between Archaeological Survey of India and PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko concerning World Cultural Heritage of Prambanan Temple and Taj Mahal	Joint promotion and organizing events, exchange of experts, implementation of technical guidance etc.

- It was also announced during the visit that Confederation of Indian Industry (CII) is to open its first overseas Office in Jakarta, Indonesia with its representative from India.
- Letter of intent were signed earlier in April 2018 for twinning of Bali and Uttarakhand – under sister province arrangement.
- The Leaders welcomed the adoption of the "**Shared Vision on Maritime Cooperation in the Indo-Pacific between India and Indonesia**" with a strong belief that the two countries could develop further cooperation in maritime sector which can be a force of immense stability in the region.
- Both Leaders agreed to strengthen cooperation in all areas by establishing a New Comprehensive Strategic Partnership to take Indonesia and India's bilateral relationship into a new era.
- The Leaders acknowledged the progress made in the field of defence cooperation of the two countries after the convening of the First Security Dialogue, the Second Biennial Defence Ministerial Dialogue, and the Fifth Joint Defence Cooperation Committee. They further looked forward the convening of the Sixth Joint Defence Cooperation Committee in August 2018.
- The Leaders welcomed the establishment of direct flights by Garuda Indonesia between Bali and Mumbai starting from April 2018 as well as the flights by Batik Air and Air Asia Indonesia serving Indonesian and Indian cities.
- The Leaders welcomed the plan to build connectivity between Andaman Nicobar-Aceh to unleash the economic potentials of both areas. Furthermore, the two sides looked forward to the expeditious conclusion of the ASEAN-India Maritime Transport Cooperation Agreement.
- The Leaders welcomed the successful commemoration of the 25th Anniversary of ASEAN-India Dialogue through the hosting of various commemorative activities and ASEAN-Indian Commemorative Summit in Delhi on 25 January 2018.
- The Leaders welcomed the first Trilateral Senior Officials Strategic Dialogue involving Indonesia-India-Australia in Bogor, Indonesia, on 27 November 2018 and underlined the importance of open and frank dialogue as well as exchange of best practices among like-minded democracies.

Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific

Both the Leaders agreed to a Shared Vision for Maritime Cooperation in the Indo-Pacific region to harness the opportunities and to meet the challenges together as Comprehensive Strategic Partner and agreed to the following:

a. *Enhancing Trade and Investment Cooperation*
- Encouraging greater flow of goods, services, investment and technology between the two countries and the region to further develop our economies sustainably.
- Taking necessary steps to enhance connectivity (institutional, physical, digital and people-to-people) between Andaman and Nicobar Islands of India and Provinces in Sumatera Island of Indonesia to promote trade, tourism and people to people contacts; facilitate B to B linkages between the Chamber of Commerce of Andaman and the ones of the Provinces in Sumatera, including Aceh.
- Development maritime infrastructure and promoting maritime industries, especially in fisheries and ship-building.

b. *Promoting sustainable development of marine resources*

- Enhancing science-based management and conservation of marine living resources, Combating Climate change, Promoting Blue Economy as a key source of inclusive economic growth and job creation, Combating marine plastic debris through bilateral and regional cooperation etc.

c. *Expanding cooperation in disaster risk management*

- Improving geodetic data-sharing, methods and infrastructure and further developing early warning systems in the region for forecasting and communicating disaster-related risks and hazards.

d. *Fostering tourism and cultural exchanges*

- Working towards creation of Andaman Sea tourism by improving connectivity between Sabang Island and Port Blair as well as Havelock Island in Andaman for promotion of sail tourism, cruise ships, marine adventure sports, diving and wellness tourism.
- Creating institutional linkages between Al-Muslim University of Bireuen, University of Malikussaleh of Lhokseumawe (Aceh), Jawaharlal University, New Delhi and appropriate institution in Port Blair for creation of a Centre of India-Indonesia studies at Al-Muslim University.

e. *Promoting Maritime Safety and Security*

- Strengthening the existing naval cooperation including the bilateral Coordinated Patrols initiated in 2002 between the Navies of the two countries and commencement of regular bilateral naval exercises.
- Further intensify cooperation for a safe and secure Indian Ocean within the framework of the Indian Rim Association Organisation (IORA).

f. *Strengthening academic, science and technology cooperation*

- Promoting cooperation between Indian Space Research Organization (ISRO) and National Institute of Aeronautics and Space of the Republic of Indonesia (LAPAN) in monitoring earth's environment from outer space and remote sensing of the earth.
- Developing research capacity and transferring marine technology among research and development institutions and academics.

B. Singapore
- Prime Minister of India, made an Official Visit to the Republic of Singapore from 31 May to 2 June 2018 at the invitation of PM of Singapore Lee Hsien Loong.
- A number of MoUs were signed during the visit. These include:
  o Joint Statement on conclusion of second review of CECA
  o Implementation agreement between Indian Navy and Republic of Singapore Navy concerning Mutual Coordination, Logistics and Services Support for Naval Ships', Submarines and Naval Aircraft (including Ship borne Aviation Assets) visits
  o Extension of the MoU between the Indian Computer Emergency Response Team (CERT-IN) Ministry of Electronics & Information Technology, Government of India and the Singapore Computer Emergency Response Team (SINGCERT), cyber security agency of the Republic of Singapore on cooperation in the area of cyber security.
  o MoU between the Narcotics Control Bureau (NCB) of the Republic of India and the Central Narcotics Bureau (CNB) of the Republic of Singapore on Cooperation to Combat Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and their Precursors.
  o MoU between The Ministry of Personnel, Public Grievances and Pensions of the Republic of India and the Public Service Division of the Republic of Singapore on Cooperation in the field of Personnel Management and Public Administration

- o MoU between the Department of Economic Affairs, ministry of Finance, Government of India and the Monetary Authority of Singapore on the constitution of a Joint Working Group (JWG) on Fintech between Indian and Singapore.
  - o MoU between the NITI Aayog and Singapore Cooperation Enterprise (SCE) on Cooperation in the Field of Planning

- Both leaders reviewed and expressed satisfaction over the progress in the bilateral relationship since the signing of the Joint Declaration on a Strategic Partnership on 24 November 2015.
- Indian PM also delivered the keynote address at this year's International Institute for Strategic Studies Shangri-La Dialogue (SLD). He became the first Indian Prime Minister to speak at the SLD.
- Both Prime Ministers also looked forward to the 25th and enhanced edition of bilateral annual naval exercises SIMBEX. Prime Minister Modi thanked Singapore for its participation in IONS (Indian Ocean Naval Symposium), and Exercise MILAN.
- Recognising the importance of Financial Technology (FinTech) and innovation, both the Prime Ministers welcomed the establishment of a Joint Working Group (JWG) on FinTech led by the Monetary Authority of Singapore (MAS) and the Department of Financial Services (DFS), the Ministry of Finance, India, and the relevant government agencies on both sides.
- The JWG would promote knowledge exchange in best practices, encourage cooperation between FinTech firms, develop Application Programming Interfaces to promote interoperability between both markets, increase cross-border linkages between payment systems in Singapore and India, and internationalisation of the India Stack, an innovative infrastructure that enables digital services delivery.
- They also welcomed the announcement of the partnership between NETS and National Payments Corporation of India (NPCI), starting with the launch of the RuPay card in Singapore.
- They also welcomed the agreement between NETS and NPCI to extend Bharat Interface for Money (BHIM) to recognise SGQR for payment in Singapore, and called for accelerated discussion on arrangements to support cross-border payments.
- They further welcomed the international launch of India's Unified Payments Interface (UPI) based cross-border remittance app in Singapore, which will facilitate remittances by Indian workers.
- They also looked forward to the commencement of development on the Amaravati Capital City Project undertaken by the Amaravati Development Partners constituted by the Singapore Consortium and Andhra Pradesh Amaravati Development Corporation.
- The Prime Ministers lauded progress in discussions between Singapore and Maharashtra on collaboration opportunities in Maharashtra's urban infrastructure, port and logistics, and aviation sectors.
- The two leaders welcomed the India-Singapore Entrepreneurship Bridge (InSpreneur), an Indian initiative, which has already held two editions in 2018, to connect government agencies, startups, innovators, incubators, accelerators and investors in the two countries.
- They also welcomed the announcement of the Singapore-India Incubation Programme by Startup SG. The programme, led by Enterprise Singapore, aims to provide exposure and support for start-ups keen to explore both markets.
- The Prime Ministers welcome the signing of agreements in higher education, research, artificial intelligence, innovation, and space, at the Nanyang Technological University (NTU).
- Prime Minister Modi appreciated the Government of Singapore's support for the Regional India Pravasi Bharatiya Divas (PBD) in January 2018 in Singapore, which was held as part of commemoration of 25 years of ASEAN-India partnership.
- Indian PM also unveiled a plaque of Mahatma Gandhi at the Clifford Pier. This is the place where Mahatma Gandhiji's ashes were immersed in the sea on the 27th of March, 1948.

State Visit of President to Greece, Suriname and Cuba

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

Indian President paid a State Visit to the Hellenic Republic (Greece), Suriname and Cuba from June 16-24, 2018.

A. Greece

- On the first leg of his three-nation tour, Indian President visited the Hellenic Republic from 16-19 June 2018 at the invitation of the President of Hellenic Republic, His Excellency Mr. Prokopis Pavlopoulos.
- India's links with Greece go back to antiquity to the days of King Alexander and King Porus. Heliodorus, the Greek Ambassador at the court of Bhagabhadra in Central India, and his pillar, built in Second century BC, stand as tall symbols of long-standing friendship between the two countries.
- Pythagoras was influenced by Indian philosophy and we learnt from you in the field of art and drama. It is interesting that the word for "stage-curtain" in Sanskrit is YAVANIKA, derived from our word for Greeks, YAVAN.
- In modern times, both countries share common values of democracy, rule of law and pluralism. India has substantial economic ties with Greece with an annual bilateral trade of around half a billion US Dollars. There have been regular high-level exchanges between the two countries. The last visit from India at the level of Head of State was in 2007. Greek Prime Minister visited India in 2008 and 2010.

Key Highlights

- During the visit, the Indian President expressed India's resolve to strengthen the close ties and longstanding friendship between the two countries, especially in view of the upcoming 70th Anniversary of the establishment of bilateral diplomatic relations in 2020.
- Three Memorandum of Understanding (MoU) namely; (i) the MoU between Bureau of Indian Standards (BIS) and National Quality Infrastructure System/Hellenic Organization for Standardization on Cooperation in the Fields of Standardization; (ii) MoU between Foreign Service Institute (FSI), India and Diplomatic Academy, Greece on Cooperation in Diplomatic Training and (iii) the Programme of Cultural Cooperation for the year 2018-2020 between India and Greece,were signed during the visit.
- President Kovind thanked Greece for the invitation to India to participate as "Honored Country" in the Thessaloniki International Fair 2019 and confirmed India's acceptance of the invitation.
- The President also laid wreaths at the Phaleron Indian Cremation Memorial, where the remains of74 soldiers of undivided India, who had sacrificed their lives in the campaign in Greece during the World War II, were laid to rest.

B. Suriname

- President visited Suriname from June 19 to 21, 2018.
- India shares close, warm and friendly relations with Suriname which are cemented by the Indian Diaspora. PIOs constitute approximately 37% of the Suriname's population. Suriname has been celebrating 145th years of their arrival in Suriname.

Key Highlights

- Suriname is a founding member of the International Solar Alliance. Developmental assistance is being offered to Suriname for the solar power related projects. During the visit, it was announced

that India will extend concessional financing of US Dollars 20 million for setting up a solar project to provide clean energy to a cluster of 49 villages in Suriname.

- Lines of Credit for power transmission & infrastructure and maintenance of Chetak Helicopters which Suriname purchased in 2015 are being offered.
- To strengthen the capacity building partnership between two countries, India offered to raise the annual scholarships to Suriname under the programme from 40 to 50.
- India will assist Suriname to establish a Centre of Excellence in Information Technology. An MoU to take forward this project has been signed. Besides, the two sides have also concluded four MoUs in the fields of elections, diplomatic academies partnership, employment for spouse of diplomats of the two countries and archives.
- Indian President also laid the foundation stone for the new building of the India Cultural Centre, to be called as Swami Vivekananda Cultural Centre for which Government of Suriname has gifted a plot of land.
- The Indian President became the first foreign Head of State to address the National Assembly of Suriname.

C. **Cuba**

- President visited Cuba from June 21-22, 2018. He held a wide range of discussions with the Cuban President Mr. Miguel Diaz-Canel Bermudez.
- President Diaz-Canel visited India in his capacity as the First Vice President in March 2015.
- It was the first ever visit of the President of India to Cuba since Cuban Revolution in 1959.

Key Highlights

- India shares close, warm and historical relations with Cuba. Cuba shares India's views on the reform of the Security Council and continues to express abiding support to India in the UN body elections.
- Views on critical international issues ranging from trade to environment to disarmament are similar. Both India and Cuba are the founders of NAM.India has been rendering development assistance to Cuba from time to time. In the recent past (January 2018) India has donated 60 tractors with accessories and medicines and medical equipment to Cuba
- President also delivered a lecture at University of Havana on the subject - "India and the Global South".
- Cuba is the founding member of International Solar Alliance. India offered a soft loan to Cuba for solar projects. Another Line of Credit of US$ 160.3 million for the renewable energy projects, Wind Farm and power co-generation, has recently been signed.
- A number of agreements and MoUs in the areas of bio-technology, research and education in homeopathic medicine, traditional system of medicine and medicinal plants was signed during the visit.

State Visit of President of Seychelles to India

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Mr. Danny Faure, President of the Republic of Seychelles paid a State Visit to India from 22-27 June 2018.
- The State Visit of President Faure was part of regular high level exchanges between India and Seychelles, and accorded an opportunity to review wide-ranging bilateral cooperation between the two countries including in the fields of defence and security and development partnership.

Key Highlights

- Since the independence of Seychelles in June 1976, there have been special relations between both our democratic countries. Today, India and Seychelles are key strategic partners. We both support the core values of democracy and equally share geo-strategic vision of maintaining peace, security and stability in the Indian Ocean.
- List of MoUs signed between India and Seychelles include:
  - o MOU regarding Indian Grant Assistance for Implementation of Small Development Projects through Local Bodies, Educational and Vocational Institutions
  - o Twinning Agreement on the Establishment of Friendship and Cooperation between the Corporation of the City of Panaji (Municipal Corporation) and the City of Victoria of the Republic of Seychelles
  - o MOU between the Indian Computer Emergency Response Team (CERT-in), Ministry of Electronics and Information Technology, Republic of India and the Department of Information Communications Technology of the Republic of Seychelles on Cooperation in the area of Cyber Security
  - o Cultural Exchange Programme between the Governmepnt of the Republic of India and the Government of the Republic of Seychelles for the years 2018-2022
  - o Technical Agreement on Sharing White Shipping Information between the Indian Navy and the National Information Sharing and Coordination Center of the Republic of Seychelles
  - o MOU between the Foreign Service Institute of the Ministry of External Affairs of India and the Department of Foreign Affairs of Seychelles.
- During the visit, India announced its decision to extend a credit line of US $ 100 million for Seychelles to enable the island country to purchase defence equipment from India to build its maritime capacity.
- The second Dornier aircraft was handed over by India to Seychelles.
- Under the Special grant, India is ready to finance three civilian infrastructure projects in Seychelles. These include Government House, new Police Headquarters and Attorney General's Office.
- Two big Aldabra turtles was gifted to India by President Faure.

The Assumption Island Controversy

- In March 2015, Indian Prime Minister Narendra Modi's visit to the Seychelles marked an important watershed in India's maritime diplomacy.
- During this visit, both the countries signed MoUs regarding development of facilities on Assumption Island. No details were made publicly available at the time on the "Agreement on the Development of Facilities on Assumption Island".
- India had planned to develop a naval facility at the Assumption Island, which would give India a strategic advantage in the Indian Ocean Region (Assumption is very close to the Mozambique Channel where much of the international trade is transiting).
- India's proposed investment in Assumption island included $ 550 million, development of an airstrip, jetty, and housing infrastructure for Seychelles Coast Guard in Assumption Island.
- The base on Assumption Island is to be funded by India and shared by the two countries' militaries.
- However, a plan for India to build a military base on an outlying Seychelles island has won favour among the archipelago nation's politicians, but some hostility from its people.
- The project landed in trouble after change of guard in Seychelles presidency and opposition leaders accusing the government of compromising the sovereignty.
- Indian presence in Seychelles is a sensitive matter. Some fear an influx of Indian workers who, they say, might come to dominate the economy, while others consider a foreign power building

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a military base an affront to sovereignty and national pride.

- Opponents of the plan also cite Assumption's relative proximity to Aldabra atoll, a UNESCO World Heritage Site that is home to the world's largest population of giant tortoises.
- Environmentalists worry about the possible impact of a large military presence so close to an ecosystem that has survived precisely because of the absence of people.
- Finally, in June 2018, the government decided not to present the agreement to the National Assembly (parliament) for approval because opposition members (who are the majority) have decided not to ratify it.
- It was only during the visit of President of Seychelles to India, both countries agreed to work together on a project to develop a naval base at the Assumption Island keeping each other's concerns in mind.

U.S. Postpones 2+2 Dialogue With India

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- The much anticipated dialogue, between the defence and foreign ministers of India and the United States scheduled for July, has been postponed.
- The talks were expected to boost bilateral ease of ties in the backdrop of growing disagreement over the Iran nuclear deal and the brewing tariff war between the two sides.
- The talks were postponed earlier once when the previous Secretary of State Rex Tillerson was asked to quit by President Trump in March 2018. It was previously scheduled for April.

Reasons For The Postponement

- Neither side has specified any official reason for the postponement but it is believed that US' Secretary of State Pompeo is required to travel to North Korea around those dates as part of President Trump's engagement with the communist country.
- Many analysts also cite Trump administration's focus on the July 16 summit with Russia as a reason for this action.
- The postponement came in the backdrop of India's plan to purchase the S-400 missile defence system from Russia and growing differences between India and the U.S. over the Iran nuclear deal. India is unwilling to accept US diktat on stopping all oil imports from Iran from November 4.
- The US passed the Countering America's Adversaries Through Sanctions Act (CAATSA) against Russia in August 2017 for reportedly influencing and manipulating the 2016 presidential election process. India wants its defence deals with Russia outside the purview of the CAATSA.
- Although there are a number of contentious trade issues between India and USA to sort out, these have been ruled out as possible reasons for the postponement.

U.K. Excludes India From Relaxed Student Visa Rules

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Britain's efforts to reform the visa application process for international students from a number of countries will not extend to India.
- This incident highlights recent strains in the bilateral relations between the two countries since Prime Minister Narendra Modi's visit to London earlier this year.

Key Highlights

- In a bid to overhaul of the U.K. immigration regime, the British government said it would be expanding the list of countries from which students would be able to provide reduced documentation when applying for Tier 4 student visas.
- The list included China and other countries, including Bahrain, Indonesia, and the Maldives. However, India was not on the list. Student from these countries would face reduced checks on educational, financial and English language skill requirements to study at British universities.
- While India remains the third largest country for whom student visas were granted in 2017 — an increase of 27% on the year before — the numbers remain sharply down on a longer term perspective.
- Prime Minister Narendra Modi did not sign the memorandum of understanding on the return of illegal Indians in the UK during his visit in April 2018 in a last-minute decision linked to London refusing to provide Indians relaxed visa norms already available to the Chinese.
- Uncertainty in New Delhi on the duration in which the identity of suspected illegal Indians would need to be confirmed – 15 days or 70 days – was the reason it was not signed during Modi's visit.
- Think tanks all over the world have branded the British government's decision to exclude India from a new expanded list of countries able to access easier student visa norms an "act of self harm" as it could further push Indian students away from British universities.
- This will lead to distrust between the two countries, that too at a time when both countries are negotiating FTA.

Ireland Votes For Abortion

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Ireland has voted decisively in a referendum to reform the country's strict abortion laws, which had effectively banned all terminations.
- It was Ireland's sixth referendum on the issue, which led to the **culmination of a silent revolution** as a resounding 66.4% of the voters voted in favour of repealing the **8th Amendment** to the constitution that was added to the Constitution of the Republic in 1983.
- The **8th Amendment** in Ireland's constitution equates the right to life of a pregnant woman with that of her foetus, hence making abortion an offence. The amendment even outlaws abortion in most cases of rape, incest, fatal foetal abnormality and risk to the woman's health.
- The **UN Human Rights Committee** has been calling for an end to Ireland's near-total abortion ban for long, but it was the case of an India-origin woman that sparked a rebellion.

Implications Of Anti-Abortion Laws

- The first impact of criminalizing abortion is on the **liberty of the mother** who is compelled by the state to undergo an exhausting and medically traumatic pregnancy and childbirth. So, criminalizing abortions is an **unjust use of state power that severely damages the civil liberties of the mother**
- Generally, where abortion is legal it will be provided in a safe manner and the opposite is also true: where it is illegal, it is likely to be unsafe, performed under unsafe conditions by poorly trained providers.
- Where abortions are permitted and easily accessed, more than 90% are done in the first trimester. Where abortions are limited and hard to access, the foetal age at abortion is greater because it's simply more difficult and takes longer for a woman to get the procedure done.

- The WHO estimates that of the 42 million unintended pregnancies that end in abortion worldwide every year, about 20 million happen in circumstances that fall far short of standard medical practice.
- An estimated 47,000 women worldwide die every year because of complications stemming from unsafe abortions, a **major cause of maternal mortality**. According to WHO these deaths and the 5 million yearly hospitalizations due to unsafe abortion constitute a **preventable pandemic**.
- Further, parents are **forced to have children today that they might have not been ready to have, or may not have wanted**, and as a result may not have children later when they were ready. So, we have more children in difficult situations, and fewer children in more supportive situations.
- It leads many women to harm themselves due to a sense of desperation.
- It encourages abortion tourism which has negative economic effects on both the tourists and their country

Abortions In India

- The Indian abortion laws fall under the **Medical Termination of Pregnancy (MTP) Act**, which was enacted by the Indian Parliament in the year 1971.
- In India, under the MTP Act, abortion is a *qualified* right. An abortion can't be performed based solely on a woman's request. And it can only be performed by a **registered medical practitioner** before 12 weeks of pregnancy. In case the woman had been pregnant for more than 12 weeks – but for less than 20 weeks – the opinions of two medical practitioners are required.
- Exceptions are made to the 20-week ceiling if continuing the pregnancy poses a threat to either the mother or the baby's life, but only after **approval from courts**.
- As the MTP Act is outdated and doesn't consider these eventualities, women are forced to move court. Consequently, judgements that are doled out vary drastically due to individual interpretations of law.
- India, despite its liberal abortion law, does not compute 'choice' as a factor for abortion. A lesser-known fact about the MTP Act is that a woman cannot simply choose not to be a mother; abortions are conditional and predicated on reasons.
- Women in India face considerable challenges trying to obtain abortion care, including the limited availability of abortion services in public health facilities
- Slightly fewer than one in four abortions are provided in health facilities. The public sector—which is the main source of health care for rural and poor women—accounts for only one-quarter of facility-based abortion provision, in part because many public facilities do not offer abortion services.
- Shortage of trained staff and inadequate supplies and equipment are the primary reasons many public facilities don't provide abortion care.
- And so, in the absence of a modern, amended version of the MTP Act, aggrieved women continue to flock to the courts seeking relief while courts across the country are burdened with the responsibility of reviewing and ruling on each case individually.
- Another law that trips doctors from performing genuine abortions is the Pre-Conception and Pre-Natal Diagnostic Techniques Act of 1994 (PC-PNDT) which criminalises sex determination of the foetus during ultrasound. Often, law-enforcing authorities feel that if they indiscriminately crackdown on abortions in general, they will be able to prevent sex-selective ones and female foeticide

Way Forward For Abortions In India

- Improve the **last mile access, availability and quality of abortion services** in health facilities, including training and certifying more doctors to provide abortion care.

- Allow non-allopathic healthcare providers such as midwives, nurses, homeopaths, etc. to perform non-invasive early-stage abortions. This would substantially expand the number of providers and facilities qualified to offer safe abortion services.

- Improve the quality of contraceptive services by offering a **wide range of contraceptive methods and providing counselling** to help individuals prevent the pregnancies they do not want and achieve their reproductive goals.

- According to experts the **limit needs to be extended to 24 weeks**, because medical advancements have ensured that it is perfectly safe and ethically sound to terminate pregnancies at that stage.

- Today, **certain foetal abnormalities**, particularly cardiac and brain anomalies, are **only detected beyond 20 weeks**. Sometimes, the foetus is unviable or incompatible with life. It is unconscionable that these women, who are already suffering, have to then get embroiled in a legal wrangle. In addition to extending the time limit, the law also needs to be changed to provide better recourse for cases that fall beyond its scope. There needs to be one **national committee of medical experts** that reviews exceptional cases and rules on it.

- Adopting a **medically sound, humanitarian approach** is more important than strictly following the letter of the law.

Conclusion

It is high time that restrictive abortion laws are liberalised paralleling societal changes. Irrespective of the marital status of women, access to safe abortion services and quality post-abortion care, including counselling, need to be guaranteed. A strong recognition of women's right to freely exercise
their reproductive and sexual rights, including the right to abortion, would give them due autonomy over their bodies and their lives.

A Vicious Cycle: Trade Wars

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- India has notified higher tariffs on several items imported from the United States, including agricultural products such as apples, almonds, chickpeas, lentils, and walnuts, and industrial inputs such as some grades of iron and steel products. The government has notified the World Trade Organisation (WTO) that it was imposing tariffs amounting to $240 million in retaliation to the USA action on steel and Aluminium.

- Similarly the *European Commission* announced that it would impose tariffs as high as 25% on imports worth $3.3 billion from the USA beginning July 2018.

- At the same time *China, Mexico and Canada* have joined hands in response to President Donald Trump's decision to impose tariffs on steel and Aluminium imports.

  o The USA imposed a 25% tax on steel and a 10% tax on Aluminium imports from the EU, Mexico and Canada.

  o Trump announced that he had ordered his administration to frame new tariffs on $200 billion worth of Chinese imports. This was in retaliation to tariffs on $50 billion worth in American goods imposed by China. In all, USA tariffs will now affect Chinese goods worth $450 billion to put this in perspective total Chinese imports into the U.S. last year were worth around $500 billion.

- The US tariffs on imported steel and aluminum are imposed under Section 232 of Trade Expansion Act of 1962. (Section 232 of the Trade Expansion Act of 1962 allows imposing tariffs citing national security)

Why Is President Trump Targeting China

- With China, the United States has had a mind-boggling trade deficit of $375 billion in 2017. US exports to China was only $130 billion as opposed to the huge import of $505 billion. Trump, in his Presidential election campaign, vowed to fight this skew with every ounce of energy in his command.
- He also vowed to fight the Chinese currency manipulation which enabled it to outcompete others besides making Chinese imports cheaper in the USA vis-à-vis domestic production.
- The White House says the purpose of the tariffs is in response to Chinese cyber and intellectual property theft of U.S. technology. China has a reputation for making knockoffs of designer brands while borrowing technological breakthroughs.
- The tariffs also aim to push back against China's demands for technology transfers from U.S. companies in return for access to China's market.

Analysis

- Although US is justifying its steps with reasons mentioned above, many experts believe that the trade war will do more harm than good.
- Every tariff US places on a Chinese export to the country does not just hurt China — it also hurts US producers and consumers. Trade with China saves typical American households up to $850 a year, and that extra money gets spread across the economy and helps keep people employed in a variety of domestic industries. That could change if higher prices lead more Americans to change their buying patterns.
- US businesses could also feel the sting because Trump's tariffs on machinery and high-tech components from China would almost certainly mean US manufacturers of things like aircraft and cars have to spend more than they do now.
- Including more essential consumer goods like cellphones, laptops, and furniture in the tariff list is a double-edged sword — it will deal a blow to the Chinese companies that make them and the US consumers that buy them.
- All of which means a sustained trade war could lead to higher unemployment and slower economic growth in the US.

Impact

- ***Slower world economic and trade growth:*** This leads eventually to slower global economic growth. The World Bank has warned that the effect of the increased use of tariffs to regulate international trade could be similar to the significant drop in global trade after the financial crisis a decade ago.

- ***Trade war:*** Countries that are protesting America's metal tariffs in the name of free trade are also only encouraging further protectionism when they impose retaliatory tariffs. Thus, it may lead to full-blown trade war.

- ***Costlier to access foreign goods:*** Consumers in America and rest of the world are likely to suffer as their respective governments make it costlier for them to access foreign goods and services.

- ***Impact on supply chain of companies:*** The product categories encompass mainly high-tech products, which would include electronics. By its very nature, such products are highly reliant on tightly integrated supply chains. To that extent, this would propagate any trade shock into the

region. The impact would be felt most in countries such as South Korea and Taiwan. Any disruption to supply and distribution chains, which are a key part of world trade, could have a lasting impact. In the worst-case scenario, companies may have to relocate factories or distribution centres.

India-USA Trade War

- Many believe that it might spell good news for some markets. India, for example, would likely benefit from the spat — in the area of cotton exports. The U.S., the world's biggest exporter of the fiber, had cornered the bulk of Chinese demand. But China's move to impose a 25 percent import tax on American farm commodities, including cotton, in retaliation for tariffs enacted by the U.S., may allow India to grab a bigger share of the Chinese market.

- ***Threat to the rule-based order of WTO:*** The WTO stands exposed as a toothless outfit to protect the rules-based world and the USA has nearly paralyzed the system by blocking crucial appointments in the WTO.

- ***Overall impact:*** The markets around the world will tumble, currencies turn volatile, and growth will suffer everywhere.

Way Forward

- The fact is that all sides engaged in a trade war eventually lose. The longer it goes on, the greater the cost as growth slows down under the increasing burden of taxes. The only gainers in a trade war will be special interest groups such as the U.S. steel industry.

- India must work with other countries, organisations and institutions to contain the damage. While the American market is big and vital, and reduced access to it would hurt, the American companies can articulate demand outside the USA.

- India must strengthen its own macroeconomic health and remove the slack that exists in virtually every sector.

Trump-Kim Summit: Singapore Summit

Syllabus: *Effect of policies and politics of developed and developing countries on India's interests*

In News

- The historic summit between US President Donald Trump and North Korea leader Kim Jong-un took place in Singapore on 12th June.
- This was the first-ever summit between the two leaders.

Background

- Such a meeting was unthinkable just months ago when Trump and Kim were exchanging insults and threats that raised fears of war in the region.
- But a series of diplomatic overtures involving North Korea, South Korea and the United States reduced tensions and led Trump in March to quickly accept Kim's invitation to meet.

Key Highlights Of The Summit

- Both leaders signed a comprehensive document aimed at the denuclearisation of the Korean peninsula. Although the immediate details on the contents of document were unavailable, leaders all over the world expected the denuclearisation process to start quickly.
- In exchange to denuclearisation, US has agreed to "provide security guarantees" to North Korea.
- While announcing the details of his discussions with North Korean leader, President Trump said that the US military will stop "war games" on the Korean Peninsula.
- USA clarified that it would lift sanctions against North Korea once "nukes are no longer a factor".

Analysis

- Many analysts have termed this summit as historic They claimed that this summit was aimed to kick-start a process that could see North Korea giving up its nuclear weapons.
- However, most Western observers have said the deal includes no new commitments from North Korea nor details on how denuclearisation could be achieved or verified.
- Concerns have been raised about what denuclearization actually means. The US says it is self-explanatory -- Pyongyang must get rid of its nukes. But the North Koreans define the concept as the disappearance of America's nuclear umbrella that protects South Korea.
- Critics also expressed disappointment that Pyongyang's long record of human rights abuses was not addressed. They claim that this meeting provided legitimacy to the North Korean dictator.
- Many defence analysts saw US-South Korean joint exercises and the US military presence in South Korea as vital to security in East Asia. Sudden announcement of stopping of military exercise came as a shock for many leaders especially for the allies of US in the region – South Korea and Japan.
- China seems to have emerged as a winner from this summit. China has long been opposed to the American military presence in Japan and South Korea, worried the troops and military equipment on Beijing's doorstep was less about countering North Korean and more about containing a rising and powerful China.

North and South Korean Leaders Hold Historic Summit

News:

- The leaders of North and South Korea, Kim Jong-un and Moon Jae-in, met in the demilitarised zone between the two countries on 27th April 2018.
- The aim of this summit was to discuss the 'denuclearisation' of the Korean peninsula and the official end to the Korean War (1950-53) which has technically still not concluded.
- The South and North held the '2018 South-North summit' at the South's Peace House in Panmunjom.
- The venue made Mr. Kim the first North Korean leader to set foot in the South since the end of the Korean War and the meeting between Mr. Kim and the South's President Moon Jae-in was only the third of its kind.

Key Highlights:

- Both the leaders signed the **Panmunjom Declaration for Peace, Prosperity and Unification on the Korean Peninsula**. In this declaration, both leaders agreed to work to remove all nuclear

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- weapons from the Korean Peninsula and, within the year, pursue talks with the United States to declare an official end to the Korean War, which ravaged the peninsula from 1950 to 1953.
- The leaders vowed to negotiate a treaty to replace a truce that has kept an uneasy peace on the divided Korean Peninsula for more than six decades. A peace treaty has been one of the incentives North Korea has demanded in return for dismantling its nuclear program.
- Mr. Kim and Mr. Moon also agreed to improve inter-Korean relations by opening a liaison office in the North Korean border town of Kaesong and arranging a reunion later this year of families separated by the war.

Historical Background:

- North and South Korea have been divided since the end of the Korean War, and except for about a decade ending in 2008, relations between the two have remained frosty.
- There have been occasional outbreaks of violence, most recently in 2010 when 50 people were killed when a South Korean navy corvette was sunk and several islands close to the border were attacked.
- This is also not the first time North Korea has expressed a willingness to abandon its nuclear ambitions. A deal with the US, Japan and South Korea in the 1990s was meant to give the North civilian nuclear power without the ability to build a weapon, but the reactor was never finished.
- North Korea pledged to relinquish its nuclear programme in 2007 in exchange for sanctions relief and fuel, but later pulled out of that agreement and expelled inspectors in 2009.

KOREAN WAR

- Since the beginning of the 20th century, Korea had been a part of the Japanese empire, and after World War II it fell to the Americans and the Soviets to decide what should be done with their enemy's imperial possessions.
- In August 1945, Korean peninsula was divided in half along the 38th parallel. The Russians occupied the area north of the line and the United States occupied the area to its south.
- In 1950, North Korea invaded South Korea, starting the three-year Korean War.
- American troops had entered the war on South Korea's behalf. As far as American officials were concerned, it was a war against the forces of international communism itself. Finally, in July 1953, the Korean War came to an end by signing of the armistice agreement in 1953. Since the signing of the armistice agreement, North and South Korea have been divided by a 4km wide demilitarised zone stretching 250km.

New Visa And Investment Rules in UAE

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- The UAE has announced sweeping new reforms to allow 100 per cent foreign ownership in companies and long-term residence visas for skilled and creative employment categories.
- These decisions will reinforce the UAE's position as a top destination for international investors and global talent.

Key Highlights

- Under the new category of visas, 10-year residency visas will be granted for investors and specialists in medical, technical and research fields, as well as for all scientists and innovators. The long-term visas will also cover the families of every such eligible person.

- The new rules grant five-year residency visas for students studying in the UAE. The Cabinet has also asked for a review of the residency system and extend residency permits of students who are sponsored by their parents, after completing their university studies. This will help such students with future residence and possible employment in the UAE.
- It will facilitate the voluntary departure of people overstaying their visa without incurring a ban. It will also allow visa status adjustment without having to leave and re-enter the country
- Under the new decision, foreign companies will be allowed to own 100 per cent of their business in the UAE outside free zones — a major departure from the current practice of requiring an Emirati partner with a majority stake. Currently, only companies based in various free zones around the UAE were eligible for the 100 per cent ownership rule.
- A new system in place to replace the bank guarantees required for private sector employees' visas.

Why Did The UAE Undertake These New Measures

- The Cabinet resolutions mark a bold new era for the UAE, but they are in line with the UAE leadership's continued focus on attracting top international investments as well as exceptional talent to the country and build a solid foundation for a diversified knowledge economy.
- The UAE is already the most diversified and open economy in the Middle East, but these policies with long-term implications will further lift the UAE's economic competitiveness globally.
- This will not only transform the quality of the UAE's workforce, but also ensure social and economic stability and ensure a strong surge in home-grown talent.
- Along with that, the funds remitted by the UAE's expat population — which stood at Dh164.3 billion in 2017 — could well be spent back in the local economy if residents settle in the country and possibly invest in the local real estate due to the benefit of a long-term visa.

Impact On Indian Workers

- Indian workers are expected to be the major beneficiaries of this step. It will lead to easing of the financial burden on Indian workers.
- The low-cost insurance policy which replaces the bank guarantees will cut costs for employers and offer greater protection to vulnerable low-income workers.
- The insurance policy will cover end of service benefits, holiday and overtime allowances, unpaid wages, return air ticket and cases of work injury, with the maximum pay out capped at 20,000 dirhams per person. The current system of bank guarantees doesn't cover entitlements such as gratuity and holiday allowances.

Brexit Bill Becomes Law

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- A Bill enacting Britain's decision to leave the European Union (E.U.) has become law.
- The E.U. (Withdrawal) Bill, which repeals the 1972 European Communities Act through which Britain became a member, had received royal assent from Queen Elizabeth II.

Key Highlights

- The bill enshrines Brexit day in British law as March 29, 2019 at 11 p.m. (4.30 a.m. IST) — midnight Brussels time, defined by the end of the two-year Article 50 withdrawal process.
- It also transfers decades of European law onto British statute books.
- Now it has become clear that despite continuing uncertainty in the negotiations with Brussels, Brexit would happen.

- Britain has yet to set out its plans for customs arrangements after Brexit, which have become a major stumbling block in talks with Brussels.

BREXIT

- In a momentous decision, UK voted to leave EU in a referendum on June 23, 2016. The "leave" side prevailed 52 percent to 48 percent which had a turnout of 72 percent. Out of 12 regions, only three, Scotland, Northern Ireland, and London voted to remain in the EU, while the others led the "Leave" vote to win by a narrow margin.

- This was the **second referendum** on Britain's relationship with the European integration project**.** Labour Prime Minister Harold Wilson had **the first referendum on Britain's membership in 1975** in which 66% people voted to stay in the European Community.

Process of BREXIT

- For the UK to leave the EU it has to **invoke Article 50 of the Lisbon Treaty** which gives the two sides two years to agree the terms of the split.

- The government will also enact **a Great Repeal Bill** which will end the primacy of EU law in the UK. It will incorporate EU legislation into UK law, after which the government will decide which parts to keep, change or retain.

- EU law still stands in the UK until it ceases being a member. The UK will continue to abide by EU treaties and laws, but not take part in any decision-making.

- The post-Brexit trade deal is likely to be the most complex part of the negotiation because it needs the unanimous approval of more than 30 national and regional parliaments across Europe, some of whom may want to hold referendums.

Pact On Initial Steps For Rohingya Return

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Myanmar and U.N. agencies signed an agreement that could eventually lead to the return of some of the 700,000 Rohingya Muslims.
- These Muslims fled brutal persecution by the country's security forces and are now crowded into makeshift camps in Bangladesh.

Key Highlights

- The memorandum of understanding promises to establish a "framework of cooperation" that aims to create conditions for "voluntary, safe, dignified and sustainable" repatriation of Rohingya refugees.
- However, it does not address Myanmar's denial of citizenship for the minority.
- Myanmar's statement did not mention Rohingya, reflecting the government and the Burmese majority's insistence there is no such ethnic group in Myanmar. Instead it referred to them as "displaced persons."
- The U.N. has said the agreement provides for its refugee and development agencies to be given access to Rakhine state.

Background

- Myanmar and Bangladesh agreed in November to begin repatriating Rohingya, but refugees feared their lives would be at risk in Myanmar without international monitoring.
- Myanmar's security forces have been accused of rape, killing, torture and burning of Rohingya homes.

- The U.N. and U.S. have described the army crackdown that began in August last year as "ethnic cleansing".

Rohingya Migrant Crisis

Who are Rohingyas

- The Rohingyas are the predominantly Muslim ethnic minority group with Benagli dialect. An estimated 800,000 Rohingyas live in Myanmar's western Rakhine State, an additional million are scattered across Saudi Arabia, Bangladesh, Pakistan, Thailand, Malaysia and elsewhere.

- They are not regarded as one of the country's 135 official ethnic groups and are denied citizenship under Myanmar's 1982 Citizenship Law which effectively renders them stateless.

Rakhine State

- Rakhine State is situated on the western coast of Burma, and its northwestern part shares a border with neighboring Bangladesh across the Naaf River.

- Rakhine state is also Myanmar's least developed state with more than 78 percent of households living below the poverty threshold, according to World Bank estimates.

Political Apathy Towards Rohingyas

- Government policies including restrictions on marriage, family planning, employment, education, religious choice, and freedom of movement has institutionalized systemic discrimination against the ethnic group.

- As there were attacks by Rakhine Buddhists on the Rohingya the Burmese government had built a quarantine space similar to a ghetto in Sittwe in northern Rakhine State in order to "protect" them but it further alienated the Rohingyas.

- Rohingya people were strictly prohibited to move outside of the northwest area of Rakhine State. This condition still continues and as a result the future prospects for the Rohingya people are not only restricted but they also cannot escape from the harsh living conditions where they suffer from malnutrition and poor sanitation and where their children are unable to receive education.

- The attitude to exclude the Rohingya taken by the Burmese government has been supported by public opinion in the country since the 1970s. Although the government temporarily recognized the existence of Rohingya people after Burma became independent, the Burmese government has maintained the view that Rohingya's are "illegal immigrants" from Bangladesh for over 50 years.

- The adamant refusal to take the refugees by the authorities of Thailand, Malaysia, and Indonesia, the first choice countries for the refugees to land has led to the issue of migrant crisis.

- Meanwhile, the government of Bangladesh also does not recognize the Rohingya's and claims that they are an ethnic group belonging to Burma.

India Not Prepared To Sign The Hague Treaty

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- According to the Ministry of Women and Child Development (WCD), the government is not yet ready to sign the Hague treaty on inter-country abduction of children by parents fleeing a bad marriage.

- There has been immense pressure from the U.S. on the government to sign the treaty though the government has long held the view that the decision could lead to harassment of women escaping marital discord or domestic violence.
- The Hague Convention is a multi-national treaty that seeks to protect children wrongfully removed by one of the parents from the custody of the other parent.

For detailed discussion, please refer the topic "Inter-country child abduction" from CA Magazine of May 2018

India's Participation in SCO Summit

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- India along with Pakistan participated in the 18th Shanghai Cooperation Organisation (SCO) Summit, held under the chairmanship of Chinese President Xi Jinping, on June 9 and 10 in Qingdao.
- India and Pakistan became SCO members last year, and are participating as full members for the first time.
- The 18th Shanghai Cooperation Organization (SCO) summit concluded with the adoption of the Qingdao declaration.

Key Highlights

- The Member States reaffirm their commitment to the goals and objectives stipulated in the SCO Charter and the SCO Development Strategy Towards 2025.
- The Member States have taken note of the intention of the Republic of Kyrgyzstan and the Republic of Tajikistan to seek the position of non-permanent members of the UN Security Council.
- The declaration calls for implementing three-year plan to combat terrorism, separatism and extremism.
- SCO participating leaders also adopted total of 17 documents at the summit. These include documents endorsing 2018-2022 Action Plan to implement Treaty for Long-term Good-Neighborly Relations, Friendship and Cooperation between SCO states and 2019-2020 Program for Cooperation in countering terrorism, separatism and extremism.
- Member countries also signed decision to approve 2018-2023 Anti-Drug Strategy and Action Plan to implement it.
- Chinese President Xi Jinping called for efforts to give full play to the role of the SCO-Afghanistan Contact Group to facilitate peace and reconstruction in war-torn Afghanistan. He said that the SCO members need to build a powerful engine to achieve common development.
- China also announced that it will set up a 30-billion-yuan (USD 4.7 billion) equivalent special lending facility within the framework of the SCO Inter-bank Consortium. In the next three years, China will provide 3,000 training opportunities of human resources development for SCO member states to enhance public understanding of and support for the SCO family.

India's Action At The Summit

- In the joint Qingdao Declaration, India was the only member in the eight-nation bloc to refuse to endorse Chinese president Xi Jinping's pet One Belt, One Road (OBOR) project.
- The decision as India's first summit as a full SCO member was initially taken as part of New Delhi's policy of not compromising on territorial issues, top sources in the government said. India has called OBOR or the Silk Road project a threat to its sovereignty over concerns on the China Pakistan Economic Corridor (CPEC), which goes through Pakistan-occupied Kashmir.

- Indian PM also floated the concept of SECURE: S for Security of Citizen; E for Economic Development; C for Connectivity of the Region; U for Unity; R for Respect for Sovereignty and Integrity; E for Environment Protection.
- During the summit, India signed various pacts and agreements with the member countries including host nation China.
- President Xi Jinping has suggested to Prime Minister Narendra Modi that China and India should set up a new bilateral trade target of USD 100 billion by 2020. According to data of the Chinese General Administration of Customs, India-China bilateral trade reached USD 84.44 billion last year.
- An agreement was signed between China's General Administration of Customs and India's Department of Agriculture, Cooperation and Farmers Welfare on Phytosanitary requirements for exporting rice from India to China. The 2006 Protocol on Phytosanitary Requirements for Exporting Rice from India to China has been amended to include the export of non-Basmati varieties of rice from India. At present, India can only export Basmati rice to China.
- India and China signed bilateral agreement on continuing the sharing of hydrological data on the Brahmaputra river - which China stopped last year.
- In 2017, China had refused to share information on the movement, distribution and quality of water for the Brahmaputra river without which India couldn't prepare for the massive floods that hit the Indian region.
- China has also agreed to encourage India's pharmaceutical companies to register for high quality pharma products in its market. This is an important development as India has been pressing for greater pharma exports into China.
- Prime Minister Modi invited the Kazakhstan President Nursultan Nazarbayev to join the International Solar Alliance- an initiative announced in 2015.
- PM Modi talked about the importance of linking the region with transport corridors and said connectivity does not only mean geographical link but a way to ensure people-to-people contact.
- Prime Minister Modi also met Pakistani President Mamnoon Hussain after a press conference by the leaders of the Shanghai Cooperation Organisation meet.

SCO

- The Shanghai Cooperation Organisation (SCO) is a permanent intergovernmental international organisation, the creation of which was announced in June 2001 in Shanghai (China) by the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan.
- SCO comprises eight member states, namely the Republic of India, the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Islamic Republic of Pakistan, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan.
- SCO counts four observer states, namely the Islamic Republic of Afghanistan, the Republic of Belarus, the Islamic Republic of Iran and the Republic of Mongolia
- It has six dialogue partners, namely the Republic of Azerbaijan, the Republic of Armenia, the Kingdom of Cambodia, the Federal Democratic Republic of Nepal, the Republic of Turkey, and the Democratic Socialist Republic of Sri Lanka.
- The SCO's main goals are as follows: strengthening mutual trust and neighbourliness among the member states; promoting their effective cooperation in politics, trade, the economy, research, technology and culture, as well as in education, energy, transport, tourism, environmental protection, and other areas; making joint efforts to maintain and ensure peace, security and stability in the region; and moving towards the establishment of a democratic, fair and rational new international political and economic order.

Significance of SCO for India

- India's security, geopolitical, strategic and economic interests are closely intertwined with developments in the region.

- The ever present and expanding challenges of terrorism, radicalism and instability pose a grave threat to the sovereignty and integrity not only of India but also of countries in its broader neighborhood. India feels as an SCO member it will be able to play a major role in addressing these threats.

- New Delhi is also keen on deepening its security-related cooperation with the SCO and its Regional Anti-Terrorism Structure (RATS) which specifically deals with issues relating to security and defence.

- In addition, the Central Asian region is richly endowed with natural resources and vital minerals. With the Central Asian states landlocked and Uzbekistan even doubly landlocked, accessing these resources becomes arduous and prohibitive.

- To get around the lack of direct land connectivity with Central Asia and Pakistan's refusal to provide access through its territory, India is actively collaborating to develop the Iranian seaport of Chabahar with possible financial and technical support from Japan. India has also prioritized the construction of the International North-South Transport Corridor. Joining the SCO will be a welcome diplomatic boost to India's efforts to connect with Central Asia.

- India's membership in the SCO will provide a welcome opportunity for India's leadership to meet with their counterparts from Central Asia, Russia, China, Afghanistan and others regularly and frequently. India's potential participation in the Eurasian Economic Union (EEU) will be an added advantage to make this partnership more fruitful.

Importance of India for SCO

- India's membership in SCO adds further strength and muscle to the organization, particularly against backdrop of continuing weakness in international economy and anemic global demand.

- India today is the fastest expanding global economy. It represents the third largest economy ($8 trillion) in PPP (Purchasing Power Parity) terms and seventh largest ($2.3 trillion) in nominal dollar terms. It also inspires confidence on other indicators such as FDI, inward remittances, savings rate and pace of economic reforms.

- SCO members also are well aware that India is an energy deficient country. Central Asia and Russia are extremely well endowed with fossil fuels including oil, gas and coal as well as uranium and hydropower potential. India's rapidly expanding energy needs will provide a stable and assured market for these countries.

- India's vast experience in dealing with the terrorism can help Central Asian countries to counter the menace of global terrorism. India is playing active role in Afghanistan and Iran.

- India could bring to the SCO table its techno-economic expertise, market and multi-cultural settings for the benefit of the region.

IBSA Ministerial Meeting 2018

Syllabus: Bilateral, regional and global groupings and agreements.

In News

A meeting between external affairs ministers of India, Brazil and South Africa was organized in Pretoria, South Africa.

Key Highlights

- The meeting resulted in a document titled IBSA Declaration on South-South Cooperation which calls for contribution to greater understanding of development cooperation as a common endeavor of the Global South.
- The Ministers also considered proposed IBSA events planned for 2018-19 to mark the fifteenth-anniversary of IBSA.
- The Ministers agreed to continue to coordinate on South-South Cooperation, including through their multilateral Missions in the run up to BAPA+40 events.

About IBSA

- IBSA is a unique Forum which brings together India, Brazil and South Africa, three large democracies and major economies from three different continents, facing similar challenges. All three countries are developing, pluralistic, multi-cultural, multi-ethnic, multi-lingual and multi-religious nations.
- The idea of establishing IBSA was discussed at a meeting between the then Prime Minister of India and the then Presidents of Brazil and South Africa in Evian on 2 June 2003 on the margins of the G-8 Summit.
- The grouping was formalized and named the IBSA Dialogue Forum when the Foreign Ministers of the three countries met in Brasilia on 6 June 2003 and issued the Brasilia Declaration.
- Cooperation in IBSA is on three fronts:
    - First, as a forum for consultation and coordination on global and regional political issues, such as, the reform of the global institutions of political and economic governance, WTO/Doha Development Agenda, climate change, terrorism etc.;
    - Second, trilateral collaboration on concrete areas/projects, through fourteen working groups and six People-to-People Forums, for the common benefit of three countries; and
    - Third, assisting other developing countries by taking up projects in the latter through IBSA Fund.

44th G7 Summit

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- The 44th G7 summit was held on 8–9 June 2018, in La Malbaie, Quebec, Canada. This was the sixth time since 1981 when Canada hosted the summit.
- G7 or Group of seven is the title given to the seven most industrialised and developed economies of the world who meet annually and discuss global issues.

Key Highlights

- Canada had put forward the following themes for this year's summit-
    - Investing in growth that works for everyone
    - Preparing for jobs of the future
    - Working together on climate change, oceans and clean energy
    - Building a more peaceful and secure world
    - Advancing gender equality and impacting women's empowerment
- For the first time in the last 44 years, the G7 had a Gender Equality Advisory Council. The aim of the council was to convince private sector companies to set up such council and eradicate the problem of gender inequality from the root.

- The United States announced that it would push for the reinstatement of Russia. Italy also requested a restoration of the G8 shortly after.
- US President Trump also pushed for other countries to recognize Crimea as part of Russia.
- Earlier, US President Donald Trump had imposed heavy steel and aluminium tariffs. Such actions invited disagreement from other countries during the summit. France and Germany refused to sign the final agreement unless Trump makes some major policy concessions.

> On 1 June, the US imposed a 25% tariff for steel and 10% for aluminium on imports from the EU, Canada, and Mexico. US President said the move would protect domestic producers that were vital to US security.
>
> The EU then announced tariffs on US goods ranging from Harley-Davidson motorcycles to bourbon. Canada and Mexico are also taking action in retaliation.

- As a result, the summit was dubbed the "G6+1" by France and some members of the media, signifying the "isolation of the United States" in light of recent events.

> **About G7**
>
> - G7 Summit is an event conducted annually where world leaders from seven powerful economies of the world, US, Canada, UK, France, Germany, Japan and Italy come together to discuss burning issues happening around the globe.
> - They, by mutual understanding, also form policies or figure out remedies for the concerned issue.
> - The G7 first met as a G6 (France, US, UK, West Germany, Japan and Italy) in November 1975 in response to a range of pressing economic issues.
> - The agenda soon expanded beyond economics to include political, security and social issues. Membership also expanded with Canada joining in 1976 and the EU being given a seat at the summit table the following year. During the 1990s, Russia was included to form a G8.
> - In March 2014, the Group of Seven (G7) — comprising leaders of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States — declared that a meaningful discussion was currently not possible with Russia in the context of the G8. Since then, meetings have continued within the G7 process.

U.S. Withdraws from U.N. Human Rights Council

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- The Trump administration withdrew from the United Nations Human Rights Council.
- This step was taken in protest of what it perceives as an entrenched bias against Israel and a willingness to allow notorious human rights abusers as members.
- The decision came a day after the U.N. human rights chief slammed the administration's policy of separating migrant parents from their children after they enter the United States at the Mexican border, calling it "unconscionable" and akin to child abuse.

Key Highlights

- According to US, the UNHRC has grown more callous over the past year and become a protector of human rights abusers and a cesspool of political bias.
- The admission of Congo as a member even as mass graves were being discovered there, and the failure to address human rights abuses in Venezuela and Iran are few examples vindicating US' stand.
- It termed UNHRC as hypocritical & self-serving organization that makes a mockery of human rights.

- It also blamed Russia, China, Cuba and Egypt for attempting to undermine US' efforts to reform the organization.

Analysis

- This step represents another retreat by the Trump administration from international groups and agreements whose policies it deems out of sync with American interests on trade, defense, climate change and, now, human rights.
- US is midway through a three-year term on the council. A U.S. departure deprives Israel of its chief defender at a forum where Israel's human rights record comes up for discussion at every meeting.
- This administration's approach when it sees a problem is to take the United States off the field. In this context, many analysts believe that this step would undermine US standing in the world.
- The U.N. Human Rights Council has played an important role in such countries as North Korea, Syria, Myanmar and South Sudan. This step will further lead to the decline of multilateralism.
- On the other hand, there are groups which have termed this step as "measured" response. According to them, the Trump administration seems to be the only government that seriously wanted the Human Rights Council to promote universal respect and protection of human rights and fundamental freedoms in a fair and equal manner.
- Whether a U.S. withdrawal will lead to reforms, or further undermine the council's mission is a question to be answered only in future.

Facts

- This is the first time since the Human Rights Council was formed in 2006, replacing the disbanded Human Rights Commission, that a sitting member volunteered to step aside, though Libya was suspended in 2011 after a government crackdown on unarmed protesters.
- The United States initially shunned the panel over President George W. Bush's concerns that so many human rights offenders could be seated through noncompetitive elections for members nominated by their regional colleagues.
- The Obama administration sought a seat in 2009 in an effort to showcase that human rights were an important aspect of U.S. foreign policy.

About UNHRC

- It is an inter-governmental body within the United Nations system made up of 47 States responsible for the promotion and protection of all human rights around the globe.
- The Human Rights Council replaced the former United Nations Commission on Human Rights.
- The Council was created by United Nations General Assembly on 15 March 2006 by resolution.

United Nations Relief and Works Agency (UNRWA)

Syllabus: Important International institutions, agencies and fora- their structure, mandate

In News

- India has pledged USD 5 million in assistance to the UN agency working for the welfare of Palestinian refugees.
- Aim is to help bolster agency's "severe funding crisis" following US' cut in its annual aid to UNRWA.

Key Highlights

- A total of 20 countries, including India, announced contributions to the 2018 budget of the United Nations Relief and Works Agency (UNRWA) for Palestine Refugees in the Near East.
- While India pledged USD 5 million, Sweden will contribute USD 250 million over four years, the UK USD 51 million and the UAE USD 50 million among other donors.

- In January, the agency's financial situation became catastrophic due to the sudden loss of USD 300 million in voluntary contributions.
- UNRWA has been providing health, education, relief and social services, as well as emergency humanitarian assistance, to some 5.3 million Palestinian refugees across its five fields of operation "Jordan, Lebanon, Syria, the West Bank and the Gaza Strip" for 65 years.

About UNRWA

- Following the 1948 Arab-Israeli conflict, UNRWA was established by United Nations General Assembly Resolution to carry out direct relief and works programmes for Palestine refugees. The Agency began operations on 1 May 1950.
- In the absence of a solution to the Palestine refugee problem, the General Assembly has repeatedly renewed UNRWA's mandate, most recently extending it until 30 June 2020.
- The Agency's services encompass education, health care, relief and social services, camp infrastructure and improvement, microfinance and emergency assistance, including in times of armed conflict.
- UNRWA relies almost entirely on voluntary contributions from states and the US is the largest contributor.
- However, in January, the Trump administration said it would withhold USD 65 million of USD 125 million it had planned to send to UNRWA. It questioned the value of such funding, and the US State Department said UNRWA needed to make unspecified reforms.

New Members Elected to UNSC

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- UN General Assembly elected **Belgium, the Dominican Republic, Germany, Indonesia and South Africa** to serve as non-permanent members on Security Council for 2 years starting in Jan' 2019. The five new members will replace Bolivia, Ethiopia, Kazakhstan, the Netherlands and Sweden on the council.
- The five non-permanent members were elected according to the following pattern: *Two seats for the Group of African states and the Group of Asia-Pacific states, one for the Group of Latin American and Caribbean states, and two seats for Western European and other states*.
- The Dominican Republic will take its first turn on the Security Council and was elected from the Latin America and Caribbean group.
- Indonesia defeated Maldives to secure Asia Pacific regional group's seat.
- Belgium and Germany, which have each served on the council five times previously, were elected from the Western European and Others group of nations known as WEOG.
- There are 15 members on the UN Security Council, including the five permanent ones -- Britain, China, France, Russia and the United States -- and 10 non-permanent members, half of which are elected each year.
- Each candidate country needs to secure two thirds of the votes in order to clinch a seat.

Global Peace Index 2018

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- Sydney-based think tank, The Institute for Economics and Peace, has published its Global Peace Index for the 12th year running.

- Among 163 independent states and territories, India has been ranked at 136th in the 2018 Index.
- India was ranked 137th in 2017 index.

Key Highlights

- The results of the 2018 index find that the global level of peace has deteriorated by 0.27 per cent in the last year, marking the fourth successive year of deteriorations.
- The index reveals a world in which the tensions, conflicts, and crises that emerged in the past decade remain unresolved, especially in the Middle East, resulting in this gradual, sustained fall in peacefulness.
- The average level of global peacefulness has declined for the fourth consecutive year, falling by 0.27 per cent in 2017. Nintey-two countries deteriorated, while only 71 improved.
- The four most peaceful regions – Europe, North America, Asia-Pacific, and South America – all recorded deteriorations, with the largest overall deterioration occurring in South America, owing to falls in the Safety and Security domain, mainly due to increases in the incarceration rate and impact of terrorism.
- The Middle East and North Africa (MENA) remained the world's least peaceful region. It is home to four of the ten least peaceful countries in the world, with no country from the region ranked higher than 40th on the GPI.
- **Top 10 Peaceful Countries**: Iceland (1), New Zealand (2), Austria (3), Portugal (4), Denmark (5), Canada (6), Czech Republic (7), Singapore (8), Japan (9) and Ireland (10).
- **Top 10 Least Peaceful Countries**: Syria (163), Afghanistan (162), South Sudan (161), Iraq (160), Somalia (159), Yemen (158), Libya (157), Democratic Republic of Congo (156), Central African Republic (155) and Russia (154).
- South Asia experienced the largest regional improvement in peacefulness, with Bhutan, Sri Lanka, India, and Nepal all improving. Bhutan (19), Sri Lanka (67), Nepal (84), Bangladesh (93) and Pakistan (151).
- The economic impact of violence on the global economy in 2017 was $14.76 trillion in purchasing power parity (PPP) terms.

About GPI

- GPI is the product of the Institute for Economics and Peace (IEP) and developed in consultation with an international panel of peace experts from peace institutes and think tanks with data collected and collated by the Economist Intelligence Unit. The list was launched in May 2007 and updates have been made on an annual basis since then.
- GPI is considered as one of the most comprehensive analysis that captures trends in peace, its economic value, and ways to develop peaceful societies.
- The index gauges global peace using three broad themes: the level of safety and security in society, the extent of domestic and international conflict and the degree of militarization.
- Factors are both internal such as levels of violence and crime within the country and external such as military expenditure and wars. It has been criticised for not including indicators specifically relating to violence against women and children.
- Countries' peacefulness is measured on a wide range of 22 indicators such as Number of deaths from organised conflict, political instability, terrorist activity, homicide rate, the ease of access to weapons, the number of armed services personnel in the population, etc.

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2. GS PAPER 3

Economic Growth and Development

Sustainable Development Goals Report 2018

Syllabus: Indian Economy and Issues relating to development

In News

- UN has released the *Sustainable Development Goals Report 2018.* The Report highlights progress being made in many areas of the 2030 Agenda.
- The 2030 Agenda for Sustainable Development provides a global blueprint for dignity, peace and prosperity for people and the planet, now and in the future.

Key Highlights

- The report found that, a fast-changing climate, conflict, inequality, persistent pockets of poverty and hunger and rapid urbanization are challenging countries' efforts to achieve the Sustainable Development Goals (SDGs).
- For the first time in more than a decade, there are now approximately 38 million more hungry people in the world, rising from 777 million in 2015 to 815 million in 2016.
- According to the report, conflict is now one of the main drivers of food insecurity in 18 countries.
- At the same time, the Report found that more people are leading better lives than they were just a decade ago. The proportion of the world's workers living with their families on less than 1.90 per person a day declined significantly over the past two decades, falling from 26.9 per cent in 2000 to 9.2 per cent in 2017.
- The under-five mortality rate dropped by almost 50 per cent and in the least developed countries, the proportion of population with access to electricity has more than doubled between 2000 and 2016.
- However, in 2015, 2.3 billion people still lacked even a basic level of sanitation service and 892 million people continued to practice open defecation. In 2016, there were 216 million cases of malaria compared to 210 million cases in 2013 and close to 4 billion people were left without social protection in 2016.
- Other findings of the Report include:
    - Rates of child marriage have continued to decline around the world. In Southern Asia, a girl's risk of marrying in childhood has dropped by over 40 per cent between 2000 and 2017.
    - Nine out of 10 people living in cities breathe polluted air.
    - In 2016, the absolute number of people living without electricity dropped below the symbolic threshold of one billion.
    - Land degradation threatens the livelihoods of over one billion people.

High-Level Conference On International Decade For Action

Syllabus: Indian Economy and Issues relating to development

In News

- The International High-Level Conference on International Decade for Action, "Water for Sustainable Development", 2018-2028, was held from 20 to 22 June 2018 in Dushanbe.

- **The Conference is organized jointly by the Government of the Republic of Tajikistan and the United Nations in order to facilitate the implementation of the International Decade for Action "Water for Sustainable Development", 2018-2018**, which was endorsed by the United Nations General Assembly resolution 71/222 on 21 December 2016.

- The primary goal of the Conference is a comprehensive discussion of the way forward with implementation of the Action Plan of the International Decade for Action "Water for Sustainable Development", 2018-2018 at the global, regional and national levels, as well as development of practical recommendations for the implementation of sustainable development goals and targets related to water resources.

UN Water

There is no single UN entity dedicated exclusively to water issues. Over 30 UN organizations carry out water and sanitation programmes, reflecting the fact that water issues run through all of the UN's main focus areas. UN-Water's role is to coordinate so that the UN family 'delivers as one' in response to water related challenges.

Enhanced Access and Service Excellence (EASE)

Syllabus: Indian Economy and Issues relating to mobilization of resources.

In News

- The gross non-performing assets or bad loans of state-run banks stood at around Rs 7.77 lakh crore at December-end. The government has announced its *EASE reform* agenda along with a Rs 2.1 lakh crore capital infusion plan of which Rs 80,000 crore have already been disbursed.

- The overarching framework for the reforms agenda is "Responsive and Responsible PSBs".

EASE Programme

- ***Six pillars:*** The reform plan of the banks sets a goal of EASE and the six pillars to achieve this include *Customer Responsiveness, Responsible Banking, Credit Off Take, PSBs As Udyami Mitra, Deepening Financial Inclusion & Digitalization, And Developing Personnel*.

- ***Evaluation Of Performance:*** Whole Time Directors of PSBs would be assigned theme wise reforms for implementation. And the Bank Board in this regard would evaluate their performance.

- ***Specialized Monitoring Agency:*** Under EASE, banks are to set up specialized monitoring agencies for loans above Rs 250 crore and a separate vertical for non-performing assets apart from rationalizing overseas businesses.

- ***Need To Have Minimum 10% Exposure In Consortium Loans:*** Banks also need to have a minimum 10% exposure in consortium loans to prevent a situation in which too many lenders are involved when it comes to debt resolution.

- ***Other Agenda:*** The recapitalization and reform agenda includes a commitment to banking services within five km of every village, a refund within 10 days of any unauthorized debit in electronic transactions, a mobile app designed to locate banking outlets, and a mobile ATM in every under-served district.

- ***Independent Survey:*** The govt also said that it would hire an independent agency to conduct a survey of the PSBs on the aspects of EASE to measure public perception about improvements in access and service quality. The results of the survey would be made public each year.

- **Overall Goal:** Taken together the recap & reform agenda is sharply focused on strengthening PSBs, increasing lending to MSMEs and making it easier for MSMEs and retail customers to transact as well as significantly increasing access to banking services.

RBI To Set Up Public Credit Registry On All Borrowers

Syllabus: Indian Economy and Issues relating to mobilization of resources.

In News

- RBI has decided to set up Public Credit Registry (PCR) on all borrowers. The PCR will be the single point of mandatory reporting for all material events for each loan notwithstanding any threshold in the loan amount or type of borrower.

- The PCR will serve as a registry of all credit contracts duly verified by reporting institutions for all lending in India and any lending by an Indian institution to a company incorporated in India.

- RBI has mandated all its regulated entity to submit credit information individually to all four Credit information companies (CICs). CICs offer, based on this unique access to credit data, value added services like credit scoring and analytics to the member credit institutions and to the borrowers.

- The RBI considered the recommendations of **YM Deosthalee** headed High Level Task Force and decided to set up a PCR. An Implementation Task Force (ITF) is being constituted to help design and undertake logistics for the next steps in setting up of the PCR.

Positives

- The RBI decision to set up a PCR is to **foster the level of access to credit** and strengthen the credit culture.

- Currently there are multiple granular credit information repositories in India each with distinct objective and coverage. Within the RBI, Central Repository of Information on Large Credits (CRILC) is a borrower level supervisory dataset with a threshold in aggregate exposure of Rs 5 crore. Also, there are four privately owned CICs in India. Thus, setting up of PCB will **prevent duplication** and provide a centralized repository of information.

SCORING MODEL IN US 🇺🇸

SUPER-PRIME BORROWER Have strong credit histories and their scores tend toward the higher end of the spectrum. These borrowers generally attract a lot of traction from lenders

PRIME BORROWER: Someone who is considered a below-average credit risk. The credit score for such a borrower falls over 700 and will be offered favourable interest rates

ALT-A BORROWER: This is where the risk profile falls between prime and sub-prime. The rates offered are higher than prime customers and have scores lower than 680

SUB-PRIME: This is the riskiest category and is designed for those with blemished or non-existing credit histories. Because they carry most risk to lenders, subprime loans typically cost the borrower more. These borrowers have credit scores below 600

A HUGE DATABASE Public credit registry will be an extensive database of credit information for India that will be accessible to all stakeholders. All relevant information about borrowers will be captured in one large database and reporting of loan details to the registry by lenders and borrowers may be mandated by law

- A comprehensive database will help lenders get a true picture of a borrower's credit history and enable them to assess risks better. Thus a PCR can potentially help banks in **credit assessment and pricing** of credit.

- A central repository, which captures the credit data, will help in **preventing over pledging** of collateral by a borrower.

- PCR can help in **early detection, early intervention and effective restructuring** of stressed bank credits.

- The PCR can also help the RBI in understanding if **transmission of monetary policy** is working and if not remove the bottlenecks.

Way Forward

- The existing data warehouse infrastructure and the in-house expertise available in RBI may be leveraged and enhanced for a quick rollout of the PCR. However, from the beginning it needs to have a strong technical team and processes in place.

- The PCR should be structured as an independent unit within the RBI so that it may be hived off to a separate non-profit at an appropriate time. It should eventually achieve an autonomy and agility to move with the evolving environment and cater to the changing demands.

Prompt Corrective Action For Banks

Syllabus: Indian Economy and Issues relating to mobilization of resources

In News

- The Finance Minister has recently requested the Reserve Bank of India (RBI) to review and relax the triggers in invoking *Prompt Corrective Action (PCA)* for banks that are in a difficult situation.

- The PCA framework came into being in Dec' 2002 after the previous round of bad loans to industries sank Indian banks in the 1990s. The provisions of the revised PCA framework became effective April 1, 2017.

- In the cases of two banks where PCA was invoked after the revised guidelines were issued was **IDBI Bank and UCO Bank** and only mandatory restrictions were imposed. Both the banks breached risk threshold 2.

- In a couple of cases such as **Dena Bank and Allahabad Bank**, RBI has been compelled to impose stricter curbs, asking them not to lend at all and to freeze recruitments. Some more lenders are expected to come under the corrective action framework as and when their asset quality worsens, putting profitability under pressure.

PCA Provisions

- ***Invoking PCA:*** The PCA is invoked when certain risk thresholds are breached. There are *three risk thresholds*, which are based on certain levels of asset quality, profitability, capital and the like. The third such threshold, which is maximum tolerance limit sets net NPA at over 12% and negative return on assets for four consecutive years.

PCA matrix – areas and risk thresholds

Area	Risk threshold 1	Risk threshold 2	Risk threshold 3
Capital (Breach of either CRAR or CET 1 ratio)	up to 250 bps below Indicator <10.25% but >=7.75% upto 162.50 bps below Indicator <6.75% but >= 5.125%	more than 250 bps but not exceeding 400 bps below Indicator <7.75% but >=6.25% more than 162.50 bps below but not exceeding 312.50 bps below Indicator <5.125% but >=3.625%	In excess of 312.50 bps below Indicator <3.625%
Asset Quality (Net non-performing advances ratio)	>=6.0% but <9.0%	>=9.0% but < 12.0%	>=12.0%
Profitability return on assets	Negative ROA for two consecutive years	Negative ROA for three consecutive years	Negative ROA for four consecutive years
Leverag Tier 1 Leverage ratio	<=4.0% but > = 3.5% (leverage is over 25 times the Tier 1 capital)	< 3.5% (leverage is over 28.6 times the Tier 1 capital)	

- ***Restrictions/Corrective Action:*** There are two types of restrictions- mandatory and discretionary. Restrictions on dividend, branch expansion, and director's compensation are mandatory; while discretionary restrictions could include curbs on lending and deposit.

RISK THRESHOLDS & CORRECTIVE ACTIONS

RISK THRESHOLD 1.
- Restriction On Dividends
- More Capital For Foreign Banks
- Discretionary Actions By Regulator

RISK THRESHOLD 2.
- Restriction On Dividends
- Restriction On Branch Expansion
- Higher Provisions
- Discretionary Actions By Regulator

RISK THRESHOLD 3.
- Restriction On Dividends
- Restriction On Branch Expansion
- Restriction On Management Compensation
- Restrictions On Director Fee
- Discretionary Actions By Regulator

- ***Other Corrective Action:*** Other corrective actions that can be imposed on banks include special audit, restructuring operations and activation of recovery plan. Banks' promoters can be asked to bring in

new management too. The RBI can also supersede the bank's board under PCA.

Positive Impact Of PCA

- ***Helped Bank Recover From 1990 NPA Crisis:*** The use of PCA has helped the banks recover from NPA crisis of 1990's when it was first introduced in 2002.

- ***Creates confidence in the ability of RBI:*** The initiation of PCA in normal course conveys to the general public that RBI is alert and is carefully monitoring the vital parameters of the respective sick bank, so that taxpayer's good money is not wasted on bad money in the troubled banks.

- ***Inspires confidence among banks existing depositors:*** It also inspires confidence in the existing depositors that their bank is attracting attention of the specialists and would soon recover completely.

Opposition to PCA

- ***Stay on lending push away customers:*** The move may push banks into a deeper rut as their staying out of lending pushes away customers create a negative business loop.

- ***Induce further deterioration of banks finance:*** For banks, largest cost is interest expense and the income is interest income, which it gets from loans and fee income. Now if a bank stops lending, the contraction of the bank balance sheet aggravates because you can't earn more but your interest expense and other costs remain the same. Thus, if a bank is not lending at all, its position deteriorates.

- ***Impact financial inclusion:*** Most importantly, in such a situation, financial inclusion suffers an irrevocable setback; and massive public investment in financial literacy and opening of bank accounts goes waste.

- ***Impact bank rating and reduces consumer confidence:*** To place the bank under PCA is an exceptional action, which impacts the rating of the bank as well as consumer confidence.

- ***Raise question over the management of the bank:*** This is detrimental in the long run as it impacts the credit history of the bank including its management. It also raises questions on the governance of the specific bank.

- ***Raises question over the preparation of regulator:*** In case of an epidemic, initiation of PCA on an ad hoc basis regularly would imply lack of investigation, analysis and preparation by the regulator.

- ***Impact on economy:*** The restriction on loans of PSBs may impact industry, employment and growth in the economy as when more than half of PSBs are placed under PCA not only the rating of the country, with impact on exchange rates and risk premium.

- ***Helped private players to grab market:*** Most of the PCA norms has been invoked against the PSB. This has helped the private sector banks to grab the market at the expanse of PSBs.

Way Forward

- There is a need to identify, through a survey-based study of bankers, specific factors that led to this difficult situation across the spectrum. Only then a credible action plan can be designed and implemented rather than implementing a PCA plan meant for routine cases.

- In the medium to long term, RBI may like to consider preparing a policy to examine and suggest a course of action when pandemic breaks and many banks suffer from stress concurrently irrespective of diversified portfolio.

UCBs Allowed To Be Converted Into Small Finance Banks

Syllabus: Indian Economy and Issues relating to mobilization of resources

In News

- The Reserve Bank of India (RBI) said it will allow urban cooperative banks to voluntarily convert themselves into finance banks, a move aimed at bringing these entities into mainstream banking.

- The High Powered Committee on urban cooperative banks chaired by R.Gandhi, the then Deputy Governor of Reserve had recommended the voluntary conversion of large Multi-UCBs into Joint Stock Companies and other UCBs (with size less than Rs 20000 crore) into Small Finance Banks

- The RBI will come out with detailed scheme norms for conversion of urban cooperative banks into small finance banks.

For UCBs to convert into commercial banks, they must have a biz size of over

₹20,000 cr

To operate as a multi-state UCB, the minimum capital requirement would be

₹100 cr

To operate beyond 2 dists and as state-level UCB, the capital threshold is

₹50 crore

small (UCBs) Bank, State business (SFBs).

About UCBs

- ***Introduction:*** UCBs were set up as small banks offering banking services to people of small means belonging to the lower and middle classes.

- ***Dual control:*** UCBs operate under a dual control regime with supervision of both the RBI and the State Governments. By turning into SFBs, they will be regulated only by the RBI.

- ***Hurdles faced by RBI:*** The R Gandhi committee report said that the weak resolution regime with respect to UCBs and non-availability of powers to the RBI to regulate and supervise UCBs at par with commercial banks has restrained RBI from relaxing regulatory regimes, which in turn is a hurdle for UCB's commercialization.

- ***Financial trouble:*** UCBs had been facing financial trouble till a few years ago, prompting RBI to stop issuing fresh licenses. But their performance has improved recently while their numbers have come down due to mergers and closures.

Government Sets up Panel to Weigh Establishment of ARC

Syllabus: Indian Economy and Issues relating to mobilization of resources

In News

- The government has set up a committee, under Punjab National Bank non-executive chairman Sunil Mehta, to consider the establishment of an asset reconstruction company (ARC) in yet another push to help resolve the bad loan burden that afflicts the banking industry. Indian banking is under severe stress with bad loans surging to Rs 10.17 lakh crore and stressed assets at nearly 15% of total loans.

- ARC is called bad bank, which would take over all the rotten assets of lenders (banks) thus allowing them to make a fresh start.

- The resolution of bad loans has picked up pace through the Insolvency and Bankruptcy Code, but the government feels an ARC can speed up the process.

ROUTE TO RECOVERY
How banks get their money back through security receipts (SRs) issued by ARCs

STEP 1
Banks sell a bad loan to an Asset Reconstruction Company (ARC)

STEP 2:
ARC pays 15% upfront; issues SRs for the remaining 85% to banks

STEP 3:
ARC starts the turnaround and recovery process

STEP 4:
It earns 1.5% as management fee

STEP 5:
Recovery proceeds to be shared by the banks and ARC

STEP 6:
If the ARC fails to recover the bad loans within eight years, banks write-off the investment

- The idea of asset reconstruction or asset management company was first mooted by Chief Economic Adviser Arvind Subramanian in January 2017. Mr. Subramanian had envisaged a Public Sector Asset Rehabilitation Agency that would take on public sector banks' chronic bad loans and focus on their resolution and the extraction of any residual value from the underlying asset.

Benefits of Setting up ARC

- This would allow government-owned banks to **focus on their core operations** of providing credit for fresh investments and economic activity.

- As the quality of a bank's assets has deteriorated, banks have turned risk-averse and credit growth has taken a hit. If managed well, a bad bank can **clean up bank balance sheets** and get them to start lending again to businesses.

- Only those cases where banks feel recovery is possible outside IBC may be transferred to such an entity. The idea behind such a structure is to provide **immediate relief to banks** and free up their capital for fresh lending.

- With a bad bank taking tough decisions on borrowers gone bad this could **free bankers from the risks entailed** in large loan write-downs.

Negatives of Setting up ARC

- **Time consuming process:** Setting up a new institution would be very time-consuming and there would be challenges on its ownership structure as well as the pricing of bad loans taken over from banks.

- **No Change in Ownership of bad loans in case of government owned ARC:** The former RBI Governor Raghuram Rajan was not in favour of ARC as according to him an ARC under the government means that the bad loans will remain under the government (and by extension taxpayers).

- **Indirect bailout by the government:** Unlike a private asset reconstruction company, a government-owned bad bank would be more likely to purchase loans that have no salvage value from public sector banks. It would thus work as an indirect bailout of these banks by the government.

- **Low chances of private participation in ARC:** The bad bank will require significant capital to purchase stressed loan accounts from public sector banks. The size of gross NPAs on the books of public sector banks is currently over Rs 10 lakh crore. The chances of private participation are low unless investors are allowed a major say in the governance of the new entity.

- **Private ARC have met with little success:** Private asset reconstruction companies have been operating in the country for a while now but have met with little success in resolving stressed loans.

- **Issues of haircut and vigilance inquiry:** However, some issues may need to be resolved before the ARC is set up. There are multiple issues like what the haircut will be when these loans will be offloaded and will there be vigilance issues if the recoveries are higher than the price at which the asset was sold off.

Way forward

Whether or not the knots in the bad bank idea are sorted out, the government should focus on other reforms as well. One, amend the Prevention of Corruption Act to shield bankers and officers from investigative witch-hunts. Two back bankers to take demonstrable action against wilful defaulters. And three take a hard look at what ails the Insolvency and Bankruptcy Code.

GST Council Meet May Take Up Inclusion Of Natural Gas

Syllabus: Indian Economy and Issues relating to mobilization of resources

In News

- The Goods and Services Tax (GST) Council considered bringing natural gas within the purview of the indirect tax regime. Thereafter the next item for consideration of inclusion in the GST regime could be aviation turbine fuel (ATF), which is among the five petroleum products proposed to be brought in under the GST ambit.

- Petroleum is a considerably larger source for revenues not only for Centre but States also and on natural gas front there is some consensus for bringing it into GST ambit and therefore, it could be first petroleum product that could come in well within GST network.

- While products such as LPG, kerosene, naphtha, furnace oil, and light diesel oil attract levy of GST; five petroleum products i.e. crude oil, diesel, petrol, natural gas, aviation turbine fuel (ATF) are still out of the GST ambit.

- Petroleum ministry and Civil Aviation Ministry have approached Finance Ministry for the inclusion of petrol, diesel and Aviation Turbine Fuel respectively under GST.

Rationale For Bringing Natural Gas Within Purview Of GST

- ***Rationalization of price and development of the spot market:*** A standardized and uniform tax structure such as GST for natural gas will rationalize pricing of the natural gas and make spot market discover prices relevant to the stakeholders.

- ***Development of support infrastructure:*** It will also provide much-needed fillip to the development of support infrastructure i.e. pipelines, storage and re-gasification capacities

- ***Private investment in exploration and production:*** Natural gas with market-determined prices will help not only attract more private investments in distribution/transportation infrastructure, but also in exploration & production (E&P) activities that help enhance domestic production and strike a better balance between domestic production and imports.

- ***Uniform prices across national geography:*** The implementation of GST as in other commodities will help the spot hub provide uniform prices to the consumers across the national geography with the only variability being transportation.

ENTRY LOGIC
- Industry can claim input tax credit
- Greater use of green fuel
- Naphtha, fuel oil and LPG already in GST
- Inclusion will not lead to large revenue loss

- ***Increase the share of natural gas in India's energy demand:*** The Achilles' heel of increasing the share of natural gas in India's energy demand (having positive impact on environment) remains its relative pricing and access to pipelines and infrastructure. This will be resolved once natural gas is brought under GST.

- ***Increased use of gas requires clear pricing:*** With gas being substitutable across most user industries, clear pricing becomes the need of the hour for the growth and development of natural gas usage in the country.

- ***Strengthen domestic businesses and enhance their export competitiveness:*** GST on natural gas will provide for proficiency in energy-based industries by enabling users to receive payback of GST paid on natural gas while selling their products or services covered under GST regime and thereby avoid multiple incidences of taxes on the end-users of energy. It will bring in efficiency and competitiveness among the users of natural gas and thereby strengthen domestic businesses and enhance their export competitiveness.

- *Adjusting of demand and creation of financial product for price risk management:* The multiplicity of mandatory charges, as currently levied on natural gas, would potentially divert the participants in price discovery from the fundamentals. A liquid and transparent gas spot market allows participants to not only adjust their physical volumes based on prices but also helps create financial products for price risk management.

- *Will not have a significant impact on revenue of the states:* Further the share of contribution of natural gas to state revenue as compared with other transportation fuels such as petrol and diesel is not substantial and therefore a shift to GST may not have a significant revenue effect on the balance sheets of states.

- *Bringing natural gas within GST is a natural progression:* Given that similar or alternative fuels such as LPG, coal, and fuel oil have been included in GST and they benefit from a standardized tax rate of 5%, therefore natural gas, which is a key energy product for several industries should also be brought under the ambit of GST.

Challenges

- *Loss of flexibility to have differential rates:* Inclusion of natural gas products in GST will affect the state's ability to have differential rates as GST would mean a single uniform rate across the country. For instance, Karnataka has 30 % sales tax on petrol and 19 % on diesel.

- *Loss of ability to raise quick revenue:* Taxes on natural gas act as a lever, which states can use to address any sudden shortfall in revenue. Thus, this may get affected once the natural products are included in GST.

- *Loss of revenue:* The VAT on petroleum products is the major source of the revenue for the state government. Thus inclusion into GST may affect the revenue of the government to spend on social sector schemes.

- *Loss due to sharing of taxes with Centre:* States also fears that if GST is imposed on petroleum products then the proceeds of the new tax have to be shared between Centre and states.

- *The question of feasibility:* At present cumulative tax on petrol and diesel stands around 107 and 79 percent, which are much above the highest GST slab of 28 percent. This raises questions about feasibility of petrol and diesel under GST. A straightforward implementation of GST at 28 percent on fuel would result in a deep hit on the government revenue, which it cannot afford.

- *State may still impose additional taxes:* Even if state agrees to having petroleum products under GST, they will still have the autonomy to levy an additional or top-up tax, which can vary across states. This surcharge can be in the nature of a "sin tax" a way for states to discourage consumption of certain products like liquor or tobacco and to reduce vehicular pollution.

Way forward

- The inclusion of natural gas with in the purview of GST will be a very positive effect considering the various implications. Moreover, it can be the first step to bring the entire Petroleum sector within GST. Therefore, centre need to pursue the states by assuring them of compensation for any loss during the transition period.

- The focus of State should be on improving tax base, efficiency and reducing leakages under various schemes. This will ensure better revenue generation and minimizing wastage of the resources.

Government Savings Promotion Act

Syllabus: Indian Economy and Issues relating to mobilization of resources

In News

- The Union Cabinet has decided to bring a law to make life easier for small savers especially those who save for girl children and senior citizens and to further strengthen the objective of minimum government, maximum governance.

- It proposed the Government Savings Promotion Act by merging the *Public Provident Fund (PPF) Act of 1968, the Government Savings Banks Act of 1873, and the Government Savings Certificates Act of 1959.*

Provisions Of The Amendment

- ***Objective:*** The main objective is to make implementation easier for the depositors through this Act.

- ***Depositor's Right:*** The government says that the proposed Act has certain new benefits for depositors. For example, the PPF Act states that an account cannot be closed before completion of five financial years. So, if any depositor wished to close his account before five years, she could not. The proposed Act seeks to make premature closure of an account easier by introducing provisions through a specific scheme notification. The benefits of premature closure of Small Savings Schemes (SSS) may now be introduced to deal with medical emergencies, higher education needs and so on.

- ***Guardian's Right And Responsibilities:*** A guardian on behalf of minor can make the investment in SSS. In the proposed Act, the guardian may also be given associated rights and responsibilities.

- ***Deposits By Minor:*** There was no clear provision earlier regarding deposits by minors in the existing Acts. A provision has been proposed to promote a culture of savings among children. And if the minor dies and there is no nomination the balance amount shall be paid to the guardian. The entire rigmarole of procuring a succession certificate has been done away with.

- ***Operation of the account in name of disabled person:*** The Bill also has clear provisions on the operation of accounts in the name of physically infirm and differently abled persons. As per the existing Acts, if a depositor dies and nomination exists, the outstanding balances will be paid to the nominee. The proposed law has clearly defined the right of nominees.

- ***Grievance redressal system:*** Unlike the existing laws, the proposed law allows the government to put in place a mechanism for redressal of grievances and for amicable and expeditious settlement of disputes relating to small savings.

NBFCs to Meet RBI on IndAS Implementation

Syllabus: Indian Economy and Issues relating to mobilization of resources.

In News

- The non-banking finance companies are planning to meet the Reserve Bank of India on the issue of implementation of **Indian Accounting Standards,** popularly known as IndAS.

- RBI has deferred the implementation of IndAS for banks by a year, while it is applicable for NBFCs from April 1, 2018. NBFCs will have to compute their first quarter result this month and it is expected to have an impact on capital due to enhanced provisioning.

- According to the initial plan, Ministry Of Corporate Affairs was to implement IndAS for banks, insurance companies, and NBFCs from 1 April 2018 onwards. In April 2018, RBI deferred the

implementation of Indian Accounting Standards by one year for banks. Also IndAS implementation date has been deferred for insurance companies by two years.

- IndAS is a global accounting practice that NBFCs are mandated to adopt, which may lead to initial credit losses. The practice is at par with the International Financial Reporting Standard (IFRS) 9.

Impact of Implantation of IndAS on NBFC

- *Higher provisioning:* The provisioning requirements under IFRS 9 would be higher as NBFCs will have to provide for on expected losses rather than incurred losses.

- *Lack of clarity:* The sector is looking for clarification on certain issues. Under the IndAS there is divergence in the way different entities report numbers. For instance IndAS mandates recognition of income on loans based on effective interest rates.

FSDC Reconstituted To Include More Members

Syllabus: Indian Economy and Issues relating to mobilization of resources.

In News

- *Introduction:* The government has reconstituted the Financial Stability and Development Council (FSDC), the apex body of financial sector regulators and made it more broad-based.

- The FSDC was set up to create an institutional structure and mechanism for financial stability, financial sector development and inter-regulatory coordination. It is charged with financial literacy, financial inclusion and macro prudential supervision of the economy including the functioning of large financial conglomerates.

- *New Members:* The Council headed by the Finance Minister will now include the Minister Of State responsible for the Department of Economic Affairs (DEA), the Secretary of Department of Electronics and Information Technology. The reconstituted FSDC will also include the Chairperson of the Insolvency and Bankruptcy Board of India (IBBI) and the Revenue Secretary.

- *Other Members:* Other members of the FSDC, which was constituted in December 2010, are the Governor of the Reserve Bank of India, Chief of Securities and Exchange Board of India, Finance Secretary of Department of Economic Affairs, Secretary-Financial Services, Chief Economic Adviser and Chairpersons of the IRDA and PFRDA

Benami Transactions Informants Reward Scheme

Syllabus: Effects of liberalization on economy

In News

Any specific information on benami transactions or property in the country will be worth a reward of Rs 1 crore from the Central Board of Direct Taxes (CBDT). The reward for giving any inputs on black money stashed abroad could fetch up to **Rs 5 crore.**

Benami Transactions Informants Reward Scheme

- *Objectives:* The main objective of the Scheme is to obtain people's participation in the Income-Tax Department's efforts to unearth black money and reduce tax evasion.

- Foreigners will also be eligible for such reward.

- ***Financial benefits:*** A person can get reward up to Rs. 1 crore for giving specific information in prescribed manner to the Joint or Additional Commissioners of Benami Prohibition Units (BPUs) in Investigation Directorates of Income Tax Department about benami transactions and properties as well as proceeds from such properties which are

actionable under Benami Property Transactions Act, 1988. The reward amount for information under the Foreign Black Money Act has been kept high at Rs 5 crore to make it attractive to potential sources in foreign countries.

- ***Identity Protection:*** The identity of the persons giving the information will not be disclosed and strict confidentiality would be maintained.

- ***Amendment in Income Tax Informant Reward Scheme (***ITIRS***):*** The ITIRS has been amended under which a person can get reward up to Rs 50 lakh for providing specific information about substantial evasion of tax on income or assets in India, which are actionable under the Income tax Act, 1961.

MSCI Mulling Caps On Emerging Markets, Including India

Syllabus: Effects of liberalization on economy

In News

- MSCI Inc., a widely tracked global index provider, said that it is considering placing some emerging markets including India on notice for limiting investor access.

- MSCI is the ***world's biggest index compiler*** with more than $10 trillion in assets benchmarked to its products with emerging markets alone accounting for $2 trillion.

- Global investors closely track the indices. Inclusion in MSCI Inc.'s stock indices opens up investment interest from foreign investors in a particular country and brings a stamp of financial credibility.

Reasons For Such Move

- ***Lengthy and burdensome mandatory registration process:*** MSCI has cited the fact that international investors face a lengthy and burdensome mandatory registration process with the market regulator Securities and Exchange Board of India (SEBI).

- ***Dispute concerning case of NSE:*** In February 2018, the National Stock Exchange of India (NSE) barred foreign bourses from trading in Nifty derivatives. And NSE and Singapore Exchange Ltd. are in a legal tussle over the issue. MSCI has expressed concerns over the dispute. MSCI said that it is expected that stock exchanges, which often have legal or natural monopolies, should not impose

clauses in their provision of stock market data. The existence of these types of practices will lead to a negative assessment.

Implications

- ***Capping of the weight in MSCI indices:*** MSCI said India and Brazil along with Turkey and South Korea are potential future examples of markets whose weights could be capped in its indices.

- ***Could impact inflow of foreign investors:*** India currently has a weightage of 8.3% in the MSCI Emerging Markets Index. The weightage, *which was 8.48%* till last month, came down slightly following the partial inclusion of China A- shares on May 31 2018. Since it is a widely tracked index any changes in weightage would affect inflows from foreign investors.

New Method To Solve PSU Disputes

Syllabus: Changes in industrial policy & their effects on industrial growth.

In News

- The Union Cabinet has approved a mechanism to strengthen commercial dispute resolution between Central Public Sector Enterprises (CPSEs) through an institutionalized framework.

- ***Two-tier System:*** A new two-tier mechanism will be put in place of the existing permanent machinery of arbitration (PMA) mechanism to resolve commercial disputes (excluding disputes concerning railways, IT, custom and excise departments) between CPSEs inter se and CPSEs and government departments outside the courts of law.

- ***First level:*** At the first level, such commercial disputes will be referred to a Committee comprising Secretaries of the Ministries Or Departments to which the disputing parties belong, along with the Legal Affairs Secretary. The Financial Advisors (FAs) of the two concerned administrative Ministries/Departments will represent the issues related to the dispute in question before the above Committee.

- ***Second level:*** At the second level, in case the dispute remains unresolved by the Committee, it will be referred to the Cabinet Secretary whose decision will be final and binding on all concerned.

- ***Timeline:*** For the prompt disposal of disputes, a time schedule of <u>three months</u> at the first level has been prescribed.

- ***Benefits:*** The new mechanism will promote equity through mutual/collective efforts to resolve commercial disputes thereby reducing the number of litigations regarding commercial disputes in court of law and also avoid wastage of public money.

India Starts Importing LNG from Russia

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- India has begun importing liquefied natural gas (LNG) from Russia at *Dahej import terminal* as part of its strategy to diversify its supply sources and cater to the rapidly rising local energy needs.

- Russia is the latest country to begin supplying long-term LNG to India after <u>US, Australia, and Qatar</u>. Till two years ago the country depended solely on Qatar for long-term supplies.

- At current oil prices, the Russian rate is $1.5 per one million British Thermal Units (mmBTU) less than the price at which Qatar, India's oldest supplier, delivered liquefied natural gas (LNG). Russian supplies are also cheaper by $1-1.5 per mmBtu than the LNG sourced from Australia and the U.S.

- In 2012, state-run gas marketer GAIL had signed a 20-year agreement with Russia's energy giant Gazprom for purchase of 2.5 million tonnes of natural gas a year. It also has long-term contracts with US suppliers for 5.8 million tonnes per year of LNG.
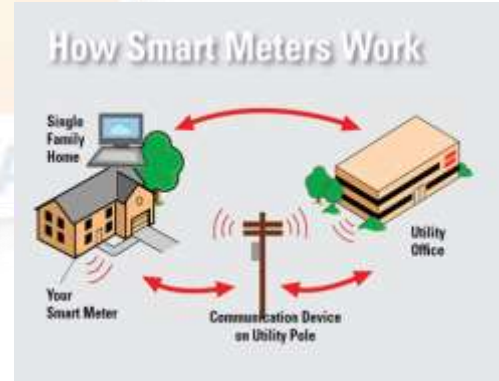
Importance of LNG Import

- India is the 3rd largest energy consumer and 4th largest LNG importer in the world. Russia is the largest crude oil and second-largest gas producer in the world.

- India imports 45% of the total amount of natural gas it consumes. With the government's plan to raise the share of natural gas in the *country's energy mix to 15% by 2030 from about 6.5% now,* import of LNG is expected to rise.

- *Rising demand:* India is heavily investing in building LNG import terminals and pipelines to import and supply gas across the country. Local production is rising at a pace not enough to meet the rising domestic demand.

- *New city licensing round will further increase access to gas:* Natural gas consumption in the country rose 5% to 58 billion cubic meters in 2017-18. The government expects half of India to have access to piped gas for cooking and transport after the new city gas licensing round, which is currently underway.

- *Fall in price:* A sharp drop in the price of LNG following a crude collapse four years ago made imported natural gas more affordable in India and also pushed up local demand for the commodity.

Smart Meters Have The Potential To Improve Billing Efficiency

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- India is rapidly working towards realizing its vision of affordable and accessible 24x7 power. Already the third-largest conventional energy producer India is building the world's largest solar plants to achieve 175 GW of solar capacity by 2022.

How Smart Meters Work

- A smart meter is an electronic device that records consumption of electric energy and communicates the information to the electricity supplier for monitoring and billing.

- Smart meters enable two-way communication between the meter and the central system. Communications from the meter to the network may be wireless or via fixed wired connections such as power line carrier (PLC).

Background

- While the power sector has witnessed an unprecedented turn-around in generation, its weakest link is distribution. Poor equipment maintenance and high-power theft are responsible for aggregate technical and commercial *(AT&C) losses of approximately 25%,* amongst the world's highest.

- Currently, India curtails renewable energy generation to prevent grid overloading, causing losses to renewable-energy developers and affecting equipment efficiency.

- The Government's **UDAY (Ujwal Discom Assurance Yojana) scheme** endeavors to provide some reprieve to India's DISCOMs, and distribution sector, through financial restructuring. Cutting

transmission and distribution losses, ensuring 24X7 power, and smart meters have also been made a part of this scheme, which can unlock a cascade of benefits for discoms and consumers.

Benefits Of Smart Metering

- *Increase of revenue for discoms:* Smart meters have the potential to improve billing efficiency from 80 to 100%, thus increasing discoms' revenues by Rs 1.1 lakh crore.

- *Forecast demands and enable renewable energy infusion:* Smart meters will enable discoms to forecast energy demand cycles in real-time and swiftly rebalance the grid's energy sources achieving renewable energy infusion.

- *Consumer save on the bill:* With smart meters recording and anticipating fluctuations throughout the day, discoms can explore Time of Use (ToU) tariffs that accurately reflect energy prices. While discoms can shift loads from high-price hours to low price hours, consumers can also save on electricity bills by opting for more attractive ToU tariffs.

- *Help in achieving grid stability:* The two-way communication technology underpinning them will enable utilities to facilitate demand response and prediction and management of peak demand, thus achieving grid stability.

- *Faster outage detection and resolution of services:* With real-time communication between DISCOMs and consumers, smart meter data can ensure faster outage detection and restoration of services and end billing inefficiency via an automated bill meter reading.

- *Other benefits to consumers:* Additional consumer benefits include access to a prepaid billing model wherein they pay only for the electricity they can afford. They can also consciously adopt energy efficient practices managing energy costs better.

Final Analysis

- Smart meters are the first step in the digitization of energy paving the way for India's smart energy revolution. Powered by cutting-edge technologies like the Internet of Things (IoT) and automation, smart energy integrates energy consumption with renewable-energy production, relevant infrastructures through energy services, active users and enabling technologies.

- Understanding these benefits, the government's **Smart Meter National Programme** is working to implement one of the world's fastest ramp-up of smart meter installation targeting the retrofitting of 25 crore meters.

- Smart meters are the building blocks of smart grids. Globally smart grid infrastructure investment in countries like China and the US has created a corresponding demand for smart meters. The mandatory nature of these meters in a country with the size and population of India can create bulk demand and facilitate economies of scale in reducing manufacturing costs. Smart meters thus not only act as a pathway to resolve DISCOM woes with newfound efficiencies but can also create an entire domestic smart meter industry where none previously existed.

Power Ministry Recommends 24°C As The Default Setting For ACs

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The Power Ministry suggests air-conditioner manufacturers to keep the default setting at 24°C in a bid to save energy.

- It also suggested that the manufacturers carry out labelling indicating the optimum temperature setting for the benefit of consumers, both from the financial and health point of view. These temperatures setting will be in the range of 24-26 degree Celsius.

- After an awareness campaign of four-six months, followed by a survey to gather public feedback, the Ministry will consider making this mandatory. If all the consumers adopt the settings, it will result in savings of 20 billion units of electricity in one year alone

- The targeted commercial buildings will include airports, hotels, shopping malls, offices and government buildings. This initiative is launched on a voluntary basis to increase awareness and encourage consumers to adopt the guidelines.

- According to the Bureau of Energy Efficiency, total connected load in India due to air conditioning will be 200 GW by 2030 and this may further increase, as only about 6 per cent of households are using air-conditioners currently.

- Government of India has undertaken **a two pronged approach to cater to the energy demand of its citizens while ensuring minimum growth in CO2 emissions, so that the global emissions do not lead to an irreversible damage to the earth system**. On one hand, in the generation side, the Government is promoting greater use of renewable in the energy mix mainly through solar and wind and at the same time shifting towards supercritical technologies for coal based power plants. **On the other side, efforts are being made to efficiently use the energy in the demand side through various innovative policy measures under the overall ambit of Energy Conservation Act 2001.**

> The Energy Conservation Act (EC Act) was enacted in 2001 with the goal of reducing energy intensity of Indian economy. Bureau of Energy Efficiency (BEE) was set up as the statutory body on 1st March 2002 at the central level to facilitate the implementation of the EC Act. The Act provides regulatory mandate for: standards & labelling of equipment and appliances; energy conservation building codes for commercial buildings; and energy consumption norms for energy intensive industries. In addition, the Act enjoins the Central Govt. and the Bureau to take steps to facilitate and promote energy efficiency in all sectors of the economy. The Act also directs states to designate agencies for the implementation of the Act and promotion of energy efficiency in the state

Implementation of Energy Efficiency Projects

The implementation of energy efficiency projects is impeded by the lack of a successful implementing agency that can be a leader for new business models required for energy efficiency projects. **In order to develop a viable Energy Service Company (ESCO) industry, Ministry of Power has set up Energy Efficiency Services Limited (EESL), a Joint Venture of NTPC Limited, PFC, REC and POWERGRID to facilitate implementation of energy efficiency projects.** EESL will work as ESCO, as Consultancy Organization for CDM, Energy Efficiency, etc.; as a Resource Centre for capacity building of SDAs, Utilities, financial institutions, etc.

Major ongoing projects undertaken by M/s EESL

- Energy Efficiency in Street Lighting:

- Energy Efficiency improvement projects in street lighting are being carried out by M/s EESL in 9 states replacing old inefficient street lights with energy efficient LED based street lights on ESCO business model.

- Energy Efficiency in Water Pumping

- Projects are being undertaken in 5 States and 8 States for energy efficiency improvement of water pumps in Agriculture and Municipal sector respectively.

- Promotion of Energy Efficient LED Bulbs

- Domestic Efficient Lighting Programme (DELP) tried to overcome the first cost barrier to promote LEDs by using the basic architecture and best practices of BLY.

- DELP is designed to monetize the energy consumption reduction in the households sector and attract investments therein. It also evolves a robust business model that secures commercial investment. The scheme has already launched in UT Puducherry and is under consideration for other States

Major Port Authorities Bill, 2016

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- Amendments approved by the Union Cabinet to the Major Port Authorities Bill, 2016 are meant to make employee representation stronger in a labour-heavy work environment.

- The amendments are based on the recommendations of the department-related Parliamentary Standing Committee.

Highlights Of Bill

- *Power Of Board:* The Board of each major port will be entitled to create a specific master plan in respect of any development or infrastructure established or proposed to be established within the port limits and the land appurtenant thereto. Such a master plan will be independent of any local or State government regulations of any authority whatsoever.

- *Saving clause:* A saving clause has been kept under repeal and saving so that the existing benefit enjoyed by Mumbai and Kolkata Ports in respect of municipal assessment of property under the Bombay Port Trust Act, 1879 and the Calcutta Port Act, 1890 can continue.

- *Concessionaire free to fix the tariff:* After commencement of the Act for private-public partnership projects the concessionaire shall be free to fix the tariff based on market conditions.

- *Independent members on board:* The number of independent members in the Port Authority Board will be a minimum of two and a maximum of four.

- *Increased representation to the employee:* The changes include an increase in labour representatives to be appointed in the Port Authority Board among the serving employees of the port concerned from one to two. The members representing the interests of the employees will hold office for three years and not for more than two consecutive terms.

- *Retirement benefit:* Every person who was receiving any retirement benefit from the Board of Trustees under the Major Port Trusts Act, 1963 immediately before such date will continue to receive the same benefit from the Board.

- *Power of Central government over board:* The presiding officer and members of the adjudicatory board have to be appointed by the Centre on the recommendations of the selection committee. The government will have the power to remove the presiding officer or any member of the adjudicatory board from office in accordance with procedure.

- *Funds to be credited in general account:* The proposed law highlights that amounts received by or on behalf of the Board under its provisions will be credited to a general account or accounts of the Ports which the Board may from time to time open with any nationalized or scheduled bank according to the guidelines of the Finance Ministry.

Failed Disinvestment of Air India

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The Government had sought bids for a 76% stake in Air India, which includes a 100% stake in low-fare international subsidiary Air India Express and a 50% holding in ground handling company AI-SATS.

- But no bidders put in their Expression of Interest (EoI) for the strategic disinvestment of Air India and its two subsidiaries.

Challenges In Air India Disinvestment

- ***Non-implementation of the Recommendation of the Naresh Chandra Committee:*** As early as 2003 the Naresh Chandra committee had said that deregulation and privatization were the way forward in the aviation industry. The neglect by successive governments has come at a huge cost in terms of infusion of public funds and value destruction.

- ***Timing of the proposed sale:*** The government's timing of the sale too is awry with rising fuel prices and competition from nimble low cost carriers squeezing the margins of the bigger players in the industry both in the domestic and global aviation markets after a stable period of low oil prices and sustained profits.

FLYING ON EMPTY

- ***Bundling of Air India debt:*** Rs 33000 crore debt that was to be bundled with the airline is initially seen to be a major hurdle.

- ***Government decision to retain 24% stake:*** Industry analysts also believe it was the government's decision to retain 24% stake that ultimately proved to be the big deterrent. And thus, leaves open the prospect of political interference on strategic and day-to-day matters as a result of the government's retention of a 24 % shareholding.

- Many of the private players wanted **stake in International operations of Air India rather than taking it as a whole**. Thus, limit the opportunities to create synergies with a strategic investor's other airlines.

- ***Too Many Employees:*** AI has the largest number of employees per aircraft among Indian airlines. The employees-per-aircraft ratio is a key metric used in the industry to identify the operational efficiency of an airline. Thus, it could expose the investor to labour risks.

- ***Long Gestation Period Of Making AI profitable:*** The successful bidder will have to plough significant funds into enterprise-wide restructuring requiring capital expenditure in enhanced products and services as well as fleet expansion. Returning the carrier to profitability is likely to take at least 2-3 years during which time the new owner will have to absorb a couple of billion dollars of losses. Faced with such a commitment, it was perhaps not surprising that bidders baulked at the offer terms.

Way Forward

- Air India is a textbook case of yet another state-owned firm in India run to the ground after the opening up of the economy and the failure of the state to retreat from non-strategic and competitive sectors.

- The government could have done a few things differently to make the airline more attractive to potential buyers. For one, the government should consider an outright sale and on much simpler terms. It can also absorb the debt and offer a golden handshake to some employees. Or it could simply allow sale under bankruptcy, which will carry no condition such as a mandatory residual stake for the government and that could make Air India an object of desire.

- In either case it would be a burden off the government's back and send a clear message to other ailing public enterprises to shape up or prepare for the tender mercies of the Insolvency and Bankruptcy Code.

A Year After, UDAN Scheme Is Yet To Soar
Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The promise of cheap flights between smaller cities still eludes many. A year since the Centre unveiled the *Regional Air Connectivity Scheme (RCS) or Ude Desh Ka Aam Nagrik (UDAN)* with the aim to connect tier-2 and tier-3 cities and make flying affordable for the masses, a mere 15% or 70 of the total 453 routes awarded to various airline and helicopter operators have taken off.

- The Centre and the State governments, to keep airfares low, offer operators a subsidy. Airlines have to set aside half the total seats in an aircraft at a *discounted rate of Rs 2500 each per hour of flight* and helicopters need to offer a maximum of 13 seats for Rs 2500 each per 30 minutes of flight.

- Operators get exclusive rights to fly on a route for three years to protect them from competition.

Challenges to UDAN Scheme

- ***Delays:*** None of the 75 helicopter routes connecting hilly terrain and islands have commenced yet. And out of the 56 unserved airports that the government planned to add to the aviation map in a year, only 16 are ready and 10 of the 25 under-served airports have been developed. Thus, infrastructure constraints too have checked the pace of implementation of the scheme.

- ***Challenges For Small Players:*** While established players such as Air India subsidiary Alliance Air, budget carrier SpiceJet and regional airline TruJet have been able to deliver on most or all the routes awarded to them smaller players like Air Odisha and Air Deccan, which won 65% of the routes, have only been able to service less than 15% of the total routes awarded in round one. The smaller players like Air Odisha and Air Deccan have struggled to raise sufficient capital for their operations, hire trained manpower and lease planes and have slowed down the implementation of the scheme.

Provision of UDAN scheme

- ***Other Issue Faced By Small Airline Players***: Sources in the Ministry of Civil Aviation said their services had been irregular, often due to lack of trained pilots or due to technical issues while grounding the planes. The cancellation rates of flights for Air Odisha and Air Deccan have been as high as 80% for some of the months.

- ***Lack Of Incentive For States:*** Some airports owned by State governments and private players have been hesitant in participating as there is little for them to gain with RCS flights exempt from

paying landing and parking charges and States required to provide land, security and fire services free of cost.

Way Forward

- There is also silver lining as many routes have seen a steady rise in the number of passengers. The cumulative average of seat occupancy on our routes has increased from 55% to 70% in a year.

- Moreover, the success of the scheme largely depends on interest from bigger players such as IndiGo, SpiceJet and Jet Airways.

IATA Criticises India's GST On International Air-Tickets

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The International Air Transport Association (IATA) has castigated India for taxing international tickets.
- It has asked governments to help the growth of global connectivity by avoiding creeping re-regulation, maintaining the integrity of global standards and addressing a capacity crisis.
- IATA asserted that India was taxing international tickets in contravention of the resolutions of the UN body International Civil Aviation Organisation (ICAO).
- The Indian government had announced the implementation of the GST from July 1, 2017. The tax covers airline products and services including tickets, ancillary, change, refund and other products and fees.

International Air Transport Association (IATA)

- The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 290 airlines or 82% of total air traffic.
- It supports many areas of aviation activity and help formulate industry policy on critical aviation issues. Its mission is to represent, lead and serve the airline industry.

About ICAO

- ICAO is a UN specialized agency, established in 1944 to manage the administration and governance of the Convention on International Civil Aviation (Chicago Convention).
- ICAO works with the Convention's 191 Member States and industry groups to reach consensus on international civil aviation Standards and Recommended Practices (SARPs) and policies in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector.
- These SARPs and policies are used by ICAO Member States to ensure that their local civil aviation operations and regulations conform to global norms for operating safely and reliably in every region of the world.
- ICAO also coordinates assistance and capacity building for States in support of numerous aviation development objectives; produces global plans to coordinate multilateral strategic progress for safety and air navigation; monitors and reports on numerous air transport sector performance metrics and audits States' civil aviation oversight capabilities in the areas of safety and security.

Chicago Convention

- The Chicago Convention (also known as the Convention on International Civil Aviation), established the International Civil Aviation Organisation (ICAO), a specialized agency of the United Nations charged with coordinating and regulating international air travel.

- The Convention establishes rules of airspace, aircraft registration and safety and details the rights of the signatories in relation to air travel; it also exempts air fuels from tax.
- The Convention was signed by 52 states in December 1944.
- The Convention provided for the sovereignty of airspace above the territory of each state and governs the freedom of states to operate air transport flights (including the carriage of passengers, cargo and mail) across, into and within the airspace of other states.

Global Real Estate Transparency Index (GRETI) 2018

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- GRETI has been released by the realty consultant JLL.
- India has improved its ranking by one notch to 35th in the current index. It was ranked 36th in the index during the last bi-annual survey conducted in 2016 and 40th in 2014.

About the Index

- GRETI ranks 100 markets based quantitative market data and survey results across 186 individual measures divided into 14 topic areas grouped and weighted into six broad sub-indices.
- These sub-indices are - performance measurement (weightage 28.5%), market fundamentals (16.5%), governance of listed vehicles (10%), regulatory and legal (25%), transaction process (15%) and sustainability (5%). The index scores markets on scale of 1 (being highest possible score) to 5 (lowest score).
- Depending on their overall performance, markets are assigned to one of five transparency tiers viz. highly transparent, transparent, semi-transparent, low transparency and opaque.

Key Highlights

- The improvement in India rank is driven by policy reforms and liberalisation of FDI rules in property as well as retail sectors. The strengthening of information in public domain, digitisation of property records and according 'industry status' to affordable housing also helped in higher ranking.
- Country's real estate market is currently placed in the 'semi-transparent' zone. The ranking is expected to improve further in next survey in 2020, on the back of several govt initiatives such as Real Estate (Regulation and Development) Act (RERA), GST and Benami Transactions Act.
- According to the survey, UK is at top position followed by Australia and the US. France, Canada, Netherlands, New Zealand, Germany, Ireland and Sweden are in top 10 in the list of 100 countries.
- Sri Lanka is at the 66th position and Pakistan at 75th among south Asian countries. Venezuela is the least transparent market with 100th rank.
- Among BRICS nations, both China and South Africa remained on the same rank 33rd and 21st position, respectively, while, Brazil slipped to 37th position and Russia remained at 38th rank.

Agriculture

Price Fall Of Commodities And Way To Protect Farmers

Syllabus: Issues related to direct and indirect farm subsidies and minimum support prices

In News

- While garlic farmers in Madhya Pradesh and Rajasthan, which produce 45% of the country's garlic recently fetched as low as Rs 1 a kg in wholesale prices, the instances of tomato farmers dumping

their harvest on the fields earlier this month be it in Haryana, Tamil Nadu or Uttar Pradesh after prices nosedived have only highlighted their woes.

- Season after season farmers face price uncertainties mainly owing to fluctuations in demand and supply caused by bumper or poor production, speculation and hoarding by traders.

Way Out

- *Price Deficiency Payment System:* In Madhya Pradesh, after garlic prices dropped sharply, the government decided to include it in the *Bhavantar Bhugtan Yojana (Price Deficit Payment Scheme)* that was introduced in the 2017 Kharif season. The scheme is aimed at providing price deficit payments to farmers if the market prices are below the minimum support price.

- *Better Infra For Storage And Marketing:* Being perishable, vegetables are more prone to price fluctuation. Hence, they require better infrastructure for storage and marketing.

- *Agro Processing:* Experts believe that integration of vegetable and fruit growers with agro-processing units through contract farming could prove beneficial to producers as it takes care of price fluctuations and helps to mitigate production risk.

- *Contract Farming:* Contract farming is an alternative for farmers to reduce financial risks by providing an assured market for their produce at a pre-agreed price. The Centre has approved the State/UT Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018. The Act is aimed at ensuring the purchase of the entire pre-agreed quantity of one or more of produce, livestock or its product.

- *Future Trading:* Farmers must be allowed to have the entire array of commodities available on futures trading platforms. At present farmers look at the prices earned in the previous cropping season and base the current year's sowing decisions on this. This is backward looking with static expectations. This sometimes lead to overproduction and consequent fall in prices. Had the option of futures trading been available they could have chosen their crop based on futures prices and escaped the price-crash.

Farmers Protest Across India

Syllabus: Issues related to direct and indirect farm subsidies and minimum support prices

In News

- Since 1st June, many farmers are on an unusual 10 days strike to draw the government's attention to distress in the fields. A federation of 130 farmer bodies has decided to stop supplies of vegetables and dairy produce to major cities and hold a dharna on 30 National Highways.

- The protesters are demanding complete loan waivers, assured income for farmers, and higher minimum support prices. Farmers are asking for a higher minimum support price something that the government claims to have already provided. As in the budget it announced that MSP will be set at 1.5 times the cost of production.

- However, a careful reading revealed that the cost of production, the finance minister had in mind, was substantially lower than the one recommended by the Swaminathan Commission. The key recommendation that has been the focal point of all farmer agitations including the present day bandh was that the MSP be set at cost plus 50% of the cost.

- *Different method of calculation of MSP:* The Commission for Agricultural Costs and Prices (CACP), which declares MSP for 26 eligible crops has three different definitions of production cost i.e. **A2** (actual paid out cost), **A2+FL** (actual paid out cost plus imputed value of family labour) and

C2 (comprehensive cost including imputed rent and interest on owned land and capital). As is evident **C2 > A2+FL > A2.** While the Swaminathan Commission recommended that MSP be set at C2 plus 50%, the government had announced that MSP will be set at A2+FL plus 50%. And going by government's formula there would not be any increase in the MSP for most crops. For the 2017-18 rabi season MSP was already higher than 1.5 times the A2+FL for most crops thus making the government's announcement hollow.

Effectiveness of MSP- An Analysis

- *NITI report highlights the problem with MSP:* A 2016 NITI Aayog evaluation report on MSP noted that 79% farmers responded in the negative when asked if they were satisfied with the MSP regime. Some of the reasons for their dissatisfaction were delay in payments, lack of infrastructure at procurement centres, distance to procurement centres and delayed announcement of MSP rates.

- *Wholesale market price lower than MSP:* Farmers have also claimed that the prices in wholesale markets are often lower than the MSP set by the government. In such a scenario, whatever MSP the government declares might not matter much.

- *Lower level of penetration:* Another problem with the MSP regime is that its benefits if and when they do accrue reach only a small fraction of India's farmer population. According to a survey conducted by the National Sample Survey Office (NSSO) in the 70th round, only 6% of farmers are able to sell their produce at MSP.

- *Lack of awareness about MSP:* The data of the NSSO also shows that only 24% households at the most are aware about the MSP of crops grown by them.

- *Procurement operation concentrated to few states:* Although MSP is announced for the whole of India, the operation is limited only to few states where the designated government agencies procure the produce from farmers.

- *Procurement limited to few crops:* Except for crops like rice and wheat, quantity procured is very limited leading to low level of awareness.

Way Forward

- There is a need to help farmers by facilitating long-term purchase agreements with agro companies that can set up warehouses and cold chains.

- The focus must shift from compensating farmers to freeing them from rules and structures that depress farm gate prices. Real reform entails large-scale investment to raise productivity, plentiful access to formal credit and release of farmers from stifling controls.

- The agricultural economy calls for massive investment in irrigation, crop research and extension, rural roads, grading centres, a traceability mechanism, climate-controlled storage, agro processing enterprises in rural areas logistically networked with urban centres and support for companies formed by farmers. Instead of going into distorting subsidy, funds should feed productive investment.

- Moreover, if farm prices are raised without reference to global prices of agri-commodities the result would be to push up food and industrial input prices way above global levels creating a drag on the competitiveness of India's economy as a whole. A more liberal regime of trade in farm produce, in which tariffs seek to offset the distortion in import prices created by home country subsidy rather than to protect the Indian farmer from competition, is needed to raise productivity.

- Another prerequisite is to rework the subsidy regime that hinders cultivation of crops best suited for particular agro-climatic conditions, such as by promoting sugarcane and rice in water-stressed areas.

Centre Allows Pulses Import Despite Overflowing Godowns

Syllabus: Issues of buffer stocks and food security

In News

- The Union government has allotted quotas for import of pulses and is enforcing an additional import agreement with Mozambique at a time when domestic stocks are at their highest, domestic production is expected to be high, and prices are crashing.

- The quantitative restriction were slapped on pulse imports in August 2017, in response to a glut in domestic supply and falling prices, which continues this year. On the back of a good monsoon forecast, the Agriculture Commissioner predicts domestic pulses production of 24 million tonnes in 2018-19, slightly higher than last year's.

- However, the DGFT issued a notice last month exempting pulses imports from **Mozambique** from the restrictions.

- Farmers and millers are unhappy with the situation but the government says it is balancing the needs of Indian consumers and commitments to foreign trade partners on the one hand, and the interests of Indian farmers on the other.

Fallout Of 2016 Crisis

- ***Long-term obligation under MoU:*** In 2016 in the wake of soaring pulse prices and angry consumers, India signed an MoU to double pulses imports from the east African nation over a five-year period. This obligates India to buy 1.5 lakh tonnes from Mozambique this year. The government has also explored the possibility of similar long-term agreements with countries such as **Kenya.**

- ***Higher acreage:*** On the other hand, farmers had increased acreage on the back of rising prices, incentivised by a higher minimum support price and technical interventions to ensure higher domestic production. The higher supply is also contributed by better seed technology, improved roads, electricity, irrigation and communication infrastructure.

Implication

- ***Full godowns:*** This does not take into account the fact that last year's surplus harvests have already resulted in full godowns. The government procurement agency alone had 40 lakh tonnes of pulses in its warehouses apart from stocks still remaining with traders and farmers.

- ***Falling prices:*** Farmer's groups have been agitating about further fall in crop prices due to the recent decision of pulses import.

- ***Non-viability of import:*** Whereas the prices outside India are higher than domestic rates, so it is not viable to import pointing out that while Indian rates for tur were at Rs 3400 a tonne, it would cost at least Rs 27000 to import from Kenya.

Centre Unveils Model Contract Farming Law

Syllabus: Food processing, upstream and downstream requirements, supply chain management.
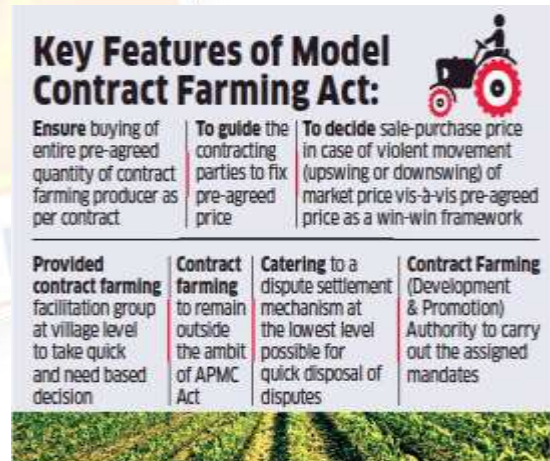
In News

- The Agriculture Ministry has released the **Model Contract Farming Act 2018**, which lays emphasis on protecting the interests of farmers from price risks and encourage food processing companies to invest more in infrastructure and farming technology once States adopt it.

- The Ministry also says that it is a promotional and facilitative Act and not regulatory in its structure.

- The final Model Act has been named as *State/UT Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018.*

- The law follows a Union budget announcement that a Contract-farming act would be drafted to integrate farmers with agro-industries, to ensure better price realization for their produce as part of an initiative to double the incomes of farmers in the country.

- Subsequently a committee under the chairmanship of Rainfed Area Authority CEO **Ashok Dalwai** was constituted in February 2017 to draft the model law in consultation with states and experts.

Provisions Of Model Law

- *Meaning of Contract Farming:* The concept of Contract Farming refers to a system of farming in which bulk purchasers including agro-processing/ exporting or trading units enter into a contract with farmer(s) to purchase a specified quantity of any agricultural commodity at a pre-agreed price.

- *Ambit:* In addition to contract farming, services contracts all along the value chain, including pre-production, production and post-production have been included in the Act.

- *Agreement To Be Registered:* The draft law suggests all contract farming agreements entered into between buyers and farmers in respective States should be registered with a State-level agency called Contract Farming (Development & Promotion) Authority.

- *Compensation Provision:* Both the sponsor and producer are liable to pay damages and compensation in case of a breach of contract as decided by the authority.

- *Facilitation Fee:* The Act allows the authority to collect the facilitation fee from the sponsor of up to 0.3 per cent ad valorem on the contracted produce.

- *Non-Applicability of AMPC Act:* All contract farming deals will be outside the purview of the Agricultural Produce Marketing Committee (APMC) Act.

- *Discretion Of The State To Adopt The Act:* Amid the rising demand of the farmers and the Centre's decision to ensure that they get at least the MSP for their crop, the contract farming model law has left it to States to decide the prices under the rules to be notified under the Act.

Key Features of Model Contract Farming Act:

Ensure buying of entire pre-agreed quantity of contract farming producer as per contract	**To guide** the contracting parties to fix pre-agreed price	**To decide** sale-purchase price in case of violent movement (upswing or downswing) of market price vis-à-vis pre-agreed price as a win-win framework
Provided contract farming facilitation group at village level to take quick and need based decision	**Contract farming** to remain outside the ambit of APMC Act	**Catering** to a dispute settlement mechanism at the lowest level possible for quick disposal of disputes	**Contract Farming** (Development & Promotion) Authority to carry out the assigned mandates

- *Crop's Price Determination:* To provide reasonable protection to the weaker party to the agreement, i.e., the producer the pre-agreed price, category wise as under Section 18(2), may be determined in accordance with the guiding criteria as provided in the rules and mentioned in the agreement.

- *Insurance Cover:* The Act says that the contracted produce will be covered under crop/livestock insurance in operation.

- *Protecting Farmer's Right:* For protecting farmers, the Act says that no permanent structure can be developed on farmer's land or premises. No right, title of interest of the land shall vest in the sponsor.

- *Onus of Infrastructure Creation:* The proposed Act puts the onus of professionally managing inputs, technology and pre and postharvest infrastructure and services on the sponsor of the contract according to mutually agreed terms.

- **Promotion of FPO:** Promotion of Farmer Producer Organization (FPOs) / Farmer Producer Companies (FPCs) to mobilise small and marginal farmers has been provided. The FPO and FPC can be a contracting party if so authorised by the farmers.

- **CFFG:** A Contract Farming Facilitation Group (CFFG) for promoting contract farming and services at village and panchayat level will be provided.

- **Dispute Resolution**: The act also says that the disputes relating to these contracts will be taken care of by a state-level farming development and promotion agency. Apart from this local-level recording committees can be approached for registering and implementing these contracts.

- **Bars Transfer of Ownership:** The Model act bars the transfer of ownership of farmer's land to companies under all circumstances so to protect ownership right of farmers.

Positives/Benefits

- **Multiple benefits:** An Act on contract farming will encourage the private sector to take progressive steps in terms of investments and the broader use of technology in the sector both of which will lead to greater productivity and efficiency, leading to increased farmer incomes and food security at large.

- **Reduced post-harvest risks:** The model Contract-farming act will also help farmers integrate with food processing units and avoid post-harvest price risks.

- **Balancing of interests:** While protecting interest of small farmers, the act will ensure smooth flow of raw material to industry bypassing mandis or APMCs. Moreover, this will help firms to save on the 5-10 percent market fee.

- **Make farming more organised:** The model act will make farming a more organised activity and help improve quality and quantity of production.

- **Ensure uniformity across states:** Such law is badly needed to streamline the system and make it more uniform across states as currently there is no uniformity or homogeneity regarding what kinds of produce comes under this or what conditions will have to be met for contract farming to be allowed. Thus, will reduce disputes and conflicts.

- **Already a norm:** The contract farming is already practiced across the country in various forms for a number of crops including sugarcane, plantation crops and potato.

Negatives

- **Opposition by Farmer union:** Farmer unions have opposed the act as contract-farming act will promote an unequal arrangement where agribusinesses will be in position of strength in comparison to poor farmers.

- **Favour rich agri-business groups:** Rather than incentivizing farmers with subsidized inputs and procurement at remunerative prices, the Act talks of incentivizing companies. And Act also has a provision to allow companies to buy produce at lower than contracted prices citing inferior quality which may be used against farmers.

- **Farmer the ultimate loser:** The companies keep the parameters for procurement at such a high level that farmers engaged in contract farming are never able to meet. As a result, farmers lose out in such contracts.

- **Contract farming not viable in India:** The contract farming may not be suitable for agriculture in India where the majority of farmers depend on small or marginal landholdings.

- **Leads to monoculture farming:** Contract farming can also be detrimental by encouraging large monoculture farming and ending food crop production diversity.

- *High chances of dispute:* Other issues are high incidence of conflicts between the farmer and the procuring entity on quality/quantity of produce as well as a high risk of post-harvest losses. This is true especially when perishable agricultural produce is concerned.

- *Practical difficulty:* If prices rise sharply as compared to the contracted price, it will be difficult to force the farmer to sell the produce and such challenges will be difficult to resolve.

- *No need for a separate law:* Some experts says that a separate legal structure is not required for contract farming as the provisions of the Indian Contract Act are sufficient to cover the necessary requirements.

Way Forward

- While protecting the interests of farmers through law seems a sound step, but the government also needs to be careful that it doesn't clamp down on the produce buying companies in the bargain.

- Moreover, given that 86% of farmers in India are either small or marginal farmers, the costs incurred by contracting companies will be higher than in a scenario where the average size of the farm brings in economies of scale. Thus, getting farmers to set up farmer-producer organisations (FPOs) and agri-cooperatives to negotiate contracts with companies makes eminent sense.

- And there is also a need to carefully review the act to ensure balanced protection of all stakeholders and to avoid any red-tapism in proposed structure.

- The key issue is also to dovetail contract farming with other regulations and policies such as minimum support prices, e-NAM, price deficiency payments and crop insurance. They shouldn't work at cross-purposes.

Land Record Reforms

Syllabus: Land reforms in India.

In News

- India climbed a phenomenal 30 spots to 100th position out of 190 surveyed countries in the World Bank's Ease of Doing Business index this year.

- The Andhra Pradesh scored 99.73% on the Department of Industrial Policy and Promotion's 'ease of doing business' ranking. The recent study argues that Andhra Pradesh can make progress by further easing the process of land acquisition. The state has made it relatively easy to obtain land something generally true of states with a high number of industrial parks.

Andhra Dharani Model

Land Reform As Suggested In New Study

- *Moving to conclusive land titles:* To streamline the land market, the state government needs to move towards a conclusive land titling system.

- *Digitization of land records:* All records related to land including record of rights, maps, and surveys need to be digitized. The state revenue departments have to do this under the *Digital India Land Records Modernization Programme (DILRMP)*.

Multiple Benefits

- Evidence shows that strengthening property rights reduces the risk of *expropriation and corruption*.

- It also improves the mechanisms for *peaceful resolution of disputes* and contract enforcement and thereby reduces court litigation and consequent delays.

- It will be more advantageous for investors to *make land more productive* as owners are more likely to reap the benefits.

Technology

Ensemble Prediction Systems (EPS)

Syllabus: Science and Technology- developments and their applications and effects in everyday life

In News

- The India Meteorological Department (IMD) launched a new Ensemble Prediction Systems (EPS) with an objective to offer more accurate and credible weather forecasts weather conditions down to the block level.

- **Ensemble Prediction System** is developed jointly by Indian Institute of Tropical Meteorology and National Centre for Medium-Range Weather Forecasting with the procurement of penta computers.

- The system will help in generating newer forecasts predictions of a **12 km resolution compared to 23 kilometres in the earlier system.** It involves the generation of multiple forecasts using slightly varying initial conditions. The accuracy level would be very high in the new system.

- The new system will accurately predict the rainfall in any particular helping farmers to farmers prevent damage to crops. Also, the new system will render help to the agencies in preparing for the harsh weather conditions. The system will overcome the problem of uncertainties in the forecasts.

- With this new model, **India joins the US with** a model that predicts with a 12 km resolution. **Only the 'European Centre for Medium-Range Weather Forecast'** of United Kingdom has a, better, nine-kilometre resolution.

Govt. Testing 'Big Data' System To Aid Banks Assess Credit Risks

Syllabus: Awareness in the fields of IT, Space, Computers etc

In News

- Ministry of Electronics and Information Technology (MeitY) is testing credit rating model, a new system that will assist banks in assessing credit risk and probability of fraud using big data analysis.

- The system is expected to help banks, particularly rural and cooperative banks, tackle the issue of rising non-performing assets (NPAs). Currently, rural and cooperative banks depend on judgement of bank manager, resulting in high NPAs and frauds. A credit rating model can assist banks to quantify risks under the big data context.

What is Big Data

- All the data – whether or not categorized – present in one's servers is collectively called BIG DATA. All this data can be used to get different results using different types of analysis. It is not necessary that all analysis use all the data. The different analysis uses different parts of the BIG DATA to produce the results and predictions necessary.

- Big Data is essentially the data that is analyzed for results that can be used for predictions and other uses. When using the term Big Data, suddenly the company or organization is working with

top level Information technology to deduce different types of results using the same data that it had stored intentionally or unintentionally over the years**.**

- Essentially, all the data combined is Big Data, but many researchers agree that Big Data – as such – cannot be manipulated using normal spreadsheets and regular tools of database management. They need special analysis tools like Hadoop so that all the data can be analyzed at one go.

Technology To Tackle Space Junk

Syllabus: Awareness in the fields of IT, Space etc.
In News

- A spacecraft that will demonstrate a range of innovative technologies to clean up space debris has been deployed from the International Space Station (ISS) and will soon begin its experiments in orbit. **RemoveDEBRIS**, will attempt to address the build-up of dangerous space debris orbiting Earth.
- It was transported to the ISS via the SpaceX CRS-14 launch in early April. The satellite was designed, built and manufactured by a consortium of space companies and research institutions, led by the Surrey Space Centre at the University of Surrey. The project is co-funded by the European Commission.
- The RemoveDEBRIS mission will perform four experiments, including harpoon capture in orbit and a net that will be used on a deployed target. The team will also test a vision-based navigation system that uses cameras and Light Detection and Radar (LIDAR) technology to observe CubeSats that will be released from the main spacecraft. Finally, RemoveDebris will deploy a large sail that will drag it into the Earth's atmosphere, where it will be destroyed.
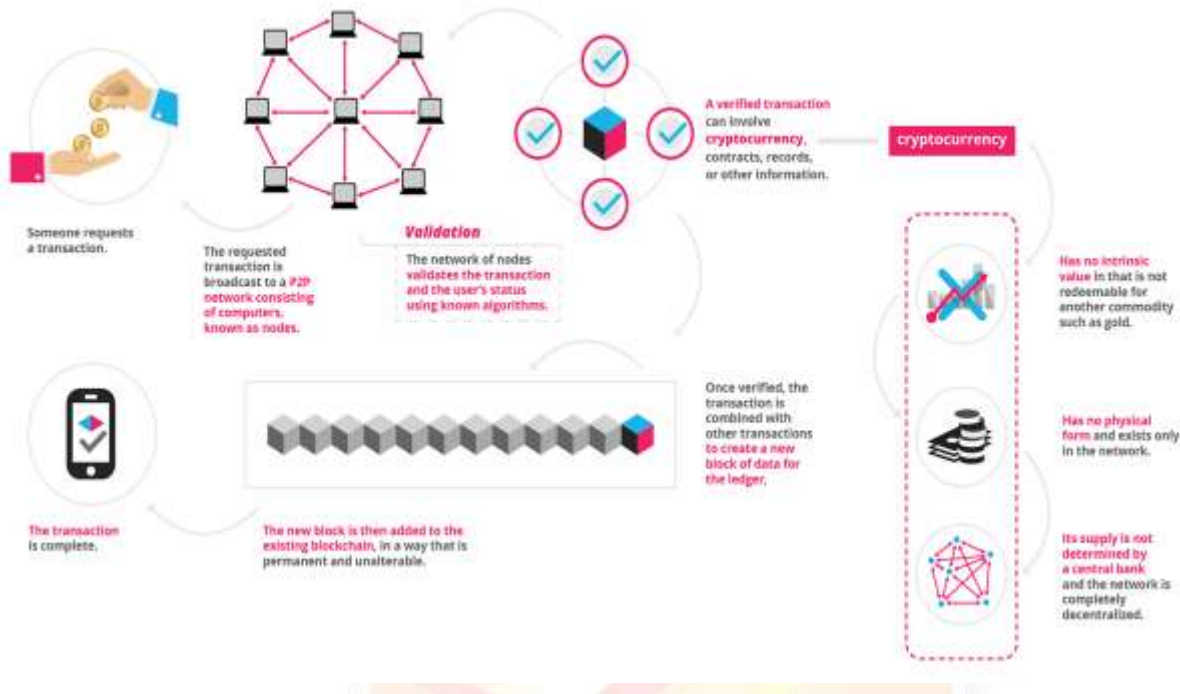
Research On Blockchain Tech

Syllabus: Awareness in the fields of IT, Space, Computers etc.
In News

- NITI Aayog and fertiliser major Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC) have entered into an agreement to undertake joint research and exchange and disseminate learnings to use BlockchainTechnology for fertiliser subsidy management.
- The two bodies signed a Statement of Intent (SOI) to work together towards implementing a Proof-of-Concept (POC) application. Under the SOI, the two organisations would also undertake interaction and discussions on use of block chain technology for specific needs of fertiliser subsidy management. Insights and outcomes of the POC will enable NITI Aayog to suggest policy recommendations and actions in strengthening the subsidy mechanism, making it more transparent and immune to leakages.
- Fertiliser units manufacture approximately 31 million tonnes of fertilisers across country, where total approximately Rs 70,000 crore of subsidy is disbursed to the manufacturing units. The current system of fertiliser sales and distribution is multilayer, multi-agency and multi-functional.
- With adoption of Blockchain Technology, it is expected that the distribution will become effective and efficient, and subsidy transfer would be automated and made real time.
- Benefits of the use of blockchain technology would include:
  a) reduced turnaround time for subsidy distribution to a 3 to 4 week time
  b) Transparency
  c) Elimination of need of multiple authorizations and movement of documents and efficient sales and distribution of fertilisers

Blockchain Technology

The blockchain is an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value.

Dhanush Artillery Gun Clears Final Trials

Syllabus: Indigenization of technology and developing new technology.

In News

- The indigenously upgraded artillery gun Dhanush has successfully completed final user trials and is ready for induction into the Army.

- Dhanush, with a strike range of 38 km, is an upgraded version of the Swedish Bofors gun procured by India in the mid-1980s.

- Dhanush, as an artillery system, has proved to be one of the best amongst its class. It is capable of targeting at long ranges incorporating autonomous laying features and having one of the most sophisticated suites of electronic and computing systems in the world.

- Besides features such as electronic gun-laying and sighting systems, the indigenous gun's hitting range was 11 km more than the imported Bofors guns.

Indigenous firepower

A look at Dhanush, an upgraded version of the Swedish Bofors gun which was procured by India in the mid-1980s

It is a 155-mm, 45-calibre gun with a range of 36 km, and has demonstrated a range of 38 km with specialised ammunition. It is also compatible with all North Atlantic Treaty Organisation (NATO) 155 mm ammunition systems

Net Generation SFDR Surface-to-Air Missile

Syllabus: Indigenization of technology and developing new technology.

In News

- In a major breakthrough in missile technology, India has successfully carried out the first test of a new surface-to-air missile with nozzle less booster making its mark as a military superpower in South East Asia region.
- Indigenously designed and developed by DRDO, the missile flew in its intended trajectory at a speed of Mach 3 (thrice the speed of sound).
- The missile, powered by Solid Fuel Ducted Ramjet (SFDR), was test-fired at Integrated Test Range (ITR) off Odisha coast.
- The present lot of missiles, which use a booster/sustainer configuration with solid or liquid propellants, have limitations against maneuvering targets, since conventional missiles, at the terminal stage, cannot provide enough energy to maintain their speed in order to hit the targets.
- SFDR technology will exceptionally enhance endgame maneuverability at the terminal stage when the seeker is locked onto a target.
- Even as India has surface-to-air missile systems like Akash, Break 8, QRSAM and all-weather beyond visual range air-to-air missile Astra, the new technology will help both surface-to-air and air-to-air missiles perform better and enhance their strike range, making the weapons more lethal.
- Now India can have the fastest long-range missiles in the two categories, providing full-fledged and multi-layered aerial protection from hostile attacks.

India To Soon Start Making Lithium-Ion Batteries

Syllabus: Indigenization of technology and developing new technology.

In News

- An agreement on first transfer of technology for lithium-ion batteries was signed between the government-run Central Electro Chemical Research Institute (CECRI) and RAASI Solar Power Pvt Ltd.
- The indigenous technology of lithium-ion cells has been developed by a group of scientists at the Council for Scientific Industrial Research (CSIR)'s CECRI in Tamil Nadu's Karaikudi in partnership with CSIR-National Physical Laboratory, CSIR-Central Glass and Ceramic Research Institute, Kolkata and CSIR-Indian Institute of Chemical Technology, Hyderabad.

Lithium-Ion Battery (LIB)

- Lithium-ion batteries (LIB) are a family of rechargeable batteries having high energy density and commonly used in consumer electronics. Unlike the disposable lithium primary battery, a LIB uses intercalated lithium compound instead of metallic lithium as its electrode**.**
- Usually, LIBs are significantly lighter than other kinds of rechargeable batteries of similar size. LIBs are heavily used in portable electronics. These batteries can be commonly found in PDAs, iPods, cell phones, laptops, etc**.**

Lithium Ion Battery Advantages

- **High energy density***:* The much greater energy density is one of the chief advantages of a lithium ion battery or cell. With electronic equipment such as mobile phones needing to operate longer between charges while still consuming more power, there is always a need to batteries with a much higher energy density.

- **Self-discharge:** One issue with batteries and ells is that they lose their charge over time. This self-discharge can be a major issue. One advantage of lithium ion cells is that their rate of self-discharge is much lower than that of other rechargeable cells such as Ni-Cad and NiMH forms.
- **No requirement for priming:** Some rechargeable cells need to be primed when they receive their first charge. There is no requirement for this with lithium ion cells and batteries.
- **Low maintenance:** One major lithium ion battery advantage is that they do not require and maintenance to ensure their performance.

Lithium Ion Battery Disadvantages

- **Protection required:** lithium ion cells and batteries are not as robust as some other rechargeable technologies. They require protection from being over charged and discharged too far.
- **Ageing:** One of the major lithium ion battery disadvantages for consumer electronics is that lithium ion batteries suffer from ageing. Not only is this time or calendar dependent, but it is also dependent upon the number of charge discharge cycles that the battery has undergone.
- **Transportation:** Another disadvantage of lithium ion batteries is that there can be certain restrictions placed on their transportation, especially by air.
- **Cost:** A major lithium ion battery disadvantage is their cost. Typically they are around 40% more costly to manufacture than Nickel cadmium cells.

Russia Launches Soyuz-2.1B

- Russia has successfully launched Glonass-M positioning satellite on board of Soyuz-2.1b carrier rocket from the Plesetsk space centre in Mirny, Arkhangelsk Oblast. The satellite is part of GLONASS network.
- GLONASS is Russian acronym for Global Navigation Satellite System, which provides real-time positioning data for surface, sea and airborne objects around globe, at accuracy reportedly at par with US Global Positioning System (GPS).
- With this launch, there are now total 26 Glonass satellites in orbit.

Glonass Satellite

- Glonass is considered as counterpart to GPS of US, Galileo of European Union (EU) and Beidou of China. It provides real time position and velocity determination at accuracy that can be compared to that of GPS.
- It has accuracy of 100 meters as part of public segment and 10 to 20 meters for military users. Its time accuracy is under 1000 nanoseconds.
- Glonass Program started back in 1976 when development was initiated. The first Glonass launch took place in 1982 and the constellation became fully operational in 1995. Currently, second generation Glonass-M satellites as well as Glonass-K1 satellites are in service. Glonass-K2 and KM satellites are under development.
- It is being used by military as well as commercial customers.

Environment and Biodiversity

India's E-Waste Generation

In News

- Despite the government's emphasis on Swachh Bharat Abhiyaan and Smart Cities project, India continues to be generating highest e-waste vis-à-vis China, USA, Japan and Germany-according to an ASSOCHAM-NEC recent study coinciding with the "Environment Day.

- In India, Maharashtra contributes the largest e-waste of 19.8%, followed by Tamil Nadu (13%) and Uttar Pradesh (10.1%) respectively.
- E-waste generated in India is about **2 million TPA** (tonnes per annum), the quantity that is recycled is about 4, 38,085 TPA.
- The sad part is that a mere 5% of India's total e-waste gets recycled due to poor infrastructure, legislation and framework which lead to a waste of diminishing natural resources, irreparable damage of environment and health of the people working in the industry.
- Over 95% of e-waste generated is managed by the unorganized sector and scrap dealers in this market, dismantle the disposed of products instead of recycling it.

E-Waste Management Rules, 2016

- The Ministry of Environment, Forest and Climate Change had notified the E-Waste Management Rules, 2016 in supersession of the e-waste (Management & Handling) Rules, 2011.
- Manufacturer, dealer, refurbisher and Producer Responsibility Organization (PRO) have been introduced as additional stakeholders in the rules.
- Compact Fluorescent Lamp (CFL) and other mercury containing lamp brought under the purview of rules.
- Collection mechanism based approach has been adopted to include collection centre, collection point, take back system etc for collection of e - waste by Producers under Extended Producer Responsibility (EPR).
- Option has been given for setting up of PRO , e - waste exchange , e - retailer, Deposit Refund Scheme as additional channel for implementation of EPR by Producers to ensure efficient channelization of e - waste.
- Provision for Pan India EPR Authorization by CPCB has been introduced replacing the state wise EPR authorization.
- The manufacturer is also now responsible to collect e - waste generated during the manufacture of any electrical and electronic equipment and channelise it for recycling or disposal and seek authorization from SPCB.
- The manufacturer is also now responsible to collect e - waste generated during the manufacture of any electrical and electronic equipment and channelise it for recycling or disposal and seek authorization from SPCB.

Toxic Air Is Causing Malnutrition In Trees

In News

- Besides affecting human health, **air pollution** is also causing malnutrition in trees by harming a fungi that is important for providing mineral nutrients to tree roots, finds a new study.
- **Mycorrhizal fungi is hosted by the trees in their roots to receive nutrients from the soil**. These fungi provide essential nutrients like nitrogen, phosphorus and potassium from soil in exchange for carbon from the tree.
- This plant-fungal symbiotic relationship is crucial for the health of the tree. However, high levels of the nutrition elements like nitrogen and phosphorus in the mycorrhizae changes them to act as pollutants rather than nutrients, the findings showed.
- **The signs of malnutrition can be seen in the form of discoloured leaves and excessive falling of leaves**. "There is an alarming trend of tree malnutrition across Europe, which leaves forests vulnerable to pests, disease and climate change,
- The study was published in a multidisciplinary scientific journal called *Nature*.

- The researchers noted that ecosystem changes can negatively affect tree health. Further, they found that the characteristics of the tree — species and nutrient status — and the local environmental conditions like the atmospheric pollution and soil variables were the most important predictors of which species of mycorrhizae fungi would be present and their numbers. These also proved to have a large impact on the fungi.

Disaster Management

UN World Day to Combat Desertification and Drought

Syllabus: Disaster and Disaster Management

In News

- **"LAND has true value. Invest in it."** This is the theme for the observance of World Day to Combat Desertification and Drought (WDCD) this year (2018). Each year, WDCD is observed on June 17 to raise awareness on the global and national actions that address desertification, land degradation and drought.
- This year's theme puts a focus on sustainable land management as a way to regenerate economies, create jobs and revitalise communities. It calls on all involved – producers, consumers and policy makers – to make a difference by investing in the future of land.
- **Desertification is not a fatality**: it is caused by deforestation and poor agricultural practices. And our choices as consumers and companies matter.
- Hundreds of millions of people worldwide are directly impacted every day: the UNCCD estimates that a third of all land on Earth is so severely degraded that it does not cover the basic needs of people living there. And this only gets worse, unless we act.
- **SDG 15 invites everyone to protect life on land, which can be done by restoring and protecting our forests**.
  - o We often use land as if it were a limitless resource, ignoring its role in our everyday lives. This negligence threatens food and water supply, biodiversity and even human security itself. Short-sighted economic gains such as land grabbing, unplanned urban sprawl, unsustainable agriculture and over-consumption lead to unsustainable land use, which eventually causes degradation and loss of critical ecosystem services. As a result, consumption of the Earth´s natural reserves has doubled in the last 30 years, with a third of the planet´s land already severely degraded.
  - o By turning land degradation into land restoration, we can realize the land´s full potential. Healthy and productive land can bring not only environmental, but also significant economic gains
- **Sustainable land management (SLM) is a wise investment for economic growth that does not compromise resilient livelihoods.** It is key to safeguarding and managing the quality of the land by balancing its biological and economic potential. Moreover, land can play a vital role in linking multiple Sustainable Development Goals by harnessing synergies while minimizing potential conflicts and trade-offs. SLM can give tremendous momentum to positive change. By safeguarding life on land, we deliver for all life on Earth.
- Every one of us has a role to play. Farmers can invest in smart agriculture that leads to higher yields despite a reduction in inputs like pesticides. Policy makers and land managers can support bio-economy by investing in new SLM technologies and processes. Consumers can spend their money on organic and fairly traded products to avoid land degradation. There are many more ways to invest in land wisely.

Established in 1994, the United Nations to Combat Desertification (UNCCD) is the sole legally binding international agreement linking environment and development to sustainable land management. The Convention addresses specifically the arid, semi-arid and dry sub-humid areas, known as the drylands, where some of the most vulnerable ecosystems and peoples can be found.

The new UNCCD 2018-2030 Strategic Framework is the most comprehensive global commitment to achieve Land Degradation Neutrality (LDN) in order to restore the productivity of vast expanses of degraded land, improve the livelihoods of more than 1.3 billion people, and reduce the impacts of drought on vulnerable populations to build *A future that avoids, minimizes, and reverses desertification/land degradation and mitigates the effects of drought in affected areas at all levels ... to achieve a land degradation-neutral world consistent with the 2030 Agenda for Sustainable Development*

The UNCCD is particularly committed to a bottom-up approach, encouraging the participation of local people in combating desertification and land degradation.

As the dynamics of land, climate and biodiversity are intimately connected, the UNCCD collaborates closely with the other two Rio Conventions; the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC), to meet these complex challenges with an integrated approach and the best possible use of natural resources.

International Centre For Humanitarian Forensics

Syllabus: Disaster and Disaster Management

In News

The world's first of its kind and state-of-the-art International Centre for 'Humanitarian Forensics' (ICHF) was launched at the Gujarat Forensic Sciences University in Gandhinagar, Gujarat

Key Highlights

- The centre will aid humanitarian efforts during emergencies and natural disasters such as the work carried out by Red Cross during the Gujarat Earthquake.
- It would not only assist in dignified and proper management of the dead bodies during disasters or emergencies but also in their identification.
- The joint project represents what humanitarian work will look like in future. It will combine local and international expertise to build capacities before tragedies hit people.
- The Centre will conduct various academic and professional programmes, training, and research and provide technical expertise to support operations (together with authorities and agencies concerned) in the field of humanitarian forensics.
- It is envisioned to be the one-stop centre of excellence in Asia for global high quality and sustainable capacity building, research and innovative projects that will underpin operational responses for humanitarian forensic purposes in relevant contexts.
- The Gujarat Forensic Sciences University will run different courses both post graduate and post graduate diploma courses in Humanitarian Forensics.

Security

Centre Bans Affiliates of al-Qaeda and Islamic State Group

Syllabus: Role of external state and non-state actors in creating challenges to internal security

In News

- The Central government has banned new offshoots of the al-Qaeda and the Islamic State (IS) under the anti-terror Unlawful Activities (Prevention) Act (UAPA).

- Al-Qaeda in Indian Subcontinent (AQIS), and Islamic State of Iraq and the Sham-Khorasan (ISIS-K), an Afghanistan-based affiliate of the global jihadist group, were found to be radicalising Indian youths and encouraging terror acts on Indian interests.

Al-Qaeda in Indian Subcontinent (AQIS)

- It is a terrorist organisation, which has committed acts of terrorism in the neighbouring countries. It has been encouraging terror acts on Indian interests in the Indian subcontinent.
- It was created in August 2014 and is led by an Indian, Maulana Asim Umar, who was later identified as Uttar Pradesh resident Sanaul Haq.

Islamic State of Iraq and the Sham-Khorasan (ISIS-K)

- It is also known as Islamic State in Khorasan Province (ISKP)/ISIS Wilayat Khorasan.
- It has been committing terrorist acts to consolidate its position by recruiting youths for 'global jihad' and to achieve the objective of establishing its own 'caliphate' by overthrowing democratically elected governments.

The Unlawful Activities (Prevention) Act, 1967

- UAPA is India's foremost anti-terrorism legislation, which has been amended twice- in 2008 and 2012.
- It is an act to provide for the more effective prevention of certain unlawful activities of individuals, associations (dealing with terrorist activities) and for matters therewith.
- UAPA gave powers to the central government to impose all-India bans on associations. The process of banning associations could simply be done by the government announcing them as 'unlawful' and hence banned.

Criticism of UAPA

- Like the TADA and POTA, UAPA also criminalises ideology and association. By virtue of declaring an organisation 'unlawful' or 'terrorist' and banning it, these Acts have de facto criminalised their ideologies.
- Hence mere possession of any literature of such an organisation or even upholding an ideology common to that organisation in the absence of any violent act is construed as an offence.
- The Act introduces a vague definition of terrorism to encompass a wide range of non-violent political activity, including political protest. It empowers the government to declare an organisation as 'terrorist' and ban it.
- It allows detention without a chargesheet for up to 180 days and police custody can be up to 30 days. It also creates a strong presumption against bail and anticipatory bail is out of the question.
- It creates a presumption of guilt for terrorism offences merely based on the evidence allegedly seized.
- In addition, the Act authorises the creation of special courts, with wide discretion to hold in-camera proceedings (closed-door hearings) and use secret witnesses but contains no sunset clause and provisions for mandatory periodic review.

Social Media Communication Hub

Syllabus: Role of media and social networking sites in internal security challenges

In News

- The ministry of information and broadcasting is in the process of setting up a social media communication (SMC) hub in every district across the country.
- It will be the eyes and ears of the govt and report back with real-time updates from ground zero.

Key Highlights

- Social Media Communication Hub (the Hub), is an initiative of the Ministry of Information and Broadcasting, aiming to monitor, collect and analyse data across all major social media platforms, and combine this with data from e-mails, news sites, blogs and complaint websites.
- The hub will provide 'reports on sentiment, reach, details relating to trending topics and hashtags and compile six reports per day' to begin with.
- As part of the project, new software is being developed for the hubs that will enable two-way communication and help disseminate information.
- Public sector firm Broadcast Engineering Consultants India Ltd. is handling the Social media communication hub project.
- The project is expected to help the government gather information on the progress of its flagship welfare schemes. This, in turn, should help in efficient decision making by identifying the key problem areas
- It would also act as the guiding tool for the ministry to understand the impact of various social media campaigns conducted on various schemes run by the government.
- This platform would help to prevent the spread of rumours or fake news which could lead to adverse situations.
- The platform will eventually power a real-time New Media Command Room and operate in Indian languages like Hindi, Urdu, Telugu, Malayalam, Kannada, Bengali, Punjabi and Tamil, along with English.
- It would use predictive analytics in a bid to study how public perception can be moulded in a positive manner for the country, how could nationalistic feelings be inculcated in the masses, how can the perception management of India be improved at the world.

Criticism

- Many analysts believe that features of the Hub – which includes gathering of personal data from social media and emails, the creation of "360-degree profiles" of social media, "influencers", generating and preparing reports, cataloguing and then storing all of this in a knowledge management database – is nothing but a system of control through surveillance and a capacity to spread propaganda.
- As the project analyses and disseminates personal data posted on social media, emails etc., it is being termed as a project that invades the privacy and freedoms of the people.
- The **Puttaswamy judgment of 2017**, affirming the right to privacy, laid down the following three tests to be met before the right to privacy could be invaded- first, there must be a law, second, there must be legitimate purpose to be met, and third, the infringement of privacy must be proportional to the purpose sought to be met.
- Yet, none of these conditions are met. The proposed Hub, based on information publicly available, has no basis on any law. Further, while no purpose justifies mass surveillance (as has also been pointed out by the Supreme Court itself in the Puttaswamy judgment, as well in the PUCL case on telephone tapping), the purpose suggested for the setup of the Hub, alongwith the scale of privacy invasion, simply cannot justify this project.
- It will also create chilling effect on freedom of speech and expression people who are under constant watch of the government would feel threatened and would not be able to speak freely.
- The Hub will have impact on person's right as the analysis proposed by the Hub will easily include political opinion. A person has the basic right to hold an opinion, express it, change his mind, or to even delete a post is also lost. However, these rights would be under threat if the Hub starts functioning.

- The Hub is also to be used for crisis identification and management and reactive communication strategy. However, there is no clarity on what is considered to be a crisis here.
- Many fear that the project would lead to dissemination of one-sided information and shape perception in the favour of the government. USA has PRISM as a surveillance programme. The revelation made by Edward Snowden started debates on mass surveillance and privacy of citizens.
- In absence of Data Protection Law many analysts are raising concerns about the protection of data collected by the Hub.

COMCASA and BECA

Syllabus: Role of media and social networking sites in internal security challenges

In News

- A US military negotiating team was in Delhi to respond to Indian objections and formulate a mutually acceptable text for the Communications Compatibility and Security Agreement (COMCASA).
- The US side has been pressing the Indian side to sign the two foundational agreements for defence cooperation: Communications Compatibility and Security Agreement (COMCASA), earlier known as the Communications and Information Security Memorandum of Agreement (CISMOA); and Basic Exchange and Cooperation Agreement (BECA).
- US considers three military agreements as "foundational" for a functional military relationship. These include COMCASA, BECA and Logistics Exchange Memorandum of Agreement (LEMOA).
- In August 2016, India had signed LEMOA, which allows the military of each country to replenish from the other's bases.

What is COMCASA

- COMCASA is meant to provide a legal framework for the transfer of communication security equipment from the US to India that would facilitate "interoperability" between their forces — and potentially with other militaries that use US-origin systems for secured data links.
- The US, however, tightly controls COMSEC technology and provides access to only those countries that have signed a CISMOA / COMCASA with it.
- Obviously, the current denial of this COMSEC equipment to Indian military forces means that they cannot really exchange tactical information with even friendly regional forces that might use CISMOA/COMCASA covered communication systems.
- Furthermore, not signing COMCASA also means that certain things such as high-precision GPS or the latest guidance packages for US-origin air to air missiles will not be available to India.
- Indeed, if a US origin fighter plane is selected for the recently announced 'Make in India' single-engine fighter aircraft procurement project, the pressure on India to sign COMCASA will likely increase, since the Indian Air force (IAF) will be hard put to integrate cutting edge non-US origin weapons with an American fighter platform.
- The signing of COMCASA becomes imperative if India is to get the armed version of the Sea Guardian drones from the US.

What is BECA

- BECA refers to Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation. This agreement would facilitate exchange of geospatial information between India and United States for both military and civilian use.
- Negotiations on BECA have not yet begun.

India's concerns

- India is concerned about intrusive American access to Indian military communication systems, and about the violation of Indian sovereignty due to visits by US inspectors to Indian bases to inspect the COMCASA-safeguarded equipment.
- In the COMCASA scheme of things, the US will basically end up controlling the entire communications and message flow for the sake of 'interoperability'. Long term analysis of the message flow could end up revealing tactical doctrines adopted by Indian forces in combat.
- There is also a fear that a lot of Russian-origin and indigenous Indian military platforms may not be compatible with COMCASA.
- COMCASA may also increase pressure on India to source all of its COMSEC equipment from US vendors in the future.

India's Stand

- India has asked the United States for a binding assurance in the COMCASA to ensure that the secured communication equipment covered by the pact are available to India and kept operational at all times.
- Besides availability of equipment at all times, India wants it put down in the agreement that the US will not share data from Indian platforms with another country and nor will it access this data without prior permission. Also, the choice to upgrade would rest with India and not determined by the US.

Pakistan Formally Placed on FATF Grey List

Syllabus: Money-laundering and its prevention

In News

- The Financial Action Task Force (FATF) has formally placed Pakistan on the grey list due to 'strategic deficiencies' in its anti-money laundering and terrorism financing regime.
- Pakistan avoided the far graver 'black list' by agreeing to comply with a 26-point action plan formulated by the International Cooperation Review Group (ICRG) of the Asia Pacific Group.

Key Highlights

- The decision was taken by the FATF Plenary that met in Paris from June 24 to 29. The basis of this decision was the monitoring report of the ICRG.
- Pakistan has been placed among the jurisdictions (states) with strategic deficiencies Ethiopia, Serbia, Sri Lanka, Syria, Trinidad and Tobago, Tunisia and Yemen.
- ICRG report showed that Pakistan did show progress on three out of four major areas of concerns. *Cross-border smuggling of cash* was the only major area where Pakistan admitted deficiencies.
- The statement released by FATF added that Pakistan would work to implement its action plan to accomplish these objectives by demonstrating that terrorism financing risks are properly identified, assessed, and that supervision is applied on a risk-sensitive basis.
- Also, Pakistan will have to improve inter-agency coordination between provincial and federal authorities to combat terror financing risks.
- It will further have to demonstrate that law-enforcement agencies are identifying and investigating the widest range of terrorism financing activity and that terrorism financing investigations and prosecutions target designated persons and entities, and persons and entities acting on behalf or at the direction of the designated persons or entities.
- Pakistan will also have to demonstrate that terrorism financing prosecutions result in effective, proportionate and dissuasive sanctions and enhancing the capacity and support for prosecutors and the judiciary.

How Will Being on the FATF Grey-List Actually Impact Pakistan

- It is believed that the grey-listing will squeeze Pakistan's economy and make it harder for the country to meet its mounting foreign financing needs, including potential future borrowings from the International Monetary Fund.
- Grey-listing could lead to a downgrade in Pakistan's debt ability to float international bonds, borrow from multilateral bodies, receive or send remittances or conduct international trade.
- The status does little more than raising the compliance burden on counterparts, such as correspondent banks, dealing with entities within Pakistan's financial system, and therefore attaches an additional cost to many external sector transactions.
- Others believe that the FATF listing will not miraculously change everything. They claim that Pakistan was on the FATF grey-list from 2012 to 2015, a period during which it successfully completed an IMF program and raised over $5 billion from the international bond markets. During this period Pakistan's imports and exports remained stable, evidence that the grey-listing did not raise any significant barriers to trade.
- However grey listing might affect Pakistan this time as gradually the US is coming up with more pressure. If the US "puts more pressure on the World Bank and IMF on future funding, that would be a real challenge.

Financial Action Task Force (FATF)

- It is an inter-governmental body set up in 1989, with an aim to "set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing & other related threats to integrity of international financial system.
- It was established during the G7 Summit in Paris.
- It has 35 member (Including India) jurisdictions and 2 regional organisations - EU and GCC. In addition, it has 2 observers and 9 associate members, which are primarily regional organisations.
- There are also a number of observer organisations, which either have a related area of work that deals with enforcement like Europol, financial institutions like the International Monetary Fund (IMF) and UN bodies or groups linked with counter terrorism or money laundering.
- The FATF functions as an independent body guiding policy, with its president selected by the plenary for a one year period.
- China has been elected as vice-president of the global money laundering watchdog, the FATF. China was elected in the plenary session held at Paris in February 2018.

India's Very Own Drone Hunter

Syllabus: Security Challenges And Their Management In Border Areas

In News

- India's Bharat Electronics Limited has developed a 'Drone Guard System' (DGS) to detect, track and neutralise adversarial drones.
- This is significant as recent reports have pointed out that Pakistan based drug smugglers are using drones to deliver contraband across the border.

Key Highlights

- The DGS uses RF spectrum for drone detection while the neutraliser uses RF jamming to bring it down. Alternatively, it can also hoodwink the GPS system.
- The prototype system can also be deployed to protect strategic installations apart from border areas.

- Drones are gaining currency as attack weapons across the world even as they are becoming smaller and deadlier. DRDO has indicated that the Rustom-2 drone, indigenously developed for all three services, will be completed by 2020.

Use of Drones in India

Much like in other countries, drones have multiple applications in India in the civilian domain such as in the commercial sector for mapping and information gathering, in addition to the military domain where its uses include surveillance and intelligence collection.

Draft DGCA Guidelines

- On 30 October 2017, the DGCA announced a set of draft regulations for the use of UAVs in the civilian airspace.
- As per the draft Civil Aviation Requirements for Unmanned Aircraft System (UAS),
- the drones have been classified as follows on the basis of their maximum take-off weight :
  - Nano   :   Less than or equal to 250 gm
  - Micro   :   Greater than 250 gm and less than or equal to 2 kg.
  - Mini   :   Greater than 2 kg and less than or equal to 25 kg.
  - Small   :   Greater than 25 kg and less than or equal to 150 kg.
  - Large   :   Greater than 150 kg
- All drones are proposed to be operated in visual line of sight, during day time only and below 200 feet. Dropping of any substance, carriage of hazardous material or animal or human payload is not permitted.
- All commercial categories of drones except those in the Nano category and those operated by government security agencies, will have to be registered by DGCA and will be given Unique Identification Number (UIN).
- The Micro and above category drones will have to be equipped with RFID/SIM, return to home option and anti-collision lights.
- The draft regulation also specifies certain restricted areas for operations of drones.
- Drones cannot be operated within an area of 5km from airport, within permanent or temporary Prohibited, Restricted and Danger Areas as notified by AAI in AIP and without prior approval over densely populated areas or over or near an area affecting public safety or where emergency operations are underway and within 50 km from international border and beyond 500 m (horizontal) into sea along the coastline.
- Drones cannot be operated within 5 km radius from Vijay Chowk in Delhi and from a mobile platform such as a moving vehicle, ship or aircraft.

Criticism Of Draft Guideline

- Areas such as privacy and trespass, which require a larger legal debate, have been left entirely unaddressed by the DGCA in its guidelines.
- The guidelines appear shortsighted and do not attempt to predict or account for the rapid developments brought to the drones domain by Artificial Intelligence, miniaturisation, and robotics.
- The regulations do not address the threat, for instance, posed by two UAVs to each other nor the loss of life and property that might result from any accident between two drones.
- Further, the guidelines do not account for a mechanism ensuring the safe operation of drones at low altitudes; nor do they have provisions for ensuring that there is no interference by two drones in each other's operations.
- It has been mentioned that the UIN will be assigned subject to security clearance; however, it is not specified what the basis of this clearance will be, as the circular simply mentions that it will be

dealt with on a "case-to-case basis".

- Operators flying UAVs over 200 feet above ground level also need to obtain an Unmanned Aircraft Operator Permit (UAOP) from the DGCA. However, regarding operators flying drones below 200 ft in controlled airspace, permission needs to be sought only from local administration.

World Nuclear Forces: SIPRI's Report 2018

In News

- The Stockholm International Peace Research Institute (SIPRI) has launched the findings of SIPRI Yearbook 2018, which assesses the current state of armaments, disarmament and international security.
- Key findings include the following: all the nuclear weapon-possessing states are developing new nuclear weapon systems and modernizing their existing systems; and the number of personnel deployed with peace operations worldwide continues to fall while the demand is increasing.

Key Highlights

- At the start of 2018 nine states—the United States, Russia, the United Kingdom, France, China, India, Pakistan, Israel and the Democratic People's Republic of Korea (North Korea)—possessed approximately 14 465 nuclear weapons.
- This marked a decrease from the approximately 14 935 nuclear weapons that SIPRI estimated these states possessed at the beginning of 2017.
- The decrease in the overall number of nuclear weapons in the world is mainly due to Russia and the USA—which together still account for nearly 92 per cent of all nuclear weapons—further reducing their strategic nuclear forces pursuant to the implementation of the 2010 Treaty on Measures for the Further Reduction and Limitation of Strategic Offensive Arms (New START).
- Despite making limited reductions to their nuclear forces, both Russia and the USA have long-term programmes under way to replace and modernize their nuclear warheads, missile and aircraft delivery systems, and nuclear weapon production facilities.
- The USA's most recent Nuclear Posture Review (NPR), published in February 2018, reaffirmed the modernization programmes and approved the development of new nuclear weapons.
- The nuclear arsenals of the other nuclear-armed states are considerably smaller, but all are either developing or deploying new nuclear weapon systems or have announced their intention to do so.
- Britain has 215 nuclear warheads, France has 300, China has 280, India 130-140, Pakistan 140-150, Israel 80 and North Korea 10-20. ...
- India and Pakistan are both expanding their nuclear weapon stockpiles as well as developing new land-, sea- and air-based missile delivery systems.
- **Number of peacekeepers falls globally, despite increasing demand** - There were 63 multilateral peace operations active during 2017 (one more than in 2016): 25 operations were deployed in Africa, 18 in Europe, 9 in the Middle East, 6 in Asia and Oceania, and 5 in the Americas.
- Although the UN clearly remains the principal actor in peace operations, African actors are claiming an increasing role in African peace and security matters. This is reflected in the establishment in February 2017 of the Group of Five for the Sahel (G5 Sahel) Joint Force (Force Conjointe des Etats du G5 Sahel, FC-G5S).
- UN peacekeeping reform remained high on the international agenda in 2017. However, these discussions were overshadowed by two other significant developments during the year: the greater insecurity of personnel deployed in UN peace operations; and the efforts—particularly by the US administration—to drastically reduce the UN peacekeeping budget.

About SIPRI

- SIPRI is an independent international institute dedicated to research into conflict, armaments, arms control and disarmament.
- Established in 1966, SIPRI provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the interested public.
- Based in Stockholm, SIPRI also has a presence in Beijing, and is regularly ranked among the most respected think tanks worldwide.

INDIA'S APPROACH TO NUCLEAR DISARMAMENT

India has been calling for global nuclear disarmament since independence. At present, India continues to express its support for any initiative that can lead up to the complete elimination of nuclear weapons.

- Since independence, India has taken a "'public and vocal stance against nuclear weapons." It was Jawaharlal Nehru, India's first Prime Minister, who proposed the idea of a complete ban on tests of nuclear weapons. India's call for a ban on nuclear testing in 1954 led to the Partial Test Ban Treaty (PTBT).
- When the NPT was opened for signature, India underlined the lack of a clear plan for nuclear disarmament as a reason to not sign the treaty.
- Though India continued to remain vocal on the agenda of nuclear disarmament, it went ahead with what was labelled as a 'peaceful nuclear explosion' (PNE) in 1974.
- It was Indian Prime Minister Rajiv Gandhi who pitched in for a **'Nuclear-Weapon Free and Non-violent World Order'** at the third special session on Disarmament at the UN General Assembly in June 1988.
- India had been calling for the termination of the NPT after 1995 and was hoping for the NPT to be replaced by another treaty that would lead up to the elimination of nuclear weapons. The same was also recommended in the **Rajiv Gandhi Action Plan**.
- Its 1999 Draft Nuclear Doctrine asserted "global, verifiable, and non-discriminatory nuclear disarmament is a national security objective."
- India is in support of a non-discriminatory, universal, and verifiable Fissile Material Cut-Off Treaty (FMCT). However, it does not want the treaty to cover existing stockpiles.
- It attended the previous three conferences on the Humanitarian Impact of Nuclear Weapons—Oslo, 2013; Nayarit, 2014; Vienna, 2014.
- India joined all other nuclear-possessing states in boycotting the Treaty on the Prohibition of Nuclear Weapons negotiations in the United Nations in 2017. India views the Conference on Disarmament as the sole vehicle for negotiating a nuclear ban treaty.

Nuclear Weapons Related Policies

- It has observed nuclear testing moratorium since May 1998.
- It is a party to the Partial Test Ban Treaty (banning atmospheric, outer space, and underwater testing).
- India has not signed the Comprehensive Nuclear Test-Ban Treaty (CTBT).

Use of Nuclear Weapons

- It has adopted a no-first-use policy and declared that it would never threaten to use or actually use nuclear weapons against a non-nuclear weapons state. The retaliation-only policy is based on a credible minimum deterrent.
- It maintains a doctrine of credible minimum nuclear deterrence which is ambiguously defined, suggesting that India keeps a small but survivable nuclear force.

DAC Approves Equipment Acquisition Proposals for Defence Forces

In News

- The Defence Acquisition Council (DAC), chaired by Raksha Mantri approved the procurement of equipment for the Defence Forces valued at over Rs 5500 crore.
- With an aim to achieve indigenisation and self-reliance in the field of Defence Procurements, the DAC approved procurement of 12 High Power Radars for the Indian Air Force under 'Buy (Indian) IDDM' category.
- The radars will provide long range medium and high altitude radar cover with the capability to detect and track high speed targets following parabolic trajectories.
- The DAC also accorded approval for procurement of Air Cushion Vehicles (ACVs) for the Indian Coast Guard and Indian Army from Indian Shipyard.
- These vessels would offer great advantage over conventional boats/crafts with their ability to travel at very high speeds over shallow water, sand banks, mud flats and swamps which are non-navigable by boats/small crafts due to draught restrictions/uncharted depths.

[Also refer the topic- DAC Approves Measures to Simplify Defence Procurement Procedure- from CA Magazine of May 2018]

Agni-5 Successfully Test-Fired Off Odisha Coast

- India successfully test-fired Agni-5 from the Integrated Test Range (ITR) in Abdul Kalam Island, formerly known as Wheeler Island, in Bhadrak district of Odisha.

- **The indigenously-developed intercontinental surface-to-surface nuclear-capable weapon was fired with a strike range of 5,000 km to 8,000 km** that can reach almost all parts of China.

- **The missile can carry a nuclear warhead of more than one tonne. This was for the sixth time the missile was tested successfully.**

- Unlike other missiles of Agni series, the latest one 'Agni-5' is the most advanced having some new technologies incorporated with it in terms of navigation and guidance, warhead and engine.

- Lots of new technologies developed indigenously were successfully tested in the first Agni-5 trial. The redundant navigation systems, very high accuracy Ring Laser Gyro based Inertial Navigation System (RINS) and the most modern and accurate Micro Navigation System (MINS) had ensured the Missile reach the target point within few metres of accuracy. It is a three stage missile and has a range of 5000 km.

- **India has at present in its armoury of Agni series, Agni-1 with 700 km range, Agni-2 with 2000 km range, Agni-3 and Agni-4 with 2500 km to more than 3500km range.**