

OFFICERS'

Pulse

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Coverage.

The Hindu
PIB
Yojana
Rajya Sabha TV
All India Radio

At a Glance & In Depth.

Polity and Social Issues
Economy
International Relations
Environment
Science and Tech
Culture..



CURRENT AFFAIRS WEEKLY

THE **PULSE** OF UPSC AT
YOUR FINGER TIPS.

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News @ a glance

Polity & Social Issues

UDAN scheme clicks

UDAN scheme

- In 2017, the Ministry of Civil Aviation launched the Regional Connectivity Scheme “UDAN” (Ude Desh Ka Aam Naagrik) which aims at providing connectivity to **un-served and under-served airports** of the country through revival of existing air-strips and airports, so that flying becomes affordable to the common man even in small towns.
- UDAN has a unique **market-based model**. Interested airline and helicopter operators can start operations on hitherto un-connected routes by submitting proposals to the Implementing Agency.
- All such route proposals would then be offered for competitive bidding through a reverse bidding mechanism.



- Airlines have to set aside 50% of the total aircraft capacity for cheaper fares to be offered at the rate of Rs. 2,500 per hour of flight, in return for which airlines are given a subsidy by the Centre and the State government concerned.

Why in News?

- According to data accessed under the RTI Act, for every 10 seats available under the government’s low-cost flying scheme, as many as seven were grabbed by passengers since its launch last year.

- As many 7.5 lakh seats were made available for sale by eight airline operators, of which 5.24 lakh seats were sold.

Swachhata Hi Seva

What’s in News?

- Prime Minister Narendra Modi has launched the “**Swachhata Hi Seva**” (“cleanliness is service”) campaign.
- He launched the exercise to push for greater public participation in the “Swachh Bharat” programme launched on October 2, 2015.
- It will continue till Mahatma Gandhi’s birth anniversary next month.



- The sanitation coverage in India had increased from 40% to over 90% in the four years of the “Swachh Bharat” project. In addition to it, nine crore toilets were built and 4.5 lakh villages declared open-defecation-free (ODF) in the last four years.
- Chief Minister of Uttar Pradesh Yogi Adityanath said UP, the country’s most populous and among the poorest States, would be ODF by October 2.

Cambridge Analytica Issue

What is the Cambridge Analytica Issue?

- British data analytics firm Cambridge Analytica is being investigated by law enforcement agencies in the United States and Britain after alleging reports that the

company harvested personal data about Facebook users beginning in 2014.

What's in News?

- Chief Election Commissioner (CEC) O.P. Rawat said that the present set of laws was inadequate to tackle the menace of black money in elections, and noted that Cambridge Analytica-like incidents of data theft, data harvesting and fake news posed a potent threat to the electoral process in the country.

Pradhan Mantri Matru Vandana Yojana

About PMMVY

- The Pradhan Mantri Matru Vandana Yojana (PMMVY) offers pregnant women and lactating mothers Rs. 5,000 as assistance for the first birth in the family. The programme's aim is to reduce malnutrition.
- A sum of Rs. 1,000 is also given to women after institutional delivery under the Janani Suraksha Yojana. The maternity benefits under PMMVY are available to all Pregnant Women & Lactating Mothers except those in regular employment.



Why in News?

- Nearly 37 lakh women have received cash incentives under the Centre's maternity benefits programme since the launch of Matru Vandana Yojana last year.
- The scheme has an estimated 51.6 lakh beneficiaries a year. As many as 48.11 lakh women have been enrolled in the scheme and the Centre has disbursed an amount of Rs. 1,168.63 crores to various States.

Water Management of Surat

Forerunner in water management

- Surat was the first city in the country to **start selling recycled water** to industries in 2014.
- Surat's cost-effective water management system is most advantageous for its contribution towards reducing the dependency on conventional resources of water, and thus optimal use of the resource.
- The civic body's efforts to create infrastructure for water management is in line with the Gujarat government's policy of promoting the use of recycled water for non-drinking purposes, and reducing dependence on groundwater.

Why in News?

- Surat's civic body is setting up state-of-the-art sewage treatment plants (STPs) to ensure every drop of wastewater is treated and reused for purposes other than drinking.
- From March 2019, the Surat Municipal Corporation (SMC) is planning to supply 115 MLD (million litres per day) treated water to industries located within the city, in order to meet the entire industrial requirement of water through treated or recycled water.

Looming water crisis

- India is facing its worst water shortage in history, according to the **Composite water management index** prepared by the **Niti Aayog**. Nearly 600 million Indians faced high to extreme water stress and about 200,000 people die every year in the country because of inadequate access to safe water.

Kuki-Naga Conflict

Kuki-Naga conflict

- Manipur is home to three major groups: **Kuki, Naga, and Meitei**. While Meiteis want territorial integrity of the State to be maintained, Kukis and Nagas are calling for separate administrative arrangements in the hill areas — Kukis for a **Kukiland** and Nagas for **Greater Nagalim** comprising all contiguous Naga-inhabited areas, which includes several districts of Assam,

Arunachal and Manipur, as also a large tract of Myanmar.



Kuki Tribe



- Ethnic violence from 1992 to 1997 between the two ethnic groups resulted in the death of over 1,000 people, destruction of thousands of homes, and the displacement of tens of thousands of people. While the physical violence has ceased, tensions still linger.

How did it start?

- The biggest bone of contention is **land**. The Kuki National Front (KNF), later joined by the Kuki National Organisation (KNO), is demanding that a Kukiland be carved out of the five hill districts of Manipur: Churachandpur, Chandel, Senapati, Tamenglong and Ukhrul.
- The demand for Kukiland is a direct challenge to the demand for Greater Nagalim by the National Socialist Council of Nagaland (NSCN-IM). The Naga militant outfit wants to form greater Nagaland by merging Chandel, Senapati, Tamenglong and Ukhrul with neighbouring Nagaland State.
- The intention to drive out Kukis from these four hill districts led to the alleged “**ethnic cleansing**” by the NSCN-IM. Though the initial violence was triggered by militant outfits in Chandel district, it spread to other parts of the State, and to Nagaland and Myanmar as well.

- The Kukis claim the violence unleashed by the NSCN-IM killed more than 1,000 of their tribes people and displaced more than 1,00,000 people internally between 1992 and 1996.

Why in News?

- Recently, the NSCN-IM has denied the accusation by the Kuki tribal group that it was responsible for ethnic cleansing in Manipur more than two decades ago. It held that the conflict in the 1990s was started by the Kukis.

MPLADS

MPLADS

- Under the scheme, each Member of Parliament has the choice to suggest to the district-level administration for works to the tune of **Rs.5 Crores** per annum to be taken up in their constituency. The scheme is funded and administered through the Union **Ministry of Statistics and Programme Implementation (MoSPI)**.

What's in the News?

- The Central Information Commission (CIC) has asked the Lok Sabha Speaker and the Rajya Sabha Chairman to come out with a legal framework to ensure its transparency and hold parliamentarians and political parties accountable for their obligations under the Members of Parliament Local Area Development Scheme (MPLADS).



What prompted CIC to issue directions?

- In two RTI applications which had requested details on MPLADS, MoSPI told that the Centre does not maintain constituency-wise and work-wise details.

CIC's directions

- The framework must provide comprehensive report on the number of applications received for their constituency, works recommended, works rejected with reasons, progress of works and details of beneficiaries to public and parliament.
- Liabilities for any breach of duties should also be imposed. Further, the framework should prohibit and prevent MPs using the funds for their private works, or diverting them to private trusts or to their own relatives.
- District administrations must provide regular information - work-wise, MP-wise, and year-wise details on progress - which are to be compiled by the MoSPI and made available to the public.

Unspent corpus

- The CIC also noted that ₹12,000 crore of the MPLADS funds remains unspent.

SC allows sale of Saridon, 3 other drugs

Ban on FDCs

- On Sept 7, the Ministry of Health and Family Welfare prohibited the manufacture for sale, sale or distribution for human use of 328 **Fixed Dose Combinations (FDCs)** under Section 26A of the Drugs and Cosmetics Act, 1940. It also restricted the manufacture, sale or distribution of six FDCs subject to certain conditions.
- The ministry's decision was taken after its **Drugs Technical Advisory Board (DTAB)** said the ingredients of these FDCs have no therapeutic justification and they may be risky to consume. The ban includes brands like Saridon, Panderm Plus and Taxim AZ.

Why in News?

- The Supreme Court has passed an order allowing the sale of four banned FDCs. The apex court issued notice to the Centre and sought its reply on the plea filed by some drug makers and pharma associations.
- The court, however, did not grant any relief to the other medicines falling in the list of

328 FDC drugs which were banned by the Health Ministry by its Sept 7 notification.

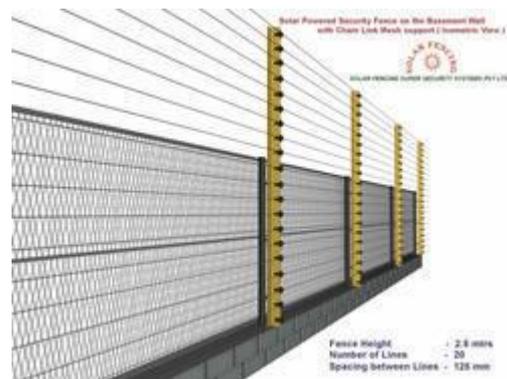
Comprehensive Integrated Border Management System

About CIBMS

- The CIBMS would provide for round-the-clock laser-guided surveillance of the borders.
- It is a web of surveillance, communication and data storage devices. It will enable surveillance during difficult weather conditions and reduce the need for physical patrolling of the borders. It will rely on thermal imaging, infrared and laser-based intruder alarms to stop infiltration.

What's in the news?

- Union Home Minister Rajnath Singh has inaugurated the first phase of comprehensive integrated border management system (CIBMS) also known as "smart fencing" along the India-Pakistan International Border (IB) in Jammu.
- Initially the CIBMS project will be implemented to cover gaps in the physical fencing on the border and subsequently these technological solutions will be implemented on the entire **2026 km** vulnerable border areas.



Triple talaq Ordinance

Ordinance to criminalise Triple talaq

- The Union Cabinet has cleared an ordinance that makes talaq-e-biddat a criminal offence that will attract a maximum jail term of three years. The Ordinance provides grant of custody of the minor child to the wife, and also

maintenance suitably determined by the Magistrate.

SC judgement

- In August 2017, the Supreme Court declared the practice of instant triple talaq (*talaq-e-biddat*) illegal for violating the fundamental rights of Muslim women.

Need for the Ordinance

- Even though the Muslim Women (Protection of Rights on Marriage) Bill, 2017 is pending in the Rajya Sabha and despite the Supreme Court has observed that the practice of Triple Talaq is unconstitutional, the practice still carries on.

Safeguards

- While instant triple talaq will continue to be a non-bailable offence, which means the police cannot grant bail at the police station, magistrate could exercise discretion to grant bail after hearing the wife, even before the trial.
- The police can lodge an FIR only if the complaint is filed by the wife (victim), her blood relations or her relatives by virtue of her marriage. Non-relatives or neighbours cannot misuse the law by lodging a complaint.
- The offence of instant triple talaq has also been made 'compoundable', a provision that allows the wife to withdraw a complaint on such terms and conditions as deemed fit by the Magistrate.

Ban in force in Sri Lanka, Pakistan

- India has become the 23rd country to ban the instant triple talaq. India's neighbours Pakistan, Bangladesh and Sri Lanka are among the countries that have already banned the practice.

Why no such action against Hindu men?

- Women activists question why no similar provisions are made for Hindu men deserting their wives.
- They claim that the ordinance violates the country's existing uniform criminal code by creating a specific criminal law solely for Muslim men.

Battle of Koregaon

Battle of Koregaon

- On Jan 1 every year, lakhs of Dalits gather at Bhima Koregaon to commemorate the 1818 victory of Battle of Koregaon.
- In that battle between the British East India Company (EIC) and the local Maratha ruler, Peshwa Baji Rao II, one of the key groups that helped the EIC win was the Dalit caste of Mahars. This year, on the 200th anniversary of the battle, the event was marred by caste clashes.

Background

- On August 28, Pune police arrested five Left-wing activists for their alleged links with the banned Maoist party (CPI-M) and instigating the Jan 1 violence at Bhima Koregaon near Pune.
- Later, upon the Supreme Court's order, these five were put under house arrest.

Why in News?

- During the case trial, the Supreme Court told the Maharashtra government personal liberty of an individual cannot be sacrificed based on incomplete information.

MTPA, 1971

Medical Termination of Pregnancy Act, 1971

- The Act does not allow a woman to terminate her pregnancy beyond 20 weeks of pregnancy. The only exception which allows abortion after the permissible 20 weeks is in case it "is immediately necessary to save the life of the pregnant woman".
- It defines the conditions on which the termination can be made, and the qualified persons to perform the same.



Issues with the Act

- Legal experts argue that conclusive determination of foetal abnormality is possible in most cases after the 20th week of gestational age.
- The law doesn't take into factors like separation, death of partner, rape survivor, and financial conditions. Even in these cases the termination cannot be extended after 20 weeks, compelling them to move court or opt for illegal abortions.
- According to data from The Registrar General of India, unsafe abortions contribute to 8% of the total maternal deaths.

Draft MTP Amendment Bill

- The **Draft Medical Termination of Pregnancy (Amendment) Bill of 2014** seeks to amend The MTPA 1971 to increase the upper gestational limit for termination of pregnancy for survivors of rape from 20 weeks to **24 weeks**.
- For pregnancies diagnosed with substantial foetal abnormalities no upper gestation limit would apply for termination.
- The draft bill focuses on improving the scope of legal access to MTP for special category of women which includes survivors of rape, victims of incest, single women, and other vulnerable women.

Why in News?

- A seven-month pregnant woman from Tamil Nadu died during an illegal sex selective abortion performed by a nurse of a private hospital.
- The nurse was booked under Section 5 (2) of Medical Termination of Pregnancy Act, 1971 and Section 15 (3) of Indian Medical Council Act, 1956.

Dam Rehabilitation Improvement Projects

Dam Rehabilitation Improvement Project

- The Cabinet Committee on Economic Affairs (CCEA), approved the Dam Rehabilitation Improvement Project (DRIP) to **improve safety and operational performance** of 198 Dams,

along with institutional strengthening with system wide management approach.

- Out of the Rs. 3,466 crores cleared, Rs. 2,628 crores would be funded by the World Bank and Rs. 747 crores by the States and Implementing Agencies (IAs), and the balance Rs. 91 crores by the Central Water Commission (CWC).
- Initially, the six-year project commenced on April 18, 2012, with a scheduled closing on June 30, 2018. This has now been extended to June 2020.

Project Objectives

- DRIP will improve the safety and operational performance of selected existing dams and mitigate risks to ensure safety of downstream population and property.
- The primary beneficiaries are both urban and rural communities dependent on reservoir and downstream communities, who are prone to risk associated with dam failure or operational failure.
- There are 198 existing dams in Kerala, Madhya Pradesh, Odisha, Tamil Nadu, Karnataka, Jharkhand and Uttarakhand that would benefit from the project.



Dam Rehabilitation & Improvement Project

Independent audit

- Dam managers would have to adhere to recommendations by the CWC as well as subject themselves to six monthly reviews by the World Bank and an audit by an independent French agency.

Rationalisation of CS schemes

- Government schemes are broadly divided into two categories: Central Sector Schemes, Centrally Sponsored Schemes

Central Sector Schemes

- They are the schemes that **are entirely and directly funded** and executed by the central government. The schemes are formulated by the Centre, based on

subjects from the Union List. Examples- Namami Gange, Crop Insurance Scheme, recapitalisation of public sector banks.

Centrally Sponsored Schemes or CSS

- They are schemes that are implemented by state governments with central assistance. The cost of these schemes is borne on a shared basis in the ratio of 50:50, 70:30, 75:25 or 90:10. Under the cost ratio, the larger portion is always borne by the Centre. Schemes under CSS are formulated on the areas covered under the State List. Examples- MGNREGA, Pradhan Mantri Gram Sadak Yojana, Swachh Bharat Mission.

Merger of CSSs

- The proliferation of the CSSs kept on rising until the Ninth Five-Year Plan, when the total number of schemes shot up to 360, accounting for about 60% of Central assistance. In 2013, the Planning Commission announced the merger of several CSSs, reducing the count to 66. These were further reduced to 27 following the report of a committee of CMs led by Shivraj Singh Chauhan in 2015.

Demand for untied fiscal allocation

- Even though the 14th Finance Commission had recommended devolution of a significantly higher share of 42% of the divisible pool to States compared with the 32% recommended by the 13th FC, State governments are still demanding an increased flow of untied fiscal resources in place of tied resources that come with CSS.
- Unlike divisible pool devolution, CSS are tied to particular schemes where states don't have much flexibility.

Why in News?

- The 15th FC noted that the outcome CSSs are uncertain and called for urgent rationalisation of the CSSs. The pruning of such schemes would give the State governments' greater measure of flexibility in financing.

Special courts for politicians

Special courts set up to try MPs, MLAs

- In 2017, the Supreme Court directed the centre to set up special courts across the country to fast-track the long-pending trials of lawmakers. These courts would devote themselves for the purpose so that trial in these cases could conclude in a year.
- The Ministry of Law and Justice informed SC that 12 special courts have been set up across 11 States. As many as 1,233 criminal cases involving MPs and MLAs were transferred to these courts.

Why in News?

- A special court to try the criminal cases against elected representatives was inaugurated in Chennai on Sept 20.
- The court has been set up with State and central funds. The Union Ministry of Law and Justice had recently sanctioned Rs. 14 lakh for setting up of the court in Tamil Nadu.

National Database on Sexual Offenders

What is the National Database on Sexual Offenders?

- Government has launched the National Database on Sexual Offenders (NDSO), which has names and details of **some 4.4 lakh people** convicted of various sexual offences across the country.
- The database is for those convicted of sexual offences from 2005 onwards. It includes name, address, photograph and fingerprint details of the convict.

Purpose of the registry

- The registry will be accessible only to law enforcement agencies for the purpose of investigation and monitoring.

Who will maintain?

- The database will be maintained by the National Crime Records Bureau, which will also track whether the State police were updating the records on time. The database will include offenders convicted under charges of rape, gang rape, Protection of Children from Sexual Offences Act (POCSO) and eve-teasing.

Portal to report cybercrime complaints

- Home Minister Rajnath Singh launched **cybercrime.gov.in**, a portal that will receive complaints from citizens on objectionable online content related to child pornography, child sexual abuse material, and sexually explicit material such as rape and gang rape.
- The complaints registered through this portal will be handled by police authorities of respective State/UTs.

Adoption by live-in partners

Child Adoption in India

- Under Adoption Regulations, 2017, framed by the Central Adoption Resource Authority (CARA), Single women can adopt a child of any gender, while single men can adopt only boys.
- When a married couple seeks to adopt a child, it needs to give its consent for adoption and should be in a *stable marital relationship* for at least two years
- Applicants have to be physically, mentally and financially stable to raise a child.
- CARA issued a circular on May 31, barring applicants in a live-in relationship from

adopting a child on the ground that individuals in a live-in relationship cannot be considered as stable family.

Why in News?

- The CARA has decided to withdraw the circular that barred live-in couples from adopting a child. Applications from prospective adoptive parents will be examined on a case-by-case basis.



About CARA

- It is a **statutory body** of Ministry of Women & Child Development. It is the **nodal body** for adoption of Indian children and is mandated to monitor and regulate in-country and inter-country adoptions.
- It is also the Central Authority to deal with inter-country adoptions in accordance with the provisions of the **Hague Convention on Inter-country Adoption**, 1993, ratified by India in 2003.

Economy

Oil Prices

What's in the News?

- The prices of petrol and diesel touched a new high on Sept 16, with Mumbai witnessing the maximum among the four metros. While petrol costs Rs. 89.01 a litre in Mumbai, diesel is priced at Rs. 78.07, according to the daily price notification issued by State-owned oil marketing companies (OMCs).
- The petrol prices have gone up about 6% since August 1, while the diesel prices went up by 8% during the same period. India imports about 80% of its crude oil, and the falling rupee will make the imports costlier and lead to a rise in fuel prices.



What is Brent oil?

- Brent Crude Oil is a major trading classification of crude oil that serves as a major benchmark price for purchases of oil worldwide.

Types of crude oil

- There are different types of crude and some are more desirable than others. Buyers of crude oil need an easy way to value the commodity based on its quality and location.
- Benchmarks such as Brent, WTI and Dubai/Oman serve this important purpose. For instance, When refiners purchase a Brent contract, they have a good idea of how good the oil will be and where it will come from.
- **Brent Blend** - Roughly two-thirds of all crude contracts around the world reference Brent Blend, making it the most widely used marker of all. These days, "Brent" actually refers to oil from four

different fields in the North Sea: Brent, Forties, Oseberg and Ekofisk. Crude from this region is light and sweet, making them ideal for the refining of diesel fuel, gasoline and other high-demand products.

Other major benchmarks

- West Texas Intermediate (WTI) – WTI refers to oil extracted from wells in the U.S. and sent via pipeline to Cushing, Oklahoma.
- Dubai/Oman – This Middle Eastern crude is a useful reference for oil of a slightly lower grade than WTI or Brent.

Taxes on fuel

- Taxes on fuel include central excise duty levied by the central government, and Value Added Tax (VAT) charged by the states (varies from state to state).

Double taxation

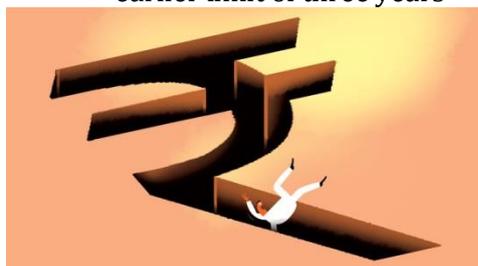
- When an oil marketing company sells a litre of petrol (currently Rs. 41.35) to dealers, the dealer applies his commission, while the Centre applies its excise duty, at a fixed rate of Rs 19.48 per litre.
- On this landed price, the state applies its VAT (27 per cent in Delhi), which gets applied on the excise duty, resulting in double taxation.
- In Delhi, petrol is sold for Rs. 81.63 and diesel at Rs. 73.54. The price build-up of petrol in Delhi as on September 10, includes an excise duty of Rs. 19.48, dealer commission of Rs. 3.64 and VAT of Rs. 17.16. In the case of diesel, it was an excise duty of Rs. 15.33, dealer commission of Rs. 2.52 and VAT of Rs. 10.70.

Fall of Rupee

Govt. measures to stabilise rupee

- Last week, Government announced a set of five measures aimed at supporting the rupee, which has been under pressure in the last few weeks, and ensuring that the current account deficit stays in control. These includes:

- i. Cutting down non-essential imports and boosting exports
- ii. Restrictions with respect to foreign portfolio investors (FPI) exposure limit to be reviewed
- iii. Exemption from withholding tax for *masala bonds*
- iv. Mandatory hedging condition for infrastructure loans borrowed under the external commercial borrowing (ECB) route to be reviewed.
- v. Permitting manufacturing entities to avail ECB facility with minimum maturity of one year, instead of the earlier limit of three years



May not work in the immediate future

- The government believes these measures could lead to additional capital flows to the tune of \$5 billion-\$10 billion and limit currency pressures to some degree. However, economists are doubtful about the impact of such measures in the immediate future.
- They caution that the capital account measures announced are unlikely to result in any significant shift in fund flows in the immediate future since these are better suited when the sentiment in the global market is positive towards emerging markets and when it is relatively easy for emerging market corporates to raise money abroad.

External sources key to fall in rupee

- Currency experts, however, lauded the Centre as it avoided any knee jerk reaction since the primary source of the rupee weakening is coming from external sources.
- The steps announced by the government will help in attracting inflows in the long run.

Rupee hits fresh low, ends at 72.98

- The rupee closed at a record low against the dollar on Sept 18, declining 47 paise to close the day at 72.98 a dollar due to rise in global crude oil prices.
- Experts said the central bank should sell at least an additional \$25 billion from its reserves to arrest the fall.

Why FPIs are swimming against the tide

Who are foreign institutional investors?

- Foreign institutional investors (FIIs) are entities which invest in the assets belonging to a different country other than that where these organizations are based.

Tough times for FIIs

- FPIs are facing a tough task in getting reasonable returns from their investments. To take home reasonable returns from their India investments, FPIs need rising stock prices and also favourable exchange rates. This hasn't proved easy in recent years.
- The lower returns of FPIs in recent years can be explained by the fact that while the rupee traded at 47 to a U.S. dollar in September 2008, the current rate today is more than 72.

How they cope?

- Despite the rupee depreciation, FPIs have been net buyers of Indian stocks in 14 of the last 17 years and have poured over \$200 billion in net investments since 2001.
- Many FPIs are good timers of their buys and sells in the Indian market, which helps them benefit from the violent swings in stock prices and the rupee. For instance, FPIs who invested in Indian market in August 2013 and bailed out in February 2015 would have pocketed 70% gain.
- It is also likely that long-term FPIs, aware of the exchange rate risks, hedge (strategically using investment instruments to offset the risk of any adverse price movements) their India exposures to shield from rupee swings. While this would entail a cost, it would cushion such FPIs from the worst of rupee volatility.

State Development Loans (SDLs)

What are SDLs?

- SDLs are dated securities issued by states for meeting their market borrowings requirements. Purpose of issuing State Development Loans is to meet the budgetary needs of state governments. Each state can borrow up to a set limit through State Development Loans.

What's in the news?

- According to a recent report of ICRA, an independent credit rating agency, states are likely to miss their fiscal consolidation targets budgeted at the beginning of the year mainly because of farm loan waivers, election-related spending, flood relief and other populist measures.

Redemption of SDLs

- The States' fiscal deficit is primarily financed by issuing State development loans (SDLs). The total SDL issuance by the states (excluding Uttar Pradesh, Maharashtra and Gujarat) has grown 14.7% in the first five months of FY19. ICRA estimates that Rs. 1.3 trillion of SDLs are scheduled to be redeemed in FY19, much higher than Rs. 0.8 trillion redeemed in FY18.
- Given the sharp rise in the redemption amount, and assuming an annual growth of 10-20% over the net SDL issuance of Rs. 3.4 trillion in FY18, gross SDL issuance may rise to Rs. 5-5.3 trillion in FY19 from Rs. 4.2 trillion in FY18.

Fiscal deficit estimates

- Recently, the Reserve Bank of India had estimated that fiscal deficits of all the 29 States might decline to 2.6% of their gross State domestic product (GSDP) citing their FY19 Budget estimates, from 3.1% in FY18.
- However, as 12 of the 29 States are also poll-bound, apart from the general elections before May 2019, there is a risk of new schemes being announced or a higher allocation for welfare schemes which will affect their fiscal targets.
- Also, the unforeseen expenditure on flood relief in states like Kerala and Karnataka, which may not be fully offset by higher

grants or other revenue mobilisation measures, can exert pressure on their fiscal balances.

Sub-prime loans

What is a sub-prime loan?

- Sub-prime refers to a loan given to a borrower who does not qualify for a regular home loan because of a poor credit record, low income and lack of job security.

What's in the News?

- It has been ten years since the investment banking firm Lehman Brothers collapsed in mid-September 2008. Shortly after, there was a meltdown in global financial markets, including India.



What triggered the crisis?

- From 2005 to 2007, at the height of the real estate bubble, mortgages were given to many homebuyers who could not afford them, and then packaged into securities and sold off. Lehman Brothers bought several mortgage brokerages and posted record profits. But in mid-2007, defaults on sub-prime mortgages rose exponentially.
- A credit crisis erupted in August 2007 with the failure of two Bear Stearns hedge funds while payment defaults triggered massive declines in banks and real estate incomes. In 2008, Lehman Brothers declared bankruptcy.

Was there any 'rescue act' by banks?

- In 2008, when America's two biggest banks Merrill Lynch and Lehman Brothers reported high losses due to huge exposure to risk assets, all triggered by sub-prime lending by banking institutions, Bank of America came to the rescue of Merrill Lynch while Lehman Brothers had to file for bankruptcy.

If the customer has a poor credit record, why did banks offer a loan?

- The main reason was banks expected the value of the underlying security or the property to go up.
- So, they increased the mortgage interest rate (higher than the conventional loan) and called it a sub-prime mortgage. They could earn more with the higher mortgage interest rate and if the borrowers discontinued repayment, they could sell the property for a higher consideration due to appreciation in property prices.

Was India insulated?

- The impact on the Indian economy was less severe due to lower dependence on exports and the fact that a sizeable contribution to the GDP came from domestic sources.
- Indian banks had limited exposure to the U.S. mortgage market, directly or through derivatives, and also to the failed and financially-stressed global financial institutions.

5G networks in India

About 5G networks

- 5G is the next generation of mobile Internet connectivity that would offer much faster and more reliable networks, which would form the backbone for the emerging era of Internet of Things (IoT). The 5G standards envisage high speed links with peak rates of **2 to 20 Gbps** for various services.
- Previous generations of mobile networks addressed consumers predominantly for voice and SMS in 2G, web browsing in 3G and higher speed data and video streaming in 4G. The transition from 4G to 5G will serve both consumers and multiple industries.

Significance

- Once commercialised, 5G is expected to see use beyond delivery of services just on personal phone platforms. It will also connect new devices including machines, sensors, actuators, vehicles, robots and drones, to support a much larger range of applications and services.
- The next generation network will also see usage in key government projects such as smart cities and Digital India, besides other

business-to-business applications. The government expects the cumulative economic impact of 5G on India to be about \$1 trillion by 2035.

What's in the News?

- The Indian government is aiming to commercially introduce 5G services in the country by the end of 2020, almost in line with rest of the world.



Pricing Issues

- 5G require large chunks of spectrum. The reserve price for proposed spectrum band for 5G services in 3300-3600 MHz frequency had been fixed at ₹492 crore per MHz for a pan-India minimum block of 20 MHz, meaning operators would have to shell out about ₹10,000 crore.
- Going by global standards, the price of ₹492 crore per MHz for 5G spectrum is on the higher side as the South Korean auctions that happened recently had the price at ₹130 crore per MHz. Industrial players are requesting a new way of spectrum pricing.

Lagging behind

- Globally, over 150 pre-commercial 5G trials are underway around the world, including South Korea, China and the U.S. However, a recent report by a top panel set up by the Centre pointed out that so far, 5G trials are yet to begin in India.
- The panel has recommended that the 5G spectrum allocation policy should be announced by the end of this year.

Jhum Cultivation

What is Jhum Cultivation?

- Jhum (Shifting) cultivation is a primitive practice of cultivation in States of North

Eastern Hill Region of India and people involved in such cultivation are called Jhumia.

- The practice involves clearing vegetative/forest cover on land/slopes of hills, drying and burning it before onset of monsoon and cropping on it thereafter.
- After harvest, this land is left fallow and vegetative regeneration is allowed on it till the plot becomes reusable for same purpose in a cycle.
- Meanwhile, the process is repeated in a new plot designated for Jhum cultivation during next year.

How did this cultivation affect ecology?

- Initially, when Jhum cycle was long and ranged from 20 to 30 years, the process worked well.
- However, with increase in human population and increasing pressure on land, Jhum cycle reduced progressively (5-6 years) causing problem of land degradation and threat to ecology of the region at large.

Need policy coherence on shifting cultivation

- A recent NITI Aayog report titled, “Mission on shifting cultivation: towards a transformational approach”, recommended that the Ministry of Agriculture should take up a mission on shifting cultivation to ensure inter-ministerial convergence.
- Central as well as State government departments of forests and environment, agriculture and allied departments often have divergent approaches towards shifting cultivation. This creates confusion among grass-roots level workers and jhum farmers.



Reducing soil fertility

- Shifting cultivation (also referred to as ‘jhum cultivation’ or ‘slash and burn cultivation’) is widely practiced by farmers in the hill regions of the North-

Eastern states of India. Though implemented in a sustainable way for generations, this system of subsistence agriculture is now facing many challenges.

- One of the issues in jhum cultivation is that people are returning to fallows (land left after shifting cultivation) in a shorter span than was earlier practice. Earlier the cultivators returned to fallows after 10-12 years, now they are returning in three to five years. This allows less time for the soil to rejuvenate, impacting the quality of the soil.

Falling area

- Between 2000 and 2010, the land under shifting cultivation dropped by 70 %. From 35,142 sq km in 2000, the area under jhum cultivation dropped to 10,306 sq km in 2010.
- While the practice ensures food security it does not provide adequate cash for the families and thus they are shifting to regular agriculture, particularly to horticulture. The MGNREGA has also had an impact on reducing dependency of people on shifting cultivation.

Extending credit

- Shifting cultivation fallows must be legally perceived and categorised as ‘regenerating fallows’ and that credit facilities be extended to those who practise shifting cultivation.

AI increases performance

Firms investing in AI are witnessing higher performance returns

- According to a global study conducted by Goldsmiths, University of London, the presence of automation in the workplace is making work environments “more human”, as employees can focus on so many creative and strategic issues and opportunities in an automated workplace.
- Firms that invest in robotic process automation or Artificial Intelligence (AI) are witnessing higher performance returns, especially if they also invest in people.

- Of those surveyed, 71% of Indian respondents said their employees used robotic process automation and AI-based argumentation to its full potential — the highest proportion for any of the four markets surveyed. The markets included the U.S., the U.K., and Japan.

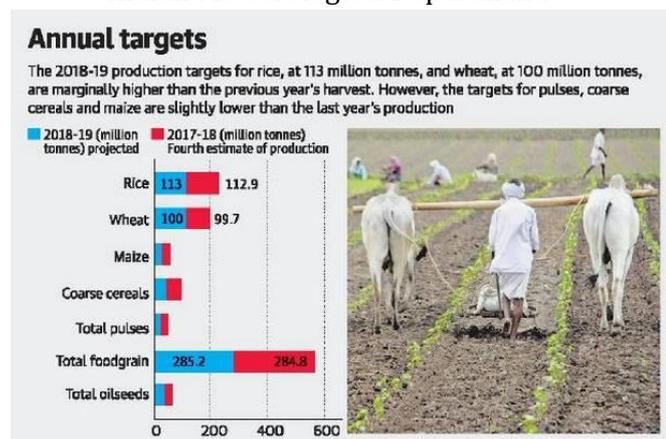
Empowered to take risks

- While 66% of Indian respondents said that they were empowered to take risks, 77% said that their organisation prioritised employee development.
- In both the cases, the highest percentage of positive responses was found in India. India also outscored other markets on employee engagement (84%) and on employee listening.

Food grain output

What's in the News?

- Despite patchy rainfall in some parts, the Agriculture Ministry has set a foodgrain production target of 285.2 million tonnes for 2018-19, a marginal increase from the previous year's harvest of 284.8 million tonnes.
- Rainfall deficit during the current monsoon season is now at 10%, according to the Indian Meteorological Department.



Balanced targets

- Government is focusing on balanced targets. If targets are too high, and there is excess production, farmers will suffer.

Low warehousing capacity

- Over the last two years of normal monsoons and record harvests, prices of several commodities have crashed, hurting many farmers. The government has

ramped up procurement of pulses and oilseeds in an effort to ensure that more farmers receive the minimum support price (MSP) for these crops even as the market rates fall, but that has led to a shortage of storage capacity. In States like Rajasthan, Maharashtra, Gujarat and Madhya Pradesh, there is no space left in the godowns.

- Low warehouse capacity is making some States consider the new Central scheme to pay oilseed farmers the cash differential between MSP and market prices (**PDP scheme**), so that the government need not undertake physical procurement of crops. Madhya Pradesh and Gujarat have expressed interest in opting for the scheme, which was approved by the Union Cabinet as part of a wider ₹15,053 crore **new procurement policy**.

About the new procurement policy

- Recently the Cabinet Committee on Economic Affairs has approved the new crop procurement policy- Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (**PM-AASHA**) to ensure that farmers growing oilseeds, pulses and copra actually get the minimum support prices (MSP) they are promised for their crops every year.
- The new scheme is envisaged to be a mix of sub-schemes, which will involve direct procurement from farmers (**price support scheme** or PSS), paying them for losses incurred when wholesale market prices are lower than announced MSPs (**price deficiency payment scheme** or PDP), and procurement by **private traders** at MSP as a pilot.

On Insolvency Cases

Background

- Essar Steel has a debt of ₹49,000 crore and was referred to NCLT in June 2017. After the two firms- ArcelorMittal and NuMetal- were disqualified by the resolution professional under Section 29A of IBC, which prohibits related parties of defaulting firms from participating in the

resolution process, the two firms had filed appeals before the tribunal.

Why in News?

- A SC bench, while hearing petitions filed by ArcelorMittal and NuMetal challenging each another's eligibility to place bids for debt-ridden Essar Steel Limited, said it will be laying down some laws as to when the adjudicating authority (NCTL), appellate authority (NCLAT), and the apex court itself can intervene in insolvency resolution proceedings.
- The bench previously said its ruling would oppose the continuous interference of the NCLT throughout the method for finalisation of a resolution plan for a debt-ridden company through Insolvency Resolution Professional (IRP) and Committee of Creditors (CoC). The SC bench now noted that the IRP and the CoC needed to be streamlined.

Insolvency and Bankruptcy Code (IBC) 2016:

- It was framed with the intention to expedite & simplify the process of Insolvency and Bankruptcy proceedings in India.
- The resolution processes will be conducted by licensed insolvency professionals (IPs). The Resolution Professional identifies the financial creditors and constitutes **committee of creditors** (Coc). The creditors committee considers proposals for the revival of the debtor and must decide whether to proceed with a revival plan or liquidation within a period of **180 days** (subject to a one-time extension by 90 days).
- The National Company Law Tribunal (**NCLT**) will adjudicate insolvency resolution for companies. Appeals from NCLT orders lie to the National Company Law Appellate Tribunal (**NCLAT**) and thereafter to the Supreme Court of India.
- The Code was amended in 2017 to insert **Section 29A** which prohibits (i) wilful defaulters, (ii) promoters or management of the company if it has an outstanding non-performing debt for over a year, and (iii) disqualified directors, among others-- from

submitting a resolution plan in case of defaults.

Masala bonds

What are masala bonds?

- These are rupee-denominated borrowings by Indian entities in overseas markets. Usually, while borrowing in overseas markets, the currency is a globally accepted one like dollar, euro or yen.

Dual listing of Masala bonds

- The National Stock Exchange (NSE) has signed a pact with the London Stock Exchange Group (LSEG) to work on a dual listing route for masala bonds as well as foreign currency bonds of Indian issuers.
- Under the pact, LSEG and NSE will together look to provide a route for masala bonds and foreign currency bonds of Indian issuers listed on the London Stock Exchange to be dual listed on NSE's International Exchange, NSE IFSC Ltd, at Gujarat International Finance Tech (GIFT) city.
- Similarly, masala bonds and foreign currency bonds of Indian issuers listed on NSE IFSC at GIFT City will be dual listed on the London Stock Exchange.
- Dual listing of masala bonds and foreign currency bonds of Indian issuers would enhance visibility, increase liquidity in secondary markets and enhance the efficiency of price discovery for the bond issuers. This would also reduce the cost of raising capital for all issuers and encourage the participation of a wider variety of issuers in the masala bond market.

What is dual listing?

- Dual listing refers to a listing of any security on two or more different exchanges.
- Companies use dual listing because its benefits, such as additional liquidity, increased access to capital and the ability for its shares to trade for longer periods if the exchanges on which its shares are listed are in different time zones outweigh the costs of a second listing.

What is the advantage of borrowing abroad in rupees?

- Companies issuing masala bonds do not have to worry about rupee depreciation, which is usually a big worry while raising money in overseas markets.
- For instance, a corporate could issue Rs. 10 billion worth of bonds with the promise of paying back Rs. 11 billion in one year. Due to the limited convertibility of Indian rupee, the foreign investors will lend the dollar equivalent of the Rs. 10 billion. After one year, the Indian corporate needs to pay

back the dollar equivalent of Rs. 11 billion. The currency risk is with the investor.

Why investors look at masala bonds?

- Recently, the Finance Ministry has exempted masala bonds from the withholding tax (a tax deducted at source on residents outside the country). Also, capital gains from rupee appreciation are exempted from tax, making it attractive for investors.

International Relations

Chinese intrusions in India

India-China Border issues:

- The border between India and China is not clearly demarcated throughout. Along certain stretches of its 3,488-km length, there is no mutually agreed Line of Actual Control (LAC). The India-China border is divided into three sectors, viz. Western (Ladakh, Kashmir), middle (Uttarakhand, Himachal) and eastern (Sikkim, Arunachal).



Johnson Line

- The boundary dispute in the Western Sector pertains to the Johnson Line proposed by the British in the 1860s which put Aksai Chin in the then princely state of Jammu and Kashmir. Independent India used the Johnson Line and claimed Aksai Chin as its own.
- However, China stated that it had never acceded to the Johnson Line and refused to cede Aksai Chin to India.

Middle Sector

- In the Middle Sector, the dispute is a minor one. It is the only one where India and China have exchanged maps on which they broadly agree.

McMahon Line

- The disputed boundary in the Eastern Sector of the India-China border is over the McMahon Line. Representatives of China, India and Tibet in 1913-14 met in Shimla, where an agreement was proposed to settle the boundary between Tibet and India, and Tibet and China.
- Though the Chinese representatives at the meeting initialled the agreement, they subsequently refused to accept it claiming

that Tibet is not a sovereign nation and thus the McMahon Line has no legal standing.

- At the heart of boundary dispute is the issue of Arunachal Pradesh, which China describes as 'Southern Tibet'.

Mechanism to prevent border flare-ups

- In October 2013, the two sides signed the Boundary Defence Cooperation Agreement to prevent any flare up along the undemarcated border. This encompasses both military level and diplomat level dialogue mechanism.

Why in News?

- There has been a 10% decline in the number of Chinese transgressions this year. The transgressions dropped after the Doklam standoff, mainly because of the diplomatic manoeuvring and dialogue with the counterparts at the border.
- The presence of Chinese troops along the Line of Actual Control (LAC) has also reduced by around 30%. The manpower has been substituted with powerful surveillance equipment.

Doklam standoff

- The Doklam plateau, near the India-Bhutan-China tri-junction, was the site of a 74-day-long standoff between Indian and Chinese troops from June to August 2017.
- Tensions began when the People's Liberation Army entered Doklam in a bid to alter the status quo in violation of Beijing's existing understanding with both India and Bhutan. The issue was eventually resolved with the disengagement of border personnel on August 28 last year.

Inter-Korea Summit

- The third inter-Korea summit between North Korean leader Kim Jong-un and South Korean president Moon Jae-in was held in Pyongyang on September 18.



Major Takeaways

- Kim Jong-un promised to visit Seoul this year. It would be the first such trip by a North Korean leader since the Korean War ended in an armistice, leaving the peninsula divided and technically still in a state of war.
- The two leaders also agreed to open a permanent facility for family reunions, work towards joining up road and rail links, and bid jointly for the 2032 Olympics.
- Kim Jong-un declared that North Korea would destroy the Dongchang-ri missile-testing site, which made North Korea's intercontinental ballistic missiles (ICBMs), in the presence of international observers.
- Furthermore, Kim Jong-un added North Korea would destroy its best known Yongbyon nuclear facility too when America does follow-up measures.
- North Korea and South Korea won't apply any military pressure to each other and have declared demilitarized areas in sky, sea and land.



Peak diplomacy

- Kim Jong-un and Moon Jae-in visited Mount Paektu, the spiritual birthplace of the Korean nation, for a show of unity after their North-South summit.
- The 2,744-metre peak is considered sacred by all Koreans as the birthplace of Dangun, the legendary founder of the first Korean kingdom.

Kim, in a nod to Pak, works to normalise nuclear status

- Satellite photographs and other evidence suggest that North Korea is making nuclear fuel and building weapons as actively as ever. But now Mr. Kim appears to be changing his approach after the historic meet with President Donald Trump in Singapore three months ago.

- Mr. Kim is keeping quiet about the nuclear production, conducting no public nuclear demonstrations and creating no crises, allowing Mr. Trump to portray a denuclearisation effort as on track.
- Mr. Kim's strategy now appears to be mimicking Pakistan, which conducted a major nuclear test in 1998 and deflected demands for years that it gives up its weapons. The appeal of the Pakistan model is clear. Pakistan suffers few sanctions for its nuclear programme, or its refusal to sign the Nuclear Non-proliferation Treaty. It has not tested a weapon in 20 years; like North Korea, it has concluded that it has already proved its basic capabilities.

World's first hydrogen train

What's in News?



- Germany rolled out the world's first hydrogen-powered train, signalling the start of a push to challenge the might of polluting diesel trains with costlier but eco-friendly technology.
- The trains which were built by a French company, began running a 100 km route between the towns and cities of Cuxhaven, Bremerhaven, Bremervoerde and Buxtehude in northern Germany — a stretch normally plied by diesel trains.
- These trains can run for around 1,000 km on a single tank of hydrogen, similar to the range of diesel trains.

Zero emission

- Hydrogen trains are equipped with fuel cells that produce electricity through a combination of hydrogen and oxygen, a process that leaves steam and water as the only emissions.
- Excess energy is stored in ion lithium batteries on board the train.

USA-China trade war escalates

What's in the News?

- The trade rivalry between the U.S. and China escalated to an unprecedented level

with both countries announcing new tariffs on imports from each other.



- The U.S. has announced 10% tariff on \$200 billion of imports from China, whose retaliatory tariffs between 5% and 10% will apply to \$60 billion of imports from the U.S. The new tariffs on both sides will go into effect on September 24.
- With the new announcements, U.S. tariffs will apply to \$250 billion of Chinese goods and Chinese tariffs will apply to \$110 billion of U.S. goods. The rate of the new tariffs will be raised to 25% by the end of 2018, the U.S. administration has said.

When did the Trade war start?

- It all started in January 2018 when the U.S. imposed safeguard tariffs on washing machine and solar cell imports targeting China and the subsequent retaliatory tariffs on U.S. imports.

Why Trump started the trade war?

- U.S. justifies duties on Chinese imports by accusing China's unfair trade practices like devaluing currency to push its exports.
- It also accuses that the Chinese government deploys unfair, opaque and unwritten ways to force U.S. firms to share technology with Chinese companies to gain access to China's vast market.

U.S., China trade spat can impact India

- As U.S. imposes 25% and 10% tariffs on Chinese steel and aluminium imports, there are concerns that these Chinese materials can be diverted into Indian markets, affecting domestic industries.

India not in Palaly project

Contradictory statements

- Few days after Airports Authority of India(AAI) said it has signed an agreement with External Affairs Ministry for development of Palaly airport in Sri Lanka, Sri Lanka's Minister for Transport and Civil

Aviation told Parliament the Government has no intention to hand over the airport to India or any other country.

- His statement not only countered what the AAI has said, but also contradicted Prime Minister Ranil Wickremesinghe's recent remarks that Sri Lanka would develop the northern airport into a regional hub with Indian assistance.

Significance of Palaly Airport

- Palaly, located some 20 km north of Jaffna in the island's Northern Province. Residents of northern Sri Lanka, most of who are Tamils, have strong cultural ties and familial connections with south India.
- In early 2014, the Northern Provincial Council passed a resolution calling for direct flights from Palaly and Trincomalee (in the eastern province) to India. Such a service is seen as an easier option for tourists, pilgrims, and refugees, currently living in India, who wish to return home.



Countering China

- In a bid to counter China's influence in Sri Lanka, India is trying to increase its development ties with the island nation. India is currently pursuing Sri Lanka to gain a stake in the Colombo port project, Trincomalee port and a key expressway.

Mattala Airport

- Few months ago, both the countries agreed to form a joint venture to operate the loss-making Mattala Rajapaksa International Airport in Hambantota. The project which was funded through high interest Chinese commercial loans, was halted in May due to recurrent losses and flight safety issues.

Indian Housing Project

- In August, India handed over the first lot of houses built for Indian-origin people in Sri Lanka's tea plantation areas. It is the largest Indian assistance project in any country with a grant of over \$350 million.

India-S. Korea ties

What's in news?

- In an interaction with a group of Indian journalists, Choe Wongi, head of the Centre for ASEAN-India Studies at Korea National Diplomatic Academy, said that one of the major foreign policy initiatives of President Moon Jae-in of South Korea is the government's 'New Southern Policy', with a goal of deepening ties with Southeast Asian nations as well as India, and building an inclusive regional architecture in Asia.

On Ties with India

- South Korea wants to build stronger ties with ASEAN and India on multiple fronts — economic, bilateral and strategic.
- India and South Korea have agreed to boost bilateral trade to \$50 billion by 2030 from \$20 billion now. Seoul wants to elevate ties with India to the level of those with four other major powers around the Korean Peninsula — the U.S., China, Russia and Japan.



Concerns about BRI

- Though South Korea welcomes BRI, it expects BRI to be more open and transparent since China is pursuing BRI projects unilaterally or bilaterally.

India-Afghanistan ties

President Ghani's visit to India

- During his recent visit to Delhi, Afghanistan President Ashraf Ghani discussed with Prime Minister Narendra Modi the growing presence of the IS (Da'esh) in Afghanistan, and the continuing influx of terrorists from Pakistan.

Talks with Taliban

- Mr. Ghani said it was necessary to separate such external elements from the Taliban,

which must be engaged in a peace process, making a strong pitch for talks with the Taliban, something India had traditionally opposed.

- Peace with the Taliban was important so that security forces could concentrate on fighting other terrorist groups like the Islamic State.



Siege of Ghazni

- Mr. Ghani made a special mention of the siege of Ghazni city in August where a sizeable number of foreign fighters had fought alongside the Taliban. At least 100 attackers of Ghazni came from Pakistan and they were identified as Pakistani nationals.

Kabul deported Indian national

- The National Investigation Agency (NIA) has announced that Kabul has deported an Indian national who had illegally entered Afghanistan in an attempt to join the Islamic State in 2017 and was detained by the Afghan security forces shortly after.

Kabul seeks support for peace

- Afghanistan's Ambassador to India Dr. Shaida Abdali said Afghanistan is going through a tough period and the country is seeking India's support for its peace process, as well as for military hardware like helicopters.

Saudi in CPEC?

What's in News?

- Following the new Prime Minister Imran Khan's two-day visit to Saudi Arabia, Pakistan has invited Saudi Arabia to become the third partner in the China-Pakistan Economic Corridor (CPEC).
- Saudi Arabia was the first major country to have been formally invited to become a partner in the CPEC. A high-level Saudi delegation comprising ministers for finance and energy as well as business heads would visit Pakistan in the first week

of October to work out details of a grand economic partnership

About CPEC

- CPEC is a collection of infrastructure projects that includes building roads, laying railway lines and pipelines to carry oil and gas, valued at around \$62 billion. It aims at linking the city of Gwadar in South Western Pakistan to China's North Western region Xinjiang through a vast network of highways and railways.
- The project is being financed by heavily-subsidised loans from Chinese banking giants such as Exim Bank of China, China Development Bank, and the Industrial and Commercial Bank of China.
- The CPEC, once completed is expected to cut short the trade route for China's oil imports by 6000 miles and reduce its reliance on the strategic Malacca strait. It is expected to open up a brand-new strategic gateway for China to tap into African, West Asian and South Asian trade.

Brexit negotiations

What is Brexit?

- Brexit ("British exit") refers to the United Kingdom's decision in a June 23, 2016 referendum to leave the European Union (EU), which is a group of 28 countries that operates as a cohesive economic and political block.
- The process of leaving the EU formally began on March 29, 2017, when British Prime Minister Theresa May triggered Article 50 of the Lisbon Treaty. The UK has two years from that date to negotiate a new relationship with the EU.

- Article 50 gives any EU member state the right to quit unilaterally, and outlines the procedure for doing so. It gives the leaving country two years to negotiate an exit deal and once it's set in motion it can't be stopped except by unanimous consent of all member states.

Chequers Plan

- After series of negotiations, Ms. May proposed the "Chequers Plan", to deal with the future relationship between the UK and EU.
- It proposed making a "common rulebook" for goods between the UK and EU, some shared customs arrangements and a joint institutional framework to manage relations.

Rejected by EU

- Following the two-day summit in the Austrian city of Salzburg, European Commission President Donald Tusk said Ms. May's proposals- which would keep Britain closely aligned to the EU's single market on agriculture and goods via a common rule book- "will not work" because it risked undermining the single market.

May's reaction

- Ms. May said her government would not alter its Brexit offer. She called for respect from the EU and for them to refrain from rejecting each other's proposals without detailed explanations and counter-proposals.
- The failure of the Salzburg summit, with just over six months to go to the official date for Britain's leaving from the EU, has also renewed calls for a second referendum

Science & Technology

Policy, action against diabetes

- The recently-released Global Burden of Disease Study 2016 has shown that the prevalence of diabetes has increased more rapidly in the less-developed States of the country. The study warns if uncontrolled, diabetes and its complications are likely to take a heavy toll on India's healthcare system in the coming decades.

Potentially explosive

- The total number of people with diabetes grew from 26 million in 1990 to 65 million in 2016. The prevalence of diabetes in India was 5.5 % in 1990, but it has increased to 7.7 % in 2016.
- The highest prevalence is in the States of Tamil Nadu and Kerala, followed by Delhi, Punjab, Goa, Karnataka, Madhya Pradesh and Tripura.
- The increase in loss of health from diabetes since 1990 is the highest among all major non communicable diseases. Diabetes contributed to 3% of all deaths in India, with an increase in death rates due to diabetes from 1990 to 2016.

Risk factors

- Among the risk factors contributing to diabetes in India in 2016, high BMI had the highest impact, while the other factors were dietary risks, tobacco use, occupational exposure to second hand smoke, low physical activity, and alcohol use.

What needs to be done?

- Interventions to prevent obesity, providing public facilities to increase physical activity, and taxing 'sin foods', would go a long way in reducing the numbers.
- Need policy and health system action commensurate with the disease burden in each State to ensure more effective prevention and management of diabetes.
- The way forward would be providing awareness about diabetes. If there is one thing everyone can do, and start from childhood, it is to make sure physical activity is a component of our life, so we can keep diabetes at bay.

ISRO launches two U.K. satellites

- On Sept 16, ISRO successfully launched the PSLV-C42, which carried two satellites from the United Kingdom – NovaSAR and S1-4 from the first launch pad at the Satish Dhawan Space Centre, Sriharikota.
- The lightest version of the PSLV, flying in its core-alone version without the six strap-on motors, the PSLV-C-42 rose into the skies at 10.08 p.m. Almost 18 minutes later, the two satellites were placed in the desired orbit by ISRO. This was the 12th such launch of a core-alone version of the PSLV by ISRO.
- The two satellites, owned by Surrey Satellite Technology Ltd (SSTL) were placed in a sun-synchronous ('pole-to-pole') orbit 583 km from Earth.

Aims for early Chandrayaan-2 mission

- Outlining the road map for ISRO, K. Sivan, Chairman, ISRO said the next six months will see 18 missions – 10 satellite missions and 8 launch vehicle missions.
- Chandrayaan-2 is planned for a window from January 3 to February 16, 2019.

Sniffing out lung cancer, explosives

System to detect lung cancer

- Researchers at the Indian Institute of Technology, Bombay, have developed a platform that can detect the presence of cancerous cells in the lungs from the breath of a person in about a minute.
- The system detects volatile organic compounds such as benzene, acetone, benzaldehyde and ethanol in a gas phase at single molecular levels. These organic compounds in exhaled breath are clinically established biomarkers for early stage lung cancer.

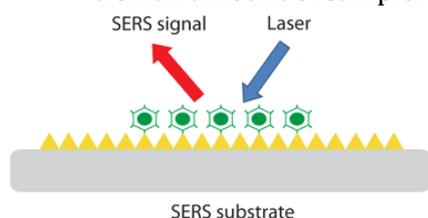
Other uses

- The same platform can also be used to monitor air pollution levels or detect explosives such as TNT (trinitrotoluene).
- The research project was funded by the Department of Science and Technology's Nano-mission programme.

How it works?

- The newly designed platform uses a method called **Surface Enhanced Raman Scattering (SERS)** to detect molecules

even at extremely low concentrations using a small amount of sample.



On Issues related to medical education

Issues plaguing medical education

- Even though there are about 460 medical colleges in India, its archaic system of medical education is failing to meet the needs of its population of 1.32 billion people.
- Medical education in India lacks the inclusion of research, state-of-the-art diagnostics, new treatment paradigms, and up-to-date technologies. The current examination system in Indian medical schools places little emphasis on analytical skills.
- The Medical Council of India (MCI) aims to achieve a 1:1000 doctor-patient ratio by the year 2031, but these numbers alone cannot guarantee quality health care.
- There is an urgent need to ensure that hospitals are well-equipped and imparting cutting-edge diagnostic and therapeutic options. However, all this comes at a cost in terms of financial and material resources as well as manpower.

Academia-industry collaboration

- Dr. Sundeep Mishra, Professor, All India Institute of Medical Sciences suggests that we need the medical devices industry to work with institutes in an academic-industry partnership model, in a way that benefits everyone.
- In the West, as soon as the patient-population and their needs change, a new sub-specialty is established. For instance, there are fellowships for electrophysiology, paediatric cardiology and other specialised areas of health care. But, in India, these advance models of training have not been instituted in a big way.
- Specialisations require additional infrastructural facilities for quality practice, along with mentors, teachers and operators. The medical devices industry can help in setting up these programmes in

these institutions. This will benefit both industry and students.

- The government should take measures towards creating an ecosystem for such public-private partnerships to prosper and benefit students.

Gaganyaan mission

GAGANYAAN –AN INDIAN IN SPACE

- GAGANYAAN is the name of India's first manned space flight that would be launched probably on or even before 2022.
- In the Independence Day address this year from the Red Fort, Prime Minister Narendra Modi announced that an Indian will go to space by 2022. Following this, The Indian Space Research Organisation (ISRO) has announced an ambitious roadmap to put a three-man Indian crew in a low earth orbit for 5-7 days by the 75th Independence Day.
- It is going to be the most ambitious project in the country since independence, as we are trying to use Reusable launch vehicle (RLV) which no country has ever used in manned space mission.
- GSLV Mk-III launch vehicle will be used to launch Gaganyaan as it is capable of carrying heavy payload for this mission. Many of the critical technologies going to be used in this mission are tested successfully, such as Space Capsule Recovery Experiment (SRE-2007), Crew module Atmospheric Re-entry Experiment (CARE-2014) and Pad Abort Test (2018).

Third launch pad

- ISRO is setting up a third launch pad at Sriharikota to undertake the manned space flight programme, as the existing two launch pads are already full.

In search of a suitable location

- In addition, ISRO is scouting for a location on the western sea coast near Gujarat to set up another launch pad for Small Satellite Launch Vehicles (SSLV).
- ISRO is developing the SSLV to offer affordable launch options for smaller satellites through Antrix, the space agency's commercial arm. ISRO currently piggybacks smaller satellites on the PSLV and GSLV along with bigger satellites.
- The SSLV is expected to reduce the launch time as well as cost less to launch small satellites, which are much in demand.

Environment

Coral reefs

What are Coral reefs?

- Coral reefs are large underwater structures composed of the skeletons of coral, which are marine invertebrate animals. The coral species extract calcium carbonate from seawater to create a hard, durable exoskeleton that protects their soft, sac-like bodies.
- Most reef-building corals contain photosynthetic algae, called **zooxanthellae** that live in their tissues. The corals and algae have a mutualistic relationship. The coral provides the algae with a protected environment and compounds they need for photosynthesis. In return, the algae produce oxygen and help the coral to remove wastes.



Significance

- Coral reefs are among the most diverse ecosystems on earth. The total area of the world's coral reefs amounts to less than one quarter of 1% of the entire marine environment.
- However, they are home to 25% of all marine life on the planet. In fact the variety of life supported by coral reefs rivals that of the tropical forests of the Amazon or New Guinea.

Coral Bleaching

- In addition to providing corals with essential nutrients, zooxanthellae are responsible for the unique and beautiful colours of many stony corals.
- Sometimes when corals become physically stressed, due to pollution, overfishing, climate and chemical changes in the sea water, the polyps expel their algal cells and the colony takes on a stark white appearance. This is commonly described as "coral bleaching".

- If the polyps go for too long without zooxanthellae, coral bleaching can result in the coral's death.

Why in News?

- A team from **National Centre for Coastal Research**, which comes under the Ministry of Earth Sciences, plans to work on coral monitoring and restoration in the **Gulf of Mannar region**.
- Coral reefs in India are only seen in some localities around the Gulf of Mannar, Gulf of Kutch, Lakshadweep islands and Andaman and Nicobar Islands. In many of these places, bleaching of corals and related species have been observed by the team.
- The team will also set up an aqua-tech park in the Gulf of Mannar region which will help local people rear marine ornamental fish towards a sustainable livelihood.

Critically polluted rivers in India

CPCB's assessment of river pollution

- According to an assessment by the Central Pollution Control Board (CPCB), the number of polluted stretches of the country's rivers has increased to 351 from 302 two years ago, and the number of critically polluted stretches — where water quality indicators are the poorest — has gone up to 45 from 34.

Ganga- Priority 4 River

- In its compilation of polluted stretches in Uttar Pradesh, the Ganga, with a Biochemical Oxygen Demand (BOD) range of 3.5-8.8 mg/l is indicated as a 'priority 4' river.
- The cultural significance of the Ganga is such that there's been greater focus on it but many more rivers are far more polluted especially in Maharashtra, Assam and Gujarat. These three States account for 117 of the 351 polluted river-stretches.

Graded scale

- The CPCB, since the 1990s, has a programme to monitor the quality of rivers primarily by measuring BOD, which is a proxy for organic pollution — the higher it is, the worse the river.



- The health of a river and the efficacy of water treatment measures by the States and municipal bodies are classified depending on BOD, with a BOD greater than or equal to 30 mg/l termed 'priority 1,' while that between 3.1-6 mg/l is 'priority 5.' The CPCB considers a BOD less than 3 mg/l an indicator of a healthy river.

Increase in monitoring stations

- CPCB has used about 500 more monitoring stations in the 2016-2017 assessment than for the previous exercise (2008-2012). Currently, the CPCB has 1822 monitoring stations on rivers and 473 on lakes/ponds/tanks.

Tiger Translocation

Translocation?

- Odisha's Minister of Environment and Forest, however, indicated that despite the inconclusive post mortem report, the animal may be translocated to Nandankanan Zoological Park near Bhubaneswar in order to calm the protesting villagers.
- Animal activists claim that the fact the person was killed by the tiger needs to come out clearly before translocating it. Reintroduction into a habitat is a very important issue for conservation and knee jerk reactions should not come in the way of it.

First Inter-State Tiger Translocation Project

- In June, a 195 kg tiger was shifted from Kanha Tiger Reserve in Madhya Pradesh to Satkosia, as a part of country's first case of inter-state relocation. Days later, a tigress was also relocated from Bandhavgarh Tiger Reserve.
- The shifting of both tigers is part of a project by the Ministry of Environment, Forests and Climate Change and its statutory body National Tiger Conservation Authority, which aims to shift a total of six tigers — three males and three females.
- The operation has been initiated with an aim to maximize the current Tigers' population in India and to ensure their safety and allocate them a territory where they can live uncontested.
- However, The Madhya Pradesh government had put on hold translocation of four tigers to STR amidst reports on resentment among forest dwellers there over alleged rumours that two big cats translocated in the first phase have a history of attacking humans.

Why in News?

- On Sept 13, a woman was found dead inside the Odisha's Satkosia Tiger Reserve (STR). Villagers, who were already against having a tiger in their neighbourhood, concluded that the newly transferred tiger had killed her.
- Large-scale protests and violence erupted with locals torching Forest Department offices in the areas bordering the STR. Forest Department boats on the Mahanadi river were also set ablaze.

Inconclusive post-mortem report

- But the post-mortem report of the deceased, which was released earlier this week, has failed to establish that the death was caused by a tiger attack. It only said that the death had been caused by "asphyxia" and that one injury was "consistent with destruction by carnivorous animal".
- Wildlife experts said that a tiger attack would have led to the human's neck being broken, whereas in this instance, it was not. Also, much more muscle tear than what was noted in the post mortem report would have been observed.

Raiganj Wildlife Sanctuary

- The number of winged visitors at the Raiganj Wildlife Sanctuary in West

Bengal has crossed all previous records. As per a census carried out by the State Forest Department, the wildlife sanctuary spread over 130 hectares, recorded 98,532 birds this year.



- In the year 2012-13, the number of migratory birds was about 58,000. Not only has the number of birds increased, but the number of species has also increased from 50 in 2012-13 to over 120 this year.
- The sanctuary, which is home to 164 bird species, has one of the highest numbers of **Open bill stork** population in Asia. Of the 98,000 birds about 67,000 are Openbill storks. Then there are cormorants, night herons, little egrets, flycatchers, owls and other species.
- Birds visit the Raiganj Wildlife Sanctuary in June and stay till November, when the temperature drops. The temperature in the sanctuary's numerous water bodies remains above 40 degrees Celsius during this period. Because of the presence of water bodies, there is a lot of food available for the birds. They primarily feed on fishes and snails.

EIA

What is Environmental Impact Assessment?

- The **Environmental Protection Act, 1986** require project developers to submit themselves to the Environment Impact Assessment (EIA), under which an independent agency, commissioned by the project developer, ascertains the likely environmental impact of a proposed project.
- The preparation of an environment impact assessment report and an environment

management plan ensures that the adverse environmental impact of projects and activities are assessed and studied and mitigation measures are taken in the implementation of the project to avoid or minimise the adverse environmental impact.

- Currently, depending on the size of projects, they are cleared or rejected by the expert appraisal committees of the Central government and the States and the district environment impact assessment authorities.
- The process obligates the project proponent to file a six-monthly compliance report, and regional offices of the Ministry are supposed to check whether industries are complying with these norms.

Issues

- However, these offices are frequently understaffed, leading to huge delay in project appraisals.

Environment Ministry's new proposal

- The Ministry of Environment, Forest and Climate Change (MoEF&CC) proposes to allow research organisations and accredited agencies to monitor if companies are complying with environmental conditions.
- According to the new proposal, MoEF&CC is planning to introduce the concept of randomised **third-party compliance monitoring** of the environment clearance conditions through national-level reputed and competent government institutions to be empanelled by the Ministry

A welcoming move

- Independent observers welcome the proposal describing it as a "big shift" in how projects are appraised.
- The core issue of the affected people being kept out of the monitoring and compliance paperwork is embedded in this proposal.

Culture

Durga Puja for homosexuals, transgenders

Fight against marginalisation

- In the background of the landmark Supreme Court's verdict which decriminalised homosexuality, a Durga Puja in south Kolkata is taking up the marginalisation of homosexuals as its theme.
- The plight of homosexuals and the transgender community will be highlighted with the use of medical instruments such as saline bottles, tubes and bandages, which will symbolise the mental wounds inflicted on homosexuals by society.
- When visitors walk through small corridors, life-size clay models with loudspeaker cones in place of heads will greet them. Through them, recordings of human voices resembling taunts and jeers faced by homosexuals and transgenders will be played.

'Is homosexuality a crime?'

- The main dais, where the Durga idol is placed, will have several saline bottles and tubes hanging from the wall of the pandal. Signboards with 'Is homosexuality a crime?' written in Bengali with red ink will be placed on both sides of the dais.

Uzbek Maqom Festival

What's in news?

- **Ustad Iqbal Ahmed Khan** from India won second prize in the 1st Maqom Art International Forum in Shakhrisabz city of Uzbekistan.



About the event

- The festival, initiated by Uzbekistan's President Shavkat Mirziyoyev, is as much a **cultural exchange**, as part of the President's ambitious plans to draw together strings from across the region and to revive the old and historical links between Central Asia and South Asia.
- More than 300 international guests from 71 countries of the world visited Shakhrisabz to take part in the event which is held under the patronage of UNESCO.

Ustad Iqbal Ahmed Khan

- Serving the Indian Classical Music for more than 50 years, vocalist Ustad Iqbal Ahmed Khan from **Dilli Gharana** is well known for his versatility and solid vocal expression. His expertise in a number of forms of music like Khayal, Thumris, Dadras, Bhajans, Ghazals makes his range very wide.
- He is a recipient of the Sangeet Natak Akademi Award for his contribution to classical music. He is the khalifa or head of the Dilli gharana of Hindustani music.

Dilli gharana

- Dilli gharana was started to popularise and preserve the works of **poet Amir Khusro** (1253-1325) Khusro's father was from Uzbekistan, while his mother was the daughter of a Hindu Rajput minister. The poet-musician went on to develop Hindustani classical music, khayals and qawwalis, Urdu (Persian-Hindavi) literature and poetry in a unique syncretic style.

Soft power push

- Khusro is well known in Uzbekistan, and the museums and public exhibitions at the Maqom festival here refer to his works. On a visit in 2014, Prime Minister Narendra Modi presented then President Islam Karimov with the Khamsa-e-Khusrau, a bound quintet of Khusro's poetry to mark the bond.

Miscellaneous

India's first woman IAS

- India's first woman IAS officer after Independence, **Anna Rajam Malhotra** died in Mumbai on Sept 17. She was 91.
- Born in Kerala's Ernakulum district in July 1927, she moved to Chennai after her schooling in Kozhikode to pursue higher education at the University of Madras. She later married R.N. Malhotra, who served as Governor of the Reserve Bank of India from 1985 to 1990.



Chose IAS which was not "suitable for women"

- Ms. Malhotra joined the civil services in 1951 and opted for the Madras cadre. Though the interview board sought to

convince her that the Foreign Service and the Central Services were "suitable for women", she insisted on joining the civil service.

- When she joined service, the rules said, "In the event of marriage, your service will be terminated." However, the rules were changed thereafter.

Achievements

- The officer worked under seven Chief Ministers and also with Rajiv Gandhi, when as an MP in 1982, he was in-charge of the Asian Games project in Delhi. Ms. Malhotra also accompanied former Prime Minister Indira Gandhi on an eight-nation tour and had served in the personnel section of the Union Home Ministry.
- She also successfully executed the construction of India's first computerised port Nhava Sheva (Jawaharlal Nehru Port) in Mumbai as its chairperson.
- The government awarded Ms. Malhotra the **Padma Bhushan** in 1990.

News in-depth

The Hindu Editorials

Fall of the Rupee and Its Stabilization

Why in News?

- The Rupee has lost about 12% of its value since the beginning of the year and is currently the worst performing currency in Asia.

The US Factor

- The dollar has appreciated sharply against practically all other currencies too. For instance, it has moved up against both the euro and the pound. Developing economies are typically even harder hit since global portfolio investors tend to withdraw from these markets, perhaps because their economic or political fundamentals are relatively more unstable. Countries such as Turkey and South Africa have experienced significantly higher rates of devaluation than India.
- Global capital and currency speculators have been flocking to the American economy. The U.S. economy has become a very attractive option because of the Following Reasons-
 - a) Massive decrease in corporate tax rates the U.S.
 - b) Federal Reserve has also increased interest rates recently.



Impact of the fall in Value of Rupee

- Fortunately, the RBI has a huge stock of foreign exchange reserves and so the balance of payments situation is not (at least in the immediate future) the main cause of anxiety for the steady decline in the value of the rupee. The cause of concern

is that the slide in the rupee can have adverse effects on the domestic economy.

- For instance, the surge in the landed price of crude oil has already resulted in a steep rise in the prices of petroleum and diesel. Diesel price hikes increase the cost of transportation of goods being transported by road. Unfortunately, many food items fall into this category. In addition to this many domestic company that have taken dollar loans will also face significantly higher servicing costs.

Steps announced by the Government

- These include steps to curb the import of non-essential goods and encourage the export of domestic goods, which will help in addressing the country's burgeoning current account deficit.
- Other steps such as removing restrictions on foreign portfolio investments and encouraging Indian borrowers to issue rupee-denominated 'masala bonds' were also announced to facilitate the inflow of dollars and de-risk the economy from fluctuations in the exchange rate.
- Further, the term limit imposed on borrowings of manufacturing companies is to be shortened further in order to curb dollar demand.

Way Forward

- Both the Central and State governments earn huge revenues from excise duties and value-added tax (VAT) on petrol and diesel. The Centre should lower duties. Rates of VAT should also be lowered by State governments.
- The RBI can take the most direct route — of offloading large amounts of dollars. This would increase the supply of dollars and so check the appreciation of the dollar but at the cost of decreased liquidity.
- The MPC must moderate any rate increase. Any sharp increase in interest rates can have an adverse effect on growth.

- The government can borrow from non-resident Indians (NRIs) by floating special NRI bonds that have to be purchased with foreign exchange, and with maturity periods of at least three years.
- The government needs to think of a long-term plan to boost exports, preferably

Bonds to rescue the rupee

Why in News?

- The sharp slide in the value of the rupee has led to speculation that the RBI might opt to issue NRI bonds worth \$30-35 billion in order to help attract dollar investment into the country.

Background

- The rupee's fall of 13.7% since the beginning of the year has been caused by two factors. On the one hand, capital has been moving out of India's capital markets.
- Foreign portfolio investors pulled out Rs. 47,836 crore in the first half of the year, a 10-year high. On the other, Indian exports have been losing demand, while imports of commodities like crude oil have risen significantly. India's current account deficit hit a five-year high in July.
- Both these factors have combined to cause an increase in the demand for the dollar, thus leading to the fall in the value of the rupee.

What are NRI bonds?

- These are bonds issued by the Reserve Bank of India to non-resident Indians who

through steps that remove policy barriers that are impeding the growth of export-oriented sectors, in order to find a sustainable solution to the problem of the weakening rupee

are interested in investing their money in India.

- Since these bonds offer higher returns than other similar investments, they can be used as a tool to attract capital during times when other domestic assets fail to attract the interest of foreign investors. Many investors view them as a safe investment as these bonds are issued by the Indian central bank.

Rationale behind the Move

- NRI bonds could theoretically help increase demand for the rupee and stabilise its value against the dollar. These bonds can provide temporary assistance to the rupee by encouraging capital inflows into the economy.
- In 2013, when the rupee witnessed a fall of about 25% in just four months following the U.S. Federal Reserve's decision to taper down its bond-purchase programme, the RBI was able to collect more than \$30 billion worth of foreign capital. NRI bonds were also issued in 1998 and 2000 to help curb the slide of the rupee.

Lethal Filth: India's Manual Scavenging Problems

Introduction:

- When the Government announced its plan to clean the Nation in 2014, through Swachh Bharat Abhiyan scheme, many raised their eyebrows over its viability.
- The flagship scheme had passed almost four years and a number of villages, districts and urban areas are declared clean compared to their previous standards.
- But the core objective of the mission lies within itself to uplift the status and position of the people who were employed in the mission.

Why in News?

- Recently five young men died in separate incidents of engaging in manual cleaning of septic tanks.
- One was in an upmarket residential community in New Delhi and the other was in Odisha.
- A law was in place to prohibit such act of engaging workers to clean septic tanks manually without protective gears.

The Prohibition Act

- An act was created to safeguard the lives and dignity of the community workers known as 'the prohibition of Employment of Manual Scavengers and their Rehabilitation' in 2013.

- As it mentions it prohibits employment of manual scavengers.
- It also prohibits –
 - a) The manual cleaning of sewers and septic tanks without protective equipments.
 - b) Prohibits construction of insanitary latrines.
- It seeks to rehabilitate manual scavengers and provide for their alternative employment.
- Each local authority, cantonment board and railway authority is responsible for surveying insanitary latrines within its jurisdiction.
- Construction of sanitary community latrines and removal of insanitary latrines are some other features of the Act.
- The District Magistrate and the local authority shall be the implementing authorities.

Invoking Section 7

- According to Section 7 of the Prohibition Act, a violation can be punished with two years of imprisonment or fine or both.
- No person, local authority or agency should engage or employ people for hazardous cleaning of sewers and septic tanks.
- Mechanised cleaning of septic tanks is the prescribed norm.
- The requirements of worker safety and provision of safety gear for rare instances when human intervention is unavoidable are often ignored.
- The above cases of death indicate non-enforcement of law and lack of fear of penalties.

Serious Lacunae

- In a well-funded programme like Swachh Bharat Abhiyan, this aspect of sanitation is paid little attention.
- More and more incidents are being reported of workers dying in septic tanks.
- In such scenario, Centre stating that it is pressuring States to prosecute violators, holds no ground.
- State governments should also take necessary steps to change the current trend.

- Lack of adequate machinery to clean septic tanks needs to be addressed in time.
- Absence of political will and social pressure will cost more lives in the future as more tanks are to be built in rural and urban areas as part of the drive to construct toilets.

The Ground Reality

- The Ministry of Drinking Water and Sanitation released a manual on toilet design in 2016.
- In that it acknowledged non-availability of mechanical pumps to clear septic tanks in the rural areas.
- Along with Urbanisation, there was an increase in Sanitation in the Southern States.
- It has brought with it a higher number of deaths as workers clean septic tanks manually.
- A record 144 fatality of workers engaged for manual tank cleaning in the past three years, in Tamil Nadu, reveals the crisis.

Deepening the Divide

- Toilet designs proposed by the government include those in which fully composted waste must be removed from pits every two years.
- This can provide a fresh platform to oppress members of some communities who are expected to perform such work.
- The Centre must ensure prevention of such events which reflects the growing social inequalities.
- The absence of adequate toilets is only one of the lacunae in India's complex sanitation problem.

What has to be done?

- The penalties on violation of the Manual Scavenging Act should be uniformly and visibly enforced.
- State Government should realise its role and should take every necessary steps to ensure safety of such workers.
- The Swachh Bharat Abhiyan should make expansion of the sewer network a top priority.

- To eliminate manual scavenging completely, the law should be enforced vigorously.

Conclusion:

- On the whole, the current scenario is a reminder that India's high-profile

The Power of Kudumbashree

Introduction

- The Kerala floods brought massive destruction to the life and property of the people of the State.
- But it had exposed to the country, the spirit of the people of the Kerala, who stood up for their dignity despite the hardships they faced.
- The death of a health volunteer due to contraction of leptospirosis, while doing relief work in Kerala, opens to the nation the power of Kudumbashree.

Relief Work

- Of the numerous people who provided selfless community service to the flood affected Kerala, only little attention is paid over those of the Kudumbashree women.
- Recognition and appreciation should be accorded to women relief helpers.
- Most important is to understand how an enormous, effective and well-planned intervention could be made across the State by women through their own initiatives.
- Initially only a handful of 60 key coordinators of Kudumbashree gathered at a district level informal review meeting in Kozhikode, which suffered landslides and heavy rain.
- Women from working class families, lower middle class and middle class, Muslim and Dalit community were present.
- These coordinators represented only a miniscule of the 2.43 lakh groups functioning across the State.

Effective Planning and Implementation

- The members of the Kudumbashree started contacting each other to discuss what they should do within one or two days of the floods.
- Dividing themselves into squads of five to six members, they started the relief work.
- District coordination team comprising five women were deputed by the Government to help members of the Kudumbashree in carrying out their work.

sanitation campaign has done little to alter some basic ground realities.

- The Government should also come up with a scheme for scientific maintenance that will end the manual cleaning of septic tank.

- Within a short span of time, there were 7,000 women volunteers engaged in various tasks.
- Improving the situation in one district, next they set out to neighbouring districts to help people there.
- Women's with family responsibilities convinced their families of the urgency of the work.
- They took equipments for cleaning which they themselves had collected through sponsorships and some went to relief camps and others to tribal areas to serve.

Not an Easy Task

- Works ranged from clearing piled up foul-smelling mud covering entrance of houses to even clearing dead animals.
- They stood knee-deep in the filthy mud and began removing it, certainly making the rescue and relief work more difficult.
- There were chances of them getting ill or bitten by poisonous snakes, but they preferred service over that threat.
- Tribal women did not initially trust them but later they too joined the members in relief works of their areas and neighbouring too.

Amazing Workforce

- Nearly 40,000 women of them self-mobilised across the State to do relief work which ranged from cleaning up places to counselling affected families.
- Kudumbashree groups cleaned up 11,300 public places and two lakh houses according to a report by the Kudumbashree State Mission.
- Schools, hospitals, Anganwadi centres and panchayat buildings are given importance in among other places.
- Around 40,000 affected families received counselling and information assistance from them.
- 38,000 Kudumbashree members opened up their homes to provide shelter to families rendered homeless by the floods.

- Members also donated ₹7.4 crore to the Chief Minister's Distress Relief Fund.
- The scale of voluntary relief work by women of Kudumbashree is quite huge and unexpected.

The Kudumbashree Model

- Started in 1998 by the CPI (M) -led government.
- Envisioned as a part of People's Plan Campaign and local self-governance, with women at the centre of it.
- Regarding the credit facilities and the intention of providing it, the model was similar to self-help group (SHG) movements in many parts of India.
- It has a three-tier structure –
 - a) The Neighbourhood Groups (NG)
 - b) Area Development Societies
 - c) Community Development Societies
- NGs are the basic unit which consist of five coordinators at least.
- Several such units within a ward are networked through the ADS and all ADSs are federated through the CDS.
- There are core committees of elected coordinators at all the three levels, with seven or more at the ADS level and around 21 at the CDS level.

Standing Unique

- All the coordinators of the Kudumbashree are elected and each member has a vote.
- Direct elections for the NG coordinators are held every three years.
- NG Coordinators elect the coordinators of the ADS who elect the members of the CDS.
- Women below the poverty line or from comparatively poorer section form the majority members.
- Adivasi and Dalit women got reservations, thus carefully being socially inclusive.
- At the district and state levels, officers of the government are appointed on deputation to help the Kudumbashree groups.

Embracing Secularity

- Secular composition of the groups acts as a facilitator for secularism of public places.
- Women from better-off families and powerful castes dominate SHGs in other states.

Transforming Agriculture

Why in News?

- Decision making powers are thus denied to the poorer women and Dalit women who are part of the group.
- Such effects lead to their withdrawal from groups changing the purpose of the SHGs.
- The social potential to challenge dominant structure of gender bias at the local level thus gets weakened.

Enhancing Economic Growth

- Micro-enterprises undertaken by the women NGs in Kerala strengthen community bonds.
- Some of those are organic vegetable growing, poultry and diary, catering and tailoring.
- Over the years their spectrum diversified, and today community farms run by them acts as a critical avenue for the rejuvenation of agricultural production in Kerala.
- Training courses provided by them include women's rights, knowledge of constitutional and legal provisions, training in banking practices, and training to set up micro-enterprises.

Overcoming Hurdles

- These groups are often seen as a threat by those who would like women to stick to traditional roles.
- Women of these groups had to organise protests when the Congress-led government drastically cut the budgetary allocation of funds and floated a parallel Janashree project.
- The BJP and RSS to have floated parallel groups, but so far they could not achieve anything as Kudumbashree.
- Despite its conception from a leftist regime, it had never been inclined to any political party in service terms.

Way Forward

- Kudumbashree model is purely a secular one and it is the one reason for its success despite change in governments in the State of Kerala.
- This 'Made in Kerala' model can be implemented across India.
- If it is done with the same secular and gender-sensitive spirit, it will bring a greater change to the women and the nation.

- The government along with UN body FAO has launched an agriculture project with

USD 33.5 million grants from Global Environment Facility (GEF) that seeks to bring transformative change in the farm sector through conservation of biodiversity and forest lands.

Background

- India is a signatory to the Convention on Biological Diversity. As four of the 35 biodiversity hotspots are located in India, it is biodiversity-rich. However, climate change and development without consideration for biodiversity are leading to loss of biodiversity. India's National Biodiversity Action Plan (NBAP) recognises the importance of biodiversity for inclusive development.

The Biological Diversity Act, 2002

- It is a federal legislation enacted by the Parliament of India for preservation of biological diversity in India, and provides mechanism for equitable sharing of benefits arising out of use of traditional biological resources and knowledge.
- The Act was enacted to meet the obligations under Convention on Biological Diversity (CBD), to which India is a party. The National Biodiversity Authority (NBA) was established in 2003 to implement India's Biological Diversity Act (2002).



- The NBA is a Statutory, Autonomous Body and it performs facilitative, regulatory and advisory function for the Government of India on issues of conservation, sustainable use of biological resources and fair and equitable sharing of benefits arising out of the use of biological resources.

Green Environment Facility

- The Global Environment Facility (GEF) was established on the eve of the 1992 Rio Earth Summit to help tackle our planet's most pressing environmental problems. The GEF unites 183 countries in partnership with international institutions, civil society organizations (CSOs), and the private sector to address global environmental issues while supporting

national sustainable development initiatives.

- The GEF also serves as financial mechanism for the following conventions:
 1. CBD Convention on Biological Diversity
 2. United Nations Framework Convention on Climate Change (UNFCCC)
 3. UN Convention to Combat Desertification (UNCCD)
 4. Stockholm Convention on Persistent Organic Pollutants (POPs)
 5. Minamata Convention on Mercury
 6. The GEF, although not linked formally to the Montreal Protocol on Substances that Deplete the Ozone Layer (MP), supports the implementation of the Protocol in countries with economies in transition.

Green Agriculture Project

- The Green Agriculture project implemented by the Indian government and the Food and Agricultural Organisation (FAO) takes a novel approach to **support** the National Biodiversity Action Plan (NBAP) and synergise biodiversity conservation, agriculture production and development.
- It is being implemented in five landscapes adjoining Protected Areas/Biosphere Reserves: Madhya Pradesh, Mizoram, Odisha, Rajasthan and Uttarakhand. It envisages a transformation in Indian agriculture for global environmental benefits by addressing land degradation, climate change mitigation, sustainable forest management, and biodiversity conservation.

Benefits of the Project

- Man-animal conflicts in the fringes of Protected Areas or animal corridors and conflicts over unsustainable procurement of **non-timber forest products (NTFPs)** have been contentious, especially in Odisha and Uttarakhand. A participatory and landscape approach can ensure the sustainability of conservation efforts.
- Biodiversity conservation is a part of traditional wisdom. The landscape approach will aim to restore traditional knowledge systems, such as the conservation of common property resources. Examples include the Orans of Rajasthan and the village safety and supply reserves in Mizoram.

- Traditional farming systems such as jhum encouraged crop diversity. However, climate change and shortened fallow cycles are undermining jhum cultivation sustainability. Participatory learning tools will encourage farmers to adopt more sustainable indigenous soil conservation.
- India's reservoir of indigenous traditional crops has dwindled. Most keepers of these crop genetic diversity are smallholder

Covering the last field

Why in News?

- Floods in Kerala, deficit rainfall in eastern and north-eastern India, and associated large-scale crop losses have again highlighted the need for providing social protection to poor farmers.

Pradhan Mantri Fasal Bima Yojana

The following are the objectives of the scheme:-

- To provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests & diseases.
- To stabilise the income of farmers to ensure their continuance in farming.
- To encourage farmers to adopt innovative and modern agricultural practices.
- To ensure the flow of credit to the agriculture sector.



Highlights of the scheme

- There will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops. In case of annual commercial and horticultural crops, the premium to be paid by farmers will be only 5%.
- There is no upper limit on Government subsidy. Even if balance premium is 90%, it will be borne by the Government.
- Earlier, there was a provision of capping the premium rate which resulted in low claims being paid to farmers. This capping has now been removed and farmers will get

farmers, including women. The approach will be to strengthen their role as agro-diversity guardians by developing value chains for their indigenous crops such as traditional rice varieties in Odisha.

- Projects such as Green Agriculture are essential in equipping decision-makers with the necessary instruments to design effective and informed policies to underpin environmental concerns.

claim against full sum insured without any reduction.

- The use of technology will be encouraged to a great extent. Smartphones will be used to capture and upload data of crop cutting to reduce the delays in claim payment to farmers. Remote sensing will be used to reduce the number of crop cutting experiments.
- PMFBY is a replacement scheme of two schemes National Agricultural Insurance Scheme as well as the Modified NAIS.
- Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks, such as due to Flood, Inundation and Landslide, Drought, Dry spells, Pests/ Diseases etc.
- All India post-harvest risks for cyclonic and unseasonal rain are also included.

Drawbacks

- Outmoded method of crop loss assessment- The methodology deployed for crop loss assessment under this scheme is called the crop cutting experiments (CCEs) which require huge capital and human resources and have large errors.
- Inadequate and delayed claim payment, high premium rates & poor execution are some of the other issues.
- Lack of Awareness-Farmers' awareness about the scheme and crop insurance literacy remain low in most States, especially among smallholders in climatically challenged areas in most need of insurance.
- Consequently, in 2017, the expansive coverage of the scheme suffered some setback as seen in a drop of nearly one crore farmers in enrolment (about 17%). Such shortcomings have inspired recent announcements such as that of Bihar to start its own scheme, the "Bihar Rajya Fasal Sahayata Yojna".

Way Forward

- In order to make the PMFBY a sustained developmental action for a comprehensive climate risk protection for every Indian farmer, the following action points are suggested.
- Faster and appropriate claim settlement- To improve the efficacy of the PMFBY, technology use must be intensified. With options such as available today, such as detailed weather data, remote sensing, modelling and big data analytics, the exercise of monitoring crop growth and productivity can be not only more accurate and efficient but also resource saving.
- The whole process of monitoring can be made accessible and transparent to farmers, policy-makers and insuring agencies alike through an online portal.

2+2 is less than the sum of its parts?

Why in News?

- 2+2 Dialogue between the U.S. and India was held recently.

2+2 Dialogue

- The 2+2 Dialogue between India and US and is similar to the Indo-Japan 2+2 Dialogue Format between foreign and defence secretaries and ministers of the two countries. It replaces earlier India-US Strategic and Commercial Dialogue.
- The dialogue is aimed at enhancing strategic coordination between both countries and maintaining peace and stability in the Indo-Pacific region. It puts strategic, defence and security relationship between two countries at the forefront.

Outcome

- Some forward movement has taken place, but it would seem that the U.S. has been the main beneficiary. With this Dialogue, the U.S. also seems to have succeeded in co-opting India into the U.S. strategic framework aimed at the containment of China.
- The principal takeaway from the 2+2 Dialogue was the signing of the Communications, Compatibility and Security Agreement (COMCASA) that is expected to facilitate India's access to advanced U.S. defence systems, and "enable India to optimally utilise existing U.S. origin platforms". It is also expected to help the armed forces of both countries to enhance interoperability.

- **Universal and free coverage for all smallholders-** To increase insurance coverage we should think of a system whereby farmers do not need to enrol themselves and every farmer automatically gets insured by the state. This will provide social protection to every farmer if the full premium of smallholders is also paid by the state.
- **Improved and transparent insurance scheme design-** Science has the capacity today to characterise risks and reconstruct reasonably long-time series of yields. The premium rates, and hence subsidy load on the government, can come down significantly if we make greater use of such technologies and appropriate sum insured levels.

India's Concern

- China is a matter of concern, but not an imminent threat as far as India is concerned. The entire 2+2 Dialogue, on the other hand, seemed to centre on the threat posed by China and the need to contain Chinese aggression through force, or display of force, under a U.S. umbrella.
- Pakistan is the more immediate threat for India, and not solely on account of incubating terrorism. We have real concerns about Pakistan's emergence as a nuclear threat, engaged in increasing the numbers of its nuclear warheads, developing several new delivery systems, creating new plutonium production and uranium enrichment facilities, etc. Pakistan's threat to build new short-range nuclear capable weapon systems is again a real danger. None of this seems to fall within U.S. purview at present.

About COMCASA

- COMCASA is part of four foundational agreements the U.S. believes are critical to establishing a fool proof security relationship .So far India has acceded to three- The General Security of Military Information Agreement (GSOMIA) was signed in 2002. The Logistic Exchange Memorandum of Agreement (LEMOA) was signed in 2016.
- Far more than the other two foundational agreements, COMCASA entails greater integration with the U.S. military. India was

earlier accorded the status of a major defence partner, and with COMCASA now affording access to advanced defence systems and U.S. origin platforms the implications of this are far-reaching.

Implications for India

- By its offer of a string of state-of-the-art defence items under 'controlled conditions', the U.S. is seeking to reinforce its claims to becoming the principal defence supplier to India, and in the process displace Russia from this perch. This is hardly an unmixed blessing.
- Russia has been steadfast in its defence commitments to India, and is not likely to take kindly to its displacement as India's No.1 defence supplier. Any counter moves by Russia, such as seeking out Pakistan as an outlet for its defence items, will not be to India's benefit.

Countering America's Adversaries through Sanctions Act (CAATSA)

- It is not clear at this time whether India would get a reprieve from U.S. sanctions directed at countries trading with Russia

The Progressive Way

Introduction

- Uniform Civil Code (UCC) is one of the hotly discussed topics in the political sphere of India.
- It generally refers to the laws which deals with family affairs of an individual and denotes uniform law for all citizens, irrespective of his/her religion, caste or tribe.

Why in News?

- The Law Commission of India in a recently released consultation paper mentioned about the status of UCC.
- It stated that UCC is neither feasible nor necessary at this point of time.

UCC

- Currently people belonging to different religions and regions are administered by their local laws and customs, and laws made by the state.
- UCC administers the same set of secular civil laws to govern all the citizens of the country irrespective of religion and region.

and Iran. India is interpreting U.S. affirmations that it would not be sanctioned for its 'legacy platforms', to mean that the purchase of the S-400 Missile Defence Systems from Russia would not be affected. New purchases would, however, come under the purview of the act.

India-US Strategic Relationship

- As part of the exercise to integrate India with its objectives, the U.S. once again reiterated the importance and significance of India as a 'strategic partner and a major and independent stakeholder in world affairs'.
- There is also a mention of further expansion of bilateral India-U.S. counter-terrorism cooperation. A new offer on display is of facilitating closer relations between the U.S.'s Defence Innovation Unit and India's Defence Innovation Organisation, intended to progress joint projects for co-production and co-development under the aegis of the Defence Technology and Trade Initiative.

- It will supersede the right of citizens to be governed under different personal laws based on their religion or ethnicity.
- Some of the areas included under civil code are Marriage, divorce, adoption and rights related to acquisition and administration of property.

Constitutional Backing

- Article 44 deals with UCC, which is placed under the Directive Principles of State Policy.
- Under it, the State shall attempt to secure for the citizens a UCC throughout the territory of India.
- By placing the Article in the Directive Principles, the matter is left to the interest of the State.
- So it is not a obligatory one for the state to create a UCC.

Legal Pluralism

- 'One Nation, One Law' tagline got a serious blow with the Law Commission's view on the possibility of a UCC.

- This exposes a serious divide between the socialists and the liberals.
- ‘Legal Pluralism’ and ‘Radical Libertarianism’ are well recognised scholarly traditions.
- Legal Pluralism is the existence of Multiple Legal Systems within one population like a Hindu code for Hindu population, Shariat governing Muslims, etc.
- The source of law has always been many and not just the State.
- A research on History cites many instances of pluralistic legal systems where multiple sources of law existed.

Time for Internal Reforms

- The Law Commission has rightly recognised the plurality of diverse personal laws.
- It further proposed internal reforms in personal laws to make them compatible with the constitutional provisions of equality and non-discrimination.
- With the recent tussle over the Women’s bill on triple talaq, this provides a serious opportunity for the Muslims reform their personal laws.
- It also opened the window for other religious communities to reform their personal laws to upgrade them to the changing and civilised world.

SC’s Pronouncements

- The Supreme Court has been an ardent advocate to the enactment of a UCC, without considering the ground realities.
- Judges in many verdicts indicated the need of a UCC, irrespective of the nature of the case, which exposes their interest to create a UCC instead of reforms.
- In 2015, Judge in ABC v. State observed the nonexistence of a UCC.
- The case is dealing with a statutory provision of the Guardians and Wards Act, 1890, where the reference of a UCC is not needed.
- In Sarla Mudgal case, 2015, the SC related nationalism to a UCC.
- It said that those who stayed back after partition knew that India believes in one

nation and therefore no community can claim separate religious laws.

- Loyalty to the nation and uniformity in laws are not related to each other.

Constitutional Debate

- There was a division on the issue of putting the need of a UCC in the Fundamental Rights chapter even in the Constituent Assembly.
- The matter was settled by vote as the sub-committee on this was so sharply divided.
- This led to the UCC placed under the directive principles which are non-justiciable.
- The distinction between justiciable, where the action of the state can be questioned and non-justiciable was nicely framed by the makers of the constitution.
- B.R. Ambedkar explicitly said that government cannot use its provisions to force the Muslim or any minorities to revolt.

Preserving Pluralism

- The use of the word ‘uniform’ in the Article 44 by the framers of the Constitution settles all the debate around the UCC.
- Uniform means ‘same in similar conditions’ whereas ‘common’ means one and same in all circumstances whatsoever.
- Laws in our country differ from region to region not because of religious diversity.
- Even the framers of the Constitution did not intend total uniformity of laws and so they were placed in the concurrent list.
- Both the Centre and the States are given power to legislate on this subject.
- Apart from this, the Law Commission added weightage to the diversity.

Preserving Legal Diversity

- Criminal laws and civil laws of the states are not uniform as states have made amendments to the Indian Penal Code, 1860 and Criminal procedure code, 1973.
- The recently introduced Section 295AA in Punjab which sentences life term in all sacrilege cases is one example for that. With the enactment of Hindu Code Bill, it is

believed that Hindus are governed by one homogenous law.

- It is believed the same in case of Muslims and the Christians which is not true.
- Local customs of Nagaland which are different from rest of the country are protected by the Constitution itself.

Different Laws of the Land

- Goa and Jammu and Kashmir (J&K) can be cited as best examples, where the people are under different set of laws and customs.
- Goa already has a uniform code, governed by Portuguese Family and Succession Laws.
- Thus neither the reformed Hindu Law of 1955-56 nor the Shariat Act 1937 is applicable on the Hindu and Muslim population of the state.
- The Special Marriage Act has not been extended to Goa.
- Local Hindu law statutes in J&K with the Central enactments and the Shariat Act are also not applicable to the Muslims here.

Forgotten Issues

Himalayan Divide – On the Drift in India-Nepal Ties

Introduction

- Relations with neighbouring countries are an important factor in the current competitive world.
- India keeps on focussing to balance its power with the U.S. and the Russia, mostly aligning to the U.S.
- But serious erosion in the relation between India and its neighbouring countries in the past few years is getting neglected.

What is the Issue?

- Ties between India and Nepal continue to be a cause for concern despite repeated efforts made to resolve the differences.
- The recently concluded seven nation BIMSTEC military exercise witnessed the straining ties between the two nations.

BIMSTEC

- It stands for Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation.

- Political parties never forgot to invoke the case of enactment of a UCC.
- But the non-implementation of other Directive principles is less talked about.
- Some of the less talked or forgotten principles includes –
 - 1) The right to work
 - 2) Right to living wages
 - 3) Distribution of community resources to sub-serve the common good
 - 4) Avoidance of concentration of wealth in few hands
 - 5) Protection of monuments
- Fair and equitable laws are far more important than uniform law.

Way Forward

- Amendments are necessary to a community's personal law in order to bring changes for its betterment.
- But just for the sake of introducing 'uniformity', advocating an amendment is not healthy.
- Reforms within the personal laws instead of a Uniform Civil Code should be the way forward.

- Bangladesh, India, Sri Lanka, Nepal, Bhutan, Myanmar and Thailand are the BIMSTEC countries.
- Main objective is technological and economic cooperation among South Asian and South East Asian countries along the coast of Bay of Bengal.
- India hosted the first military exercise of the BIMSTEC countries recently and the theme is to counter terrorism in semi-urban terrain.

All is Not Well

- Nepalese Army withdrew its contingent after confirming its participation citing political decisions.
- It sent only an observer mission at the last hour to the military exercise held in India.
- Nepal is upset with India's unilateral announcement of the multilateral exercise during the BIMSTEC summit on August 30-31.

- A formal proposal regarding conduction of military exercise was not put forth by India.
- Thailand cited the same reason of lack of adequate notice for not joining the counter-terror exercises.

Widening the Divide

- Nepal's decision to join China for a 12-day Mt. Everest Friendship Exercise in Sichuan province is also focussed on anti-terrorism.
- There was already a rise in Chinese Investments in hydropower, infrastructure and transport projects of Nepal.
- With this, Nepal recently finalised an ambitious connectivity proposal to link Kathmandu to Shigatse by rail.
- This will give Nepali goods access to Chinese sea-ports and land ports at multiple points.
- With New Delhi signalling its discomfiture to the above developments, the divide between the neighbours seems to be wide.

Renewing the Relationship

- New Delhi and Kathmandu must put an end to this controversy by re-engaging in diplomatic efforts over the issue.
- India and Nepal, added to their open border, shares deepest military links.
- Both countries traditionally awarded each other's Army Chiefs, the honorary rank of General.
- Lack of communication led to the straining of such unique ties.

The Contagion Effect

- Nepal's Prime Minister, in February, stated that he will not be guided by India on several matters.

Saving Rivers

Introduction

- The rivers in India play a vital role in the lives of the people providing water for drinking, irrigation, cheap transportation and electricity.
- All the major cities located to the banks of the rivers acknowledge the importance of rivers.

What is the Issue?

- His hard feelings towards India started with the 2015 economic blockade against Nepal by India.
- He also accused India that it tried to destabilise his previous tenure as Prime Minister during 2015-16.
- The larger political context of the discomfort over the BIMSTEC military exercise must not be ignored too.
- New Delhi should not keep silent on these accusations and must take steps to address them.

Minding the Language

- Use of a language undermining the small and littoral neighbours by Indian leaders is also a matter of concern.
- Army chief, General Bipin Rawat, stated that countries like Bhutan and Nepal cannot delink themselves from India citing geographical advantage.
- These statements are misleading and at times upset our smaller neighbours.
- Respecting the sovereignty despite the size of their economy is the most important in diplomacy.

Way Forward

- Geographical advantages are no more a factor with which neighbours can be held together.
- Modern technology and connectivity projects takes away the role of geography as a guarantor of good relations.
- Every country deserves their respect and India should not lose more from its small neighbours and had to act decisively.

- The number of critically polluted segments of rivers in India has increased from 302 in 2016 to 351 now.
- Central Pollution Control Board (CPCB) had published this data in a recent finding based on the order of National Green Tribunal.
- This data is a serious and strong accusation on the responsibility of the

departments related to environmental protection.

Exposing the Shortcomings

- The CPCB findings have exposed the lacunae and failure of government policies, mostly national programmes like –
 - 1) Programmes for river conservation
 - 2) Preservation of wetlands
 - 3) Water quality monitoring, etc.
- Numerous laws enacted to regulate waste management and protect water quality are not working.
- Tests of Ganga water indicate it has a better quality in Uttar Pradesh.
- But the volume of Central funding to clean Ganga was ₹3,696 crore against ₹351 crore to 14 States to conserve 32 rivers.

Infrastructure is the Key

- Maharashtra, Gujarat and Assam accounts for a third of the degraded river systems.
- Poor infrastructure in a large number of cities and towns located near rivers worsens the problems of degradation of rivers.
- Ideally CPCB should be reporting more frequently on pollution and carrying out intensive measure through State Pollution Control Boards (SPCB).
- Intensive measures should be taken to eliminate pollutants, starting with sewage and industrial effluents.
- But instead, the recent findings by the CPCB are on the order of the National Green Tribunal.

Pollution Control Measures

- Managing sewerage is a key step towards cleansing of river waters, which takes place through treatment plans.
- Sewage water getting discharged into the rivers was treated using treatment plans and the water is reused.
- Steady funding of treatment plans and reliable power supply are some essential criteria required.

- The deficit between sewerage available and the volume generated along the polluted stretches was at 13,196 million litres a day.
- Rapid urbanisation is further widening the gap, since infrastructure planning is not keeping any pace with the growth in housing.

Unified Approach

- Low priority is accorded to the enforcement of laws by the SPCBs and pollution control committees, which is unlikely to change for now.
- So expanding the supply of treatment plants should be the immediate plan.
- Sustained civil society pressure on government is vital to clean rivers in a time-bound manner.
- Industries are required to bring all liquid effluent discharge from textile units and tanneries to zero.
- It gives industries the assistance to help them choose the best technologies for the recovery of waste water for reuse.

Emergency

- Serious measures are urgently needed –
 - To protect our agriculture
 - To prevent serious harm to public health from contaminated water
 - To revive India's dying rivers.
- A 2013 World Bank study estimated that environmental degradation is costing India at least \$80 billion a year.
- Losses to rivers form a significant part of the above.

Way Forward

- Effective Funding for setting up numerous treatment plans along the sewerage lines joining the river is needed to save the rivers.
- Local industries which seriously pollute rivers should be allowed to run after taking necessary measures to reduce effluents.

Ten Years On, In Unchartered Waters

Introduction

- Economists prosper on financial crises and history provides a good support to this statement.
- The East Asian crisis of 1997 helped to have a relook on full capital account convertibility and fixed exchange rates.
- The question on impact of new technology on long-term productivity growth raised with the rise of internet called as the Internet bubble and its fall in the early 2000s.
- The importance of corporate governance got highlighted during the scandals in the corporate world through the 2000s.

Sub-prime Crisis

- The financial crisis of 2007-08 is also called Sub-prime crisis as it is associated with sub-prime lending.
- Banks in the U.S. had lent money to sub-prime borrowers, whose ratings were below the prime borrowers.
- These borrowers failed to pay back the loans they had taken
- So the banks in the act of recovering their loans recovered the houses which the borrowers bought from the loan as assets.
- Loans were given during real estate boom, but when it fell, banks lost most of their money as their assets lost their value.
- Federal bank of the U.S. intervened and pumped money and other measures to recover the economy.
- U.S. went into a period of recession and the whole world was affected by it.

Avenue to Research

- None of the above provided the opportunities for celebration as created by the financial crisis of 2007.
- The crisis, which peaked in early September 2008, occasioned an enormous flooding of scholarly papers, articles and books.
- The articles and papers dealt with the cause of the crisis and the lessons to be learnt from them.

Multiple Causes

- The crisis had multiple causes ranging from banking institutions to government policies.
- Global macroeconomic imbalances
- A loose monetary policy in the U.S.
- The housing bubble or the real estate boom in the U.S and elsewhere
- A flawed belief in efficient markets

Greedy bankers

- Incompetent rating agencies
- All of them undoubtedly contributed to the crisis and each had occurred before also without bringing on a global crisis.

Centred in Regulation Failure

- The ultimate reason for the crisis is none other than the failure of regulation.
- Banks were allowed very high levels of debt in relation to equity capital.
- Banks in advanced economies moved away from the traditional business of making loans to investing their funds.
- Instead they invested in the complex assets called securitised assets, which are securities derived from sub-prime loans (housing loans) of relatively higher risk.

Risk in Security Assets

- The switch from loans to securitised assets had enormous implications for banks.
- With a loan, losses are recognised over time but in investments, losses or gains in the investments have to be recorded instantly.
- As housing prices started falling and the securitised assets lost its value, it translated into enormous losses for banks.
- Banks capital got eroded and created panic among those who had lent funds to banks.
- The lenders to banks were short-term lenders in the wholesale market and this excess dependence of banks on short-term funds is another major cause.

Not a Local Crisis

- Other failures of regulation include the low standards of Banks for making housing loans.
- Banker's pay was designed so that it allowed them to take excessive risk.
- Not only in the U.S., these failures also infected banks in Europe and in Asia as well.
- Not only Banks in the U.S. were merely exposed to American assets.
- They had financed these assets through large borrowings in the American wholesale market, where international transactions are carried on.
- Thus the crisis was not just an American problem but a problem for many economies of the global banking system.

Central Banks Rushed to Aid

- As wholesale markets dried up, the Federal Reserve provided dollar funds to central banks in Europe and in Asia.

- Governments and Central banks of every economy rushed to save their financial institutions by providing liquidity support to banks.
- Fiscal and monetary expansions were employed to counteract the failure of banks.
- Loss of jobs and economic upsets lead to political instability which can be witnessed by these events –
 - a) The Eurozone crisis
 - b) Brexit
 - c) Rise of nationalism and anti-immigration policies
 - d) The Trump phenomenon in the U.S.
 - e) The return of Protectionism

Regulatory Capture & Revolving Door

- The ability of financial institution to influence policies of governments and regulators.
- This is the prime reason for such a total failure of regulation as Financial Institutions are a big source of political funding.
- The Revolving door is where personnel move between the roles as legislators and regulators
- The members of the industry get affected due the legislation and regulation due to the movement of personnel.
- Bankers in the U.S. and Europe gets top roles in government and regulation and on other hand, government officials and regulators gets lucrative jobs and assignments with banks.
- The ‘revolving door’ explains the lack of accountability of bankers and their tampering with regulation.
- No top banker has been prosecuted or jailed and were only fined for their violations.

India and the Crisis

- India has not suffered much on account of the financial crisis.
- Some of the effective policies which helped India to stay safe are –
 - 1) Not embracing full capital account convertibility
 - 2) Limiting short-term foreign borrowings
 - 3) Withstanding the U.S. pressure to open up to foreign banks
- Foreign banks retreated from overseas markets following the crisis.

- This led to a severe credit crunch in places such as Eastern Europe and thus India escaped this one.
- India’s growth is steady at 7% which may be low, but in line with the trend over the past two decades.

Suggested Measures

- Several key reforms focussing on getting banks to have more equity capital and reduce dependence on short-term borrowings are taken.
- The design of executive pay has been changed so as to reduce incentives for taking excessive short-term risk.
- Improvements in governance and the above measures have made banks safer than before the crisis but still not enough.

Core Issues

- Three big issues still remain unaddressed which still keeps the chance of another crisis.
 - a) Too big to fail problem
 - b) Size of debt
 - c) Financial Globalization
- Some banks being so large cannot be allowed to fail – ‘too big to fail’.
- Concentration in banking has increased and after the crisis, some of the biggest banks have grown even bigger.

Size of Debt

- A crucial aspect of the financial crisis was the build-up of private debt, which is, the households and non-financial firms.
- The key driver of recession in the U.S. was the rise in household debt and the consequent drop in household consumption.
- This does not disprove the fact that regulatory failure was the prime cause.
- Regulation should have addressed both growth in credit and flow of credit into sectors such as real estate.
- Private debt has fallen in the following years but government debt and corporate debt have risen.
- For the global economy as a whole, the higher debt (government, corporate and household) poses a serious challenge.

Financial Globalisation

- This makes the world vulnerable to U.S. monetary and fiscal policy.
- From time to time, the U.S. supplies other economies cheap finance by flooding dollars at low rates.

- Then it raises interest rates forcing the economies to pay huge repayments.
- Further, the dollar remains the reserve currency of the world and in future it may appreciate but will not depreciate.

Dollar Dependency

- The present crisis in emerging economies highlights how vulnerable emerging markets are to the vagaries of American economic policy.
- Dependency on the dollar needs to be reduced.

Banking on Mergers

Introduction

- Mounting Non-Performing Assets or the bad loans is the persistent problem faced by the Indian Banks for the past few years.
- A number of steps in the form of reforms in banking industry have not improved the situation yet.
- Consolidation of banks is one such reform measure proposed by a number of committee on banking reforms.

Why in News?

- Union government proposed the merger of three public sector banks recently.
- Bank of Baroda, Dena Bank and Vijaya Bank are to be amalgamated to become the country's third largest lender.
- Government stated the move as an effort to consolidate the banking industry with an eye on overcoming bad loan crisis.

Bad Loans

- The assets of the banks which do not create money are called Non-Performing Assets (NPAs) or bad loans.
- Banks assets are basically the loans and advances given to customers.
- If customers do not pay either interest or part of principal or both, the loan becomes a bad loan.
- By Reserve Bank of India, term loans on which interest or instalment of principal remains overdue for a period of more than 90 days, it is called a NPA.

Merger of Banks

- Consolidation of banks occurs when two or more banks are merged to form a single one.
- It happens for multiple reasons, like,
 - a) To mitigate competition
 - b) Gain capital power both domestically and internationally

- An alternative global financial architecture had to be planned to support emerging economies.

Way Forward

- A number of lessons are taken from the financial crisis by the economists.
- But the world is ultimately shaped by political and business interest and not by the economists.
- Accountability of these sections will only help in developing a crisis-free world.

- c) To compete with larger banking institutions
 - d) To expand the services and decrease operating costs
- Various committees appointed by the government have advocated consolidation, with the Narasimhan Committee strongly proposing it.
 - It proposed a three-tier banking structure in India with –
 - a) Around 3-4 large banks to take a decision in global scenario,
 - b) 8-10 to provide national coverage
 - c) The rest to take care of local coverage.
 - Asking healthy banks to take over weak banks appears to be the strategy to handle the bad loan crisis.

Who is the Winner?

- With the announcement of the merger, shares of Dena bank gained sharply while the other two lose a significant part of their value.
- Dena Bank is in the worst financial situation among the three and is currently under RBI's Prompt Corrective Action (PCA) framework.
- The PCA framework is a supervisory tool of RBI to monitor certain performance indicators of banks to check their financial health as an early warning exercise.
- Dena bank shareholders are set to gain from being part of a new bank with greater financial strength.
- State Bank of India's associate banks merged with their parent in 2017 and the Life Insurance Corporation of India took over the troubled IDBI bank this year.
- The proposed merger comes as the third one on successful merger.

Forcing Mergers

- Forced mergers such as the current one are against the spirit of strengthening the banks.
- Merging weaker ones with stronger ones tend to be a drag on the operations of the stronger banks.
- Neither do they solve the bad loan crises gripping the banking system as a whole.
- It is important to ensure that the resultant of merger does not be a weaker one compared to the pre-merger strong banks.
- Mergers are one way of managing the problem and therefore the option cannot be kept aside.

Not Missing the Track

- It is important to ensure that the merger is managed prudently where identifying synergies and exploiting scale efficiencies will be crucial.
- A unit is scale efficient when its size of operations is optimal so that any modification on its size will render the unit less efficient.
- With too many public sector banks in India, consolidation is a good idea in principle.

Guilt by Association and Insinuation

Introduction

- Intolerance towards dissent is one of the looming threats to achieve a secular and tolerant society.
- The U.S. provides the world with every set of events from racism to capitalism and one of them is the “McCarthyism”.

McCarthyism

- It was named after Senator Joseph McCarthy who propagated anti-communist agitation known as “McCarthyism”.
- In the 1950s, the people suspected of having left-wing sympathies were noted and subjected to abuse like –
 - 1) Blacklisting and harassment
 - 2) Investigations and inquiries
 - 3) Dismissals from employment
 - 4) Arrests and imprisonment
- Broadly-worded and vaguely drafted laws and judges immune to public mood at that time helped these activities.
- McCarthyism’s prevails even in contemporary democracies and it became a byword for persecution of dissent against state.

Blasi’s Approach

- But ideally, mergers ought to be between strong banks.
- With many banks in a precarious situation, the immediate compulsions for merging the weak Dena Bank with stronger banks are clear.

Not a Good Signal

- From a corporate governance perspective, the merger sends out poor signals.
- The government which is the dominant shareholder dictates critical moves that impact the minority shareholders.
- The minority shareholders are left with no say in the matter.
- Such a significant merger should have been first discussed and approved by the boards of the banks concerned.

Way Forward

- Strengthening the banks and fighting mounting NPAs through merger of banks is an excellent option.
- But, it should be taken after discussion with all the stake holders and not just government acting as a dominant player.

- Vincent Blasi, an American legal scholar, proposed taking a ‘pathological approach’ towards the constitutional right of freedom of speech and expression.
- According to him, Courts must interpret the right to free speech in such a way that it can help dissenting people from State’s action.
- Laws and statutes allowing wide discretion to state agencies and to judges should be interpreted narrowly.
- Judicial interpretations and verdicts should be clear and specific in marking the line between criminal conduct and the permissible exercise of fundamental rights.
- Thus rule of law would act as a protector of individual rights and liberty.
- It would further act as a constraint upon state power when the temptation to view dissent as treason was its highest in those times, 1950s.

What is the Issue?

- In India, numerous activists had been arrested on the grounds of having links with Naxalism.
- The ongoing cases before the Supreme Court, pertaining to them, have brought

once again the concepts of McCarthyism and pathological approach to the fore.

- The use of UAPA's procedures sounds more or like the draconian actions of McCarthyism.

UAPA

- Unlawful Activities (Prevention Act) gives vast discretionary powers to state agencies, rendering personal liberty at risk and curtailing judicial oversight.
- Considering the inordinately slow pace of criminal trials in India, UAPA is effectively a warrant for perpetual imprisonment without trial.
- Such detentions were seen as a big risk, but the clause was retained with the condition that its use would be limited.
- It authorises the government to ban 'unlawful organisations' and penalise 'membership' of such organisations.

Draconian and Disastrous

- Multiple cases where people get acquitted after spending many years in jail were witnessed so far.
- It is thus an assault on personal liberty for which no amount of compensation can possibly be made.
- Some of its draconian procedures are –
 - a) Pre-charge sheet detention for up to six months
 - b) The near-impossibility of getting bail
 - c) Lengthy trial, leading to spending of years in jail before getting released.

At Judge's Discretion

- Most important problem with the UAPA is the manner in which it sanctions the long-term deprivation of personal liberty even before an individual is found guilty.
- Equally serious is the definition of 'criminal' which is broad and vague.
- It makes the action of finding the guilt or innocence an extraordinary issue and open to discretion.
- This discretion is vested both in the prosecution and in the trial judge who hears and decides the case.

The Saibaba Example

- Professor G.N. Saibaba, along with five other persons was sentenced to life imprisonment under various provisions of UAPA by sessions Judge, Gadchiroli.
- Accusations against him are –
 - a) Criminal conspiracy to wage war against the government

- b) Membership of the banned party and its "front organisation"
- c) Intention to facilitate and abet the commission of terrorist activities, etc.
 - To prove his "membership" of the banned organisation and its "front", primary evidences submitted are –
 - a) Interview of him discussing the history of the communist movement.
 - b) His attendance at a public meeting criticising the government policy.
 - c) His offer to mediate between the government and the Maoists.
 - d) Pamphlets and videos that already existed on the Internet.
 - Considering the evidences the Gadchiroli Sessions Court concluded his membership of, and involvement in, the activities of the banned organisation and its front.

Connecting the Dots

- The court also held that Professor Saibaba operated under different pseudonyms while carrying out his work.
- It came to that opinion, by analysing some letters, where the physical attributes such as handicap are referred to, which matches the professor.
- And in some from the 'front', a letter claimed that the professor was handling certain parts of the country.
- Another document claims that an individual called "chetan" was handling those parts and so the court held it was professor Saibaba, the Chetan.

The Fault in the UAPA

- There was no single direct evidence to prove the above claims and this conclusion will be tested by the appellate courts.
- But what is important is how the UAPA facilitates and encourages judges to draw conclusions on criminality on the basis of such suggestive material.
- The UAPA does not define what a "front organisation" is and what makes an organisation a front of a banned group.
- The wording used in the UAPA, "any combination of persons" is vague and unhelpful.

Overlapping Terms

- UAPA uses a number of broad terms that overlap with each other.
- Section 20 criminalises "membership" of a terrorist organisation.

- Section 38 uses the terms “associating” or “professing to be associated” with a terrorist organisation.
- Section 39 criminalises “support” to a terrorist organisation and “inviting” support.
- UAPA also punishes both “unlawful activities” and “terrorist acts”, but the definitions tend to overlap.

Transforming Systems

- Our criminal legal system is based upon the idea of individual responsibility.
- But the UAPA takes us into the McCarthyist world of banned organisations, “fronts”, memberships and associations, etc.
- With its loose language and unclear words, it creates a climate in which the focus shifts from individuals and crimes to groups and ideologies.

Hope Still Prevails

- Some judicial attempts to push back against this climate were taken.
- The Supreme Court (SC) held that the word “membership” has to be restricted to active incitement of violence.
- In a famous judgement, the above said definition is employed in granting bail to members of the Kabir Kala Manch.

- The Court here rejected the prosecution’s argument which cited the “ideology” of the members itself as contagious.
- Such judgements are few and the dominant approach of curtailing individual liberty and deeply McCarthyist in character prevails.

Voice from the Past

- In 1952, Syama Prasad Mookerjee protested against preventive detention while debating the extension of the Preventive Detention Act.
- While it can be justified at some extreme circumstances, it cannot become the normal part of law of the land.
- These apprehensions are now well felt through the acts and implementation of the UAPA.

Way Forward

- Enough evidence nowadays shows that the State has begun to unleash its forces on dissenting people under the cover of combating terrorism.
- Interpreting the provisions of the UAPA through the lens of Prof. Blasi’s pathological principle might be a good start.

For Liberty’s Sake – On the scope of Article 32 in the Activists Case

Introduction

- The Supreme Court (SC) is the ultimate defender and guarantor of the Fundamental Rights in India.
- This power is attributed to the SC by the Article 32 and the SC once again proved why it is bestowed with such powers.

Why in News?

- Five prominent activists were arrested by the Pune police under various charges of criminal conspiracy and anti-nationalism.
- SC intervened and granted them the rare relief of remaining in house arrest while it examines the charges against them.
- This act of SC raises the bar for protection of personal liberty.

What to do next?

- The activists are charged for being members of the banned Communist Party of India (Maoist) and joining a conspiracy against the government.
- The Court has reserved its decision in the case and now must decide one of the following courses.

- To allow the police in Maharashtra to pursue its investigation against the activists
- To set them at liberty on the ground that this is a fake case
- To order a probe by an independent team

Disguised Crackdown

- The story so far has thrown up a legal tussle between the Centre and the activists.
- The petitioners led by historian Romila Thapar, have questioned the motivation for the police raids on the residences of these activists and a few others.
- It questioned the targeted and coordinated operation of police across several states targeting selected individuals.
- They argued that the whole issue is a thinly disguised crackdown on political dissent.
- They wanted those arrested to be released and demanded an independent investigation.

Defending Nation

- Centre and the States involved contended that it is probing a terrorist conspiracy

involving Maoist insurgents and their urban supporters.

- It defends the arrest and prosecution stating that the case is based on important evidence seized during the probe.
- It affirms that the case has nothing to do with the ideology or the political views of those under investigation.

The Question of Intervention

- Article 32 provides the right to Constitutional remedies, under which SC enforces fundamental rights.
- It asserts the right of a person to move to SC and High Courts for getting his fundamental rights.
- The SC has set the stage for an examination of some fundamental questions at the intersection of criminal procedure and constitutional law.
- One question is whether in a criminal matter the court can entertain a petition under Article 32 of the Constitution for which the accused are expected to seek their remedy under the Criminal Procedure Code.
- The substantive question is whether the court should intervene when the liberty of citizens and their right to dissent are

sought to be denied by arbitrary police action.

Setting the Precedent

- Court's thinking in this matter is explicit from the following observations –
 - a) "Dissent is the safety valve of democracy"
 - b) "Personal liberty cannot be sacrificed at the altar of conjecture"
- These led to the decision of the Bench to examine the case to see whether the charges have some basis.
- This sets a precedent whereby every accused can rush to the SC immediately on arrest which is a worry to the government.

Conclusion

- At the end, dissent towards the government can never be a reason for taking away their liberty and other fundamental rights.
- Dissent and ideological differences should be encouraged which forms a base for democratic values.
- It is unusual where one city's police is investigating a crime that supposedly spans several States and involves purchase of arms and other armed rebellion.
- It should have better been handed over to a national agency.

Upping the ante: On the U.S.-China trade war

Why in News?

- The US announced this week that it would be imposing 10% tariff on \$200-billion worth of Chinese exports, increasing it up to 25% by the year-end. China has said it would apply retaliatory taxes to the tune of \$60 billion.

Impact

- Economists concur that in the near term the trade war will cause shrinkage in bilateral trade volumes. Businesses in the U.S., China and nations with close trade and investment links to the two countries, such as those in Europe, will find themselves in considerable economic trouble. Over the longer term, a reversal of the globalisation of supply chains may take place.
- China, and indeed any other nation that trades with the U.S., may seek alternative markets and trading partners if the American government persists with its current policy. Even if countries can avoid some of the punitive costs of this battle, global institutions such as the WTO and

other multilateral rule-making bodies will lose their authority.

- Philosophically, a trade war of this scale is against the foundational economic principles regarding the division of labour and comparative advantage.

Background

- The US administration under President Donald Trump has taken various protectionist measures in an attempt to bring down its trade deficit from around 800 billion USD annually, out of which its Trade deficit with China stands at 308 billion USD.
- Earlier in March 2018, the Trump administration had announced tariffs of 25% and 10% on all steel and aluminium imports citing national security issue. The US had also announced additional tariffs of 25% on Chinese imports worth approximately \$50 billion, accusing it of intellectual property theft and unfair trade practices. China, in turn, retaliated with a number of tariffs on US goods, thus sparking off a trade war.

- The primary aim was to counter the growing presence of China in the global market which had grown because of OBOR, and other investments in various countries. Since the Chinese economy is highly dependent on exports, a hike in tariffs would hurt Chinese interests and at the

Bringing data under the rule of Law

Why in News?

- A draft government policy envisages a ban on the international transfer of data generated by Indian e-commerce users

Data Localisation

- Data localization is the act of storing data on any device that is physically present within the borders of a specific country where the data was generated.
- A draft government policy envisages a ban on the international transfer of data generated by Indian e-commerce users. A similar policy implemented by the Reserve Bank of India will prohibit companies from sending financial data abroad from October. Such data localisation measures are on the rise around the world.



Rationale Behind the move

- There are entirely legitimate reasons for restricting the free movement of data, chief among them being concerns about privacy and cyber security. While some of the toughest restrictions on data movements are in surveillance states such as Russia and China, some EU countries have also brought in data localisation measures with privacy in mind. For historical reasons, Germany is particularly sensitive to concerns in this area.
- Digital societies and economies get ruled globally by the most powerful corporations and governments, which work in a mutually reinforcing manner. Data localisation attempts to bring back the rule of law to our digital and 'datafied' existence.

Criticism

same time would reduce the trade deficit between the two countries.

- Another bone of contention between US and China is the reduced cost of production in China which enables it to sell at a faster pace; on the other hand, the US economy is facing trouble both in terms of manufacturing goods and creating Jobs.

- The measures are a further move towards breaking up the world into a series of data regimes, a phenomenon sometimes named the "**splinternet**". This could seriously retard the growth of data-enabled innovation beyond simply the delivery of online services.
- Increasingly, goods supply chains have an associated data stream feeding information back and forth between the manufacturer and the user. Such services will take a rising share of value-added in consumer and capital goods. Growth will be restricted if data cannot be aggregated internationally.

Importance of Data Sharing

- The European Union, France, the U.K. and some current policy initiatives in India are proposing national data-sharing regimes and data infrastructures. Such regimes and infrastructures require the law to have access to potentially shareable data.
- A lot of privately held digital data are needed for policymaking and governance. An example is a need for commuting data, mostly with companies like Uber, for smart traffic planning. Many similar requirements will emerge in all sectors. Some countries are exploring the idea of mandating access to such public interest data.

Way Forward

- **Privacy:** As privacy is a right, it is primarily the state's responsibility to protect our personal data. But it can mostly do so only if the data are within its reach. There are also great dangers regarding privacy from state agencies themselves.
- Such privacy can only be ensured by invoking and strengthening the protective and corrective powers of the state, including the judiciary and new data protection-related institution(s). It will be useful for the new data protection authority proposed by the **Srikrishna**

Committee to actually be a constitutional authority.

- **Rule of law:** Global social, cultural, economic and political integration must be promoted, but without sacrificing the effectiveness of nationally organised 'rule of law'. Free flow should be the norm for general information and knowledge, with minimal conditions.
- Treaties should be explored so that data can flow between consenting jurisdictions with guarantees for application of corresponding laws of the country of origin, as the EU has done with its digital single market.
- **International Governance:** A properly-constituted system of free data flow should with clearly defined safeguards to protect the privacy and security of personal

information is needed. The best solution would be clauses written into trade agreements, or a standalone treaty guaranteeing the exchange of information subject to that condition. For instance, there are substantive provisions on data flow in the 12-nation Trans-Pacific Partnership trade deal.

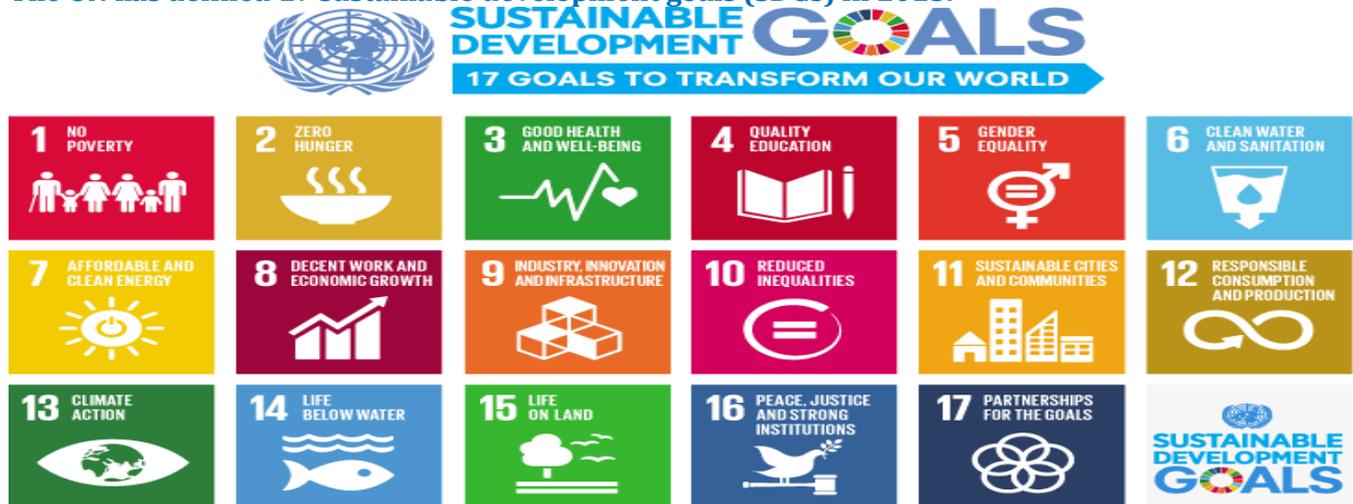
- **A genuine political debate:** The national debate on data localisation needs to integrate a wide range of social, political and economic perspectives. Legal and democratic requirements for local data regimes have to be appropriately balanced with the values of global digital integration. Interests of a transnational global elite need to be balanced with those whose livelihoods are attached to precarious local economies.

Kurukshetra

Introduction:

- In recent times there has been a shift in the character of geographical location of villages. Large part of rural areas are no longer stand alone settlements but a cluster of settlements that show potential for economic opportunities. Plans and policies have a major role to play. Sustainability of these plans are imperative in achieving it ensuring required inclusiveness i.e. **sabka saath, sabka vikas**(collective efforts, inclusive growth)mantra.

The UN has defined 17 sustainable development goals (SDGs) in 2015.



- In pursuance of these goals, the Indian Government introduced the **Shyama Prasad Mukherji Rurban mission (SPMRM)** creating a cluster of “Rurban Villages”.

Shyama Prasad Mukherji Rurban Mission (SPMRM) or National Rurban Mission (NRuM)

Background and objective:

- It was launched on 21st February, 2016.
- With potential for growth the village clusters once developed are classified as ‘Rurban’.
- Bridging the rural-urban divide by emphasis on economic, technological growth and those related to facilities and services along with reduction of poverty and unemployment and bring in attracting investments.
- In these clusters resources are mobilized through convergence of various schemes of the Government, with **Critical Gap Funding (CGF)** for focused development .

Challenges:

- Far away location of financial institutions.
- Migration of people for work to the affluent states.
- Fragmented holdings makes it difficult for financial inclusion as the average farm size in India is small (1.15 ha).
- Fixed transaction cost and annual fees tend to make small transactions unaffordable.
- Documentation requirement is a barrier to account ownership.

The way forward:

- **Engage:** Motivating parents, especially mothers to use the facilities like clean water, gas and sanitation provided and creating a volunteer group.
- **Enable:** devoting resources towards inclusive growth like road connectivity, food processing and access to formal banking network.

- **Enrich:** Private sector involvement and linking post offices with spread of information and awareness.

Rurban cluster:

- It covers contiguous villages with a population of about 25,000 and 50,000 in plains and coastal areas and with a population of 5000 to 15000 in desert, hilly or tribal areas.
- They will have skill development training, agro processing, storage and warehousing, mobile health unit, sanitation, piped water supply, solid and liquid waste management, village streets and drains, street lights, inter village road connectivity, public transport, LPG gas connections, digital literacy and citizen service centers.
- Selection of the 'R urban clusters': Based on parameters like decadal growth in rural and tribal population, non-farm work force participation, presence of economic clusters, places of tourism and pilgrimage, significance and proximity to transport corridors, percentage enrollment of girls in secondary schools and tribal literacy rate, households with bank accounts under PMJDY and performance of SBM.

- To achieve sustainable development goals various aspects like agriculture, financial inclusion, health, technology and women empowerment has been talked about in the article.

1. Agriculture for rural transformation

- Agriculture and allied activities are the prime source for livelihood support to about 70% of India's population living in over 6.40 lakh villages (census, 2011).
- Huge regional disparities is seen in seed, fertilizer, marketing and the post-harvest infrastructure to which the reforms in agriculture have been introduced for inclusive development. Which can be achieved through:

Expanding the funds through schemes:

- The Pradhan mantri Krishi Sinchai Yojana (PMKSY) is a convergence amongst the programmes of agriculture, water resources and rural development.
- The specific incentives to producers and entrepreneurs are put in place through SAMPADA scheme of ministry of food processing industries.
- The convergence with MGREGA has been envisaged to create farm ponds annually.

Expanding the focused funds by NABARD:

- Food processing fund for extending affordable credit to designated food parks.
- Micro irrigation fund to achieve the goal '**per drop more crop**'
- Dairy processing and infrastructure development fund to revitalize the milk processing under the **operation flood**.
- New funds like Fisheries and aquaculture infrastructure development fund and animal husbandry infrastructure development fund for financing infrastructure.
- Bringing irrigation to a rainfed land increases the productivity by 2.5 times.

Operation Flood: Launched in 1970, Operation Flood has helped dairy farmers direct their own development, control the resources they create along with procurement of milk and providing inputs and services, making modern management and technology available to members. Its objectives included:

- Increase milk production
- Augment rural incomes
- Reasonable prices for consumers

Other alternatives:

- Government established **seed hubs** to augment the availability of pulse seeds.
- **Soil health card** helps farmers know the fertility status of his farm and get crop specific prescription.
- **Neem coating** has been introduced to reduce the leakages in urea distribution.
- Promotion of custom hiring centre (CHC) for agricultural extension and technology.
- The **crop residue management** has been given top priority for **in-situ management**.
- Premium for arable cropping, fruits, vegetables and plantation crops.
- **The Kisan credit card (KCC)** Scheme includes credit and consumption needs.

- Post-harvest loans are also being granted against **negotiable warehouse receipts (NWRs)**.
- Special attention has been given to **Medicinal and aromatic plants (MAPs)** towards diversified farming
- Galvanizing organic bio-agro resources (**GOBAR) Dhan scheme** has been announced for management and conversion of cattle dung and solid waste on farm as compost, bio gas and bio CNG.
- To have agricultural markets modernized a new model as agricultural produce and livestock marketing (APLMC) act,2017 was suggested along with the online inter connectivity of **e-mandis** .
- Integrating small and marginal framers with value chain with Farmer Producer Organizations (FPOs).
- Schemes relating to tree plantation (**Har Medh Par Ped: trees on every field boundary**) also implemented.

in-situ management of crop residue

The Cabinet Committee on Economic Affairs (CCEA) has approved Central Sector Scheme for in-situ management of crop residue in Punjab, Haryana and Uttar Pradesh and NCT of Delhi. It will promote agricultural mechanization for next two years (2018-20) to provide cost-effective and eco-friendly solution to farmers to deal with problem of stubble burning that result in raising air pollution levels in Delhi and neighbouring states every winter.

Negotiable warehouse receipts (NWRs)

The Ministry of Consumer Affairs, Food and Public Distribution launched web portal of Warehousing Development and Regulatory Authority (WDRA) & Electronic Negotiable Warehouse Receipt (e-NWR) System under Digital India mission. NWRs are documents issued by warehouses to depositors against commodities deposited in warehouses for which warehouse is Bailee. They can be traded, sold, swapped and used as collateral to support borrowing or loans from banks. These receipts were made negotiable under Warehouse (Development and Regulation) Act, 2007 and are regulated by WDRA.

Conclusion:

- The irrigation potential of 8.06 million ha has been targeted by 2020. The recent initiatives into the agriculture have made it more inclusive with suitable blend of food security along with income security priorities.
- The innovations for convergence of rural development with farming technologies that economize the cost of inputs and produce more from less of natural resources will lead to rural prosperity while transforming the agriculture.

2. Financial Inclusion for inclusive growth

- Economic growth can't be sustainable unless all sections of society are included as a part of the growth process. The inclusive growth includes productive employment, increasing the incomes of poor and excluded groups and raising the standards of living.
- **Rangarajan committee on FI (2008)** has defined FI as the process of ensuring timely access to financial services and a proper credit to weaker sections and low income groups at an affordable cost.

Background:

- Nationalization of banks was done during 1969 and 1980, wherein 20 private controlled banks were nationalized to include the poor and the marginalized
- The events were coupled to lend a certain % of their lendable resources to include agriculture, micro and small industry.
- Regional banks were established during 1979 with the objective of reaching the 'target' groups.
- Service area approach (SAA) was introduced in 1989 for orderly development of rural and semi urban areas.
- The important FI initiative was to mainstream SHGs through the bank linkage program (SHG-BLP) in 1992 which brought in over 10 million poor women into banking fold.

Effects:

- While the reach of institutional credit increased from 29% in 1971 to 57% in 2003, the formal financial institutions in rural areas (43% of households) continue to rely on informal finance.

- The task force on credit related issues of farmers, 2008 observed that “there is an increase in the share of moneylenders in the total debt of cultivators.
- To improve the reach, GOI launched a phase wise roadmap for opening of banking outlets in unbanked villages 2009 and 2012.

An initiative with multiple benefits:

- BIRD study pointed out that 60-65% of households opened Accounts under PMJDY which was possible due to increased awareness levels among women.
- Demonetisation increased utilization of various financial services overcoming demographic and gender barriers.
- Integration with Aadhar numbers, PMJDY has brought people under the ambit of formal banking network.
- PMSBY covered accidental death insurance for people in the age group of 18-70 years with bank accounts linked to their Aadhar at an annual premium of just Rs.12.
- The pension scheme (APY) encouraged workers (18-40 yrs.) in unorganized sector to save for their retirement as part of DBT.
- They established cash out points under financial inclusion.
- Rupay cards (a domestic debit card with accidental insurance coverage to PMJDY account holders), was another feature which helped in better use of the PMJDY accounts.

Conclusion:

- Concrete efforts are needed to address the issues relating to Information and communication technology in Banks, banking correspondents and fund based credit (FLC) so that gain is sustained and the goal of total financial inclusion is reached in near future.

3. Health Services in Rural India

- Health care centres has been categorized into:

1. Primary health care

Sub centre

- The peripheral and first contact point between the Primary health care system and the community.
- Manned by at least one auxiliary nurse midwife (ANM), Entrusted with the supervision of 6 sub centres.
- Planned for 5000 persons in plains and for 3000 in hilly, tribal and difficult to reach areas.

Primary health centre (PHC)

- First contact point between village community and the medical manned by a medical officer
- Planned for 30,000 persons in plains and for 20,000 in hilly, tribal and difficult to reach areas.
- Established and maintained by the state govt. under the Minimum needs programme (MNP)/Basic minimum services (BMS) Programme.
- Acts as a referral unit for 6 sub centres and 4-6 beds for patients.

Community Health centres (CHC)

- Established and maintained by state govt. under MNP/BMS programme.
- Planned for 120000 persons in plains and for 80,000 in hilly, tribal and difficult to reach areas.
- Manned by 4 medical specialists that is surgeon, physician, gynaecologist and paediatrician with 30 indoor beds with one OT, X-ray, labour room and laboratory facilities.
- Referral centre for 4 PHCs.

2. Secondary level care

First referral units (FRUs)/direct hospital

- Facilities like district hospital, sub divisional hospital, community health care can be declared as FRUs if it is fully equipped with round the corner services and emergencies with blood storage or linkage facility.

Sub divisional hospital (SDH)/Taluka hospitals (TH):

- A sub divisional hospital is a refereed unit usually situated in towns.
- It has comparatively more services and specialist than a CHC.

3. Tertiary level care

Medical college & associated hospital (MC&AH)

- Institutions planned with all types of health services, including super speciality facilities.
- Have bed strengths of 500 or more.

Apex institutions, as speciality centres, referral and research centres

- Institutes such as All India institute of medical sciences (AIIMS), Post graduate institution of medical education and research (PGIMER) Chandigarh, Jawaharlal institute of Post graduate medical education and research (JIPMER), Puducherry.
- In addition there are a number of institutions dealing with specific health condition only such as national institute of mental health and neurological sciences (NIMHANS).

Introduction:

- The health and wellness centre under Ayushman Bharat program and national health resource repository (NHRR) are the two emerging opportunities to implement innovative solutions to already recognized challenges of rural healthcare system of India. Here the physical service infrastructure and educational infrastructure has been discussed.

Health service infrastructure:

- There has been a variable growth in this infrastructure over last 12 years.
- The rural primary healthcare facilities are supplemented by a network of sub divisional hospitals(SDHs) or taluk hospitals , district hospitals (DHs), mobile medical units,medical colleges and associated hospitals (MC&AH)
- There are AYUSH dispensaries dealing with **Ayurveda, yoga, naturopathy, unani, siddha, homeopathy.**
- The average population served by each government hospital in India is about 98,571 persons.
- The total number of licensed blood banks and eyes banks in India is 2,903.
- In addition India has a vast private sector, mostly single doctor facilities, which provide services on direct payment by people.
- The non-profit organizations also provide select health services in identified areas of the country.

Health education infrastructure:

- To increase the availability of human resources ,the intake capacity of graduate courses (doctors) and post graduate courses (specialists)and other cadres of health care is being augmented alongside a focus on setting up new medical colleges and institutions such as AIIMS.
- Allopathic doctors in India: there is around one doctor for every 1,500 people in the country. However only 14-16% of total allopathic doctors are working in the government sector.
- Specialist doctor at CHCs: At least 4 specialists are expected to be available at each CHC but there is 81.6% shortfall against the requirement.

Challenges and way forward:

- Even with existing rural infrastructure, there is a need for additional 19% HSC, 22% PHCs and 30% CHCs.
- There are interstate and intrastate variations in availability of health facilities and human resources as well.
- The lack of appropriate mix of infrastructure at rural health facilities.
- The government's flagship Ayushman Bharat program (ABP) with one of the components aims to upgrade the existing HSCs and PHCs into Health and wellness centre (HWCs) by Dec 2022.
- Government has started on national health resource repository (NHRR), which aims to collect information on existing health facilities, providers and services available .which could become a

baseline for future information generation, **electronic vaccine intelligence network (e-VIN)**, and cold chain system monitoring under universal immunization program (UIP).

- **Note:** Indian public health standards (IPHS) have been drafted by the government to ensure quality in health services at public facilities.

4. Digital Technology: Connecting rural India

- Digital technology is not just providing a learning environment for farmer groups but also solving problems in their livelihoods by bridging the research system and the farming system.
- Digital technology can deliver Quick dissemination of technological information from the research system to farmers in the field and reporting of farmers' feedback to the research system.

Digital support to agriculture: e-extension

- Geo tagged fields and water bodies
- **Portals like : agriwatch.com, itcportal.com/ruraldevp_philosophy/echoupal.htm**
- GPS, GIS, digital cameras and internet help rural communities to document and communicate their situation.
- E-choupal comes with efficient supply chain system.
- Aadhar has also enabled to access the monetary benefits by establishing the correct identity.
- **The Indian AMUL programme automates milk collection and payments** for its members, thereby enhancing transparency of the milk volume and quality collected and ensuring fair payments to farmers.
- **e- Soil health card:** this is the programme of department of agriculture to analyse and provide guidance on soil health, fertilizer usage, and alternative cropping pattern.
- **AGRISNET:** broadband satellite technology to establish the network within the country.
- **AGMARKNET:** A database linking together all important agricultural produce markets in the country.
- **Agri business centres:** web based solutions to agro machinery, cold chain tech, commodity brokers, cooperative food processors etc.
- **E-KRISHI VIPANAN:** It reorganises the trading business of mandi board by installing cost effective digital infrastructure.
- The infrastructure is placed at three locations namely a professionally managed call centre (level-1), a response centre with services of SMS made available at (level 2) and a nodal cell (level 3).
- **E-Choupal:** Enables the agricultural community access ready information in local language on weather, market prices and purchase farm produce from the doorsteps.
- **e-Sagu:** Sagu means cultivation. It delivers high quality personalized agro expert advice.
- **AKASHGANGA:** Its success demonstrates the potential of information technology to impact livelihoods in poor, rural communities and illiterate or semiliterate.
- Decision support system for agro technology transfer (DSSAT): Software package integrating the effects of soil, crop phenotype, weather and management options. And allows users to ask questions and simulate answers
- **e-NAM:** It is a unified national electronic market bringing interconnectivity to markets across the country.

Way ahead:

- The national commission on farmers under the chairmanship of Dr.M.S.Swaminathan had recommended harnessing the benefits of digital technology for improving the socio economic status of rural people by the establishment of rural knowledge centers all over the country.
- Awareness of up-to-date market information on prices for commodities, inputs and consumer trends can improve farmers livelihoods substantially.

5. Women: Driving Force of Development

- Rural women are the key agents for the transformational changes required for sustainable development achievement.
- But limited access to credit, health care and education are among the many challenges they face. Empowerment is multi-faceted, multi-dimensional, and multi layered concept where they gain greater share of control over resources –material, human and intellectual.

Government empowerment programmes for rural women:

- **Deen Dayal Upadhyay Antyodaya Yojana (DAY-NRLM): Ajeevika** -It aims to achieve universal social mobilization of skilling the youth where one third being women and creation of SHGs.
- **Mahila kisan sashaktikaran pariyojna (MKSP):**To improve present status of women in agriculture.
- **Empowering elected women representatives (EWRs):** Ministry of women and child development has launched a training programme to empower (EWRs) in assuming leadership roles and safeguard their basic rights.
- **Rastriya mahila kosh (RMK):** Ministry of WCD extends micro credit to the women in informal sector through client friendly, without collateral and a hassle free manner for income generation.
- **Mahila Shakti Kendra (MSK):** Ministry of WCD has approved MSK as a sub scheme under the umbrella scheme of mission for protection and empowerment of women through community participation.
- **National repository of information for women(NARI):** Ministry of WCD to provide citizen easy access to information of government schemes, tips on good nutrition, suggestions for health check-ups, information on various diseases, tips to job search, investment and savings advice, information on crimes against women.
- **Beti bachao beti padhao (BBBP):** Flagship scheme to address the declining child sex ratio. It broadened and took under its ambit **PC & PNDT Act**.
- **National nutrition mission (NNM):** To deal with the problem of malnutrition and stunting basically for children of 0-6 years , pregnant and lactating women, reduce the prevalence of anaemia among young children ,women and adolescent girls and reduce low birth weight .
- **Pradhan mantri Matru Vandana Yojana (PMMVY):** is a maternity benefit programme where the beneficiaries would get a cash incentive of Rs.6000 during pregnancy and after institutional delivery.
- **Supplementary ,nutrition(ICDS) RULES,2017:**To regulate entitlement of 'nutrition dense food' for every pregnant and lactating women till 6 months to 6 years for 300 days in a year.
- **Swadhar Graeh, 2015:** To cater primary needs of women like shelter, food, clothing, medical treatment and care with legal guidance.
- **Mahila police volunteers (MPVs):** To serve as a public police interface on incidences of domestic violence, child marriage, dowry harassment and violence faced by women.
- **Mahila e-Haat:** Through financial inclusion it is a digital online digital marketing platform for women entrepreneurs.
- **Pradhan mantra Ujjwala Yojana:** To make cooking gas available to women ,enhancing the status of women and health, decreasing pollution and deaths due to unclean fuels.

The Pre-conception & Pre-natal Diagnostics Techniques (PC & PNDT) Act, 1994 was enacted in response to the decline in Sex ratio in India, which deteriorated from 972 in 1901 to 927 in 1991. The main purpose of enacting the act is to ban the use of sex selection techniques before or after conception and prevent the misuse of prenatal diagnostic technique for sex selective abortion. Offences under this act include conducting the conduct of prenatal diagnostic technique in the unregistered units, sex selection on a man or woman, conducting PND test for any purpose other than the one mentioned in the act, sale, distribution, supply, renting etc. of any ultra sound machine or any other equipment capable of detecting sex of the foetus.

Conclusion:

- Empowerment to women means freedom from the gender based discrimination. In rural India empowerment starts from birth, from the fact that a girl has to fight even for her right to be born. The

education of girls therefore should be emphasized with strong determination, philanthropic motive and a rational outlook we can achieve the economic, environmental and social changes required for sustainable development.

- It is being said about India's economy that **the 'sleeping elephant' has woken up** and has started racing that would strengthen the global economy for the next three decades. Few excerpts from the Prime Minister while addressing the nation on 72nd Independence Day.

Rural Development:

- **Pradhan Mantri Jan Arogya Abhiyan** launched on 25th September, 2018 so that common man need not suffers of dreaded diseases.
- North East has highways, railways, airways, waterways and information ways (**I-ways**) and the last village in North –East has been electrified.
- According to WHO report 3 lakh children have been saved because of Swachhta Campaign.
- Government beneficiaries have been achieved by weeding out about fake beneficiaries.
- Country will move forward by following the mantra of housing for all, power for all, clean cooking for all, water for all, sanitation for all, skill for all, health for all, insurance for all, connectivity for all.

Farmers' welfare:

- With modernization in technology our farmers are using micro irrigation, drip irrigation and sprinkler irrigation methods.
- We are progressing in the path of Agriculture Export Policy to adopt value addition right from '**seeds - to -market**' enabling our farmers to emerge powerful in the world market.
- We plan to move ahead with new avenues of **organic farming, blue revolution for aquaculture, sweet revolution for honey and solar farming.**
- **Doubling farmers' income by 2022**-the union government had taken the decision on higher MSP for farmers so that farmers should get an MSP which is one and a half times of their investment.
- For the first time, three social security schemes, viz., **Pradhan mantri jeewan jyoti bima Yojana (PMJJBY), Pradhan mantri Suraksha bima Yojana (PMSBY) and Atal pension Yojana (APY)** were brought to serve the goal of financial inclusion. Since the inception of the present government, it has been made clear that the core agenda of the government will remain, "**welfare of the marginalized**".

Promoting livelihood

1. THROUGH NRLM

- National Rural Livelihoods Mission(NRLM) as a new generation public policy programme has sought promoting **Community based organisations(CBOs)** as the corner stone of its strategy by
- Building dedicated support structure at various levels.
- saturation of poor in a phased way
- Encouraging participation of members in all decision making.

Progress of CBOs:

- Working in all states, NRLM has managed to reach 530 districts by March, 2017.
- It has mobilized about 76.3 % of the BPL households.
- Besides women, it has covered 50% from SC/ST, 15% from minorities and 3% from PWD households.
- Attention has been given to vulnerable groups like Poorest of poor, elderly and particularly vulnerable tribal group (PVTG).

Structure and function of CBOs:



Self-help groups(SHG)	Village organization(VOs)	Cluster level federations(CLFs)
<ul style="list-style-type: none"> • They are the informal groups with a maximum of 20 members hailing from similar socio economic background. • They are expected to follow norms of Panchasutra. • Besides framing their own bye laws they display regularity in meetings ,savings, inter loaning ,repayment and book keeping. • They elect their office bearers – president, secretary and treasurer, besides appointing a book keeper. • They open a bank account for savings and get themselves graded to receive revolving fund (RF) and community investment fund (CIF). • After 4-6 months of their formation they will come together and form a primary level federation leading to larger collective action. 	<ul style="list-style-type: none"> • They are the second level units. • They work on informal basis with an average size of 11 SHGs. • The general body consists of representatives of SHGs and elects their office bearers –president, secretary and treasurer. • The VOs are forming sub committees which can give focused attention to areas like bank linkage and recovery management. • They receive revenues in the form of fee, share capital, seed money, savings and CIF. 	<ul style="list-style-type: none"> • They are the third level unit under the CBO structure. • They are formed for a cluster of villages by integrating all VOs. • The primary responsibilities include monitoring and grading VOs, channelize CIF, help VOs/SHGs access public services, facilitate bank loans, nurture community cadres, book keepers and auditors. • They receive revenues in the form of fee, share capital, seed money, savings and CIF. saving from VOs/SHGs, interest margin and funds through convergence.

Constraints:

- Many CBOs are still informal.
- There is an average size variation of VOs and that of CLFs across states. Ensuring minimum threshold size becomes crucial for attaining viability.
- The principle of democratic federalism and subsidiarity has not been adequately addressed under NRLM.
- The depth and width of outreach have not been uniform owing to bureaucratic hassles and resource constraints.

Way forward:

- Forming CBOs to ensure programme sustainability is the most prominent achievement of NRLM.
- The overall thrust of the programme has been top down that did attain time bound results resulting in the compromising on the quality and strength of the CBOs.
- NRLM may take a relook at the standard design of the SHG Federations and restructuring based on bottom up strategies.
- The higher level structure like CLFs necessarily has to attain the required legal form along with ensuring recognition from SHGs.

2. THROUGH MGNREGS

What is MGNREGS?

- Mahatma Gandhi national rural employment guarantee scheme is an instrument to create a model of governance reform on the principles of right to livelihood, transparency and grass root democracy.
- The ministry of rural development is the chief implementing agency.
- The preamble of MGNREG Act states that it is an ‘act to provide for the enhancements of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year o ever y house hold whose adult members volunteer to do unskilled manual work.’
- The scheme is modelled on the format of National rural employment program (NREP) brought out by the government in 1977 and renamed on 2nd October 2009 to MGNREGS.
- It is also being linked to the employment guarantee scheme(EGS)
- First initiated in Maharashtra in 1970s

- It guaranteed employment through piece –rate wage labour which expanded to the whole country .

Past data:

- MGNREGS has reduced poverty by 32% and generated 19.86 billion person-days of employment, with 1/3rd of works to SC and ST and ½ to women and reduced migration.
- It has strengthened the process of participatory democracy through economic decentralization under the PRIs.
- NREGA in Karnataka has created employed to manufacture environment friendly bricks, **Jalyukt Shivar Abhiyan** to make 5,000 villages drought free by 2019 in Maharashtra and Tamilnadu has employed 60,000 sanitation workers for cleanliness drive across 3/4th of villages.

Modified version:

- According to official sources assets of MG-NREGS has been **geo tagged** that assures transparency in terms of grievance redressal and social audit.
- Workers have been put on the Aadhaar based payment system
- During the 4th Meeting of Governing council of NITI Aayog, June 2018 decision was taken on policy coordination between agricultural sector and MGNREGA, particularly in pre sowing and post-harvest activities.
- The PM also constituted a sub group of CMs of seven states –MP, AP, Bihar, UP, Gujarat ,WB, Sikkim and NITI Aayog to look into the implementation.
- To realize the **Gandhi’s dream of village centric model**, it asked the Panchayat systems to spend funds provided under the rural job scheme.
- Earlier it was operated on a demand driven method (seasonal in approach) whereas now it is target driven and hence more result oriented.

Types of work undertaken:

- Water conservation and harvesting
- Making of small check dams
- Draught proofing and tree plantation
- Flood control and drainage protection
- Land levelling
- Micro and minor irrigation canals.
- De-silting tanks/ponds
- Rural connectivity and construction.

Way forward:

- There is an underlined emphasis to discourage seasonal and permanent migration from rural hubs to urban areas.
- There is a need to link MG-NREGS to farm sector to raise agriculture income 2022 as envisaged by GOI.
- There is a need for reducing cost of cultivation along with remunerate price to farmers and rehabilitation of agricultural land and assets after natural hazards.
- A stipend based apprenticeship may be adopted to ensure skill enhancement confirming to new technologies.

Jalyukt shivar abhiyan

The scheme was launched in December 2014 by Chief Minister Devendra Fadnavis-led State government with an objective to harvest rainwater and enhance groundwater levels, make state a drought-free state by 2019. Under the programme, micro-irrigation systems would be encouraged for proficient use of water, hence increasing the irrigated area.

Unleashing Potential of North-East India

- Prime Minister has awarded the North East region with a new name: **Ashtalaxami** visualizing that **India will only gain, if the North East gains** on the 65th Plenary session of the North Eastern Council (NEC).
- The 8 states are namely **Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim** or known as North East India/region (NEI/NER).

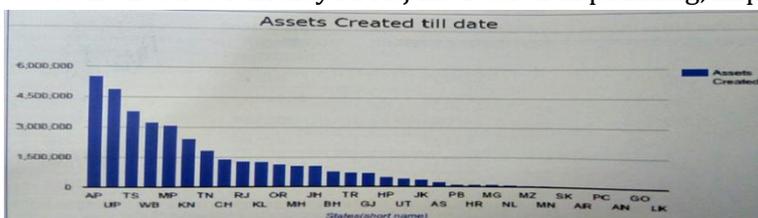
Potentials to be unleashed:

- The approximate area that is 8% of the country's total geographical area.
- The habitat to over 200 of the 635 tribal groups scheduled in the country, with natural flora and fauna, minerals, water and tourism potential.



Challenges faced by North Eastern region:

- Isolation from the rest of the country because of its location and terrain
- Migration of people for education and jobs.
- Vulnerable to the landslide.
- Socio-political disturbances between the ethnic groups.
- Majority of the population dependent on agriculture and allied works for livelihoods.
- Non effective Panchayati Raj Institution in planning, implementation



The graph the N-E states shows lagging far behind to the states outside the region.

Sabka Sath Sabka Vikas: Framework of development

- Schedule I of MGNREGA exclusively deals with menu of works for the creation of durable assets with focus on natural resources and support to agricultural operation.
- Guaranteeing 100 days of wage–employment to a rural household whose adult members volunteer to the unskilled manual work.
- In order to integrate MGNREGA with agricultural operations the state has been advised to take at least 60% of the works in terms of cost under it .

Present data:

- The target allocated under Pradhan Mantri Awas Yojana –Grameen (PMAY-G) shows that the achievement % of N-E states compared to the national average is very low and the achievement % of states like Arunachal Pradesh and Nagaland is nil.
- The state wise data under Pradhan Mantri gram Sadak Yojana for the N-E shows that the completion percentage of Sikkim is around 91% followed by Tripura (84.30%) while the completion rate in remaining six states is below the national average (83.57%).

- There is a gap between household mobilized and SHGs promoted . Majority of the states are performing above the national average (8.87%),except the state of Manipur.
- Under Deen dayal upadhyaya Grameen Kaushalya yojana(DDU-GKY) the achievement is good except for Tripura as other NE states are still in the process of implementation .

Way forward:

- Realizing the potential that the region has will require significant changes including the thinking of the people in and outside the region that is based on the cultural divide.
- As said by the Prime Minister of India, the time for incremental change is over and we must now move into a phase of decisive and transformational change.
- Reaching out to the people, delivering system are important in the context of North-East and the Digital, Online, Direct Benefit of Transfer, Jan Dhan Yojana, Aadhaar and Mobile number(JAM) are the way forward.

Swachh Bharat Mission (SBM-G): Success stories

Pune village communities open their Household toilets to Wari Pilgrims

- **In News:** The Palki /procession a 333 year old tradition of Maharashtra was observed from July 6 to 22 ,2018.

Key points:

- The palanquin processions carrying the foot prints of the saints Dhyaneswar and Tukaram leaves from Alandi and culminates in Pandharpur, the seat of the Hindu god Vithoba.
- During the 250 km walk, the travellers normally make halts on the routes where the residents of the villages commonly offer them food and refreshment.
- As a part of the SBM-G community toilets numbering 1200 were set in the route.
- But this time, the CEO, Zilla Parishad (ZP) appealed to the houses through gram sevaks, teachers and messages were carried through print media to offer their private toilets , constructed under the SBM.
- A white flag was set up on every toilet indicating the availability as the pilgrims carried red and yellow flags.

Community involvement, participation to ensure sustainability in Araria

- **In News:** Araria, one of the backward districts in Bihar has set a benchmark by crossing 50 % sanitation coverage, despite challenges.

Key points:

- Araria is one of the **Aspirational Districts under NITI Aayog**, where 93% of the total population lives in rural areas.
- The district shares a border with Nepal and is home to five main rivers namely, **Kosi, Suwara, Kali, Parmar and Koli. Kosi is known to bring sorrow in Bihar**; and the last year's flood being the worst.
- As per the National Health survey (2008), the district lagged behind the all India average in **health related indicators**.
- By-elections in March and June 2018 had strict election code of conduct, despite that; toilets were built in lakhs between January to August doubling the sanitation coverage.
- The DC carried out regular monitoring and motivation of his team, and triggered community participation in construction of toilets.
- Further, a sanitation park was set up in every block and a pool of **swachhagrahis** went from home to home to motivate families and bring about behavior change.

A Swachh Independence Day for Kalaburagi

- **In News:** Zila Panchayat of Kalaburagi district in Karnataka demonstrated the steps to hand washing to an audience of over 5000 people at the Police Parade grounds on 15th Aug, 18.

Key points:

- The theme of the event was **Swachh Meva Jayate** and it included the **Swachh Survekshan Logo**.

- The mass demonstration-drill was conducted by students of residential schools from all over the district.
- The orientation was given 8 steps to Hand washing practice, popularized by UNICEF, to improve sanitation and prevent diarrhea and respiratory infections.

Chandil School in Jharkhand leads the way in sanitation

- **In news:** The Rajkiye Samposhit +2 High School in Chandil of Seraikella-Kharsawan district in Jharkhand is among the cleanest schools in the region, in terms of sanitation.

Key points:

- The credit goes to school administration for creating an ethos of learning; sharing and taking forward the sanitation message with well-maintained drinking water and toilets facilities.
- A recent addition to this school which is located in an ODF (open defecation free) block is the sanitary napkin vending machine for needs of adolescent girls along with orientation to safe practices of menstrual hygiene management (MHM).

Note: Aspirational Districts under NITY Aayog:

- NITI Aayog has identified 117 districts as 'Aspirational Districts'.
- These districts have been selected on the basis of composite index from the published data of deprivation enumerated under Socio-Economic Caste Census, Health & Nutrition, Education and Basic Infrastructure.

Note: Health indicators

- Infant Mortality Rate (IMR)
- Maternal Maternity Rate (MMR)
- Total Fertility Rate (TFR)
- Life expectancy at birth
- Under -5 Mortality Rate
- Disease specific Death Rate
- Proportional Mortality Rate
- Morbidity indicators

RSTV Corner

India Post Payment Bank

Why in news?

- Prime Minister Narendra Modi on 1 September, 2018 launched the payments bank of Indian postal department that will take banking to the doorstep of every citizen through an unmatched network of post offices and almost 3 lakh postmen and 'Grameen Daak Sewaks'.

Working of IPPB:

- India Post Payments Bank (IPPB) will be like any other bank but its operations will be on a smaller scale without involving any credit risk. It will carry out most banking operations like accepting deposits but can't advance loans or issue credit cards.
- The freshly-minted payments bank will accept deposits of up to Rs 1 lakh, offer remittance services, mobile payments/transfers/purchases and other banking services like ATM/debit cards, net banking and third-party fund transfers.
- The government owns 100 per cent in IPPB, which has been set up under the aegis of the Department of Posts, and will offer products and services through multiple channels such as counter services, micro ATMs, mobile banking app, messages and interactive voice response.



Significance of IPPB:

- **Various types of banks in India are:** Cooperative Banks, Foreign Banks, Local Area Banks, Payment Banks, Private sector Banks, Public-Sector Banks, Regional Rural Banks and Small Finance Banks.
- **Payments banks are a new model of banks** conceptualized by the Reserve

bank of India. They can accept **deposits of up to Rs 1 lakh** (which may be raised later by RBI), offer remittance services, mobile payments/ transfers/ purchases and other banking services (ATM/ debit cards, net banking and third-party funds transfers.)

- The recommendations for formation of Payments Bank were given by the Committee on Comprehensive Financial Services for Small Businesses and Low Income Households (also called **Nachiket Mor Committee**) formed by **Raghuram Rajan** (then RBI Governor) in September 2013. The panel studied various aspects of financial inclusion in India and submitted its final report on 7 January 2014.
- **Payments bank** are licensed under **Section 23 of the Banking Regulation Act 1949**, and registered as **public limited company** under the **Companies Act, 2013**. IPPB is the **sixth** Payments bank, which has become operational after Aditya Birla, Airtel, Fino, Jio and Paytm Payments Banks.
- IPPB will offer its services using **QR cards**. Unlike ATMs and Point of Sales (POS) machines, the postmen will **scan the fingerprint, QR card and make the payment**. So, the need to remember PIN and other credentials is not required.
- IPPB has been **integrated with Post Office Savings Bank (POSB)**. IPPB aims to **promote digital payments** mainly in the rural and remote areas of the country. It will be helpful to rural masses and urban migrants.
- Despite various efforts by the Government like the Jan Dhan Yojana, it is estimated that about 18% of the Indian population is not being served by the banking system. IPPB can be seen as filling an important gap in the scheme of inclusion.

- The **postmen need to be trained** periodically to provide such new services and he **may demand an incentive** for this new job. To **overcome the possible challenges** lying ahead required **training programs** have been started by the Department of Posts. **Micro ATMs have been given** in many of the Post Offices in rural areas. To sort out the issue of connectivity in remote areas, **different**

connectivity providers are being contacted to issue SIM cards, etc.

Conclusion:

- **IPPB is a welcome step to connect the rural masses and remotest areas of India to banking services.** By providing proper training to related persons and making required infrastructures available, the Department of Posts can help effectively in the **scheme of financial inclusion.**

India's World: RCEP

Why in news?

- The trade ministers of 16 nations expressed their satisfaction of substantial conclusion of the negotiations by end of this year. RCEP aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights.
- The ministers agreed to keep the lines of communication open to provide prompt guidance and support to the negotiations, including intensified domestic consultations, so as to achieve the targets set out in the package.

Regional Comprehensive Economic Partnership

- RCEP is the proposed mega-regional Free Trade Agreement (FTA) between 16 Asia-Pacific countries. It includes India, China, Japan, South Korea, Australia, New Zealand and the 10-member ASEAN bloc.
- The RCEP negotiation process had started in 2013. The proposed FTA aims to open up trade in goods and services as well as liberalise investment policies.
- It will cover a market of over 3 billion people in these 16 countries — whose total combined GDP is more than \$17 trillion and collectively account for 40% of world trade. Negotiations on the RCEP have entered a decisive phase.

Benefits of joining RCEP:

- Allows India to **diversify markets** in Southeast Asian countries and garnering benefits of common FTA over the whole region.

- Job creation will be there in the countries. Enable India to become a member of global production networks by scattering the production chains in different countries
- Lenient time limits for attaining labour and environmental standards along with provision of protecting small industries would allow India to secure domestic interests. Joining the bloc will give boost to 'Act east policy' and would acts as shield against losses due to Trans Pacific Partnership.

Concerns in joining RCEP:

- Joining the bloc can result in cheaper imports from China as China offers low price.
- **Service negotiations have not taken momentum.** Domestic issues may arise due to such alliance such as harm domestic manufacturing, leather industry etc.
- Ambiguity in the definition of balanced outcome with respect to downscaling of tariffs
- 15 Asia-Pacific nations including India fear that China may dump its excess capacity in several items including steel, as well as highly subsidised items which may harm local industry of importing countries and distort trade.

What are the concerns that remain?

- The first is the greater access Chinese goods will have to the Indian market, a problem given India's massive trade deficit. To circumvent this, given that India is the one country that doesn't have an FTA with China, the government has proposed a

“**differential market access**” strategy for China, which others are inclined to accept.

- After the Wuhan summit, India and China have made progress on addressing the trade deficit, with China increasing access for Indian goods such as pharma and agricultural products.
- The second concern is about demands by other RCEP countries for lower customs duties on a number of products and greater access to the market than India has been willing to provide.

SCIENCE MONITOR

MISSION GAGANYAAN

- India is determined to send 3 astronauts in space by 2022. It will make India fourth nation in the world (so far Russia, USA and China) to send Man space mission It is the ISRO’s most ambitious project which will boost the science and tech of the nation. ISRO’s successful CRITICAL Technologies like the following in recent years can make this mission an efficient experiment
 - Re-entry mission capability
 - Crew Escape system
 - Crew module configuration
 - Thermal protection system
 - Deceleration and floatation system
 - Sub-systems of life support system
- GSLV Mark III will be used to launch Gaganyaan because of its higher payload capability. It will carry 3 astronauts for 5-7 days and will be placed in low earth orbit of 300-400 km. The astronauts will be jointly selected by air-force and ISRO. 2 unmanned test mission will be done prior to human mission

BIOFUEL IGNITED PLANE

- India’s first partially biofuel- ignited plane successfully completes 45 min of flight from Dehradun to Delhi.
 1. 1/4th of one engine was filled with Bio-jet fuel. The biofuel was developed by CSIR and Indian Institute of Petroleum Dehradun. It had 20 people on board.

- The more developed RCEP countries such as Australia and Singapore have been unwilling to accommodate India’s demands to liberalise their services regime and allow freer mobility of Indian workers.

Conclusion:

- Though certain concerns remain India should not walk out of the RCEP treaty as it is endowed with multitude opportunities for trade and job opportunities.

2. India joins in the league of US and Australia who has biofuel operated flights.
3. The fuel is generated with waste oils like animal fats, tree oils, etc. This fuel will be a pure hydrocarbon which doesn’t require any alteration to fuel the airline.
4. The present fuel was prepared using Jatropha plant
5. Procuring feed for the biofuel is a challenge but once streamlined it will help farmers and tribal as an alternative way of income.
6. This will reduce the fuel costs by 15-20% as well help in reducing air travel cost.

C-DOT

- Centre for development of Telematics (C-DOT) is the telecom development center for Government of India. Established in Aug 1984, an autonomous body under the ministry of communication and information technology. It recently celebrated its 35th foundation day.
- The institution is working on full upgrading Indian telecom sector to 5G network by 2020. It is also working on IoT and Big Data. Know your Mobile (KYM) app was released on this occasion which helps the customer know about the authenticity of the mobile using IEMI number.

PERSONALITY REMEMBERED: MGK MENON

- Prof. M G K Menon (28 August 1928 - 22 November 2016), was an Advisor in the Department of Space/ Indian Space Research Organization (ISRO). He was the President of Indian Statistical Institute, Calcutta (1990- 2016).
- Prof. Menon took his Ph.D. from the University of Bristol, UK in 1953, He has a large number of honorary doctorates from universities in India and abroad.
- Prof. Menon was Fellow of all the three Science Academies in India; and was

President of each one of them. He has done Scientific Work in Cosmic Rays, Particle Physics.

- Distinguished for investigations in the field of cosmic ray studies and in particular on the high-energy inter-actions of elementary particles. He received many awards like Padma Vibhushan 1985, Bhatnagar Award 1960, Fellow of Royal Society London, etc.

BIMSTEC 2018

Why in news?

- The fourth edition of Bay of Bengal Initiatives for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC) was held in Kathmandu, capital city of from 30 to 31 August, 2018.

Importance of BIMSTEC:

- The Bay of Bengal Initiative for Multi-sectoral, Technical and Economic Cooperation or BIMSTEC, is a regional organization of 7 member states in South Asia and South East Asia.
- This sub-regional organization came into being on June 6th 1997, through the Bangkok declaration. Headquartered in Dhaka, Bangladesh, the organization includes Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar and Thailand.
- Starting with six sectors, including trade, technology, energy, transport, tourism and fisheries, for the sectoral cooperation in late 1997, it embraced 9 more, including agriculture, public health, poverty alleviation, counter-terrorism, environment, culture, people-to-people contacts, and climate change in 2008.

Kathmandu Declaration:

- The 18 point Kathmandu declaration is expected to enhance the effectiveness of the BIMSTEC Secretariat by engaging it in various technical and economic activities in the region.
- The declaration lays stress on Cooperation based on respect for the principles of

Sovereign Equality, Territorial Integrity, Political Independence, non-Interference in internal affairs, Peaceful Co-existence and Mutual Benefit.

- Work collectively towards making BIMSTEC a stronger, more effective and result oriented organization for achieving a peaceful, prosperous and sustainable Bay of Bengal region.
- It also resolves to achieve an enhanced level of economic and social development in the region. It also reposes faith unequivocally in the principles and purposes of the UN Charter and strives to strengthen it.
- BIMSTEC leaders strongly condemned terrorism in all its forms and manifestations. The declaration says that the nations deplore terrorist attacks in all parts of the world, including in BIMSTEC countries.
- They also strongly condemn terrorism in all its forms and manifestations. It also states that there can be no justification whatsoever for any act of terrorism.
- BIMSTEC nations affirmed their support to identify and hold accountable States and non-State entities that encourage, support, or finance terrorism, provide sanctuaries to terrorists and terror groups and falsely extol their virtues.
- It also calls upon all countries to devise a comprehensive approach to stop terror financing.

Comparison between SAARC and BIMSTEC:

- SAARC has 8 member countries: Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. As of 2015, 21% of the world's population, and 3.8% or 2.9 Trillion USD of its GDP, was in the SAARC region.
- In the past, India has spent more political capital and effort to make SAARC work than on BIMSTEC. However, the latter lends itself more naturally to regional integration, including physical connectivity and economic cooperation than SAARC which is dominated by India and Pakistan and is naturally hamstrung by tensions between the two countries.
- Thus, BIMSTEC is becoming a more vibrant organization when compared to SAARC. It has also got the potential to be more successful. Despite having been around for over 30 decades, SAARC's performance has been less than satisfactory, with its role in strengthening regional cooperation coming under scrutiny.

Reasons for failure of SAARC:

- Lack of trust among member nations like India and Pakistan
- In recent times, Pakistan's non-cooperation has stalled many major initiatives, including the SAARC Motor Vehicle Agreement. The SAARC Motor Vehicle Agreement (SAARC- MVA), which was crucial for harnessing regional connectivity across South Asia could not be signed in 2014 due to Pakistan's dithering.
- The group faced another setback after the 19th SAARC Summit scheduled to be held in Pakistan in 2016. This was suspended for an indefinite period as member countries declined to participate- a signal that there was an absence of a conducive, regional environment.
- SAARC has also been a failure in the area of security cooperation. For instance, while cross-border terrorism emanating from Pakistan is a major concern for India, Pakistan has failed to address these concerns.

- **BIMSTEC**, on the other hand, has been hailed as a platform for regional cooperation. It connects the littoral countries of the Bay of Bengal and the Himalayan ecologies. A big reason for the success of BIMSTEC countries is that member countries have generally cordial relationships. However, there are shortcomings as well:
 - The grouping was formed in 1997, but its record in terms of tangible achievements is not so impressive. BIMSTEC emerged as a vehicle for regional cooperation with its primary focus on economic and technical cooperation among the countries of South Asia and Southeast Asia.
 - It's major strength lies in that it includes two influential regional powers, India and Thailand.
 - This lays to rest the fears of dominance by one big power.
 - BIMSTEC promotes enhanced connectivity with ASEAN countries and helps smaller countries like Bangladesh, Nepal and Bhutan to develop connectivity with ASEAN nations- the hub of major economic activities globally.
 - Comparing BIMSTEC and SAARC in terms of trade, trade amongst the BIMSTEC countries reached 6% in just a decade, while in SAARC, it has remained around 5% since its inception. BIMSTEC provides nations in the Bay of Bengal region an opportunity to work together to create a common space for peace and development. Given the fairly amicable relationship between member states of BIMSTEC, increasing its performance and its effectiveness, is an achievable goal as long as the countries exhibit enough political will and mutual respect.

Conclusion:

- Unlike many other regional groupings, BIMSTEC is a sector driven cooperative

organization. With differences coming in way between India and Pakistan in the SAARC, groupings like BIMSTEC can take

forward the concept of regional cooperation in a different manner.

The Big Picture - SC/ST Quota only in one state

Why in news?

- In a significant verdict, the Supreme Court held that a member of an SC/ST community from one state cannot claim the benefit of reservation in government jobs or admission in another state, if his or her caste is not notified there.
- A five-judge constitution bench headed by Justice Ranjan Gogoi also held that in Delhi, the central reservation policy applicable in jobs of the central government regarding Scheduled Castes (SC) and Scheduled Tribes (ST), would be applicable.
- It unanimously held that a person belonging to SCs or STs in one state cannot be deemed to be a SC or ST in other states where he has migrated for the purpose of employment or education, saying that such persons would be **eating away the quota meant for the native SCs or STs**.
- The verdict came on as many as eight petitions that had raised the issue whether an SC/ST community member in one state can seek reservation in another state where his caste is not notified as SC/ST.
- The bench was also seized of the question whether SC/ST people of another state can seek quota benefits for government jobs in Delhi.

Positive Aspects of the Judgement:

- Upholding the “son of the soil” principle, the bench said if a person’s SC/ST status also migrates then the host state people suffers.

In Depth - Drone Policy

Why in news?

- India drone policy: With the Directorate General of Central Aviation announcing India's policy on the use of drones for recreational, personal and commercial purposes.

- The SC had only reiterated the Constitutional provisions of **Articles 341 and 342**, which define SCs/STs with respect to any state or union territory. “Someone who is an untouchable in one state may not be so in another. For instance, the dhobi caste is treated as untouchables in North India, so are the Vannan caste of washermen in Kerala, but they are not considered to be SC in the rest of South India,” he said.
- The apex court also held that the state could not tinker with SC and ST status which will cause constitutional anarchy.
- Reservation given to SC and ST are not individual based but based on community’s socio-economic backwardness.

Concerns arising out of the Judgement:

- When a SC/ST citizen moves to another state and he/she is of low economic background then his job opportunities gets violated.
- The question of candidates who stand for election has not been clarified. There should not be differentiation between the Central and state services which has not been clarified.

Conclusion:

- The Judgement has clarified that SC/ST reservation pertaining to State jobs will be exclusively available only to those state citizens. It has upheld the fundamental right of the citizen that the right person gets the reservation he/she deserves.

- Flying of the drones will be legal from Dec 1.

Working of the policy:

- The Government has created the **Digital Sky Platform app** which is connected to the office of District Policy.

- The people have to obtain license and register themselves with the app. The drone policy allows drones to be used for commercial purposes. However, the drones cannot fly over the restricted areas and military areas.
- It also cannot be operated from a mobile platform such as a moving vehicle, ship or aircraft. Eco-sensitive zones around National Parks and Wildlife Sanctuaries are off-limits without prior permission.
- Violations will be acted on under relevant sections of the IPC and the Aircraft Act 1934.

The DGCA has segregated drones into five different categories

- Nano : Less than or equal to 250 grams.
- Micro : From 250 grams to 2kg.
- Small : From 2kg to 25kg.
- Medium : From 25kg to 150kg.

The Big Picture - Indian Economy: RBI's Outlook

Why in News?

- The Reserve Bank report expects India's economic growth rate to accelerate to 7.4 per cent in the current financial year based on pick up in industrial activity and good monsoon.

RBI's Economic Outlook for India

- RBI's monetary policy will continue to be guided by the objective of achieving the medium-term target for retail inflation of 4 per cent, within a tolerance band of +/- 2 per cent, while supporting growth.
- India's external sector will have to confront global headwinds, but the Current Account Deficit would largely be financed by foreign direct investment. The CAD might widen owing to persistent high oil prices and large trade deficit.
 - Agricultural production is likely to remain strong.
 - Growth impulses in industry are strengthening.
 - Corporates are reporting robust sales growth and improvement in profitability.

- Large : Greater than 150kg.

The DGCA has divided the area of operation into 3 zones:

- Red zone- Restricted area
- Yellow zone-Controlled flying area
- Green zone-Uncontrolled flying.

Uses of Drones:

- Can be used by army in border areas to monitor the situation. In disaster management to monitor and provide help. In 2015 drones were used in Nepal to monitor the flood situation.
- It can be used in agriculture for fertilizer sprinkling. E-Commerce companies are planning to use it to deliver the goods.
- Can be used by police to monitor the law and order and protection of women.
- Some of the indigenously built drones are Lakshya, Nishant, Rustom I and Rustom II.

- Services sector activity is also set to gather pace.
- Revenue-earning freight traffic of railways has picked up, driven by stepped-up movement in coal, fertiliser and cement.
- Even though exports have gathered momentum in April-June quarter of 2018-19, the worsening global trade environment as a result of "protectionist policies" may impinge upon external demand.
- Elevated crude oil prices and the strengthening of domestic demand may push up the import bill.
- Infrastructure holds the key to unleashing the impulses of faster growth. In particular, the reasonable success achieved in the transportation space is worthy of emulation in other areas.
- There are clear signs of recovery in terms of growth in terms of even investment and in terms of industry.

Areas of Concern:

- **Inflation:** It is an election year where the government will be hard-pressed to allow continued transition or transmission of international crude oil prices increases into the retail crisis.
- There will be pressure to reduce the excise duty on petroleum product prices – if that happens then there will obviously be a problem of adhering to the 3.3 percent of GDP fiscal deficit target.
- **NPA resolution process** is far from over. The report actually tells us very clearly that the size of the NPA's in the banking sector will actually go up by the end of March 2019.
- **Investment growth:** This will take time as people are not going to invest till they see demand growth. So we have to judge and the best way of generating demand growth is during times of trade wars between the major economies in the world – an opportunity for us.

Way forward:

- Up-tick in credit growth is likely to be supported by the progress being made under the aegis of the Insolvency and

Bankruptcy Code (IBC) in addressing stress on balance sheets of corporates and banks, recapitalisation of state-owned banks, and a positive outlook on the economy.

- Over the medium-term, the pace and quality of growth will be anchored by progress on the unfinished agenda of structural reforms in – resolution of banking and corporate financial stress; taxation; agriculture; liberalisation of the economy's external interface, especially with FDI; and galvanising the business environment.
- The confidence of the global system in Indian economy to a large extent would depend upon how stable is our currency. Already 11 percent depreciation has occurred since the beginning of this year. Indian currency must be allowed to depreciate without much disruption, without much volatility and in a gradual way.
- It is important to keep the currency stable and less volatile but at the same time, India needs to let the currency reflect its true competitive worth and exchange value.

Policy Watch: Japanese Industrial Townships in India

Why in news?

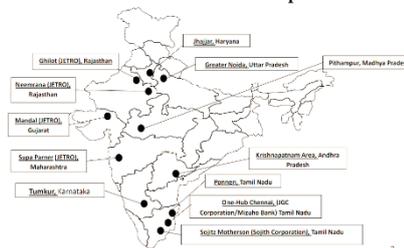
- India-Japan relation has improved over the years.
- In the 12th Indo-Japan summit Japan promised development of industrial township in 6 states-Karnataka, Rajasthan, Gujarat, Tamil Nadu, Haryana and Uttar Pradesh.
- Japan Industrial Townships are envisaged as Integrated Industrial park with ready-made operational platform, well equipped with world class infrastructure facilities, plug-in-play factories and investment incentives for Japanese companies.

Challenges India is facing:

- China has been a dominant player in the infrastructure and the manufacturing sector.
- For India to become a dominant player the manufacturing, infrastructure and connectivity has to be comparable to the world level.

- In the scenario of the labour intensive and wage intensive job moving out of China, India has not been able to grab the opportunity.
- The FDI from Japan is also expected to be double in the coming years.

12 Potential Sites for developing Japan Industrial Townships



Way forward:

- To overcome the above said challenges and to harness our demographic potential successfully India needs to focus on land and labour reforms. The skill development has to be focussed to harness the demographic potential successfully to make India a manufacturing hub.

All India Radio

Rise in ITR filing

- 71 Per Cent Rise in E-filing of Income Tax Returns, 34.95 lakh filed taxes on the last day of returns.
- The Central Board of Direct Taxes attributed the rise to factors such as the impact of demonetisation, enhanced persuasion and education of taxpayers apart from the impending provision of late fee.
- There was also a rise in the number of ITRs filed by salaried Individuals and those availing the benefit of the Presumptive Taxation Scheme.
- The total number of e-returns of salaried individual taxpayers increased to 3.37 crore from 2.19 crore returns filed during the corresponding period of 2017, registering an increase of 1.18 crore returns that translates into a growth of almost 54 per cent.
- The board called it *an “indication” of an India moving steadily towards a more tax compliant society, adding that it reflected the impact of continuous leveraging of technology to improve taxpayer service delivery.*
- Finance minister Arun Jaitley had in Budget 2018-19 flagged the tax mop-up from entities under the Presumptive Taxation Scheme.
- Under this scheme, 41 per cent more returns were filed during this year which shows that many more persons are joining the tax net under simplified scheme. However, the turnover shown is still not encouraging, he had said.

What is presumptive taxation?

- Presumptive taxation involves the use of indirect methods to calculate tax liability,

US scraps \$300 million in military aid to Pakistan

Introduction:

- Pentagon says it's scrapping the US military aid to Pakistan due to Islamabad's lack of 'decisive actions' in support of American strategy in the region.

which differ from the usual rules based on the taxpayer's accounts.

- Here, the business entity is required to declare a given percentage of his business turnover as his income and has to pay at fixed percentage of it as tax.
- The term presumptive taxation covers a number of procedures under which the desired' base for taxation (direct/indirect) is not itself measured but is inferred from some simple indicators which are more easily measured than the base itself.
- The principle of presumptive taxation is usually imposed on those whose income is low or those who are not covered under usual tax coverage and at the same time have taxable capacity.
- They are aimed to bring small and medium businesses that are sometimes outside the tax net. The scheme asks individuals and businesses to pay tax for their income and makes tax procedure in a quite simple manner.



Is India becoming a tax compliant country?

- While the 10 categories of the IT are observed it is seen that non-individual category are more compliant than the individual category and even GST compliance rate is more than individual IT and hence the scope of improvement in IT is more and hence the government should give more focus on individual IT returns.

Reasons behind the cut in aid:

- The US military aid cut came days before secretary of state Mike Pompeo is scheduled to visit Islamabad to meet Pakistan's Prime Minister Imran Khan.

- In a blow to US-Pakistan relations, the US has said it had made a final decision to cancel \$300 million in aid to Pakistan over Islamabad's perceived failure to take decisive action against terrorists and militants.
- This is in addition to another \$500 million in aid that was withdrawn earlier this year at the behest of the US Congress.
- The withholding of the so-called Coalition Support Funds (CSF) is part of a broader suspension in aid to Pakistan announced by President Donald Trump in January, when he accused Pakistan of rewarding past assistance with "nothing but lies & deceit".
- The Trump administration has been saying that Islamabad is granting safe haven to terrorists and insurgents waging a 17-year-old war in neighbouring Afghanistan, a charge Pakistan denies.
- US officials said that Islamabad could win back that support if it changed its behaviour.
- Pakistan is seen as supporting the Taliban to ensure an Islamabad-friendly government in Kabul in case of a conflict with India.
- The Pentagon's decision showed that the US—which has sought to change Pakistan's approach—is increasing pressure on Pakistan. It also underscores that Islamabad has yet to deliver the kind of change sought by Washington.

- **Note:** The CSF is a US defence department programme to reimburse allies that have incurred costs in supporting counter-insurgency operations.

Is USA changing the geopolitics of the region:

- US is concerned about the growing power of China in the Asian region and the growing proximity between Pakistan and China.
- US wants India to be a strong strategic partner in the region and also it wants to send a clear message to Pakistan that its double-faced attitude cannot continue.



Will Pakistan change?

- After Imran Khan became the Prime minister there was so much of optimism, but there is still allegation that his government too is a puppet of the Pakistan army.
- Pakistan will change its attitude only when it realises that its actions are having a boomerang effect on itself and with only 2 months of forex reserves left to pay for its imports, Pakistan if it does not change will go into further crises.

India-Cyprus bilateral relationship

Introduction:

- President Kovind visited Cyprus on the first leg of his three-nation visit to Europe including Bulgaria and Czech Republic to continue India's high-level engagements with European countries.



India-Cyprus ties:

- With Cyprus India has a time-tested relationship ever since the Nehru era, there has been continuous high-level visits between the countries.
- Each of the Cyprus President visits India and India too makes high level visits more often.
- The visit of our Prime Minister Vajpayee is considered the most successful one as that was the time when Cyprus was on the verge of becoming a member of EU breaking its NAM policy. Even when some of the EU countries was against India Cyprus stood by India's side.

- **Cyprus has showed its continued support** to India in gaining membership in NSG and UNSC.
- And India on its part has won the confidence of people of Cyprus by lending its helping hand during the Turkish invasion and Eurozone crisis.

Key Facts:

- The MoU on combating money laundering was signed between Financial Intelligence Unit, India, and Unit for Combating Money Laundering of Cyprus. Another MoU was about the environment.
- Cyprus is the eighth largest foreign investor in India with a cumulative foreign direct investment of about \$9 billion in areas such as financial leasing, stock exchange, auto manufacture, manufacturing industries, real estate, cargo

Electoral Reforms

Introduction:

- Ever since election started in 1950 there is a talk on the need of electoral reform.
- A strong democracy can function only when the elections are free and fair without manipulation.

Some of the electoral reforms:

- **Electoral funding-**
 - a) The major area of electoral reform is electoral funding. Though **electoral bonds** have been brought up there seems to be no huge success in the line of bringing transparency.
 - b) Increase the maximum amount that can be spent on election from the present 75 lakhs.

Significance of BIMSTEC Declaration

Introduction:

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) summit was recently held in Kathmandu, Nepal.
- The regional grouping's Kathmandu declaration was released at the end of the summit. The focus of the declaration were as follows:
 1. **Terrorism** - The Declaration focussed on backing of terror by state and non-state

handling, construction, shipping and logistics.

- The Double Taxation Avoidance Agreement (DTAA) between both the countries was revised in 2016.
- The major commodities exported by India to Cyprus are organic chemicals, vehicles & accessories and iron & steel. India's main imports are aluminium and its products, wood pulp, machinery, boilers, engines, and plastic.

Way forward:

- Cyprus is a service economy flourishing in Banking, IT and Tourism where Indian skilled labour and students have a huge scope.
- And Cyprus-India cooperation could be extended to fight terrorism and radicalisation in all forms.

c) Mandatory audit of funding of political party.

- **Reform of Political parties:**

- a) Bring them under the ambit of RTI.
- b) Need to bring intraparty democracy.

- **Technological Reforms:**

1. EVM and VVPAT to ensure the election is conducted in free and fair system.
2. The ballot paper rigging, booth capture and muscle power has been brought down using EVM.
3. VVPAT ensures the voter confidence is gained.

Conclusion:

- With technology and increased awareness the election process will be much reformed and free and fair in near future.

actors, and transnational organised crimes. It described terrorism as a "great threat" to international peace and security.

2. **Connectivity** - The declaration underscored the importance of multidimensional connectivity.
3. **Energy** - A MoU was signed on establishment of the BIMSTEC Grid Interconnection. It provides for optimisation of using energy resources in the region.

Significance of the declaration:

- The current BIMSTEC summit witnessed the increased enthusiasm among the participants because the member nations feel privileged that every member is given equal voice.
- The summit gave **importance to mountain economy and blue economy** which will cater to the best of the needs of Nepal, Bhutan, India's North East and Sri Lanka.
- With regards to transport sector **ADB (Asian Development Bank)** which is a partner of BIMSTEC gave a report called "**BIMSTEC Transport and Logistics Study**" by which almost 67 projects were highlighted as potential project and out of them 66 has been approved by the countries.
- There were also discussions on coastal shipping and improving connectivity among the countries.
- With regards to **transnational crimes** like drug trafficking, fake currency and terrorism all the member nations are ready to actively cooperate with each other.
- The members agreed to conduct joint military exercise and continuous meeting of the army chief and home affairs ministers; this shows the concern and active action of the members in security aspects.

Why BIMSTEC looks promising?

- BIMSTEC has its own strength of having diversified members like 5 countries from South Asia, 5 SAARC members and countries which are landlocked like Nepal and Bhutan and coastal countries which show diversified interest.
- BIMSTEC countries have agreed to build a permanent secretariat and hold regular meetings shows the interest of the nation in participation and right action.
- Unlike SAARC where the meetings are usually cancelled due to terrorism and Pakistan's inaction or refusal of Pakistan to cooperate in certain projects like connectivity BIMSTEC is a fertile ground for new projects.



Way ahead:

- Though promising and optimism is around the BIMSTEC much more needs to be done to make it a truly successful regional grouping, such as:
- A charter needs to be developed to clarify the vision and mission of BIMSTEC.
- The members have identified 14 potential areas of cooperation, they need to be prioritised and focussed one after the other.
- India on its part need to be cautious on delivering the promised project which is the rock-bottom of the foreign policy.

Note: About BIMSTEC:

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is an international organisation of seven nations of South Asia and South East Asia—Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan are among the countries dependent on the Bay of Bengal.