

1. SOCIAL ISSUES

1.1. World Habitat Day

In News

- The World Habitat Day (WHD) is observed every year on the first Monday of October throughout the world. This year it was observed on 2 October 2017.
- The theme for 2017 was "**Housing Policies: Affordable Homes.**" In 2016, the theme for World Habitat Day was "*Housing at the Centre*".
- The purpose of World Habitat Day is to reflect on the state of our towns and cities, and on the basic right of all to adequate shelter.
- It is also intended to remind the world that we all have the power and the responsibility to shape the future of our cities and towns.
- World Habitat Day was established in 1985 by the United Nations General Assembly, and was first celebrated in 1986.
- Each year, World Habitat Day takes on a new theme to bring attention to UN-Habitat's mandate to promote sustainable development policies that ensure adequate shelter for all.
- This year's World Habitat Day focuses on promoting all levels of government and all relevant stakeholders to reflect on how to implement concrete initiatives to ensure adequate and affordable housing in the context of the implementation of the New Urban Agenda at all levels, as well as the achievement of the Sustainable Development Goals.

HOUSING SCENARIO IN INDIA

[Also refer Yojana summary for the month of September for detailed analysis on housing scenario]

Housing in India varies significantly and can reflect the socio-economic mix of its vast population. In the last decade, there has been tremendous growth in the country's housing sector, along with demographic changes, rise in income, growth in the number of nuclear families, and urbanisation.

Current State Of Housing In India

- The current housing deficit in India stands at 19 million units, which, in the absence of any meaningful intervention, is slated to double to 38 million units by 2030.
- 95% of this deficit is around the EWS (Economically Weaker Sections) and LIG (Low Income Group) segments, which technically puts the figure at a staggering 18 million units in this category (approximately).
- According to one survey annual investments of the tune USD110 to 120 billionis being invested in the housing sector.
- Annual real estate sector investments during past one decade witnessed average growth of 5 to 6 per cent.
- Both the central and state governments are spending about USD5 to 6 billion annually, which is about three per cent of the current investments in the real estate sector, or one per cent of its annual expenditure.

Issues in Housing Sector

- **Absence of an effective policy** framework for Economically Weaker Section (EWS) and Lower Income Group (LIG) housing, which is compounded with rising land cost, spiralling construction costs, and inadequate availability and reach of micro-finance measures.

- **Long gestation period** of six to eight years of housing projects, accentuated by *multiple approvals* to be obtained from multiple authorities in a two to three year time period.
- **Inadequate long-term funding** across the project life cycle necessitating multiple rounds of funding for the same project increasing the cost of capital and time. Further, the **funding is not available** for acquiring of land from banking sources.
- **Multiple fees and taxes** are charged across project stages which inflates construction cost by 30 to 35 per cent.
- **High urbanisation rate**, coupled with *high rate of migration from rural areas* is stressing the limited urban infrastructure; *sub-optimal usage of urban land* (low Floor Space Index) has resulted in raising the cost per unit of built-up area.
- **Absence of integrated city planning** on two fronts: **firstly**, an extensive; problematic term spatial planning accounting for the housing shortage and associated urban infrastructure and **secondly**, focus on development of new satellite towns/cities to meet the rising urban and rural housing needs.

Steps Taken by Government

- **Housing for all by 2022** – Also known as Pradhan Mantri Awas Yojana (PMAY)
- **Rajiv Awas Yojana** - It envisages a "Slum Free India" with inclusive and equitable cities in which every citizen has access to basic civic infrastructure and social amenities and decent shelter.
- **Indira Awas Yojana** - Provides financial assistance to rural poor for constructing their houses themselves.
- **Real Estate (Regulation and Development) Act, 2016** - To protect home-buyers as well as help boost investments in the real estate industry.
- **Fiscal concessions-**
 - Loans granted by banks to the housing financing companies for on lending to individuals are to be classified under priority sector.
 - 100 per cent tax exemption to any housing project being an integral part of a highway project.
 - Interest on housing loans for owner-occupied property is exempt from payment of income tax and otherwise upto a limit of Rs 1, 50,000 per year.

Conclusion

It is a bit of a paradox that while a basic human necessity like housing is becoming increasingly expensive, luxury items such as smartphones and electronic goods are more and more affordable. The neighbourhood taxi driver may wield the latest mobile technology, but home might still mean a compromised solution. And yet, the future holds infinite possibilities. All it needs for Affordable Housing to become a widespread reality in India is a unified and sustainable approach by all stakeholders with one common goal in mind – Quality Housing that is truly for All.

The New Urban Agenda

- The New Urban Agenda is the outcome document agreed upon at the Habitat III cities conference in Quito, Ecuador, in October 2016.
- It will guide the efforts around urbanization of a wide range of actors — nation states, city and regional leaders, international development funders, United Nations programmes and civil society

— for the next 20 years.

- This agenda will also lay the groundwork for policies and approaches that will extend, and impact, far into the future.
- The New Urban Agenda, coming on the heels of the crystallization of the Post-2015 Development Agenda, seeks to create a mutually reinforcing relationship between urbanization and development.
- The idea is that these two concepts will become parallel vehicles for sustainable development.

1.2. IMF Advises India to Adopt Universal Basic Income

In News

- The IMF has suggested that India should adopt a fiscally neutral universal basic income and eliminate the food and fuel subsidies.
- In its report '*Fiscal Monitor – Tackling Inequality*', the IMF has discussed UBI,

Key Highlights Of The Report

- The report has proposed a transfer of Rs.2,600 (in 2011-12 prices) to every Indian's account. The report says that even such a modest level of UBI will incur a fiscal cost of about 3% of GDP, but would outperform the public food distribution and fuel subsidies on three counts.
- It believes that the concept, if implemented, will provide a better alternative to the existing inefficient and inequitable state subsidies by increasing the coverage of lower income groups by 20 per cent. However, eliminating energy tax subsidies will substantially increase the fuel taxes and retail fuel prices for petrol (67 per cent), diesel (69 per cent), kerosene (10 per cent), LPG (94 per cent), and coal (455 per cent).
- The IMF has also cautioned against the prevailing weakness in Indian banks and highly leveraged corporate sector which makes the country vulnerable to a tightening in global financial conditions.

Universal Basic Income: A Debate

Not A New Idea

- This is an old idea, going back at least to the 1960s, when, interestingly, it drew support both from right-wing libertarians like **Milton Friedman** and centre-left Keynesians like **John Kenneth Galbraith**.
- The 1960s brought about the war on poverty, waged through federally funded social service and healthcare programmes. **Milton Friedman** sought a *negative income tax*, eliminating the need for a minimum wage and potentially the "welfare trap", while bureaucracy could be curtailed. Richard Nixon supported and yet failed to push through a "*Family Assistance Plan*" while George McGovern's 1972 campaign sought a \$1,000 "*demogrant*" for all citizens.
- In 1974, the Canadian government conducted a randomised controlled trial in Winnipeg, Dauphin and rural Manitoba in which lower-income households were given income guarantee. This negative income tax experiment, termed "**Mincome**", helped over a thousand families below the poverty line in Dauphin earn a liveable income. It offered financial predictability, food security, improved health-care outcomes, better education, and social stability. With the onset of 1970s stagflation, induced by the oil crisis, such schemes were abandoned. But briefly, there was a town with no poverty.

Arguments Supporting The Idea

- **Rightist view** is that by just letting people have the money and decide what they want to do with it, it gets away from the “*nanny state*” that so many libertarians despise. It is in line with the dictum of *minimal state*.
- **On the left**, the support comes from the sense that it makes a *certain minimum standard of living a right* rather than a reflection of the munificence of the state.
- **Progressives** hail it as an escape route for workaholics, from oppressive jobs and situations, giving individuals greater time to build relationships and pursue education or artistic endeavours.
- **Conservatives** applaud its potential to shrink bureaucracy.
- Everyone in the West is also very worried about the future of the labour market, with automation growing apace and robots starting to take over many manual and non-manual occupations. They believe that we are headed to a future where only a small elite will be employable.

Arguments Against The Idea

- Some are against the principle of “giving money for doing nothing”. This may disincentivise people towards work and make them lazy.
- Fiscal conservatives are worried about the budgetary implications. This will require new taxes to be levied.
- There is also a right-wing paranoia these days — the fear of the migrant hordes.

Recent Experiments

- Last year, Switzerland had rejected the idea of giving citizens about \$2,500 a month, but Finland, Netherlands, and the Canadian province of Ontario are planning a trial run.
- Even India has seen its share of basic income experiments. As a pilot project, eight villages in Madhya Pradesh provided over 6,000 individuals an unconditional monthly payment (Rs. 150 for a child, Rs. 300 for an adult). The results were intriguing. Most villagers used the money on household improvements (latrines, walls, roofs). There was a seeming shift towards markets, instead of ration shops, leading to improved nutrition, particularly among SC and ST households, and better school attendance and performance. There was an increase in small-scale investments (better seeds, sewing machines, equipment repairs etc). Bonded labour decreased, along with casual wage labour, while self-employed farming and business activity increased. Financial inclusion was rapid – within 4 months of the pilot, 95.6% of the individuals had bank accounts. Within a year, 73% of the households reported a reduction in their debt. There was no evidence of any increase in spending on alcohol.

The Route Ahead

- A regular unconditional basic income, scaled up through pilots, and rolled out slowly and carefully, seems ideal for India. It can help improve living conditions including sanitation in our villages, providing them with access to better drinking water, while improving children’s nutrition.
- Regular basic income payments can help institute rational responses to illness or hunger, enabling households to fund their health expenses instead of encountering a vicious cycle of debt. It can help reduce child labour, while facilitating an increase in school spending. It can transform villages, enabling the growth of productive work, leading to a sustained increase in income. It could cut inequality; grow the economy; all while offering the pursuit of happiness.
- Why not have one universal basic subsidy that covers everything (perhaps except health and

education) and let people decide how they will spend it, rather than having a multifariously fractured system of welfare, where multiple authorities give out different subsidies (food, housing, education, health) based on imperfect knowledge of what people need and deserve.

- SEWA claims that the number of extant government “welfare schemes” exceeds 350, though most of those programmes are not much more than a name. Why not replace all of them by a single Universal Basic Income of, say, Rs 250 a week, which entitles every adult resident to a minimum weekly income as long as they verify their identity using Aadhaar. At the very least, this will reduce poverty and free up the bureaucracy to do other things.

1.3. 2017 Global Hunger Index: The Inequalities Of Hunger

- According to the 2017 hunger index report, India is ranked 100th out of 119 countries, and has the third highest score in all of Asia -- only Afghanistan and Pakistan are ranked worse.
- The country's serious hunger level is driven by high child malnutrition and underlines need for stronger commitment to the social sector, the International Food Policy Research Institute (IFPRI) said in its report.
- At 31.4, India's 2017 GHI (Global Hunger Index) score is at the high end of the 'serious' category, and is one of the main factors pushing South Asia to the category of worst performing region on the GHI this year.
- As per the report, India ranks below many of its neighbouring countries such as China (29th rank), Nepal (72), Myanmar (77), Sri Lanka (84) and Bangladesh (88). It is ahead of Pakistan (106) and Afghanistan (107).

Background

- Global Hunger Index report is released by the Washington based International Food Policy Research Institute (IFPRI).
- The GHI score is a multidimensional index composed of four indicators—**proportion of undernourished in the population**, and **prevalence of child mortality, child stunting, and child wasting**.

1.4. World Polio Day

- The World Polio Day is observed annually on 24th October with an aim to generate awareness about this disease.
- It was established by Rotary International to commemorate the birth of Jonas Salk, who led the first team to develop a vaccine against poliomyelitis.
- Use of this inactivated poliovirus vaccine and subsequent widespread use of the oral poliovirus, developed by Albert Sabin, led to the establishment of the Global Polio Eradication Initiative (GPEI) in 1988. Due to this effort, Polio cases have decreased by over 99.9% since 1988, from an estimated 3,50,000 cases then, to just 37 reported cases in 2016 worldwide.
- Today, there are only three countries where transmission of wild poliovirus is occurring: Afghanistan, Nigeria and Pakistan.

About Polio

- Poliomyelitis (polio) is a highly infectious viral disease, which mainly affects young children (under 5 years of age).

- The virus is transmitted by person-to-person spread mainly through the faecal-oral route or, less frequently, by a common vehicle (e.g. contaminated water or food) and multiplies in the intestine, from where it can enter the nervous system and can cause paralysis.
- There is no cure for polio. It can only be prevented by immunization.

Status In India

- India received polio-free certification along with the entire South-East Asia Region of WHO on 27 March 2014 by WHO.
- January 2017 marks six years since the last case of polio was reported in India.
- This milestone, in a country once considered the most difficult to stop polio, demonstrates the importance of strong surveillance systems, intensive vaccination drive and targeted social mobilization efforts.
- Although, Polio is eliminated from India, the risk of importation still persists from remaining three countries (Pakistan, Afghanistan and Nigeria) where poliovirus is still circulating. Hence, the need for the country is to maintain the population immunity and sensitive surveillance till global polio eradication happens.
- That is why on National Immunization Days children are vaccinated across the country to maintain high levels of childhood immunity.

1.5. Paika Bidroha' To Be Named As 1st War Of Independence

In News

- According to Minister for Human Resources Development, the 'PaikaBidroha' (Paika rebellion) of 1817 will find a place in the history books as 'the First War of Independence' from the next academic session.
- So far, 1857Sepoy Mutiny has been regarded as the First War of Indian Independence.
- Earlier, in April 2017, Prime Minister of India honoured the descendants of 16 families associated the Paika rebellion.

About Paika Rebellion

- When the British started tinkering with the revenue system in 1803, the farming community of Odisha rose in rebellion.
- At that critical juncture, Bakshi Jagabandhu Bidyadhar — the military chief of the King of Khurda — led his motley army of Paikas forcing the British East India Company forces to retreat. The rebellion came to be known as PaikaBidroh (Paika rebellion).
- The rebellion, by the landed militia of Khurda called Paiks, predates the first war of independence in 1857 but did not get similar recognition.
- It took place when the British East India company wrested the rent-free land that had been given to the Paikas for their military service to the Kingdom of Khurda.

1.6. National Policy for Domestic Workers

In News

- The government is planning to formulate a national policy for domestic workers with an aim to expand the scope of applicable legislation, policies and schemes such as minimum wages, social security and skill development programmes.
- The Ministry of Labour and Employment has invited views of all stakeholders and general comments on the National Policy for Domestic Workers.

Key Highlights

- The new policy proposes to clearly define part-time workers, full-time workers, live in workers and employers and private placement agencies.
- The new draft policy, however, does not prescribe a minimum wage for a domestic worker, although the earlier draft a couple of years ago had proposed a minimum salary of Rs 9,000 per month for the skilled full-time domestic help along with benefits including social security cover and mandatory leave.
- The policy intends to set up an institutional mechanism for social security cover, fair terms of employment, grievance redressal and dispute resolution.
- It provides for recognising domestic workers as a worker with the right to register themselves with state labour department or any other suitable mechanism.
- It also aims to expand the scope of existing legislation, policies and schemes to grant domestic workers rights that are enshrined in laws for other category of workers including minimum wage, equal remuneration, etc.
- The policy proposes to promote the rights of domestic workers to organise and form their own unions/associations and affiliate with other unions/associations.
- The policy will also provide for model contract of employment with well defined period of work and rest along with regulation of the recruitment and placement agencies by respective governments through formulation of a policy.

Need For Regulation

- Domestic workers are not included in the scope of the current labour laws because of the constraints in the definition of either the 'workmen', 'employer' or 'establishment'. The nature of work, the specificity of the employee-employer relationship and the work in private households instead of public and private establishments, makes the coverage of domestic workers under the existing laws more challenging.
- The category of domestic workers has largely remained outside the ambit of labour laws in India, often making them vulnerable to exploitation and violence.
- Earlier in July 2017, a group of domestic workers had carried out stone pelting in Noida's Mahagun Moderne residential society over the alleged beating up of a 26-year-old domestic help by her employers, who in turn had accused her of theft.
- According to 2011 NSSO data, there are around 3.9 million domestic workers in India. Most of the domestic workers are from vulnerable communities – Adivasis, Dalits or landless OBCs, Women etc. This makes them easy to replace, and easier to exploit.
- Since they belong to the unorganized sector, there are no laws safeguarding their rights – no minimum wage requirements, no health or insurance benefits, and no job security whatsoever.
- Their work — cooking, cleaning, dish-washing, baby-sitting — is not recognised as work by the state.

- India is a signatory to the ILO's 189th convention, known as the Convention on Domestic Workers; but has not ratified it yet.

The ILO Convention On Domestic Workers

- The convention mandates that domestic workers be given daily and weekly rest hours, their payment must meet the minimum wage requirement, and that they should be allowed to choose the place where they live and spend their leave.

Existing Regulatory Framework in India

- In order to provide social security benefits to the workers in the unorganised sector including domestic workers, the Government has enacted the Unorganised Workers' Social Security Act, 2008.
- Also, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which aims to protect working women in general, covers domestic workers.
- Many states - such as Kerala, Tamil Nadu, Bihar etc. - have included domestic workers as labourers under the Minimum Wages Act, which sets out terms of payment, hours of work and leave. Yet, this law is grossly inadequate.

1.7. Campaign On 'Women For Women'

The Ministry of Women and Child Development, in an attempt to end Gender bias in women against women, is undertaking an online campaign **#IamThatWoman**.

Key Highlights

- Through the campaign, the Ministry seeks to highlight the various aspects of women standing 'by' and 'for' women.
- Through this campaign, the Ministry aims to shed light on the enormous contributions made by women for women. A mother-in-law can be her daughter-in-law's best companion. A woman manager can easily empathise with her female juniors and help her climb the ladder of success.
- Ministry of WCD has urged people to shun stereotypes associated with women harming other women.
- Twitter and Facebook users have been encouraged to tag and share stories of women helping women with a photograph and post online with the hashtag **#IamThatWoman**.

1.8. Paryatan Parv

In News

- The Ministry of Tourism has started 'Paryatan Parv' a 20-day programme (from 5th October to 25th October 2017).
- It has been organised with the aim of drawing attention on the benefits of tourism, showcasing the cultural diversity of the country and reinforcing the principle of "Tourism for All".
- The programme is being organised by the Ministry of Tourism, in collaboration with other Central Ministries, State Governments and stakeholders.

Key Highlights

- The Paryatan Parv will have three main components:

- **Dekho Apna Desh:** To encourage Indians to visit their own country. It will include video, photograph and blog competitions visited during event, stories of India through Travelers' Eyes to promote travel to J&K and North Eastern States.
- **Tourism for All:** Tourism Events at sites across all States in the country. This will be mainly people's event.
- **Tourism & Governance:** Interactive Sessions & Workshops with Stakeholders on varied themes – such as Skill Development in Tourism Sector, Innovation in Tourism etc. – will be conducted.

1.9. Sex With Minor Wife Is Rape

In News

- The Supreme Court, in a landmark judgement, has criminalised sex with a minor wife aged between 15 and 18 years, saying the exception in the rape law was arbitrary and violative of the constitution.
- Section 375 of the IPC, which defines the offence of rape, has an exception clause that says intercourse or sexual acts by a man with his wife, not below 15 years, is not rape.

Key Highlights

- The judgement said that the age of marriage was 18 in all laws and the exception given in the rape law under the IPC is “capricious, arbitrary and violates the rights of a girl child”. It is violative of Article 14, 15 and 21 of the constitution.
- It asked the Centre and states to take proactive steps to prohibit child marriage across the country, and voiced concern over thousands of minor girls being married in mass wedding ceremonies on the occasion of Akshaya Tritiya.

Analysis

- The exception to Section 375 of the IPC was defeating the purpose of the Prohibition of Child Marriage Act and was also in violation of international conventions to which India was a signatory.
- Young girls in the age group below 18 are still developing physically and mentally. They may not be in a position to make informed decisions and choices regarding their health and well-being.
- In this context, this ruling is being termed as a positive judgement which would strengthen India's fight against child marriage.

1.10. India Water Week 2017

- President Shri Ram Nath Kovind inaugurated the fifth edition of India Water Week 2017 in New Delhi on October 10.
- India Water Week is an annual International forum where the Ministry of Water Resources, River Development & Ganga Rejuvenation, Government of India discusses key strategies with eminent stakeholders for conservation, preservation and optimum use of available water.
- India Water Week is being organized since 2012 as an annual international event.
- The theme of India Water Week – 2017 is “**Water and Energy for Inclusive Growth.**”
- It was celebrated with a multi-disciplinary conference and a concurrently running exhibition enriching the theme and showcasing the technologies and solutions available for the areas under deliberation of the meet.

- The event had the following major components: Water, Food and Energy Security – Essential requirement for sustainable development; Water for inclusive Growth; Sustainable energy development – Key for all round economic growth; and Water and Society.

Government constitutes a High Level Committee for proper management of water resources in North Eastern Region:

- The Government has constituted a high-level committee for proper management of the water resources in the North Eastern Region (NER) under the Chairmanship of Vice-Chairman, NitiAayog.
- The Committee would facilitate optimising benefits of appropriate water management in the form of hydro-electric power, agriculture, bio-diversity conservation, reduced flood damage erosion, inland water transport, forestry, fishery and eco-tourism.
- Ministry of Development of North Eastern Region (DoNER) will serve as the coordinating point. The Committee will submit its report, including Plan of Action, by June, 2018.
- The Brahmaputra and Barak river systems which account for one-third of India's run off, are highly prone to floods. Brahmaputra is one of the largest river systems in the world and causes considerable distress and costs on the region through frequent flooding and erosion. Hence, there was a long felt need to properly manage the water resources in North Eastern region.

1.11. Protection of Women from Domestic Violence Act, 2005

- In the light of the “**Government of India Report on Platform for Action: Ten Years after Beijing**” and the crime scenario prevailing in the country the need was felt for an exclusive law on domestic violence.
- It led to the enactment of Protection of Women from Domestic Violence Act, 2005.
- The Act provides for the first time in Indian law a definition of "domestic violence", with this definition being broad and including not only physical violence, but also other forms of violence such as emotional/verbal, sexual, and economic abuse.
- This Act is **essentially a civil law**, but the legislation has prescribed that courts have to proceed in such cases as per the Criminal Procedure Code (CrPC) for the purpose of effective actions.

Criticism

- The Act covers physical abuse, sexual abuse, verbal or emotional abuse as well as economic abuse, it does not speak anything regarding 'forced sex' or 'sex without the wife's consent', that is, 'marital rape'.
- The law-makers are looking upon domestic violence only as a legal problem and are concerned more about "protection" and less about "prevention". E.g. - It is very necessary to provide economic security to women in order to fight back domestic violence. However, act fails to make any such reference in this aspect.
- **Protection officers** were entrusted with the task of reporting domestic violence to the "Magistrate". However, in many states either there were no POs appointed or there were part time POs. Also, POs were also not fully trained and there was a lack of adequate infrastructure.

- The **enforcement aspect** reflects severe dissimilarities and deviations from the law; for example, in the States of Rajasthan, Punjab and Haryana, heavy reliance on privately appointed lawyers was found. Legal awareness and economic capabilities were presumed on the part of the victims.
- Though the Act addresses the need to have speedy justice in such cases, it **overlooks the security needs of victims** of domestic violence.
- A lot of scope for **the Magistrate's discretion** in matters pertaining to monetary relief, monetary compensation, child custody, contradictory reports of enquiring authorities
- The Act is not 'gender neutral' since it is for 'women' only. Although the recent verdict has widened its scope.
- There are no safety valves in the Act to prevent its misuse. It may prove disastrous not only for an individual in case the complainant has '**malafide**' intentions. The Act is **civil in nature but criminal in procedure** and offence under this Act is cognisable and non-bailable.

Conclusion

- The problems relating to women, particularly domestic violence, are socio-economic and cultural problems which demand a multi-faceted approach. Multiplication of laws relating to women has led to the problem of overlapping, legal dilemmas and legal confusion.
- It is desirable to adopt a human rights approach to women's problems. It is only through the human rights perspective that one can help safeguard human dignity and create a "violence-free home" leading to a "violence-free society".

1.12. Universal Social Security Plan For The Poorest

The government, in an attempt to improve the life of the extremely poor, has drafted an ambitious Rs 1.2 lakh crore plan to provide universal social security coverage.

Key Highlights

- It will have universal social security coverage for informal and formal sector workforce.
- **Three categories** - This broader programme envisages three categories:
 - The poorest 20%, who will get a government payout;
 - Those who subscribe on their own and
 - Formal sector workers who will need to set aside a fixed proportion of income toward the scheme.
- Benefits include monetary allowances for preventive medical care, sickness unemployment, old age, employment injury, maternity.
- The government will identify a threshold income beyond which citizens have to pay for the benefits.
- **Two tiers**- The scheme will have two tiers. The first of these comprises mandatory pension, insurance (both death and disability) and maternity coverage and the second, optional medical, sickness and unemployment coverage.
- Funds collected under the universal social security scheme will be divided into sub-schemes and be ring-fenced, meaning the benefits and the contribution will be commensurate.

Need For Such Schemes

- A report by the National Commission for Enterprises in Unorganised Sector in 2007 has said that only eight per cent of India's workforce enjoyed social security; 91 per cent were in the informal sector.
- And, many in the formal sector do not get the benefits that should accrue to them.

Conclusion

- While funding the scheme will be a challenge for the government, it is seen as one that will gain broad popular support.
- The new policy will be part of the social security code, one of four codes that the labour ministry is finalising and will subsume 17 existing items of legislation governing social security coverage in the country.

1.13. India Tops List Of New TB Cases In 2016: WHO

- India topped the list of seven countries, accounting for 64 per cent of the 10.4 million new tuberculosis (TB) cases worldwide in 2016, according to a Global TB Report 2017 published by the World Health Organisation.
- India was followed by Indonesia, China, Philippines, Pakistan, Nigeria and South Africa.

Key Highlights

- According to the report, an estimated 1.7 million people died from TB in 2016, including nearly 400,000 people who were co-infected with HIV, recording a drop by 4 per cent as compared to 2015.
- Multidrug-resistant TB (MDR-TB) remains a public health crisis and a health security threat.
- According to the report, underreporting and underdiagnosis of TB cases continues to be a challenge, especially in countries with large unregulated private sectors and weak health systems.
- Ending the TB epidemic requires action beyond the health sector to address the risk factors and determinants of the disease. For the first time the Global TB Report presents results from a new multisectoral monitoring framework that identifies linkages with the TB epidemic across seven Sustainable Development Goals (SDGs).

About Tuberculosis (TB)

- TB is a disease caused by bacteria "Mycobacterium tuberculosis" that most often affect the lungs.
- The disease is spread from person to person through the air. It commonly affects the lungs but can also affect other parts of the body.
- It is the second biggest killer disease worldwide next only to HIV/AIDS. It can be completely cured with proper and regular medication.

Effort To Eliminate TB So Far

- The Revised National Tuberculosis Control Programme (RNTCP) has treated 10 million patients, however, the rate of decline has been slow.
- Providing universal access to early diagnosis and treatment and improving case detection were the main goals of the national strategic plan 2012-17.
- The government made three significant important policy decisions to improve disease surveillance: Making TB a notifiable disease (May 2012); including anti-TB drugs under Schedule-

H1 (August 2013); and developing a case-based, web-based TB surveillance system.

- Going by the current rate of decline, India is far from reaching the 2030 Sustainable Development Goals — reducing the number of deaths by 90% and TB incidence by 80% compared with 2015.
- The Ministry of Health and Family Welfare, in its national strategic plan for tuberculosis elimination (2017-2025), has set a highly ambitious goal of “achieving a rapid decline in burden of TB, morbidity and mortality while working towards elimination of TB by 2025.”

Why TB Still Persists In India

- Over 80 per cent of people with TB first knock on the doors of the private health sector where the standard of diagnosis and quality of TB care have always been contentious issues.
- As per norms, a private doctor or hospital has to inform the government about each TB case but this hardly happens.
- There is no institutionalised mechanism to help private players update their knowledge and skills about changing diagnostic algorithms, even the use of anti-TB drugs in appropriate doses for the correct duration.
- Many patients do not follow the entire course of medicine and later develop drug resistant TB.

Way Forward

- There is need to develop radical approaches to address the issue. Rather than the strategy of waiting for patients to walk in to get tested we need to engage in detecting more cases, both drug-sensitive and drug-resistant.
- The emphasis should be on using highly sensitive diagnostic tests, undertaking universal testing for drug-resistant TB, reaching out to TB patients seeking care from private doctors and targeting people belonging to high-risk populations.
- The other priority should be to provide anti-TB treatment — irrespective of where patients seek care from, public or private — and ensure that they complete the treatment.
- Sending customised SMSes to improve drug compliance, incentivising private doctors to notify cases and providing free medicines to patients approaching the private sector, facilitating nutritional support to TB patients, including financial support, rewarding States performing well in controlling TB, and using management information systems to monitor all aspects of TB control would help India to fight against this disease.

2. POLITY AND GOVERNANCE

2.1. SANKALP & STRIVE Schemes To Boost Skill India Mission

The Cabinet Committee on Economic Affairs has approved two new World Bank supported schemes - Skills Acquisition and Knowledge Awareness for Livelihood Promotion (**SANKALP**) and Skill Strengthening for Industrial Value Enhancement (**STRIVE**).

Key Highlights

- SANKALP and STRIVE are outcome focused schemes marking shift in government's implementation strategy in vocational education and training from inputs to results.
- Both the schemes are aimed at institutional reforms and improving quality & market relevance of skill development training programs in long and short term Vocational Education and Training (VET).
- The schemes shall provide the required impetus to the National Skill Development Mission, 2015 and its various sub missions.
- The schemes are aligned to flagship Government of India programs such as Make in India and SwachhtaAbhiyan and aim at developing globally competitive workforce for domestic and overseas requirements.
- To this end, over 700 industry led institutions are being set up for providing job oriented skill training to lakhs of aspirants. An innovative challenge fund model has been employed to select and support proposals to set up such institutions in identified sectors and geographies.
- 66+ India International stalling institutions are being promoted to focus upon skill training as per global standards for overseas placements.
- Upgrading 500 ITIs, as model ITIs across India and improving their industry connect, is also envisaged by ushering in reforms such as on-line examination, centralised admission, improving efficiency and transparency in the system.

Need For Such Schemes

- A national architecture for promoting convergence, ensuring effective governance and regulation of skill training and catalysing industry efforts in vocational training space has been a long felt need.
- The two schemes shall address this need by setting up national bodies for accreditation & certification, which shall regulate accreditation and certification in both long and short term VET.
- The architecture shall help to converge the efforts of various central, state and private sector institutions thereby avoiding duplication of activities and bringing about uniformity in vocational training thus, creating better impact.

About SANKALP Scheme

- SANKALP is a centrally sponsored scheme backed by Rs 3,300 crore loan from the World Bank.
- It envisages setting up of trainers and assessors academies with self-sustainable models. Over 50 such academies are to be set up in priority sectors.
- The schemewill leverage such institutions for training the trainers in both long &short-termvocational education and training thereby bringing about convergence.
- It aims at enhancement of inclusion of marginalized communities including women. Scheduled Castes (SCs), Schedule Tribes (STs) and Persons with Disabilities (PWD) to provide skill training opportunities to the underprivileged and marginalised section of the society.

- It will ensure greater decentralization in skill planning by institutional strengthening at the State level which includes setting up of State Skill Development Missions (SSDMs) and allowing states to come up with District and State level Skill Development Plans (DSDP/SSDP) and design skill training interventions to suit the local needs.

About STRIVE Scheme

- STRIVE scheme shall incentivize ITIs to improve overall performance including apprenticeship by involving SMEs, business association and industry clusters.
- The scheme aims to develop a robust mechanism for delivering quality skill development training by strengthening institutions such as State Skill Development Missions (SSDMs), National Skill Development Corporation (NSDC), Sector Skill Councils (SSCs), ITIs and National Skill Development Agency (NSDA) etc.
- It will support universalization of National Skills Qualification Framework (NSQF) including National Quality Assurance Framework (NQAF) across the skill development schemes of central and state governments thus ensuring standardization in skill delivery, content and training output.

2.2. Ban On Cracker Sales In Delhi-NCR

In News

- The Supreme Court has banned the sale of fireworks in Delhi-NCR, saying there was “direct evidence of deterioration of air quality” every year during Diwali on account of bursting of crackers.
- The ban will remain in place till November 1. The apex court decided to suspend the sale of firecrackers “to test itself to find out whether there would be a positive effect of this suspension, particularly during Deepavali period.”

Background

- The apex court had last year imposed a ban on the sale of crackers when pollution spiked several times the normal level, post Diwali.
- The level of PM2.5, one of the most keenly observed pollutants, had risen as much as 14 times the normal on the night of Diwali last year.
- The court had in September lifted the ban temporarily, but a petition was filed to re-impose it.

Rationale Behind The Ban

- Each year, the seasonal festivities make the air in and around Delhi and surrounding areas thick with smog and suspended particulate matter, leading to residents and children feeling breathless and vulnerable to asthmatic attacks.
- Crackers are made of highly toxic heavy metals such as copper, cadmium, lead, manganese, zinc, sodium and potassium.
- These metals, if present in the air, can trigger an asthma attack, causing severe headache and respiratory problems, apart from chronic cough.
- The permissible level of PM2.5 is 60 g/m³ while PM10 is 100 g/m³. Levels beyond that can cause harm to the respiratory system as the ultra-fine particulates can embed themselves deep into the lungs and enter the bloodstream.

- The ban will play a crucial role in regulating air pollution in the region and reduce the impact on human health. It will ensure that the levels of air pollutants do not reach as high as they did last year around Diwali.

Criticism Of The Judgement

- Implementation Issue – The implementation of the order is really challenging. There are many past incidents where the administration failed to implement the order of the apex court.
 - In 2014, SC slammed Centre and states for not enforcing ban on manufacture and use of plastic bags despite clear order 3 years ago.
 - SC upheld an earlier Bombay HC ruling curbing height of handi and age of participants. Yet several organisations in Mumbai celebrate Janmashtami flouting norms.
 - SC disallowed trucks not destined for Delhi to go through city. But this order is often being flouted.
- The Supreme Court has imposed a ban on sale of crackers in Delhi-NCR, but there is no ban on bursting of crackers. The possibility of people buying crackers from other States and bursting them in Delhi-NCR cannot be ruled out and in such cases Delhi traders will be in a disadvantageous position and will lose business to their counterparts in other States.
- Many believe that the ban will have no impact on the environment and the environment will continue to be unsafe as the ban is on sale of crackers and not on its burning.
- The decision is likely to hit firecracker manufacturers as well. A combined effect of demonetisation, GST and the Supreme Court ban on sale of firecrackers in Delhi has brought down production by Tamil Nadu's Sivakasi-based manufacturers from ₹3,000 crore last year to ₹2,000 crore this year, according to industry estimates.
- Putting a sudden ban on the sale of crackers in Delhi-NCR — which is a centuries' old legitimate business protected under Constitution of India under Right to Work-is unfair.
- Ban is against India's cultural ethos. Bursting of crackers in Diwali is based on India's cultural ethos which symbolizes happiness of people on return of Lord Ram at Ayodhya and welcoming Goddess Lakshmi. This ban questions whether we should follow our culture or not.

Conclusion

- The problem of pollution and the larger problem of climate change are very serious matters. Such knee-jerk reactions reduce the gravity of original problem while aggravating the cultural sentiments of people.
- Regulating the bursting of crackers along with steps to sensitize people about the environmental problems could have been a better solution. Coercion will not yield the desired results.

2.3. Commission to Examine Sub Categorization of Other Backward Classes

In News

- The President has appointed a five-member Commission headed by Delhi High Court's former Chief Justice G Rohini to examine the sub-categorisation of Other Backward Classes (OBCs) under Article 340 of the Constitution.
- Sub categorization of the OBCs will ensure that the more backward among the OBC communities can also access the benefits of reservation for educational institutions and government jobs.

Key Highlights

- The commission will examine the extent of inequitable distribution of benefits of reservation among the castes or communities included in the broad category of OBCs with reference to such classes included in the Central List.
- It will also work out the mechanism, criteria, norms, and parameters in a scientific approach for sub-categorisation within such OBCs and will take up the exercise of identifying the respective castes or communities or sub-castes or synonyms in the Central List of OBCs and classifying them into their respective sub-categories.

Article 340:

- It allows the president to appoint a commission to investigate the condition of socially and economically backward classes and table the report in the parliament.

Rationale behind Sub-categorisation of OBCs:

- There are inequalities and then there are inequalities within unequal entities. That reservation in jobs and education did address socio-economic disparities in India to some degree is true. But, equally, the benefits of reservation have not been distributed equitably, and large segments of the weaker sections and backward classes continue to have no access to quality education or meaningful employment.
- The introduction of the concept of 'creamy layer' to isolate the well-off among those eligible for reservation was initially perceived as an attempt to limit the benefits of reservation, and to politically divide the beneficiaries of reservation.
- However, it was not implemented properly and large sections of the creamy layer are taking advantage of the quota system to the detriment of the poorer sections among their own caste groups.
- Sub-categorisation will ensure equitable distribution of benefits.

Background:

- The Supreme Court of India in **IndraSawhney vs. Union of India** case (1992) had observed that there is no constitutional or legal bar on states for categorizing OBCs as backward or more backward.
- It had also observed that it is not impermissible in law if state chooses to do sub-categorization.
- So far, 11 states/UTs viz. Karnataka, Haryana, Andhra Pradesh, Jharkhand, Puducherry, Telangana, West Bengal, Bihar, Maharashtra, Tamil Nadu and Jammu region of Jammu & Kashmir have carried out sub-categorization of OBCs.
- However, there was no sub categorisation in central list of OBCs.

2.4. Public Finance Management System (PFMS) for All Central Sector Schemes**In News**

- The Government has made the use of Public Finance Management System mandatory for all the Central Sector Schemes of Gol.
- It would help in tracking and monitoring the flow of funds to beneficiaries of different government welfare schemes.

Key Highlights

- So far, 13 Central Sector Schemes are covered under PFMS and payments to 34.19 crore beneficiaries have been made through it and there are 21.72 lakh Programme Implementing Agencies registered on PFMS.
- This has been achieved on the strength of PFMS having an interface with 170 Banks including the Reserve Bank of India (RBI).
- PFMS is poised to develop as one of the biggest Financial Management Systems of the world, which is critical for bringing about a transformational accountability and transparency in the Government Financial Management Systems and promoting overall Good Governance.

About PFMS

- The PFMS Scheme has been rolled-out by the Controller General of Accounts (CGA) at the behest of Finance Ministry, Department of Expenditure as a cherished Public Finance Management (PFM) reform in the country.
- It is an end-to-end solution for processing payments, tracking, monitoring, accounting, reconciliation and reporting. It provides the scheme managers a unified platform for tracking releases and monitoring their last mile utilization.
- The primary objective of PFMS is to facilitate sound Public Financial Management System for Government of India by establishing an efficient fund flow system as well as a payment cum accounting network.
- The biggest strength of PFMS is its integration with the Core banking system in the Country. As a result, PFMS has the unique capability to push online payments to almost every beneficiary/vendor.

Benefits

- Considering the diversity and multiplicity of channels through which money is spent/transferred (including through Direct Benefit Transfer), the PFMS is designed to serve the pertinent need of establishing a common electronic platform for complete tracking of fund flows from the Central Government to large number of programme implementing agencies, both under Central Government and the State Governments till it reaches the final intended beneficiaries.
- PFMS thereby enables real time monitoring of disbursements and utilization of funds which in turn provides a sound Decision Support System across Ministries and Departments of Government of India as well as all the State and UT Governments.
- The improvements brought-out in the Management of Public Funds through PFMS will have a cascading beneficial impact on the management of State Government Public Finances as well as efficient delivery of Public Services by the States.
- PFMS, therefore, reflects the true spirit of Co-Operative Federalism with the Centre and the State Governments combining their efforts to improve Public Finance Management for ultimate public good.
- It would reduce the float in the financial systems by enabling “just in time” releases and also the government borrowings with direct impact on interest cost.
- The Scheme will promote transparency and will ensure that the benefits reach to the last mile.

2.5. Sampoorna Bima Gram Yojna

In News

- The Union Government has launched the Sampurna Bima Gram (SBG) Yojana and an initiative for expansion of clientele base of Postal Life Insurance so as to enable Rural people to get affordable life insurance services.
- The idea is to use postal networks to provide affordable life insurance services to people living in rural areas of the country. All villages under the SaansadAdarsh Gram Yojana will be brought under its ambit

Key Highlights

- Under Sampurna Bima Gram (SBG) Yojana, at least one village (having a minimum of 100 households) will be identified in each of the revenue districts of the country, wherein endeavour will be made to cover all households of that identified village with a minimum of one RPLI (Rural Postal Life Insurance) policy each.
- Coverage of all households in the identified Sampurna Bima Gram village is the primary objective of this scheme.
- Under the scheme expansion of clientele base of PLI, it has now been decided that benefits of PLI will no more be confined to Government and semi-Government employees, but will also be available to other professionals such as Doctors, Engineers etc.
- These two major initiatives being undertaken by Department of Posts will serve as an instrument of securing lives of people as well as enhancing financial inclusion.

About Postal Life Insurance (PLI)

- It was introduced in 1884 and is one of the oldest life insurance schemes for benefit of Government and semi-Government employees.
- Rural Postal Life Insurance (RPLI), introduced on March 24, 1995 on recommendations of Malhotra Committee, provides insurance cover to people residing in rural areas, especially weaker sections and women living in rural areas.
- Low Premium and High Bonus is the unique feature of PLI and RPLI schemes.

2.6. CVC To Launch New 'Integrity Index'

In News

- The CVC has decided to go in for development of the integrity index-based on bench-marking of internal processes and controls within an organisation as well as the management of relationships and expectations of outside stakeholders.
- The index is aimed to create an internal and external ecosystem that promotes working with integrity in public organisations.
- It will be in line with the broader strategy of preventive vigilance and will promote systemic change for good governance within the organisation.

Key Highlights

- The integrity index will bring out annual scores and rankings of public sector undertakings, public sector banks and financial institutions, departments and ministries of the Government of India by linking the essential drivers of vigilance with long-term efficiency, profitability and sustainability of public organisations.

- CVC has adopted a research-based approach for creating an integrity index that various organizations can use to measure themselves and which will evolve with changing needs.
- IIM-Ahmedabad has been engaged to develop the Integrity Index.
- Initially 25 organizations have been selected for development of the Integrity Index. Subsequently, it is proposed to extend the Integrity Index concept to all other CPSUs and organizations of Government of India.

Central Vigilance Commission (CVC)

- The Central Vigilance Commission was set up by the Government in February, 1964 on the recommendations of the Committee on Prevention of Corruption, headed by Shri K. Santhanam, to advise and guide Central Government agencies in the field of vigilance.
- It got statutory status in 1998 by promulgation of an Ordinance by the President. In 2003, the Central Vigilance Commission Act came into effect.
- CVC is conceived to be the apex vigilance institution, free of control from any executive authority, monitoring all vigilance activity under the Central Government and advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.
- The CVC is headed by a Central Vigilance Commissioner and has two Vigilance Commissioners.

2.7. Supreme Court Frames Guidelines To Designate Lawyers As Senior Advocates

In News

- The Supreme Court has laid down the framework for the basis on which lawyers should be assigned the designation of senior advocates.
- These guidelines will be applicable to all High Courts and the Supreme Court and will usher in transparency in the process of designating lawyers as senior advocates.
- The court's judgment was on a PIL filed by senior advocate Indira Jaising in July 2015, in which she termed the present system of senior designation as arbitrary, non-transparent and discriminatory. She had asked for the system to be made more democratic.

Key Highlights

- A permanent committee will be set up in the Supreme Court and in the high courts to look into the applications by advocates.
- The 'Committee for Designation of Senior Advocates' will comprise the chief justice, two senior judges, the attorney general or the advocate general as the case may be, and an eminent member of the bar.
- The committee will have a secretariat, which will vet the applications by going through criteria such as the number of reported judgments, years of practice, personality, and suitability.
- The secretariat will publish the proposal for designation of a particular advocate on the official website of the court, inviting suggestions and views of various stakeholders.
- The Committee will interview the candidate and make an overall evaluation on the basis of his/her number of years of practice, judgments (reported and unreported) which indicate the legal formulations advanced by the Advocate concerned in the course of the proceedings of the case, pro

bono work done by him/her, domain expertise of the applicant in various branches of law and publications by the advocate.

- After a name is considered and approved by the permanent committee, it will be put before the Full Court (involving SC/HC judges as the case may be) which will decide to accord senior designation to an advocate either unanimously or by majority, through secret ballot.
- The Full Court may also recall the senior designation of a lawyer if it feels he is guilty of conduct that disentitles him to the same.

Issues With The Current System

- Section 16(1) of the Advocates Act, 1961 recognizes two classes of advocates – senior advocates and other advocates.
- Section 16(2) says that "an advocate may, with his consent, be designated as senior advocate if the Supreme Court or a High Court is of opinion that by virtue of his ability (standing at the bar or special knowledge or experience in law) he is deserving or such distinction."
- Order IV Rule 2(a) of the Supreme Court Rules 2013 provides that: "The Chief Justice and the Judges may with the consent of the advocate. designate an advocate as senior advocate if in their opinion by virtue of his ability, standing at the Bar or special knowledge or experience in law the said advocate is deserving of such distinction."
- Thus, the process is entirely opaque and there is no way of knowing whether any of the criteria guiding Order IV Rule 2(a) of the Supreme Court Rules and Section 16(2) of the Advocate Act are taken into account since there exist no minutes of meetings detailing evaluation of applications or discussions on the same, the applicants are not interviewed, reasons for non-designation are not communicated to applicants, more over, the Court adopted voting by Secret Ballot in 2014 making it impossible to know who voted for whom.
- Senior designations have become almost a political issue in recent times, and have even given rise to lobbying for the recommendations of judges.

Difference Between Senior Advocate And Other Advocate

- Senior advocate has to follow a separate code of conduct. It is different from other lawyers.
- The status of senior lawyer is designated to them by the Supreme Court or High Court on the basis of merit and seniority.
- Senior advocates are prohibited from doing some kind of legal work like drafting, etc while junior advocates have no such prohibition.
- A senior advocate is not permitted to appear without an Advocate-on-record or without any junior.
- A senior advocate cannot accept directly from a client any brief or instructions to appear in any Court or Tribunal in India.

2.8. Life Term For Government Officials Indulging In Torture

- The Law Commission has recommended life in jail for public servants convicted of torture.
- It also said that the government should ratify a UN convention to tide over difficulties in extraditing criminals from foreign countries due to the absence of a law preventing harsh treatment by authorities.

Key Highlights

- The report suggested that a bill should be introduced in Parliament to amend various laws to prevent torture by government officials.
- The report submitted to the law ministry said the Criminal Procedure Code, 1973, and the Indian Evidence Act, 1872, require amendments to accommodate provisions regarding compensation and burden of proof.
- It recommended an amendment to section 357B to incorporate payment of compensation, in addition to the payment of fine provided in the Indian Penal Code.
- It said that the courts would decide upon a "justiciable compensation" after taking into account various facets of an individual case, such as nature, purpose, extent and manner of injury, including mental agony caused to the victim.
- The report also said an effective mechanism must be put in place to protect victims of torture, complainants and witnesses against possible threats, violence or ill-treatment.
- The Commission recommended the State own the responsibility for injuries caused by its agents on citizens, and the "principle of sovereign immunity cannot override the rights assured by the Constitution".
- It also talked about insertion of section 114B in the Indian Evidence Act to ensure that in case person in police custody sustains injuries, it is presumed that those injuries have been inflicted by police, and burden of proof shall lie on authority concerned to explain such injury.

Why India Need A Law Against Torture

- Provisions relating to causing hurt or grievous hurt, especially with a view to extracting a confession, criminal intimidation and wrongful confinement already exist in the Indian Penal Code. However, the idea of a stand-alone law ought to be ultimately seen as a more tangible way of expressing commitment to eliminating torture.
- Given the pervasive nature of custodial violence and its complex policing requirements, the present legislative and administrative framework is obviously inadequate to prevent torture in a country of India's size.
- According to the National Human Rights Commission, 2,318 cases of death in police custody and 716 fake encounters have been registered with it since 1993. Such numbers are merely indicative.
- The absence of a stand-alone law prohibiting torture may prevent many countries from agreeing to India's extradition requests. Such a law may be in the national interest.
- An extradition request relating to Purulia arms drop case suspect Kim Davy failed owing to the apprehension that he may be ill-treated in India.
- India was subjected to close questioning during the Universal Periodic Review of its human rights obligations at the UN Human Rights Council in Geneva. At a time when India is aspiring for more global roles, such reviews are creating a negative image for India.
- In an era of increasing international cooperation on criminal matters, India will be better served if it is seen as adhering to international treaties, especially its obligations under the Convention Against Torture, which it signed in 1997.

UN Convention Against Torture

- United Nations Convention against Torture (UNCAT) is an international treaty, under the review of the United Nations, that aims to prevent torture and other acts of cruel, inhuman, or degrading treatment or punishment in member countries.

- This treaty came into force on June 26, 1987.
- As per the terms of this treaty, signatory countries are required to take effective measures to prevent torture in any territory under its jurisdiction.
- The treaty also forbids signatory countries to transport people to any other country where they may be tortured.

2.9. Rashtriya Ekta Diwas

- Central and state governments across India observe 31st October as Rashtriya Ekta Diwas.
- The decision to observe the special day was taken by the current government in 2014.
- The occasion provides an opportunity to reaffirm the inherent strength and resilience of our nation to withstand the actual and potential threats to the unity, integrity, and security of our country.
- The day is observed to commemorate the birth anniversary of Sardar Vallabhbhai Patel, one of the founding fathers of the Republic of India.
- Sardar Patel, the first Home Minister of India, is credited with the integration of more than 500 princely states into India between 1947-49 after independence Act (1947).

2.10. Railways May Tweak Flexi Fare System In Premium Trains

- The railway minister has announced that the dynamic pricing is likely to be revised so that passengers don't have to bear extra burden.
- In this regard, Railway Board is considering proposal of selling half the seats (i.e. 50% seats) from existing 10% seats without any surge pricing.
- The revised flexi-fare system aims to be passenger-friendly in such way that half of passengers who book early can get advantage of relatively cheaper fare.
- The Railways attempted to lower the fares of the train by allowing passengers to opt out, at the time of booking, of the meals served on board.
- The flexi fare system was introduced in September 2016. The flexi-fare system generated additional revenue of ₹551 crore between September 2016 and June 2017 compared with the collections during the corresponding period in 2015-16
- While railways revenue increased, it lost several passengers as berths remained vacant.
- This system has also took a hit when several private airlines and government-run Air India offered passengers cheaper tickets.

Flexi Fare By Railways

- The Indian Railways had introduced flexi fares system in Shatabdi, Rajdhani and Duronto trains.
- As a result, the passengers were paying different prices for the same seats and berths depending upon when they book their tickets.

New Arrangements

- As per the new system, passengers were shelling out between 10 and 50 per cent more under the surge pricing system.
- While 10 per cent of the seats is sold under the normal fare in the beginning, it goes on

increasing by 10 per cent with every 10 per cent of berths sold with a ceiling of 50 per cent.

- Modelled on the dynamic fare system in vogue in the aviation sector, the flexi-fare system has been introduced on an experimental basis for II AC, III AC and Chair Car in the three types of premier trains, besides Sleeper class in Duronto trains.
- First AC and Executive Class travel has been kept out of the new system due to already prevailing high tariffs.

Reasons For Introducing Flexi Fares

- Indian Railways run about 12900 passenger trains per day and the railways is losing around more than 40% of what they spend on passenger trains.
- The trains like Rajdhani, Shatabdi are mostly preferred by elite class. So, it will not have a bearing on common man.
- The cost of service is almost double of what is being charged from the passengers.
- Freight business is already very expensive in India as compared to other countries in the world. Therefore, further increase in this area is not feasible.

Impact

- The total number of passengers which travel per year on Indian Railways is around 840 crores. Out of this half of the passengers are sub-urban people which are only a losing traffic. The non sub urban traffic is 380 crores. Out of this 230 crores are exempted from flexi fares because they are ordinary second class. The upper class is only 14 crores in total. So this concept is going to affect very few people at present.
- This system adopted by airlines as well takes care of yield management. It is important to see what the occupancies are. As the occupancies shrink, fares go up so that maximum yield per seat can be obtained on an average coach. This method is quite successful in airlines. When trains are full all the time, there is no question of yield management.
- The Rajdhani and the Shatabdis are premium trains, which are favoured by the relatively better off. Those who plan their journeys later or in case of an emergency will be at loss.

3. ECONOMY AND INFRASTRUCTURE**3.1. India Breaches WTO's Threshold Level For Export Subsidies****In News**

- India will ask the World Trade Organisation (WTO) for a reasonable time frame of **eight years** to phase out its export subsidies as the country has breached an income threshold stipulated by the multilateral body to end such sops.
- According to the special and differential provisions in the **WTO's Agreement on Subsidies and Countervailing Measures** when a member's per capita gross national income (GNI) exceeds **\$1,000 per annum** (at the 1990 exchange rate) for a third straight year it has to phase out its export subsidies.
- According to the WTO data India crossed the per-capita GNI threshold in 2013, 2014 and 2015. The 2015 figures, released by the WTO recently, revealed India's per capita GNI rose to \$1,178 in 2015 from \$1,051 in 2013.
- But the WTO's agreement does not specify the time frame of ending such subsidies.

Schemes That May Be Affected By WTO's Agreement

- **Various Schemes:** The schemes that could face the heat include Merchandise Exports from India Scheme (**MEIS**), Export Promotion Capital Goods (**EPCG**) scheme and Interest equalization scheme (**IES**) for the textiles sector under the **Foreign Trade Policy (FTP) 2015-20**.
- **MEIS scheme:** Under the MEIS the government doesn't provide any cash subsidy but rewards merchandise exporters with duty credit scrip at 2%, 3% or 5% of their export turnover with subject to conditions. The potential revenue forgone by the exchequer on account of this scheme is estimated at 22000-23500 crore a year.
- **EPCG scheme:** The EPCG scheme provides for capital goods imports at zero duty subject to an export obligation of **six times** of the duty saved to be fulfilled in six years. Concessional/nil import tax on capital goods under the EPCG scheme is linked to specified export obligations. Although India treats them as WTO-compatible the US and EU reckon the duty relief is an export contingent subsidy that is actionable under the WTO.
- **Zero rating of export:** Zero-rated supplies under the GST law include export of goods or services and supply of goods or services to a SEZ developer or an SEZ unit. This may also face the challenge.

Challenges

- **Fall of exports:** The obligation to phase out the subsidies comes at a time when India's exports of goods and services as a proportion of its gross domestic product have hit a six-year low.
- **Overvaluation of rupee:** The rupee remains over-valued by around 20% against a basket of 36 currencies of major export partners.
- **Poor export infrastructure:** India's export infrastructure faces various challenges in form of poor mechanisation of ports, siltation issues, lack of intermodal connectivity etc.
- **High logistic cost:** Logistics costs are much higher than emerging market peers.
- **Overlapping export schemes:** The Indian government has launched various export promotion scheme, which are overlapping and causes much confusion and litigation.

India's Position

- **Need a time frame:** Such subsidy programmes can't be stopped over night and a country like India with a lot of complexities needs a reasonable period for compliance. The government wants to give exporters the much-required time to adapt to a new regime.
- **Developed countries export subsidies:** Moreover, the export subsidies offered by India is much less compared with those offered by the developed world in various sectors despite having achieved very high-income levels.
- **Other countries:** Trade analysts say countries like Indonesia and Sri Lanka had breached the GNI threshold before India did and are yet to stop such subsidies.

Way Forward

- India must ask for the suitable time to phase out the export subsidy otherwise it may impact India's already weak export growth.
- But the long term aim should be to shift from the subsidy led model for driving the export sector towards improving general cost competitiveness in export. This can be achieved by improving export infrastructure, reducing the logistic cost, integrating all the ports with electronic data interchange and fast pacing the implementation of **Sagarmala project**.

3.2. NITI Aayog Forms Panel For Intelligent Transport

- The NITI Aayog has set up a national level committee constituting officials from various ministries and States to develop a roadmap for the implementation of the **Intelligent Transportation Systems (ITS) policy**.
- The National ITS policy will aim to reduce urban traffic congestion, improve parking for vehicles in cities, road safety, security of passenger and goods traffic, electronic enforcement of traffic rules and fleet management.
- The committee will work towards setting uniform standards to implement the ITS in various parts of the country.
- **ITS is an advanced application** which aims to provide innovative services relating to different modes of transport and traffic management and enable various users to be better informed and make safer, more coordinated and smarter use of transport networks.
- Currently ITS has been implemented in cities such as **Bangalore, Surat and Bhopal**.

3.3. Resolution Corporation For Financial Firms In The Works

In News

- The proposal in the **Financial Resolution and Deposit Insurance Bill, 2017** to introduce a resolution corporation to tackle bankruptcy in financial services firms has raised various questions.
- Financial firms that do not fall in the ambit of the **Insolvency and Bankruptcy Code (IBC)** and therefore bankruptcy needs of financial firms such as banks have to be coordinated outside the IBC process.
- **The Financial Sector Legislative Reforms Commission (FSLRC)** proposed the establishment of Resolution Corporation in 2012.

Provisions of Financial Resolution and Deposit Insurance Bill, 2017

- **Aim of the bill:** The bill seeks to create a framework for resolving bankruptcy in financial firms (such as banks and insurance companies). **The Bill repeals the Deposit Insurance and Credit Guarantee Corporation Act, 1962** and amends 12 other laws.
- **Application of law:** The Bill will apply to financial firms and any other financial service provider designated as a **systemically important financial institution** by the central government.
- **Resolution Corporation:** The central government will establish a Resolution Corporation. The Corporation will have a Chairperson and its members will include representatives from the Finance Ministry, RBI and SEBI.
- **Functions:** Functions of the Corporation will include: (i) providing deposit insurance to banks (to repay deposits to consumers in case of failure), (ii) classifying service providers (such as banks and insurance companies) based on their risk and (iii) undertaking resolution of service providers in case of failure. It may also investigate the activities of service providers or undertake search and seizure operations if provisions of the Bill are being contravened.
- **Risk based classification:** The Corporation in consultation with the respective regulators (e.g. RBI for banks and IRDA for insurance companies) specify criteria for classifying service providers based on their risk of failure.
- **Resolution plan:** A service provider categorized under the **'imminent'** or **'critical' category** will submit a restoration plan to the regulator and a resolution plan to the Corporation.
- **Final resolution:** The Corporation will undertake resolution of a service provider classified under the 'critical' category using options which include: (i) transfer of its assets and liabilities to another person (ii) merger or acquisition and (iii) liquidation.
- **Time limit:** The resolution process will be completed within a year from the date when a service provider is classified as 'critical'. This time limit may be extended by another year (i.e. maximum limit of two years). The service provider will be liquidated if its resolution is not completed during this time period.
- **Liquidation and distribution of assets:** The Corporation will require the approval of the National Company Law Tribunal to liquidate the assets of a service provider.
- **Offences:** The Bill specifies penalties for offences such as concealment of property and destruction or falsification of evidence. Penalties vary based on the nature of the offence with the maximum penalty being imprisonment for five years along with a fine.

Expected Positive Impact

- **Increase public confidence:** The establishment of such body will increase public confidence in the functioning of the financial market and channelize the household saving in the financial sector.
- **Focus on core areas:** The idea is that the central bank (RBI) should be responsible for monetary policy and prudential regulation and need not necessarily be bothered about other aspects.
- **Improve discipline:** The bill will also inculcate discipline among financial service provider and thereby limit the use of public money to bail out distressed entities.
- **Timely resolution:** The bill will also decrease the time and cost involved in resolving distressed financial entities.
- **International practice:** In countries such as the UK the financial conduct authority and prudential policy authority are different and that's the standard practice globally.

Issues And Challenges

- **Duplication of work and confusion:** The working of the resolution corporation will be much like what has been laid out in the IBC, which has been devised for corporate entities. Thus raises the issue of overlapping, duplication of work and creates confusion in mind of stakeholders.
- **Lack of proper activity mapping:** The bill increases the number of regulatory regime in India without proper activity mapping. Thus may affect ease of doing business in India.
- **Dilution of power of RBI:** Thus Resolution corporation undermines the role of RBI in the banking sector. Banks are now supervised entirely by the RBI. Allowing another institution to decide on the bankruptcy of a bank could be a significant dilution of the RBI's powers.
- **Lack of accountability:** The act fails to lay down specific provisions against misuse of the act and lack accountability provisions for Resolution Corporation.
- **Lack of domain expertise:** The resolution corporation is a generalized regulatory body it may not be aware about the technical and sector specific nuances. Thus it may not possess domain expertise in the relevant financial sector.

Way Forward

- The act is a step in right direction to take preventive step against any possible trouble in financial firm so as to lower the negative impact on the economy.
- The issues raised need to be resolved amicably by involving all stakeholders. At the same time the government must follow **Regulatory impact assessment model** before establishing a new regulatory body.

3.4. Centre Proposes New Contract Labour Law

In News

- **Definition of contract worker:** If a work order is given to a contractor who has hired employees on payroll then the workers will not be treated as contract workers under the Contract Labour (Regulation and Abolition) Act.
- **ILO convention:** The proposed law is in line with International Labour Organisation Convention 181 (on private employment agencies).
- **Uniform three-year licence:** The government has proposed a major overhaul in the contract labour law, which includes a three-year licence for contractors to work across the country instead of a separate one for new work orders. Thus Contractors will no longer require a licence for undertaking each project as per the proposed changes to the **Contract Labour (Regulation and Abolition) Act, 1970**. Presently, contractors hide away from labour law compliance due to the complexity involved in renewing licence with each work contract.
- **Define the work area:** However, the contractor will have to clearly define a particular area of work. If the contractor wants to work in a single State for up to three years the permit needs to be obtained from the State Government.
- **Information to the government:** The contractor will need to inform the government whenever it receives a work order from a company failing which the licence may be cancelled.
- **Distinction between different classes of contractor:** The proposed law also seeks to make a distinction between contractors who provide services and those who provide human resources. Contractors who provide human resources to a company will no longer be responsible for providing canteen and restroom facilities to the workers. Providing facilities such as canteen and restroom to

contract workers has to be the responsibility of the principal employer who had hired workers from the contractor.

- **E-payment of wages:** The government has also proposed to make wage payment primarily through electronic mode instead of cash payment.

Way Forward

- The proposed law will be a great step towards regulating the service conditions for the contractual workers. The new provisions defining the liability of the different parties and e payment of wages are laudable steps.
- But at the same time it must also be ensured that a fair balance is maintained between the rights of workers and ease of doing business.
- Moreover the state government must be consulted on the proposed laws as the implementation of labour law is basically a domain of the state government.

3.5. SEBI Panel Proposes Norms For Corporate Governance

In News

- The committee on corporate governance established by the Securities and Exchange Board of India (SEBI) under the chairmanship of **Uday Kotak** has submitted its report.
- The panel was set up by SEBI in June this year with a view to enhancing the standards of corporate governance of listed entities in India.

Recommendations

- **Listed companies independent director:** Listed companies should be required to have at least six directors on the board with a minimum of 50% representation of independent directors (up from one third currently) including one woman director.
- **Safeguarding the interest of Independent director:** To safeguard the interest of independent directors it proposed that the top 500 companies by market capitalization must undertake D&O (Directors and Officers) Insurance for its independent directors.
- **Minimum remuneration:** The panel suggested a minimum remuneration of Rs 5 lakh for independent directors per annum and a sitting fee of Rs 20000-50000 for each board meet.
- **Remuneration of executive director:** It also sought to make it mandatory to seek public shareholders approval for annual remuneration of executive directors from promoter family if the amount exceeds Rs 5 crore or 2.5 per cent of the company's net profit.
- **Transparency:** The committee has proposed disclosure of the expertise of the directors being appointed, increasing the number of board meetings from four to five every year and capping the maximum number of directorships to seven by April 2020.
- **Enhanced disclosure:** The listed firms should disclose the detailed reasons for the resignation of the independent directors and at the same time these firms not be allowed to appoint a person as an alternate director in the place of any of the independent directors.
- **Splitting of the role:** The report added that the listed companies with more than 40% public shareholding should separate the roles of chairperson and MD/CEO from April 1, 2020
- **Frequent interaction:** Committee has sought frequent interaction between NEDs (non-executive directors) and senior management at least once a year.

- **Function of audit committee:** The minimum number of Audit Committee meetings be increased to five every year. The audit committee should also review the utilization of funds of the listed entity infused into unlisted subsidiaries including foreign subsidiaries where the total amount of loans/advances/investment from the holding company to the subsidiary exceeds 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- **Unpublished price sensitive information:** The committee has proposed a transparent framework to regulate the information rights of certain promoters and significant shareholders to prevent any abuse and unlawful exchange of unpublished price sensitive information (UPSI).
- **Risk management:** The succession planning and risk management must be discussed at least once a year.
- **Related party transaction:** All material related party transactions shall require approval of the shareholders through resolution and no related parties shall vote to approve such resolutions.

Positives

- **More power to independent director:** The recommendation that at least half of the company's board must comprise of independent directors is a very positive step. And now with a 50% voting right independent directors can no longer argue that they couldn't do anything since they were in a minority.
- **Separation of ownership and control:** Recommendations such as the need for at least one independent woman director or splitting the post of the chairman and managing director or that two-thirds of the nomination and remuneration committee must be independent directors are also in the same spirit of separating the ownership of the company from the running of it.
- **Reform of PSU's:** The recommendation that PSU's board to be independent of the administrative ministry will improve their functioning and prevent political interfere.
- **Fraud prevention:** The recommendations if adopted will help in preventing the corporate frauds (such as kingfisher airlines fraud) and ensure the company works in a socially responsible manner.

Challenges

- **Independent director:** The move to allow companies to choose the independent directors invalidates the very purpose of appointing them.
- **Losing control over the company:** Further the recommendation that half of the member of board of director should be independent director, the corporate India may feel that this is akin to losing control of the company.
- **Educational criteria:** Moreover, specifying the educational criteria for the board of director does not define the competency of the person. Thus the education alone cannot make one a domain expert.
- **CMD and Chairman:** Splitting of CMD role would mean two power centres instead of one but if enforced into a law, the chairman can just appoint a person who agrees with them as MD. Such a thing cannot be forced and should be recommended as best practice rather than be made into a legal provision.



- **Overlapping provisions:** The Ministry of Corporate Affairs (MCA) has opposed some of the recommendations made by the committee on the grounds that they concern matters already covered by the Companies Act, 2013. This may lead to confusion and affect ease of doing business. For example- some of the recommendations seek to extend jurisdiction to unlisted companies, which are regulated by MCA as per 2013 act.
- **SEBI's Lack of manpower to enforce the rules:** The US Security Exchange Commission's (SEC) strength is 4554 while that of SEBI is just 780 and whereas SEBI is regulating a lot more companies than SEC.
- **Implementation agency:** The lack of a dedicated implementation agency for these provisions is the major lacuna. The same problem was earlier seen with the clause 49 of the Listing agreement of SEBI, which defined the corporate governance norms for listed companies.

Way Forward

While India has had good norms on governance, enhanced monitoring and strict enforcement will make the real difference in the level of compliance and manner of implementation. Moreover the opinion of different experts must be taken before finalizing the report.

3.6. Inheritance Tax On HNIs Likely To Be Reintroduced

In News

- The government is considering the levy of an inheritance tax on high net worth individuals. India had inheritance tax from 1953 and discontinued it in 1986.
- For this government has sought feedback, recommendations on the proposed re-introduction of inheritance tax also known as **estate duty**. The tax could range from 5% to 10% and would apply only to families with a certain net worth.
- As per Hurun Research Institute India had 617 individuals with wealth of 1000 crores. And currently there is no tax in India on bequeathed assets.

Positives

- **Reduce inequality:** The taxes on high net worth individual will reduce the inequality in income, which is currently prevalent in India.
- **Generation of revenue:** The inheritance tax will increase the revenue source for the government to fund infrastructure and social schemes.
- **Will resolve the issue of regressive nature of taxes:** The current high reliance on indirect tax as a mode of revenue generation is regressive because burden of taxes falls mainly on poor people. But this issue will be addressed in inheritance taxes.
- **Resolve the issue of black money:** The inheritance tax will resolve the issue of black money where untaxed money is often invested in real estate sector.

Challenges

- **Loophole:** Many people have found a way out of proposed tax by forming Family trusts. And in such cases inheritance tax will not apply because there is no transfer in ownership of assets, only a change in the trust shareholding. Thus it will encourage tax avoidance through creation of trusts and shell companies to hold the assets.
- **Effect on saving and capital formation:** An inheritance tax will penalize savings, investment and will also discourage capital formation.

- **Past failure:** In India estate duty was in 1985 as it failed to produce much revenue and the share of estate duty in gross tax collections was only **0.13% in 1981-82**.
- **Other problems:** The inheritance tax will not only lead to high administrative costs for the exchequer but will also increase the compliance costs for taxpayers.

Way Forward

- Taxing wealth kills the incentive to save, invest and grow and threatens to offshore much economic activity.
- Thus although India must try to increase the tax base but it must be in a right way i.e. it must come from policies that produce faster growth and taxation of that new income rather than imposing taxes on inheritance.

3.7. Government May Ease 30% Local Sourcing Rule

In News

- The government is weighing options to relax the mandatory 30% local sourcing rule for single brand retailers with 51% or more foreign direct investments (FDI) to make it more attractive for them to set up shops in India.
- The options being explored include trimming the mandatory sourcing requirement to around 15-20% or counting foreign retailer's purchases in India for their global operations as part of their local sourcing obligations.
- At present, FDI up to 100% is permitted in single brand retailing up to 49% through automatic route and via government approval beyond that ceiling. The local sourcing norm is applied when FDI in an entity exceeds 51%.
- According to the FDI guidelines the sourcing of 30% of the value of goods purchased will be done from India preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.

Positive Impact

- **Ease for the Multi national companies:** If implemented, the move will help multinational companies to start or ramp up operations in India. For example- Apple has sought exemption from the sourcing rule to start manufacturing in India.
- **Overcome hindrance:** Moreover it overcomes the hindrance in form that most of the local firms are yet to achieve the level of technology sophistication as required by the foreign firms for their high-end technology purchase.
- **Access to technology and global best practices:** In the long run the foreign firms presence in India will enable the access to state-of-art and cutting-edge technology for the local firms. Besides this they will also gain experience of global best practices in the business arena.
- **Ease of doing business:** It also enables the foreign firms to decide upon business operation in India without any bureaucratic interference. Thus will promote ease of doing business in India.
- **Other benefits:** The other benefits will be in the form of increase access to technology, employment generation, increased FDI etc.

Challenges

- **Make in India programme:** There are concerns that any change in the rule may upset the Make in India programme, which relies also on Local orders by the foreign firms.
- **Impact on MSME sector:** The aim of the local sourcing is to help micro, small and medium enterprises (MSME) and this purpose may be defeated if the local sourcing norm is diluted. Currently, the MSME contribute 40% to India's export and employ around 40 million workers.
- **Other issues:** Opposition parties may see the move as supporting foreign firms at the cost of Indian firms who may not be able to compete with the foreign firms.

Way Forward

- Any change in local sourcing rule will hinge on how the government finally balances the conflicting interests without upsetting the interest of the MSMEs.
- The long terms aim should be to develop the capacity of the Indian enterprises so to obviate the need for dependence on the local sourcing norms.

3.8. VAT Cut On Petrol By States Raises Hope Of Inclusion Of Fuel Under GST

In News

- Recently Gujarat, Maharashtra and Himachal Pradesh cut value added tax (VAT) on petrol and diesel in tandem with the central government's decision to reduce excise duty.
- This raised the expectations that the petroleum products may be added in the goods and service tax (GST).
- The actions of the three state governments will put pressure on other states to cut VAT on petrol and diesel.

Positive Impact

- **Ease the burden of taxation:** The inclusion of petrol, diesel, jet fuel, natural gas and crude oil in the GST regime will ease the tax burden of oil and gas companies which at present are subjected to two streams of taxation, GST and VAT.
- **Compensation assurance:** The center has already assured the states of compensation for any loss arising during the period of 5 years. Therefore the opposition to inclusion of petroleum product into GST has no valid basis.
- **Loss of competitiveness and inflation:** The high rates of taxes affect the international competitiveness of the various sectors of the economy. For example- high VAT on Aviation turbine fuel reduces the competitiveness of aviation sector. Moreover high taxes on petroleum have led to high retail inflation as petroleum being the input of various sectors including transportation sector.
- **Input tax credit:** Petroleum products are key inputs for many industries and since they are outside the ambit of GST the user industries cannot claim input tax credit (ITC) on a key raw material. Therefore their inclusion in GST is must.
- **Make GST a National tax:** The petroleum products inclusion will make the GST truly a national tax as currently 40% of the trade is out of GST (due to the exclusion of petroleum products).
- **Price parity:** Implementation of GST on petrol and diesel prices would bring about pricing parity across states.

Challenges

- **Loss of flexibility to have differential rates:** Inclusion of petroleum products in GST will affect the state's ability to have differential rates, as GST would mean a single uniform rate across the country. For instance, Karnataka has 30 per cent sales tax on petrol and 19 per cent on diesel.
- **Loss of ability to raise quick revenue:** Taxes on petroleum are also a lever, which states can use to address any sudden shortfall in revenue. Thus this may get affected once the petroleum products are included in GST.
- **Loss of revenue:** The VAT on petroleum products is the major source of the revenue for the state government. Thus inclusion into GST may affect the revenue of the government to spend on social sector schemes.
- **Loss of taxes to Centre:** States also fears that if GST is imposed on petroleum products then the proceeds of the new tax have to be shared between Centre and states.
- **The question of feasibility:** At present, cumulative tax rate on petrol and diesel stands around 107 and 79 percent, which are much above the highest GST slab of 28 percent. This raises questions about feasibility of petrol and diesel under GST. A straightforward implementation of GST at 28 percent on fuel would result in a deep hit on the government revenue, which it cannot afford.

Way Forward

- The inclusion of petroleum in GST will be a positive step considering the various benefits, which may accrue. The state government should support the initiative as Centre has already assured them of the compensation.
- The focus of the state should be on improving tax base, efficiency and reducing the leakages under various schemes. This will ensure better revenue generation and minimizing the wastage of the resources.

Question

Rising petrol and diesel prices have reignited the debate over high taxes on fuels. In this light examine the pros and cons of bringing the petroleum products under the ambit of GST.

3.9. Strategic PSU Sales To Resume After 13 Years

In News

- The government has drawn up ambitious plan for strategic sales (i.e. 51% of shares are owned by private sector) in 16 odd public sector undertakings (PSUs). And nine units including BEML, Pawan Hans, Bridge & Roof Company India and Hindustan Prefabs will be put for strategic sales in next few months.
- The strategic disinvestment process would involve a **three-stage process:** Expression of interest to identify serious bidders, request for proposal and bids and completion.
- For 2017-18, the government has set an ambitious disinvestment target of 72500 crore. It plans to raise 46500 crore from disinvestment in PSUs, 15000 crore from strategic disinvestment and 11000 crore from the listing of general insurers.
- **NITI Aayog** has supported strategic sale of PSUs and it also advocated a **three-year action agenda** for closing of select loss making state run companies.

Background: In 2004 government privatized more than a dozen PSUs the most notable ones being IPCL which was sold to Reliance Industries and Bharat Aluminium Company and Hindustan Zinc both of which went to Vedanta Resources.

Benefits Of Strategic Sale

- **Strategic area focus:** The proposed action is in the philosophy that government should operate only in strategic sector and leave the other sectors for the private sector companies.
- **Bridge fiscal deficit:** The move will help in bridging the fiscal deficit target of the government and thus bring the stability in the economy.
- **Improve quality and promote competition:** The move will also reduce the misuse of taxpayer's money to fund loss-making companies, improve the quality of service delivery and promote competition in the market.
- **Professionalism:** The collaboration with the private sector will improve the functioning, efficiency and professionalism of these companies and reduce political interference in their day to day working.
- **Public ownership:** The move will help in increasing the people's ownership of the equity of these companies.

Challenges

- **Issue of valuation:** The issue of maintaining transparency and arriving at the proper valuation will be a difficult task before the policy makers.
- **Fear of false accusation:** The increased scrutiny of the decisions by zealous investigating agency may deter the decision makers from taking decisions on strategic sale of loss making PSUs.
- **Opposition by labour union:** The move to privatize these companies will be opposed by the labour union who fear loss of jobs, social security and increase in contractualization of workforce.
- **Welfare aim subordinated:** As the aim of private sector companies is profit maximization so the welfare of vulnerable section of the society may take a back seat.
- **Poor utilization of fund raised:** The revenue generation from the strategic sales should not be used to fund the deficit but should have been specifically invested for capital investment purpose like infra development.

Way Forward

- The decision of strategic sale should be taken after due deliberation and involving all the necessary stakeholders.
- Moreover, as suggested by the 14th Finance commission, the PSUs should be classified in different categories on basis of their strategic importance. This move will help in making quick and informed decisions.

3.10. Government Funding Still Rules Highways: EPC V/S Hybrid Annuity Model

In News

- **Hybrid annuity** contracts in infrastructure have revived private sector participation with the number of projects awarded under this mode nearly equaling the **Engineering-procurement-construction (EPC)** deals.
- Under EPC model private entity will bid for the tender and execute infra projects on behalf of government. The cost for executing the project would be borne by government and designing to the execution will be done by the private entity.

- While the Hybrid annuity model is a modified application of **BOT (Build, operate and transfer)** model. Under it the government will contribute 40% to the project equity and substantial risk of the project is not transferred to the private sector but is borne by the government.

Benefits Of EPC Over Hybrid Annuity Model

- **Funds available at lower rates:** The EPC mode of highway construction is a better option than the hybrid annuity one because the government can raise funds for these contracts at a much lower rate than a private company.
- **Increase liquidity for the private companies:** Further EPC helps contracting companies to increase liquidity enabling them to further invest in a public-private partnership project.
- **Revival of the private sector interest:** The model helped in reviving the private sector interest in infra projects as the uncontrollable risks such as traffic estimation, land acquisition and environmental approval rests upon the government.
- **Less chance of disputes:** Under the EPC model as compared to Hybrid annuity model there are less chance of dispute between the government authority and private concessionaire.

Benefits Of Hybrid Annuity Model Over EPC

- **Less need of government investment:** Hybrid annuity is a better option for the government because it does not have to park a huge sum of money in one project and instead utilize the money for financing a number of projects (as government has to contribute 40% to the project equity).
- **Ability to finance many projects:** For every one EPC project the government can finance three four hybrid-annuity contracts due to requirement of lower investment in Hybrid annuity model.
- **Maintenance responsibility:** Further, the concessionaire maintains Hybrid-annuity contracts even after the completion of construction whereas EPC projects are handed over by contractors as soon as they are built and therefore the concessionaire's responsibility is curtailed.
- **Financial efficiency/Cost overrun:** In terms of financial efficiency hybrid annuity scores over EPC because the cost overrun in the latter is 20-25 per cent and is borne by the government or the NHAI. In a hybrid-annuity contract the cost overrun is the private player's responsibility.

Way Forward

- The government should continue to adopt the model, which help in bringing the efficiency in the infrastructural sector.
- Moreover some of the noteworthy recommendations of **Vijay Kelkar committee** on PPP model such as Infra PPP review committee, Infra PPP dispute resolution agency etc. need to be adopted to fast pace the infrastructure creation.

3.11. All Major Ports To Get LDB Services

In News

In News:

- The Logistics Data Bank's (LDB) services will soon be extended to all major ports in India. Until now the LDB project covered only the country's western logistics corridor.
- The LDB project's (initiated in 2016) objective is to ensure greater efficiency in the country's logistics sector through the use of information technology.

LDB Project

- **SPV:** The LDB project is implemented through a **Special Purpose Vehicle** called Delhi Mumbai Industrial Corridor Development Corporation Logistics Data Services Ltd. (DLDSL) is jointly (50:50) owned by the Delhi Mumbai Industrial Corridor (DMIC) Trust and Japanese IT services major NEC Corporation.
- **Use of RFID:** As part of the LDB project each container is attached to a Radio Frequency Identification Tag (RFID) tag and tracked through RFID readers. This in turn helps importers and exporters to track their goods in transit.
- **Covers entire Logistic supply chain:** The LDB project covers the entire movement through rail or road till the Inland Container Depot and Container Freight Station. The service integrates information available with the agencies across the supply chain to provide detailed real-time information within a single window.
- **Services offered:** The services include providing users the average delivery time as well as notifications through SMS and email. The LDB project also provides other services such as congestion and bottleneck analysis as well as performance benchmarking that aids the users to pinpoint supply chain inefficiencies and in turn help improve the system.
- **Positive impact:** The LDB project is as an important ease of doing business initiative to boost the country's foreign trade and bring about greater transparency. It helps reduce the overall lead-time of container movement besides bringing down transaction costs that consignees and shippers incur.

3.12. NITI Aayog's: Draft National Energy Policy

In News

- The NITI Aayog has released Draft National Energy Policy (DNEP), which will replace the Integrated Energy Policy, 2005.
- DNEP predicts that between now and 2040, there will be a quantum leap in the uptake of renewable energy together with a drastic reduction in fossil fuel energy intensity. And it foresees India's power demand shooting up over four-fold.

Salient Features of Draft National Energy Policy

- **Four objectives:** DNEP has four key objectives i.e. ensuring access at affordable prices, improving energy security & reducing dependence on fossil fuels, Promoting greater sustainability & renewable energy and Ensuring sustained economic growth.
- **100% electrification:** DNEP aims that all the Census villages are to be electrified by 2018 and universal electrification is to be achieved with 24x7 electricity by 2022.
- **Energy and Human rights:** It also acknowledges energy as a key input towards raising the standard of living of citizens as is evident from the correlation between per capita electricity consumption and Human Development Index (HDI).
- **Renewable energy:** It aims achieving a 175 GW renewable energy capacity by 2022 and share of non-fossil fuel based capacity in the electricity mix is aimed at above 40% by 2030.
- **Reducing imports:** DNEP also aims at curbing energy imports by increasing the production of renewable energy in the country fivefold to 300 billion units by 2019 and tripling coal production to 1.5 billion tonnes.
- **Energy conservation:** It also advocates energy conservation building code for all new commercial construction to bring down energy use by 50%.

- **Transnational gas pipelines:** Draft envisions that India should take solid steps towards constructing IPI and TAPI pipelines.
- **National energy data agency:** DNEP also plans to set up the National energy data agency on the lines of the US Energy Information Administration (EIA). Agency will aim to provide oil and gas mapping by working with the Directorate General of Hydrocarbons, transmission line mapping, energy demand mapping and solar irradiation mapping among others.
- **Transportation sector:** The draft policy has advocated for higher tax on big cars, SUVs and promotion of mass transport system like metro rail to improve air quality.

Issues With The Draft National Energy Policy

- **Contradictory aims:** The first anomaly is that while India claims it will make a big push for renewables, it will continue to rely on coal for its base load generation. DNEP proposes that coal will fuel 67% of India's power generation in 2022.
- **Coal sector:** The NITI Aayog also forecasts that India's coal industry will emerge as an exporter of coal whereas there has been shocking drop in demand for coal from most industrialized nations.
- **Peaking of oil demand not dealt:** The peaking of India's oil demand could have been envisaged but has not been identified in the DNEP.
- **Does not resolve issue of large-scale oil imports:** On the one hand the draft policy recognizes that by 2040 India's oil import dependence may reach 55% from the current level of 33%. On the other hand, it offers nothing to curtail such dependence.
- **Fail to give a big push to electric vehicles:** The DNEP fails to highlight the gradual substitution of internal combustion engines with electric vehicles. Whereas several European nations have announced their plans to go for 100% electric vehicles in the next two decades.
- **Nuclear energy:** DNEP while advocates push to the nuclear energy but has neglected concerns regarding safety and its intensive capital investment requirements.
- **Funding:** The draft fails to mention the funding requirement for achieving the various targets under the policy.

Way Forward

The policy success hinges on the coordinated implementation by the center and state government. There is also a need to improve the functioning of the discoms under the UDAY scheme. Moreover to ensure better adoption of the renewable energy there is a need for greater awareness generation among common people.

3.13. Information Utility Under The IBC

In News

- **National e-Governance Services Ltd** became India's first information utility (IU) for bankruptcy cases under the Insolvency and Bankruptcy Code, 2016.
- Information utility is an information network that will store financial data like borrowings, default and security interests among others of firms. The utility would specialize in procuring, maintaining and providing financial information to businesses, financial institutions, adjudicating authority, insolvency professionals and other relevant stakeholders.
- Information utilities are governed by the Insolvency and Bankruptcy code, 2016 and IBBI (Information Utilities) Regulations, 2017.

Purpose Of Creation Of Information Utilities

- **Objective:** The objective behind information utilities is to provide high quality, authenticated information about debts, defaults and expeditiously process & verify information received.
- **Informed decisions by lenders:** The database and records maintained by them will help lenders in taking informed decisions about credit transactions.
- **Cautious debtor:** It will also make debtors cautious in repayment, as credit information is available with the utility.
- **Evidence during proceeding:** Moreover the information available with the utility can be used as evidence in bankruptcy cases before the National Company Law Tribunal.

Challenges Before Information Utilities

- **Sensitivity:** While the onus is on financial creditors, operational creditors and corporate debtors to provide the required information but procuring authentic information might be a challenge due to the sensitivity involved.
- **Bank's resistance:** There may also be resistance by banks in sharing the information about the financial details of their clients.
- **Risk of data theft:** Since it is a digital database there is the risk of exposure to data piracy and data theft.
- **Supreme court privacy judgment:** The recent judgment by the Supreme Court in privacy matters has further complicated the issue of collection of data.

Way Forward

The setting up of the Information utility is an important step in quickly resolving the insolvency disputes. But to overcome the above challenges government must enact a comprehensive Right to privacy act and Data protection law. This will help in resolving the current impediments before the Insolvency law.

3.14. IMF Suggests India To Set Up Independent Fiscal Council**In News**

- The International Monetary Fund (IMF) has suggested India to consider setting up an **Independent Fiscal Council (IFC)**.
- IMF also claimed that setting up such council has led to better outcomes in the countries where it has been introduced in terms of transparency and accountability towards the general public and also in terms of the quality of the policy debate in the country itself.
- The **NK Singh Committee (FRBM Review Committee)** and **14th finance commission of India** have also supported the same idea.

Need For Independent Fiscal Council

- **Lack of FRBM target monitoring for Union government:** Union government monitors the fiscal target of the state government but there is no formal body to oversee union government fiscal targets.
- **Lack of adherence to FRBM:** There has been a lack of adherence to the FRBM act, 2003 as many times the fiscal deficit target has been flouted.
- **Post facto assessment:** The audit of FRBM by Auditor general is merely a post facto assessment rather than a pre situational assessment.

- **Incorrect revenue projections:** Moreover there has also been a problem of incorrect revenue forecast that has led to funding cuts for the programme at the middle of the financial years.

Positive Impact

- **Transparency & accountability:** The setting up of such body will ensure transparency in government functioning, reduce the debt level as a percentage of GDP and creates accountability by providing an independent assessment of union government fiscal performance.
- **Specialized Advisory body:** The IFC can act as a specialized advisory body for the union government on its revenue projections, methods to bridge the fiscal deficit etc.
- **Creates credibility:** The setting up of such body will create the financial and solvency credibility before the International organisations such as IMF.
- **Global best practice:** The setting up of IFC has been a global best practice to move on the path of fiscal consolidation.

Way Forward

- The need to setting up of such body has become overwhelming considering the recent debate about relaxing the fiscal targets to stimulate the slowing economy.
- Moreover the recent recommendation of **NK Singh Committee** such as replacing FRBM with Debt and fiscal responsibility act, shifting the focus from revenue and fiscal deficit to the debt as percentage of GDP, flexibility in fiscal consolidation etc. need to be implemented in letter and spirit.

3.15. Oil Companies Planning For Online Sale Of Diesel

In News

- Inspired by the online and e commerce boom in the country PSUs oil marketing companies are planning to start online retailing of diesel to cater to the rural customers and commercial establishments helping them save time and improve their productivity.
- The companies are awaiting a final safety approval from the Petroleum and Explosive Safety Organisation (PESO) before they start the online booking and delivery of diesel on the lines of delivery of LPG cylinders.

Positive Impact

- **Improve profitability for oil PSUs:** The said move will help oil PSUs to reach new market in rural areas thus will improve their sales and profit volumes. This has become imperative considering PSU oil companies are facing acute competition from the new private entrant (such as Essar, Reliance) in the retail sector.
- **Boost the rural economy:** Online sale will also help in improving the rural economy by providing sufficient access to the energy resources.
- **Improvement in quality of service:** The said move has also seen by many experts as improvement of service delivery standard in oil sector.
- **Other benefits:** Online sale will help in providing additional and cleaner means of cooking thus improve the women health and save the environment.

Challenges

- **High cost:** The oil PSU may have to suffer a large cost, as the entire process will require a new set of delivery tankers with nozzles and hosepipe fitted on them.

- **Safety concerns:** There are also huge safety concerns related to transporting and fuelling of vehicles in the residential and congested areas.
- **Adulteration:** There are also concerns about adulteration of the fuel oil in absence of quality and accountability standards.
- **Loss of business:** The traditional fuel station (brick and mortar petrol pumps) may face the fall in sales volume thus online sale will impact their profitability.

Way Forward

The online sale of fuel is another step in reforming the oil sector and improving the quality of service delivery. But at the same time it must also be ensured that adequate safety measures and accountability standards are put in place to overcome the current concerns about e-sale of diesel.

3.16. Consumer May Be Able To Choose Power Distribution Company

In News

- The government is planning to give electricity consumers the freedom to choose the supplier by enacting a new law. The proposal is similar to mobile number portability where consumers can switch to a telecom operator of their choice. Currently the power distribution utilities are responsible for operating and maintaining distribution system in their licensed areas.
- The proposal is to separate electricity supply and network maintenance services and introduce multiple licensees for a single area by amending the **Electricity Act, 2003**.
- The Electricity act, 2003 laid out a period of five years i.e. by 2008 when large users who consumed up to 1MW would get open access. But it did not lay out a time frame for providing this for smaller users like households.

Expected Benefits

- **Increased competition:** It will provide the biggest platform for investors to get into Indian utility business, which has 250 million customers. Thus will usher competition for better delivery of services.
- **Benefits for consumers:** The move will provide the consumers reliable supply of electricity at affordable rates.
- **Success of UDAY scheme:** To ensure UDAY related targets are achieved on the ground, segregation of content and wires along with competition in content business is necessary.
- **Reduction of losses:** The said move will reduce the losses of the state discoms, as the electricity charges will no longer be determined on political lines.
- **Long awaited proposal:** Segregation of the network maintenance and electricity distribution businesses (separation of content and carriage) has been proposed for a long time by various committees for reforming the electricity sector.



Challenges

- **Resistance of states:** Proposal of open access has faced resistance from states, as state distribution companies are keen to protect their monopolistic position.
- **High surcharge:** The high cross subsidy surcharge, which was levied when a consumer shifted to other distribution companies made the idea of open access futile. Thus high surcharges were used to deny open access to those who consumed electricity above 1MW.
- **Other means to deny open access in the past:** Buying electricity from a company across the city or state requires it to be transported across wires. In the past to prevent open access the State Level Dispatch Centres (SLDCs) owned by the government would simply say their power lines were too choked to carry the electricity.
- **Lack of timeline for implementation:** The proposed bill may not impose timelines for implementation of open access for the household consumers. Moreover, the government has no plan to make it a compulsory exercise.
- **Other difficulties:** In a situation where the government is the sole supplier of electricity in most parts of the country it is not clear how separation of carriage and content is going to help increase competition or lower tariffs.

Way Forward

The said move is a step in right direction it need to be supplemented by carrying out the following reforms in a time bound manner such as implementation of advanced metering system, separate accounts and employees of distribution companies, ownership separation, deregulating tariffs for large industrial consumers etc.

3.17. For Make In India Growth, It Is Crucial To Develop Mine In India First

In News

- Development of natural resources is essential for sustaining economies as it gives birth to industrial development, ancillary industries, employment generation and prosperity. Currently, India produces about 87 minerals.
- But since the last decade, contribution of mining sector in GDP has been stagnant at 1.2%. Indian mining sector grew at a 7.3% in the last decade compared to 22% in China in the same period.

Importance Of Mining For The Economy

- **Future economic growth:** Report from the McKinsey Global Institute suggests that development of the mining sector will be important if India has to achieve 7% plus GDP growth. The sector can contribute an additional \$125 billion to India's output and \$47 billion to India's GDP by 2025.
- **Employment generation:** The report further says that the sector alone has the potential to create 6 million additional jobs by 2025.
- **Industrial growth:** To mention every 1% increase in the growth rate of the sector results in a 1.2-1.4% increment in the growth rate of industrial production and correspondingly an increase of 0.3% in the growth rate of India's GDP.
- **Export potential:** The mining sector can also contribute to India's export sector and thereby positively contribute to India's balance of trade.

Challenges In Mining Sector

- **Low focus on Exploration:** India is also far behind in expenditure towards exploration. It accounts for only 0.3%, compared with over 19% by Canada, 12% by Australia, 7% by United States and

4.5% by China. Moreover India has only explored 15% of its geologically potential area, which is very low in comparison of Australia where it accounts for 95%.

- **Lack of availability of baseline geo scientific data:** The Geological Survey of India is yet to expand its focus on baseline data generation to encourage exploration activities for the development of mining sector.
- **General delay in grant of mining lease:** In India even for obtaining a mining lease it takes minimum one year's time and this can get extended to even more than 5 years as compared to with just 30 days in Canada and 60 days in Australia.
- **Evacuation infrastructure:** The lack of adequate evacuation infrastructure in form of railway lines, roads have further created hindrance for the development of mining sector.
- **Poor focus on underground mining:** Exploration in India is mostly limited to a depth of 50-100 meter as compared to 300 meters in countries such as Australia. Thus not only lead to poor output but also leads to natural environmental pollution.

Way Forward

To overcome above challenges there is a need for comprehensive National Mineral Exploration and licensing policy. The global private sector firms need to be encouraged towards mineral exploration so that best technology for mineral exploration can be infused. Further the coordination between center and state government need to be created so that the existing delay in grant of lease could be reduced.

3.18. Recap Bonds To Shore Up Net Worth Of PSU Banks

In News

- The Centre announced a Rs 2.1 lakh crore capital infusion plan for state owned banks. Banks will get Rs 1.35 lakh crore from bonds, Rs 18000 crore from the Budget and raise the remaining 58000 crore through share sales.
- The government also emphasized that not all state run banks will be equally supported. There will be a differential approach where performance, potential of each bank, their regional, national and international characters etc. will be factored.
- PSU banks have been short of capital due to the huge provisions needed for loan losses between March 2015 and June 2017 when NPAs rose by Rs 4.6 lakh crore.

Benefits Of Recapitalization Of Banks

- **Increase in capital base:** The move will shores up banks capital base indirectly and will clean up the banks books and get them to lend more.
- **Employment generation:** Enhanced financing access will directly benefit micro, small and medium enterprises (MSMEs) and give a boost to employment generation.
- **Increase of private investment:** Credit growth at the end of September 2017 was 7% compared with 10% a year ago. Bolstering this is key to lifting private investment so as to revive growth.
- **Attractive proposition:** The Rs 2.1 lakh crore capital infusion plan will also make banks more attractive to equity investors to raise the said capital.



Challenges

- **Fiscal deficit:** Recapitalization will increase the fiscal deficit of the government and may lead to possible downward revision of fiscal rating by the rating agencies as they insist on factoring such moves in assessing a country's fiscal deficit.
- **Insufficient amount:** Fitch Ratings estimates India's banks will need nearly \$65 billion in bank capital by March 2019. The capital infusion announced by the govt amounts to about half that.
- **Lack of clarity:** There is still lack of clarity on how the recapitalization bonds will be structured thus further creates the confusion in mind of market players.
- **Bank labour union:** Likely opposition of the labour union may derail the government plan for capital infusion by stake sale.

Way Forward

- The differentiated funds allocation where stronger banks will likely to be favoured is a positive step. The infusion should be accompanied by banking reforms this is critical; else the capital infusion will set off another wave of bad lending.
- In some selective banks the government stake need to be brought down below 51% as given the some of the state owned banks poor financial shape and they fast losing market share in an increasingly digital environment, holding on to them makes little sense.
- Further a bad bank need to be established to warehouse the NPAs, leaving banks to operate with clean balance sheets.

3.19. Rs 6.92 Lakh Cr Highway Plan Rolled Out To Boost Economy

In News

- The government approved the biggest highway construction plan so far in the country to develop approximately 83677 km of roads at an investment of 6.92 lakh crore by 2022.
- The programme includes the **Bharatmala scheme** under which 34800 km of highways would be constructed at the cost of 5.35 lakh crore.
- The project also entails constructing 6000 km long inter corridor and feeder routes, 2000 km of border and international connectivity roads, 5000 km to be upgraded under the national corridor efficiency programme, 800 km of greenfield expressways, 10000 km under the national highway development programme and 2000 km of coastal and port connectivity roads.
- The government will fund Bharatmala project through market borrowings, central road funds, monetizing government owned road assets and budgetary allocation.

Expected Benefits

- **Push up growth:** The Rs 7 lakh crore additional investments in the Bharatmala project will go a long way in pushing growth and helping bridge the yawning infrastructure deficit.
- **Economic benefits:** Further, the economic corridors will ensure that time taken for transporting goods from manufacturing sectors is reduced.
- **Better road connectivity:** This will lead to improving of road connectivity in northeast and other border states to facilitate international trade.
- **Employment generation:** The highway construction programme will push economic activity and generate at least 14.2 crore-man days across the country over the next five years.



Way Forward

The decision is a positive step but still the work will have to be done to deepen the corporate bond market, increase the amount of credit enhancement, ease rules on InvTs and ensuring that there is enough money with the NIIF as that will be an important source of finance.

4. INTERNATIONAL AFFAIRS

4.1. U.S.- Israel Withdraw From UNESCO

The US and Israel have announced to withdraw from the United Nations Scientific and Cultural Organization (UNESCO).

Reasons of US Withdrawal

- The US's decision to leave UNESCO is because of the UNESCO World Heritage Committee's decision to inscribe the site of Hebron/Al-Khalil Old Town in the West Bank as a World Heritage site.
- The key issue with many US-UN disputes is the Israeli-Palestinian conflict. In October 2011, UNESCO admitted the Palestinian territories to the organization as an independent member-state called Palestine.
- This triggered a US law which cut off American funding for any organization that recognized an independent Palestine. The US had previously paid for 22 percent (\$80 million) of UNESCO's annual budget.
- In 2013, after the US missed several rounds of payments to UNESCO, the organization suspended US voting rights in its core decision-making bodies. So the US hasn't been a real UNESCO member for a while.

Reasons of Israel Withdrawal

- Tensions between Israel and UNESCO have been building for years. In 2011, the United Nations agency voted to accept the Palestinian Authority as a full member state over Israeli objections.

- Few months back UNESCO passed a resolution that classified Israel as an occupying power. Israel accused Germany of not blocking the resolution and summoned the Swedish ambassador over Sweden's support for the resolution.
- Israel also condemned UNESCO's decision to designate Hebron's Old City and the Tomb of the Patriarchs both located in the West Bank as Palestinian heritage sites on UNESCO's World Heritage List.
- UNESCO is accused of being biased against Israel and citing its decision to admit the Palestinian territories as a member state.

Impact

- The decision affected the organization severely with fund crunch. The organization may face financial crisis because the U.S. had accounted for more than 20 percent of UNESCO's annual budget.
- The impact of future cultural interventions by the US in other countries may also be weakened.
- The US left UNESCO once before in 1984, during the presidency of Ronald Reagan, due to accusations of excessive politicization. Until it rejoined in 2003, it continued to participate through observer status and is likely to pursue a similar strategy now.
- Other members have also left and rejoined: the UK, South Africa and Singapore.

Views of UNESCO

- The outgoing UNESCO head called the US withdrawal a loss to multilateralism.
- UNESCO has expressed disappointment due to Israel's and US decision to withdraw and has sought UN and International intervention.

About UNESCO:

- The United Nations Organization for Education, Science and Culture (UNESCO) was founded on 16 November 1945.
- UNESCO has 195 Members and eight Associate Members. UNESCO is responsible for coordinating international cooperation in education, science, culture and communication. It strengthens the ties between nations and societies and mobilizes the wider public so that each child and citizen:
 - has access to quality education, a basic human right and an indispensable prerequisite for sustainable development
 - may grow and live in a cultural environment rich in diversity and dialogue where heritage serves as a bridge between generations and peoples
 - can fully benefit from scientific advances
 - can enjoy full freedom of expression the basis of democracy, development and human dignity.

Discuss the reasons and impact of US and Israel withdrawal from UNESCO on the organization.

4.2. Catalonia Crisis



Catalonians have staged their own referendum calling for independence from Spain.

About the Issue

- Catalonia has been part of the Spanish state for centuries but many Catalans regard themselves as a separate nation. Support for independence peaked up in 2013.
- On October 1 Catalonia organized a referendum on whether to become an independent state. With a population of about seven million people and generating a fifth of Spain's GDP, Catalonia is a vital part of the country
- The Catalan regional parliament recently approved a law to give the referendum a legal basis deciding that there will be no minimum turnout requirement to make the result binding.
- The Catalan independence referendum of 2017 was an independence referendum held in the Spanish autonomous community of Catalonia. It is passed by the Parliament of Catalonia.
- Though the referendum result was in the favour of Catalonia's independence but it was declared illegal and suspended by the Constitutional Court of Spain after a request from the Spanish government, who declared it a breach of the Spanish Constitution of 1978.
- Armed Spanish police working on court orders have seized several Catalan government offices and made several arrests. The courts imposed fines on election officials, seized millions of ballot papers and the state increased its control over Catalan finances.

Reasons For Demand Of Independence

- Calls for complete independence in the region have grown steadily since the region was granted a degree of autonomy in 1977 after General Francisco Franco's rule.
- In July 2010 a Constitutional Court in Madrid overruled part of a 2006 autonomy statute, deeming there was no legal basis for recognising Catalonia as a separate nation within Spain.
- Since then demand for Catalan independence has been amplified by the economic crisis that hit Spain hard.
- Making up 18.8 percent of Spanish GDP compared to 17.6 percent from Madrid, the Catalan region is one of the richest in Spain.
- Frustration over the perceived excessive tax paid by Catalonia to Madrid has reached tipping point in a country where youth unemployment is at 38.6%.
- Catalan leader has fought to establish an independent Catalan state since taking office last January and called the referendum in June.
- A month later, regional parliament approved a law allowing it to formalize plans for Oct' plebiscite.

Response From Spain

- Spain has warned that if Catalonia did eventually gain independence their economy could shrink as much as 30%.

- Spain believes that Catalan exit would lead to an automatic exit for the region from the EU and eurozone making 75% of its production subject to export tariffs.

Current Status

- The regional government has passed a law of disconnection that allows it under Catalan law to break away from Spain.
- Madrid and most countries did not recognise the Catalan announcement and Spain's Constitutional Court declared it illegal immediately.
- The Spanish government has taken control of Catalonia, dissolved its parliament and announced new elections after secessionist Catalan MPs voted to establish an independent republic.

About Catalonia:

- Catalonia is a region in northeastern extremity of Spain. Its constitutional status is the subject of dispute between the Kingdom of Spain which views it as an autonomous community within Spain.
- Catalonia views it as an independent republic following a unilateral declaration of independence from Spain on 27 October 2017.
- Under the Spanish constitution, it is an autonomous community with the designation of a nationality by its Statute of Autonomy.

4.3. Terrorist Attack In Kabul

Recent terror attacks in Afghanistan severely affected the peace of the country.

Sources Of Militancy And Terrorism In Afghanistan

- Modern Afghanistan has been in turmoil since the late 1970s. After infighting among ministers who deposed the long-ruling royal family, the Soviet Union invaded Afghanistan in 1979 and installed a regime in the capital city of Kabul.
- Anticomunist Muslim rebels known as Mujahedeen or holy warriors received support from the United States and from many Muslim countries particularly Pakistan and Saudi Arabia.
- Joining the Afghan mujahedeen were several thousand Muslim volunteers from abroad. After the Soviets withdrew in 1989, rival Afghan factions fought a fierce civil war that led to the rise of the Taliban who ruled until the U.S.-led invasion toppled the regime in 2001.
- The Taliban developed its military capabilities by taking advantage of sanctuaries in Pakistan's Federally Administered Tribal Areas, the Khyber-Pakhtunkhwa and Baluchistan provinces.
- The Taliban resilience and growing capacity comes from outperforming the government and government-aligned powers on the ground in delivery of governance.
- A factor that critically allows the Taliban to gain traction with Afghans has been the failure of the post-Taliban regime in Kabul to build up state capacity or deliver good governance.
- The dearth of a multifaceted state presence including effective law enforcement and formal judicial processes has led to a vacuum.
- In Afghanistan religious extremism has become the main driver of terrorism in recent years.

Reasons For Rise In Terror Attack In Afghanistan

- The discontinuation of raids, the end of air strikes, the release of dangerous Taliban inmates, the lack of armored vehicles and the continuous electoral challenges have all facilitated to the supply of more terrorists in Afghan soil.
- In addition the presence of Pakistani experts and military in the war fronts is another reason for the increase of Taliban offensives.
- Majority of the movements are in the border regions because the insurgents can easily evacuate and seek shelter on the Pakistan side of the border if they face any pressure.
- ISIS first emerged in 2015 in the country's east and has gained ground.
- The inability of Afghan government in providing better living condition and other opportunities is among the majors reasons of rise in terror attacks.

Assessment

- South Asia is the second most affected region with three countries among the ten worst countries on the Global Terrorism Index- Afghanistan, Pakistan and India. Afghanistan suffered the worst year so far in its war against terrorism.
- Deaths from terrorism increased to the highest recorded levels. Security forces remain the main target of attacks by the Taliban and accounted for half of attacks and deaths.
- There is a risk that terrorism in Afghanistan may continue to spread north into Central Asia. The most active groups engaged in terrorism include Taliban, ISIL affiliate and the Khorasan Chapter of the Islamic State.
- The war against terrorism needs collaborated intervention from neighbouring countries with a combined effort from India, Afghanistan and the international stakeholders to ensure stability, peace and development of Afghanistan.

4.4. Las Vegas Shooting

In News

- In Las Vegas, a shooter opened fire at a country music concert, reportedly killing more than 50.
- The mass shooting again raised the debate over guns and gun violence in U.S.A.

Issue Of Gun Violence In USA

- The issue of gun violence in US is aggravating day by day. There are about 310 million guns in the country. About 40% of households possess guns in US.
- Meanwhile, the overall number of guns has increased to about one gun per person, up from one gun for every two persons in the 1960s.
- This means that gun ownership has got more concentrated among fewer households.
- America has the highest rate of gun ownership in the world.
- Experts widely believe this is the consequence of America's relaxed laws and culture surrounding guns.

What Gun Control Laws Currently Exist In US

- There are two major federal laws that regulate firearm ownership and sales.
 - The National Firearms Act of 1934 restricts civilians from owning automatic weapons, short-barreled shotguns, hand grenades and other powerful arms.

- The Gun Control Act of 1968 focuses on commerce. It prohibits mail-order sales of weapons and requires anyone in the business of selling guns to be federally licensed and keep permanent sales records.
- These federal laws set minimum standards but many states have also passed various types of gun laws. These laws determine which weapons are legal to own and also set requirements on sales, background checks, storage, open and concealed carrying permits and sentencing of gun-related crimes.
- The Brady Handgun Violence Prevention Act of 1993 requires licensed gun dealers to perform background checks. Background checks are not required for private gun sales. (though it's still a crime to knowingly sell a gun to someone with a criminal record).
- To ensure privacy, Section 103(i) of the Act prevents the Federal government from keeping the names submitted for background checks or using this information to create any sort of registry of gun owners.
- From 1994 to 2004, the Federal Assault Weapons Ban prohibited the sale and manufacture of semi-automatic weapons with various military features. It was still legal to keep previously owned weapons. The law expired in 2004 due to a built-in sunset clause.

What Has Been Done To Reduce Gun Violence

- The former President Barack Obama started the strict background checks of the gun possessors. The idea here is that the people who shouldn't be getting guns must be filtered out on the earlier stage.
- Research suggests that universal background checks would probably have some negative effect on the number of shootings. The main reason appears to be simply that it takes guns out of circulation.
- There have been strict penalties for gun purchasers but it has not proved fruitful.

Q) Discuss the reasons for increased gun violence in US and its impact upon socio-cultural aspects of the country.

4.5. Palestine PM's Gaza Visit

Palestinian Authority Prime Minister Rami Hamdallah visited the occupied Gaza Strip in the latest effort at national reconciliation between the West Bank based PA (Palestinian Authority -- Fatah) and the Hamas government in Gaza.

About The Visit

- Hamdallah's visit was the latest attempt by Israel and Palestine to overcome a rift that began after Hamas seized Gaza from Fatah authority in the summer of 2007.
- The ensuing violence nearly sparked a civil war and has divided Palestinian rule between the Gaza strip on the Mediterranean and the West Bank on Israel's eastern border.
- Since then Hamas has fought devastating wars with neighboring Israel and overseen increasing poverty in the overcrowded territory as a result of an Israeli-Egyptian blockade.
- An estimated 40 percent of the territory's 2 million residents are unemployed and have limited access to electricity and water.

- Hamas' most important Arab supporter and financier Qatar was also weakened after Egypt, Saudi Arabia, and the United Arab Emirates started a blockade against the country.
- Palestinian Prime Minister met with leaders of the ruling Hamas party as the two sides tried to overcome a decade-long political rift.
- The major reason for the visit was achieving national reconciliation between Fatah and Hamas. It is a national interest and an internal Palestinian issue.
- During his visit, Hamdallah stressed the importance of the upcoming talks in Cairo between Islamic Hamas movement and Palestinian President's Fatah party along with other factions.
- During the meeting Hamas agreed to relinquish civilian control in Gaza to a unity government. Hamdallah claimed the internationally recognised Palestinian Authority would resume control of Gaza's government soon.

Global Response

- Washington gave a cautious welcome to the PA's return to Gaza while stressing that any new Palestinian government would have to renounce violence and recognise Israel.
- The United States welcomes efforts to create the conditions for the Palestinian Authority to fully assume its responsibilities in Gaza.
- The UN said it was carefully optimistic of ending the split which is seen as a key complicating factor in potential peace talks with Israel.

Hamas Fatah Conflict

- The conflict is also known as the Palestinian Civil War.
- The conflict between Hamas and Fatah began in January 2006 and has continued until today though severe violence and killings ended in 2009.
- Tensions rose in November 2004 when the death of Palestine Liberation Organization Chairman Yasser Arafat left a political vacuum in the Occupied Palestinian Territories.
- Hamas' dramatic win in Palestinian legislative elections in January 2006 challenged Fatah's longtime dominance of the political scene.
- Members of the international community including Israel and the United States rejected the election results and implemented sanctions on the Hamas-led Palestinian Authority (PA).
- Fatah refused to join Hamas in a coalition and the U.S. provided arms and training to Fatah. In February 2007, after a long political standoff and several violent clashes, Fatah and Hamas accepted the Saudi-brokered Mecca Accords and entered a short-lived unity government.
- Unity government was dissolved in June 2007 when Hamas wrested control of the Gaza Strip preempting a U.S.-backed Fatah coup against it, and PA President dissolved the unity government, calling for a state of emergency in the Fatah-dominated West Bank.
- After Egypt's regime fell in February 2011 Palestinians in Gaza and the West Bank called for national unity which led to the Cairo agreement brokered by Egypt in April 2011.
- Both parties signed a new unity agreement in April 2014 but the implementation has been delayed due to Gaza War (also known as Operation Protective Edge) in the same year.
- As of now, a Fatah-dominated government remains in control of the West Bank and Hamas continues to control the Gaza Strip.

Q) Explain the Palestine-Israel issue in light of the recent visit of Palestine's visit to Gaza.

4.6. Burundi Leaves International Criminal Court

Burundi has become the first country to leave the International Criminal Court (ICC), a year after notifying the UN Secretary General of its intention to withdraw from the Rome Statute which governs the Court.

About The Issue

- Burundi is the only one of three African nations to go ahead with withdrawal after they made moves last year to leave amid accusations that the court focuses too much on the continent.
- South Africa's withdrawal was revoked in March 2017. Gambia's new government reversed its withdrawal in February 2017.
- Burundi's withdrawal doesn't affect the preliminary examination of the country's situation already underway by the court's prosecutor.
- Burundi has faced deadly political turmoil since April 2015 when President Pierre Nkurunziza announced to seek a third term election that he ultimately won.
- In April last year, the ICC launched a preliminary investigation of events in Burundi focusing on acts of killing, imprisonment, torture and sexual violence that have been allegedly committed there since April 2015.
- In September 2017 a UN Commission of Enquiry on Burundi delivered a report to the Human Rights Council alleging that Burundi's top leaders and state security agencies have committed crimes against humanity and urged the ICC to open an investigation.
- The U.N. commission of inquiry report said crimes against humanity, including killings and sexual violence are still being committed in Burundi and it asked the ICC to open an investigation as soon as possible.

Reasons

- The Burundian government led by President Pierre Nkurunziza claims that the ICC is used by powerful Western countries as an instrument to punish leaders who are not compliant.
- The ICC's inability to try heads of state/leaders of any of the P5 countries or even launch preliminary investigations against them for acts of impunity has supported the notion of substantial unfairness and geopolitical prejudice.
- It accused the ICC of deliberately targeting Africans for prosecution.

ICC and Africa

- Since the ICC came to force in 2002, the legal body has maintained a volatile relationship with Sub-Saharan Africa's leaders.
- 34 African states are ICC members making it the biggest regional bloc of states in the Assembly of State Parties (ASP) responsible for the oversight of the court of last resort which prosecutes gross violations only when domestic judicial processes are deemed inadequate or unwilling to pursue justice.
- The African Union members argue that heads of state and senior officials should have immunity in the interest of peace and stability and prosecuting them amounts to an international effort to change African regimes.

Role of The African Union (AU)

- The AU has been at the forefront of persuading its member nations to withdraw from the ICC on grounds of the latter's alleged institutional bias against Africa and African leaders.
- In January 2016, the AU decided to mandate its open-ended committee to the ICC for the purposes of developing a comprehensive strategy which included a withdrawal from the ICC.
- In pursuance of the same, three preconditions were stipulated to prevent a withdrawal which included a demand that serving heads of states including senior state officials should be granted immunity from prosecution.
- While efforts have been made to portray the withdrawal of South Africa, Burundi and The Gambia from the ICC as a response to ingrained geopolitical prejudice against the African continent, a closer examination reveals that domestic considerations, including the possibility of imminent prosecution, play a key role in ICC pull-outs.

Q) Discuss the reasons for Burundi's withdrawal from International Criminal Court.

4.7. 19th National Congress Of China

The 19th National Congress of the Communist Party of China was held at the Great Hall of the People, Beijing between 18 and 24 October 2017.

About The National Congress

- The National Congress of the Communist Party of China (NCCPC) or the CPC National Congress is the highest authority of the Communist Party of China.
- The People's Republic of China (PRC) sets its mandate along with its leadership selection based on the decisions from the Party Congress.
- The National Congress of the Communist Party of China takes place every five years, bringing together approximately 2,200 Party delegates from across the country.
- The role of the Congress is to elect the Central Committee and approve the General Secretary's outline of the Party's agenda for the next five years.

Politburo Standing Committee (PSC)

- The PSC is China's supreme decision-making body and is currently comprised of seven men among whom Xi Jinping is first among equals.
- This institutionalised process was established and refined by Chinese leaders of the post-Mao reform era in order to prevent power from becoming concentrated in the hands of one individual.
- The 18th Congress held in 2012 appointed Xi Jinping as China's leader.

2017 Election

- China's ruling Communist Party has voted to enshrine Xi Jinping's name and ideology in its constitution elevating him to the level of founder Mao Zedong.
- The unanimous vote to incorporate 'Xi Jinping Thought' happened at the end of the Communist Party congress.
- Xi has steadily increased his grip on power since becoming leader in 2012.
- More than 2,000 delegates gathered in Beijing's Great Hall of the People for the final approval process to enshrine Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era into the Communist Party constitution of China.

- The 19th National Congress endorsed the membership list of the Central Commission for Discipline Inspection and elected the Central Committee which in turn approved the members of the Politburo and its Standing Committee.

About Central Committee

- It is responsible for approving the members of the Secretariat, 19th Central Commission for Discipline Inspection and its Standing Committee.
- The Central Committee composed of 204 members was elected on October 24, 2017.

About Central Commission for Discipline Inspection

- The Central Commission for Discipline Inspection (CCDI) is the highest internal-control institution of the Communist Party of China (CPC) tasked with enforcing internal rules and regulations and combating corruption and malfeasance in the Party.
- Since the vast majority of officials at all levels of government are also Communist Party members the commission is in practice the top anti-corruption body in China.

About China's New Leader

- China's ruling Communist Party has unveiled its next generation of leaders. There are seven members who now make up the Politburo Standing Committee, the country's top decision-making body.
- President Xi Jinping and Premier Li Keqiang have retained their seats for another five years but the other five appointments are new.
- Xi Jinping has been confirmed as the country's leader and party chief for a second term until 2022.
- In his first five-year term, Xi Jinping centralised his authority within the party something that was on display at the congress where his doctrine called Xi Jinping Thought was enshrined in the party's revised charter.

4.8. Japan Election

The 48th general election of members of the House of Representatives of Japan took place on 22 October 2017.

About The Electoral System

- The Japanese political system has three types of elections: general elections to the House of Representatives held every four years (unless the lower house is dissolved earlier), elections to the House of Councillors held every three years to choose one-half of its members and local elections held every four years for offices in prefectures, cities and villages.
- Elections are supervised by election committees at each administrative level under the general direction of the Central Election Administration Committee.
- In Japan representatives are elected to the national parliament the Diet.
- The Diet is divided into an upper house (the House of Councillors) and a lower house (the House of Representatives).
- The lower house is the more powerful of the two. If the upper house rejects a bill passed by the lower house, it becomes law if passed again by the lower house in a two-thirds vote.

- The prime minister is usually a leader of the majority party. The prime minister is the head of the government. To help him direct the government, the prime minister forms a cabinet made up of people who are his political allies.
- The House of Representatives in Japan has 500 members, who are elected for a four-year term. Three hundred of these members come from single-seat constituencies, meaning that voters in a given district have one vote and the candidate who receives the most votes wins.
- However the remaining 200 members of Japan's House of Representatives are elected by proportional representation in 11 regional blocs. Under a proportional representation system voters in a given region vote not for an individual candidate but for a party.
- The number of Diet seats that a party receives is based on the percentage of votes that it receives. Each party gives its seats to its top candidates who are ranked from highest to lowest prior to elections.
- The House of Councillors (upper house) has 252 members who are elected for six-year terms. Elections are held for half of all upper house seats every three years.

About 2017 Election

- The Japanese Prime Minister had dissolved the lower house and called for snap polls earlier this year in a bid to extend his premiership for another three years till 2021.
- Prime Minister Shinzo Abe of Japan won a commanding majority for his party in parliamentary elections.
- Abe's ruling coalition has won a clear majority with more than two-thirds of Parliament's 465 seats with the Liberal Democratic Party holding a majority even without its coalition partner the Komeito party.
- The win puts him on course to be post-war Japan's longest-ever serving prime minister, and Abe is expected to use his new mandate to push for reforms in Japan's defense strategy and change in long-standing pacifist stance.

Why Is This Election Important

- It could mark the start of the end of Japan's pacifism as enshrined in the constitution.
- Majority of the political parties are supportive in amending the constitution. This could impact already strained Japan-China relations.

Q) Discuss the electoral process of Japan and the possible effects on Japan's strategic relations in region.

5. INDIA AND WORLD

5.1. Visit Of President To African Nations



President of India Ram Nath Kovind visited Djibouti and Ethiopia from October 3 to 6, 2017.

About The Visit To Djibouti

Background:

- The Historical links, cultural empathy and people-to-people contacts between India and Djibouti has existed long before the Independence of both the nations.
- The port of Adulis was the hub of maritime traders where the Indian seafarers gathered for trade in spices and silk for gold and ivory. Djibouti is keen to improve its bilateral relations with India especially in the area of capacity building.
- Strategically, Djibouti is very important to India because it has a strategic location on the Horn of Africa, bordered by Eritrea, Ethiopia and Somalia.

Highlights Of The Current Visit

- The president's visit to Djibouti was in the backdrop of Chinese People's Liberation Army (PLA) troops conducting their first live-fire military drills overseas on their base in strategically-vital Djibouti in a major combat display.
- President Kovind made specific reference of Djibouti's support for membership of the International Solar Alliance, maritime cooperation in the Indian Ocean Region and technical and capacity building assistance by India to enhance employment opportunities for Djibouti's young people.
- The leaders called for an urgent need for the reform of the UN Security Council, including its expansion to make it more representative, accountable, effective and responsive to the geo-political realities of the 21st century.
- Underlining the potential for deepening relations in the economic arena, the Djiboutian Government called for greater role for India in the economic development in Djibouti. Djibouti also appreciated Lines of Credit/grants extended by India towards this purpose.

About The Visit To Ethiopia

Background

- Indian links with Ethiopia date back centuries and President Kovind is the first Indian President to visit Ethiopia in 45 year.
- India is amongst the top trade, investment and development partner of Ethiopia. Ethiopia continues to be the largest recipient of India's concessional Lines of Credit in Africa. In modern times, the country has been a hub for Indian businessmen and teachers.

Highlights Of The Current Visit

- India appreciated Ethiopia for its support and participation in the International Solar Alliance (ISA) which aims to provide a platform for cooperation among solar resource rich countries and promote the use of solar energy.
- The discussions were held on Asia-Africa Growth Corridor (AAGC) and it has been emphasized as an initiative brimming with potential.
- *MoUs signed:* Agreement on Trade and Cooperation in the field of Information, Communication and Media.

About Asia Africa Growth Corridor

- The idea of Asia Africa Growth Corridor (AAGC) emerged in the joint declaration issued by Prime Minister Narendra Modi and Prime Minister Shinzo Abe in November 2016.
- The Asia-Africa Growth Corridor or AAGC is an economic cooperation agreement between the governments of India and Japan.
- It aims for Indo-Japanese collaboration to develop quality infrastructure in Africa, complemented by digital connectivity which would undertake the realization of the idea of creating free and open Indo-Pacific Region
- The AAGC will deliberate on the following aspects:
 - Cooperation between Asia and Africa.
 - The synchronised growth of Asia-Africa for sustainable and innovative development.
 - The optimum linkages and cooperation among the sub-regions of Asia and Africa.
 - Industrial corridor and industrial network.

Significance Of The Visit: The African Connection

- The visit gives an opportunity to India to focus on issues of common interest and concerns with Africa at the bilateral, regional and global level. It also indicates on India's interest to have a sustained partnership for mutual growth and development.
- India enjoys a unique set of advantages with the countries of African continent as they share strong historical link and the presence of diaspora which act as tools of fruitful engagement.
- The present government has been targeting an aggressive expansion in Africa to keep up India's engagement and to expand its footprints across the resource rich continent. The growing Chinese influence has also triggered India's aggressive expansion in the African continent - continent of great potential.

Assessment

- India recognises that Africa and Indian Ocean region are central to Indian foreign policy. The key aspects of India- Africa development partnership are centered on capacity building, trade and investments, infrastructure development, social development, agriculture and environment.
- Enhancing trade and investment linkages remain one of the key focuses. The recent visit to Djibouti and Ethiopia accounted for a new impetus to the vibrant India-Africa relationship. It was recognized by both the sides that the leaders need to meet at regular intervals for the larger Indo- Africa engagement in contemporary world order.

Q. India recognises that Africa and Indian Ocean region are central to Indian foreign policy. That is why this region was chosen as his first foreign visit. Comment

5.2. 14TH INDIA-EU Summits

The President of the European Council, Mr. Donald Franciszek Tusk and the President of the European Commission, Mr. Jean-Claude Juncker paid a working visit to New Delhi from 5- 7 October, 2017 to hold the 14th India-EU Summit.

Highlights

- The 14th India-EU Summit aims to deepen the India-EU Strategic Partnership and advance collaboration in priority areas for India's growth and development.
- The leaders reviewed the wide-ranging cooperation under the India-EU Strategic Partnership and the progress made towards implementing the India-EU Agenda for Action 2020.

India-EU Agenda For Action 2020

- It is the roadmap for bilateral cooperation endorsed during the 13th India-EU Summit.
- It is a common roadmap to jointly guide and strengthen the India-EU Strategic Partnership in the next five years.
- The agenda further builds upon the shared objectives and outcomes of the Joint Action Plans of 2005 and 2008.
- The countries observed that the bilateral Cyber Dialogue provided a strong foundation for existing and future cooperation.
- The two sides reaffirmed their commitment to strengthening global non-proliferation efforts as highlighted at the India-EU Non-proliferation and Disarmament Dialogue.
- Both sides noted the recent joint exercise PASSEX between the EU Naval Force and the Indian Navy off the coast of Somalia for naval cooperation. PASSEX is a passage exercise of naval ships which aimed at fostering greater cooperation and sharing of best practices with friendly foreign navies.
- India and the EU mutually agreed on their cooperation in International front. This included multilateral talks with Myanmar to enable the return of the displaced persons from all communities to Northern Rakhine State and support for the implementation of the Joint Comprehensive Plan of Action (JCPOA) regarding the Iranian nuclear issue.
- India and EU discussed towards timely relaunching negotiations for comprehensive India-EU Broad Based Trade and Investment Agreement (BTIA).
- An Investment Facilitation Mechanism (IFM) for EU investments in India and the South Asian Regional Representative Office of the European Investment Bank (EIB) in India were established.
- Both sides welcomed the G20 Resource Efficiency Dialogue as an ideal platform for knowledge exchange and promotion of resource efficiency at global level.
- Leaders acknowledged the progress in implementing the India-EU Water Partnership.
- The Leaders welcomed the imminent operationalisation of the 2008 Horizontal Civil Aviation Agreement which will enhance air connectivity between India and Europe.
- The leaders emphasised that there is a need to work towards strengthening cooperation on skill development and higher-education by creating synergy between India's GIAN programme and the EU's Erasmus+ programme.

- The Erasmus+ programme offers financing opportunities for institutional cooperation to Indian

universities through short-term mobility and capacity building projects.

- India has been the number one beneficiary of Erasmus mobility actions in the world since its creation.

Agreements Signed

- Agreement between the European Commission and the Science and Engineering Research Board (SERB) for providing assistance to Indian Researchers.
- Finance Contract of Bangalore Metro Rail Project Phase-2-Line R6 for Euro 300 million out of total loan of Euro 500 million.
- Joint Declaration between the Interim Secretariat of the International Solar Alliance and the European Investment Bank.

India-EU Relations

- The 1994 EU-India Cooperation Agreement provides the legal framework for EU-India relations and has boosted political, economic and sectorial cooperation.
- Since 2000, EU-India relations have evolved significantly with the formation of the EU-India Strategic Partnership in 2004.
- To underpin that Strategic Partnership, the EU-India Joint Action Plan was adopted at the 2005 Summit and subsequently updated in 2008.

Economic Relations

- EU is India's largest regional trading partner as well as second largest investor in India with around 24% of the total FDI inflows during the period 2000-2017.
- The EU is also the largest destination for Indian exports and a key source of the investment and cutting edge technologies.
- The EU and India have been negotiating Free Trade Agreement since 2007 covering market access in goods and services, investment protection, intellectual property and competition.
- The key outstanding issues between two countries are Improved market access for goods and services, Government procurement, Geographical indications, investment protection rules, Sustainable development.

Issues Affecting India-EU

- The absence of India-EU FTA is the biggest impediment to a dynamic, economic and trade relationship given that the European Union today is India's largest trading partner. This is an issue that needs to be addressed on a priority basis.
- EU ban on some pharmaceutical products has impacted Indian pharmaceutical industry. The ban had also led to India deferring the negotiations on the proposed bilateral Free Trade Agreement (FTA).
- The key concerns of EU relating to trade and commerce with India are India's protectionism to automobile sector, India's Intellectual property regime with the provision of compulsory licensing and manufacture of generic medicine, duty and tariff protection in areas of wine ,spirits and dairy products, civil nuclear energy generation legislation.
- The key concerns for India are European Union's heavily subsidized agro industry this could hurt Indian farmers,EU Import restriction like ban on the import of mangoes from India, Work visa restriction – movement of skilled professionals and technology transfer issues.

- Based on current standard of protection to data in India the EU refused to grant the status of Data Secure Nation. Data secure nation needs to protect the important data related to innovation, research, individual details, IP etc. to be safeguarded. This affects the operating costs and competitiveness.
- EU allegations of Human Rights violations concealed funding to NGOs in India and recent legal proceedings regarding Italian marines have been affecting India-EU ties.

Assessment

- India has sought to engage and build bridges with European Union and the Commission. The policy has brought rich dividends and should be further strengthened.
- The dynamic economic order needs India to play a more assertive role in terms of trade and economic reforms necessary for enhanced cooperation with developed countries.
- Since India's role is getting increased on international arena with push for significant reforms in UNSC, India needs to partner with EU. Also, this becomes important with Chinese increased interventions around India so that India may ply for assertive dynamic world order.

Q. In the context of recently held 14th India-EU summit explain the India-EU relations and issues affecting their historic ties.

5.3. India-Sri Lanka Ministerial Meeting

India and Sri Lanka held Ministerial level talks on Fishermen's issues on 14 October 2017 in New Delhi.

About The Meeting

- The talks followed the 3rd Meeting of the Joint Working Group (JWG) on Fisheries. The progress on release of apprehended fishermen and detained fishing vessels in Sri Lankan custody was appreciated.
- Recent initiatives taken by the Government of India to end bottom trawling in the Palk Bay area were shared with the Sri Lankan side.
- These key areas of dialogue include launching of a programme on diversification of bottom trawlers into Deep Sea Fishing Vessels for tuna under Blue Revolution Scheme, construction of Mookaiyur and Poompuhar fishing harbours, capacity building programmes for fishermen of Palk Bay area in deep sea tuna long lining. Besides, fresh registration for bottom trawlers in the Palk Bay area has been banned by the Government of Tamil Nadu.
- The alternative livelihood opportunities for fishing communities in Palk Bay area are being offered through open sea cage farming, seaweed farming and other allied coastal fisheries activities.

All About The Fishermen Issue



- The Palk Bay, a narrow strip of water separating Tamil Nadu from the Northern Province of Sri Lanka has historically provided rich fishing grounds for both countries. The bay, is 137 kilometers in length and is divided by the International Maritime Boundary Line (IMBL) with five Indian and three Sri Lankan districts bordering it.
- The region has become highly contested with the conflict since the end of the Sri Lankan Civil War in 2009.
- The key issues of conflict include disagreement over the territorial rights to the island of Kachchatheevu, frequent poaching by Indian fisherman in Sri Lankan waters and the damaging economic and environmental effects of trawling.

- India–Sri Lanka maritime boundary agreements were held in 1974 and 1976 between India and the Sri Lanka that define the international maritime boundary between the two states.
- Treaties on maritime boundary were necessary to facilitate law enforcement and resource management and to avoid conflict in the waters since both countries located closely in the Indian Ocean particularly in Palk Strait.

- The maritime boundary agreements of 1974 and 1976 delimited international boundaries in the Palk Bay , the Gulf of Mannar and Bay of Bengal to establish good neighborly relations
- However, the state of Tamil Nadu considered the ceding of the island of Kachchatheevu in the Palk Bay to Sri Lanka an issue of sovereignty.

Current Status

- The underlying issues of the fisheries dispute need to be addressed to harmonize relations between fishermen and the governments of India and Sri Lanka.
- Immediate actions should be taken to begin the phase out of trawling and identify other fishing practices and waters. The government of Tamil Nadu has been emphasizing deep sea fishing as part of an effort to diversify. It has announced the commencement of a smaller scheme to construct 171 tuna longliners.
- Through incentives and persuasion, fishermen from the Palk Bay should be encouraged to switch over to deep sea fishing in the Indian exclusive economic zone and in international waters.

Q. The Palk Bay region has become a highly contested site between India and Sri Lanka in recent decades. Discuss the issues affecting internal and bilateral relations between the two countries.

5.4. SCO- Afghanistan Contact

[Also refer June Issue of CA magazine for detailed discussion on SCO]

In News

- The meeting of SCO-Afghanistan Contact Group was held in Moscow on October 11, 2017.
- This was the first meeting of the Group following the expansion of Shanghai Cooperation Organisation (SCO) in June 2017 with India becoming its full member.

Key Takeaways

- During the meeting India shared its perspectives on the situation in Afghanistan, including security challenges posed by terrorism imposed from beyond its borders, the need to strengthen Afghan National Defence and Security Forces.
- The emphasis has been given on the need for an Afghan led, Afghan owned and Afghan controlled national peace and reconciliation in an environment free of terror and violence.
- It was mutually agreed that continued assistance for socio-economic development based on priorities of the people of Afghanistan and ensuring greater connectivity and regional integration for Afghanistan should be a high priority.
- India conveyed its readiness to work closely with the SCO member States in efforts to bring peace, prosperity and stability in Afghanistan.

Q) In the light of India gaining membership of SCO, critically analyze the importance of this event and the challenges ahead India, especially in context of SCO-India.

5.5. 8th INSA Trilateral Ministerial Commission Meeting

In News

- The 8th IBSA trilateral ministerial commission meeting was organized at Durban.
- The Ministers of Foreign Affairs of the three countries signed an agreement to renew and ensure the continuity of their contributions to the India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund) which is managed by the United Nations Office for South-South Cooperation (UNOSSC).

IBSA Dialogue Forum

- The IBSA (India, Brazil and South Africa) Dialogue Forum is an international tripartite grouping for promoting international cooperation among these countries. It was launched in June 2003.
- It brings together three large democracies and major economies from three different continents namely, Africa, Asia and South America that represents three important poles for galvanizing South-South cooperation.
- This organisation has become instrumental in promoting closer coordination on global issues between three large multicultural and multiracial democracies of Asia, South America and Africa.
- Under this dialogue, the three member nations have re-affirmed their commitment to the promotion of peace, security and sustainable economic and social development in the world and in their respective regions under following broad categories:
 1. International peace and security
 2. Promoting advanced agricultural methods

3. Condemning international terrorism
4. Capacity building in areas of digital inclusion and e-governance to reduce the digital divide.

Relevance for India

- The IBSA forum is very important from India's point of view. Both Brazil and South Africa are important for India, economically and strategically.
- India has a bilateral trade of around US\$ 4.5 billion with South Africa and it is about \$2.5 billion with Brazil. Indian companies are acquiring presence in Brazil and South Africa.
- Member countries agreed that diversification of India's foreign policy is extremely important. It is very much in India's interest to give priority to a forum like IBSA.
- As an emerging global power, India must understand other countries. India should deal not only with the big powers but also with other regional powers and explore opportunities in every region. For that, India needs to initiate and join such groupings significantly.

Limitations and Challenges of IBSA

- There is a visible lack of coordination among the three member countries. The three countries have to synergise their efforts and build upon mutual complementarities.
- It is also felt that all three countries of the forum face severe challenges and competition from other countries of their respective regions for the leadership role. For instance, India faces challenges from Pakistan, Indonesia and Malaysia; South Africa from Nigeria and Egypt and Brazil from Argentina and Mexico.
- The agreements individual members have signed with other international organisations/entities can have an impact on the coordination and functioning of the forum.
- There are several internal issues that trouble the three member countries – corruption, increasing crime rates, political violence, economic inequality, etc., which need to be addressed properly by the individual countries for the forum to be successful.
- IBSA lacks economic cooperation hence there should be more effective framework for economic cooperation.

Assessment

- The potential of the IBSA forum as a strategic partnership between three regional powers from three different continents is beyond doubt. Compared to other multilateral fora of which India is a member (e.g. IOR-ARC, BIMSTEC) IBSA's record is quite creditable.
- However, the grouping should move in due course from being a forum for dialogue to becoming a vehicle for concrete socio-economic cooperation so that its benefits are shared by the common man as well. Awareness about IBSA is low and needs to be increased.
- Member countries need to address the limitations and challenges the forum faces. It remains to be seen how the forum plays a role in the international arena and influences multilateral entities like WTO and the UN.

About UNOSSC

- In 1974, the United Nations General Assembly, endorsed the establishment of a special unit within the United Nations Development Programme to promote technical co-operation among developing countries. With the endorsement of the Buenos Aires Plan of Action (BAPA) for

Promoting and Implementing Technical Cooperation among Developing Countries by the General Assembly in 1978, the Special Unit was strengthened in order to fulfil its primary mandate set forth in BAPA.

- Its name was then changed to the United Nations Office for South-South Cooperation (UNOSSC) by High-level Committee decision 17/1 of 2 April 2012 and endorsed by the General Assembly in its resolution 67/39.
- The United Nations Office for South-South Cooperation (UNOSSC) was established to promote, coordinate and support South-South and triangular cooperation globally and within the United Nations system.
- UNOSSC receives policy directives and guidance from the General Assembly and through its subsidiary body, the High-level Committee on South-South Cooperation.

Q. What is IBSA dialogue forum? Explain the relevance of IBSA for India and highlight the limitations of organization.

5.6. India-Japan Agreement On Technology Training

India signed a memorandum of cooperation with Japan to send youngsters there as technical interns for on-the-job training for a period of three to five years.

About The Agreement

- The MoC on TITP paves the way for sending Indian technical interns to Japan for on-the-job training for a period of three to five years.
- It gives a scope for India to enhance its participation in Japan's Technical Intern Training Programme and become the largest provider of skilled workforce for the world.
- During the visit of Prime Minister Shri Narendra Modi to Japan in November 2016, India and Japan had concluded an MoC on skill development under the Manufacturing Skill Transfer Promotion Programme through the establishment of Japan-India Institutes for Manufacturing (JIM) and the Japanese Endowed Courses (JEC) in engineering colleges designated by Japanese companies in India.
- The Manufacturing Skill Transfer Promotion Programme aims to train 30,000 persons over next 10 years with Japanese style manufacturing skills and practices.
- The first four JIMs were established in the States of Gujarat, Karnataka, Rajasthan and Tamil Nadu in July-August 2017.

Significance

- The agreement will significantly expand the bilateral cooperation between India and Japan in the field of skill development.
- The technical interns trained in Japan under the TITP would be an asset for the Skill India initiative upon their return to India.
- The Technical Intern Training Program will help Indian youth in acquiring skills and help realize the Make in India vision.
- The programme provides a platform through which complementary strengths of India and Japan could be leveraged for mutual benefit.

Q. The technical interns trained in Japan under the TITP (Technical Intern Training Program) would

be an asset for the Skill India initiative upon their return to India. In the light of above statement, explain what is TITP and its significance for India.

5.7. India- Afghanistan

President of the Islamic Republic of Afghanistan Mohammad Ashraf Ghani, visited India on 24 October 2017.

Key Highlights

- The major discussions were held on India's role in strengthening of Afghanistan's stability in context of U.S.'s recently declared new South Asia Policy.
- The New Development Partnership that was launched at the meeting of the Strategic Partnership Council was assessed as a significant step in building upon the highly successful development cooperation of the past 16 years.
- The support extended by India in the defence and security fields, including training of thousands of Afghan defence and security personnel was positively assessed.
- It was emphasised that renunciation of violence and terror and closure of state sponsored safe havens and sanctuaries were essential for any meaningful progress and lasting peace.
- Issues related to connectivity were discussed in detail. The establishment of the air freight corridor was acknowledged as an important factor in providing Afghan farmers a direct and easy access to the Indian market.
- The efforts for early operationalisation of the Chahbahar Port were considered as a step that would shape new trade and transit opportunities for landlocked Afghanistan.
- Both sides agreed to work closely with the regional and international partners and consult, coordinate and cooperate in various international for a to further the objective of seeing Afghanistan emerge as a stable and prosperous nation.

Agreements Signed

- India agreed to implement some important new projects –
 - a) Shahtoot Dam And Drinking Water Project for Kabul that would also facilitate irrigation and water supply for Charikar city.
 - b) the road connectivity to Band-e-Amir in Bamyan province that would promote tourism.
 - c) low cost housing for returning Afghan refugees in Nangarhar province to promote their resettlement.
 - d) a gypsum board manufacturing plant in Kabul to promote value-added local industry and for import substitution a polyclinic in Mazar-e-Sharif.
- India will also take up 116 high impact community development projects in 31 provinces of Afghanistan.

India's Role In Stability Of Afghanistan

Afghanistan's Instable State

- The security environment in Afghanistan is still precarious, evidenced by the uptick in violence in 2016 and the diminishing government control in rural areas.

- The factions of the Government of National Unity remain divided and a corrupt patronage system continues to impede reform.
- The economic growth has shrunk since the drawdown of international forces while the government remains heavily dependent on foreign aid.
- Afghan-Pakistani relations have degraded due to widening differences on security.
- The United States' willingness to indefinitely subsidize Afghanistan is uncertain especially when al-Qaeda's core has been reduce.
- The combination of a weakening Afghan regime and an unchecked Taliban resurgence could lead to the catastrophic collapse of the Afghan government and state.
- The Af-Pak region is perceived as the base of global and regional terrorism with the presence of international terrorist groups such as the Al Qaeda, Taliban, Lashkar-e-Taibyyaba, Jaish-e-Mohammad and other UN proscribed non-state actors as Jamaat-udDawa. Hence, stability in the Af-Pak region is of vital interest to India.

India's Afghanistan Policy

- India's Afghanistan policy after the 1979 Soviet invasion has worked on the premise that external friendly power's dominance in Afghanistan's security and political sector will be in India's interest.
- In the 1990s, India's Afghanistan policy was tied to Iran and Russia and a regional alignment between the three states was strategically viable.
- Though the states had differences they supported the United Front of the so-called Northern Alliance against the Taliban. This allowed India to avoid direct involvement in the conflict.
- But today's context is entirely different. Russia's and Iran's approaches are no longer in accord with India's. Russia's ongoing outreach to the Afghan Taliban and Pakistan has raised concerns that Moscow could be deviating from earlier approaches that it had shared with India.
- Moscow and Tehran are challenging India's advocacy of an Afghan-led, Afghan-owned, and Afghan-controlled reconciliation process.
- Today India relies on U.S. support to Kabul for maintaining stability and it is largely focused on what it views as the threat from Pakistan.
- This shifting context means that India should start to rethink its long-held stances on Afghanistan and take an active role in shaping the diplomatic approach to the conflict.

U.S.'s Recent Afghan Policy

- US President Trump announced the new integrated strategy for the U.S. approach to South Asia that will require diplomatically engaging Pakistan, Afghanistan and India to create the conditions for stability in the region.
- This new strategy signals clear support for the Afghan people and government to fight against terrorists and prevent the reestablishment of safe havens in the country.
- The new strategy breaks from previous approaches that had set artificial deadlines. The policy seeks the Taliban to follow the path to peace and political legitimacy through a negotiated political settlement to end the war.
- The policy support peace talks between the Afghan government and the Taliban without preconditions and has seeked the international community, particularly Afghanistan's neighbors,

to join US in supporting an Afghan peace process.

- It has been emphasized that Pakistan has suffered greatly from terrorism and can be an important partner in the shared goals of peace and stability in the region.
- According to the policy it is necessary for Pakistan to take decisive action against militant groups based in Pakistan that are a threat to the region. It is vital to U.S. interests that Afghanistan and Pakistan prevent terrorist sanctuaries.
- India will be an important partner in the effort to ensure peace and stability in the region, and its role in supporting Afghanistan's political and economic stability is crucial.
- Trump's policy ruled out any scope for the withdrawal of US troops from Afghanistan. It seems his administration does not want to alter anything that its predecessor under Barack Obama took on with regard to South Asia rather it seems the Trump administration is willing to intensify them.

India's Role:

- India has given economic and material help for the well-being of Afghanistan. India has made huge investments in Afghanistan ranging from infrastructure to human resource development.
- India's presence in Afghanistan is to address its security concerns and help construct the regional security architecture.
- India is one of the key supporters of Afghanistan. India and Afghanistan have a long-standing record of technical and economic cooperation in various fields.
- India's main focus is to support the Afghan Government and the political process in the country.
- It has continued to pursue a policy of high-level engagement with Afghanistan through extensive and wide-ranging humanitarian, financial and project assistance, as well as participation in international efforts aimed at political reconciliation and economic rebuilding of Afghanistan.
- Integrating Afghanistan into the South Asian regional dynamics has become a strategic imperative for India. At the 14th Summit of the South Asian Association for Regional Co-operation (SAARC) in 2007 in New Delhi, Afghanistan was granted full membership.
- India always wants a peaceful Afghanistan. India has over the last two decades spent considerable diplomatic energy and made investments in developing a healthy relationship while helping in Afghanistan's reconstruction.

Q. Describing the unstable condition of Afghanistan explain the shift in India's Afghanistan policy and role of India in the development and stability of Afghanistan.

5.8. 4th India-Bangladesh Joint Consultative Commission Meeting**In News**

- The Minister of External Affairs of India Smt. Sushma Swaraj paid an official visit to Dhaka on October 22-23, 2017.
- The External Affairs Minister arrived for the annual meeting of the India-Bangladesh Joint Consultative Commission with her counterpart A H Mahmood Ali.
- The JCC was constituted under the Framework Agreement on Cooperation for Development signed during the visit of Prime Minister Dr. Manmohan Singh to Bangladesh in September 2011.

Key Takeaways

- The visit provided an opportunity to review the bilateral relations between India and Bangladesh and further strengthening of these ties.
- The foreign minister inaugurated 15 Indian-assisted development projects in Bangladesh which have been planned as per the country's geographical spread, socio-economic benefits and priorities.
- The development projects worth about USD 8.7 million were initiated in the areas of education, health care, information technology, water supply, and social welfare. They include installation of 11 water treatment plants in southwestern coastline of Pirozpur to benefit some 150,000 people, 36 community clinics, and reconstruction of Dhaka's historic Ramna Kali Temple which was destroyed by invading Pakistani troops in the 1971 liberation war.

Significance

- The aim of the Joint Consultative Committee (JCC) is to provide a forum through which the issues and potentials can be discussed.
- The JCC utilises best practice to work effectively for the benefit of both the nations and maximise their own potential.
- The JCC has specific responsibilities to discuss the strategic plans and budgets and also to receive reports on major projects or changes.
- It ensures compliance with relevant current legislation and identifies good practice in human resource management.

5.9. Visit Of Secretary Of State Of Usa To India

About the Visit

- U.S. Secretary of State Rex Tillerson visited India
- U.S. secretary held talks with External Affairs Minister SushmaSwaraj. Both sides deliberated on collaboration on security in the Indo-Pacific region
- Various issues including ways to further boost defence and security cooperation and strengthened trade ties were discussed.
- The issue of H1B visa was raised by India and US was urged not to take any action which might adversely affect Indians.
- During the meeting the US secretary shared his vision of a crucial role for India in maintaining stability in the Asia-Pacific region against the backdrop of rising China and unstable Pakistan due to terrorism.

Significance Of The Visit

- The visit was significant in the context of rising China's clout in the Asia-Pacific region due to which US is concerned and asked for India's cooperation.
- India is firmly anchored in U.S. strategy for a peaceful and stable Afghanistan.
- The U.S. wants India to partner with Japan and Australia as a hedge against Chinese aggression.
- The U.S. also wants India working with it to build road and port connectivity in Indo-Pacific region as an alternative to China's ambitious One Belt One Road initiative.

- The recent visit provides India and Washington an opportunity to assess each other's priorities at a time of extraordinary unpredictability in regional and global politics.
- The development of US's strategic partnership with India is a critical part of the South Asia strategy of America. US acknowledge that India is a key security and economic partner of the United States.
- US appreciated India's important contributions to stability in Afghanistan, economic assistance and development.

Q. U.S. approach to South Asia requires engaging Pakistan, Afghanistan and India to create the conditions for stability in the region. Critically examine.



6. SUMMITS AND ORGANISATION

6.1. ICAN

In News

- The Nobel Peace Prize 2017 was awarded to International Campaign to Abolish Nuclear Weapons (ICAN) for its work to draw attention to the catastrophic humanitarian consequences of any use of nuclear weapons and for its ground-breaking efforts to achieve a treaty-based prohibition of such weapons.
- The campaign's founders were inspired by the tremendous success of the International Campaign to Ban Landmines which a decade earlier had played an instrumental role in the negotiation of the anti-personnel mine ban convention or Ottawa treaty.

About ICAN

- The **International Campaign to Abolish Nuclear Weapons (ICAN)** is a coalition of non-governmental organizations in one hundred countries promoting adherence to and implementation of the United Nations nuclear weapon ban treaty.
- This landmark global agreement was adopted in New York on 7 July 2017. ICAN began in Australia and was officially launched in Vienna, Austria in 2007.
- ICAN is a broad, inclusive campaign, focused on mobilizing civil society around the world to support the specific objective of negotiating a global nuclear weapon ban treaty.
- ICAN served as the civil society coordinator for each of the conferences which brought together most of the world's governments along with international organizations and academic institutions.
- ICAN campaigned for the establishment of a special UN working group to examine specific proposals for advancing nuclear disarmament.

The Treaty

- On 7 July 2017 following a decade of advocacy by ICAN and its partners an overwhelming majority of the world's nations adopted a landmark global agreement to ban nuclear weapons known officially as the Treaty on the Prohibition of Nuclear Weapons. It will enter into legal force once 50 nations have signed and ratified it.
- Prior to the treaty's adoption nuclear weapons were the only weapons of mass destruction not subject to a comprehensive ban despite their catastrophic widespread and persistent humanitarian and environmental consequences. The new agreement fills a significant gap in international law.
- It prohibits nations from developing, testing, producing, manufacturing, transferring, possessing, stockpiling, using or threatening to use nuclear weapons or allowing nuclear weapons to be stationed on their territory.
- It also prohibits them from assisting, encouraging or inducing anyone to engage in any of these activities.
- A nation that possesses nuclear weapons may join the treaty so long as it agrees to destroy them in accordance with a legally binding, time-bound plan. Similarly a nation that hosts another nation's nuclear weapons on its territory may join so long as it agrees to remove them by a specified deadline.
- Nations are obliged to provide assistance to all victims of the use and testing of nuclear weapons and to take measures for the remediation of contaminated environments.

- The preamble acknowledges the harm suffered as a result of nuclear weapons, including the disproportionate impact on women and on indigenous peoples around the world.
- It is permanent in nature, and will be legally binding on those nations that join it.

6.2. Safe Cities Index 2017

In News

- The Economist Intelligence Unit launched safe cities index 2017.
- The report ranks 60 cities across 49 indicators covering digital security, health security, infrastructure security and personal security and ranks them accordingly.

Key Findings

- According to the index Tokyo tops the overall ranking. The Japanese capital's strongest performance is in the digital security category while it has risen seven points in the health security category since 2015. However, in infrastructure security it has fallen out of the top ten to 12th.
- The report informed that in many cities, security is falling rather than rising with two exceptions Madrid and Seoul.
- Asian and European cities remain at the top of the index. Of the cities in the top ten positions in the overall index, four are East Asian cities (Tokyo, Singapore, Osaka and Hong Kong) while three (Amsterdam, Stockholm and Zurich) are European.
- Asia and the Middle East and Africa dominate the bottom of the index: Dhaka, Yangon and Karachi are at the bottom of the list.
- Of the ten cities at the bottom of the overall index, three are in South-east Asia (Manila, Ho Chi Minh City and Jakarta), two are in South Asia (Dhaka and Karachi) and two are in the Middle East and Africa (Cairo and Tehran).
- America's failing infrastructure is reflected in its cities' rankings: No US city makes it into the top ten in this category and only San Francisco appears in the top 20. The top ten cities in this category are either in Europe (Madrid, Barcelona, Stockholm, Amsterdam and Zurich) or Asia-Pacific (Singapore, Wellington, Hong Kong, Melbourne and Sydney).
- At the bottom of the Index is Karachi. Although it performs poorly across all of the categories, it was dragged down by a very low level of personal security (60th). This is a reflection of a number of factors but the main reason is that among the cities in the index, it experiences by far the most frequent and most severe terrorist attacks.

How Safe Are Indian Cities

- According to the safe cities index Mumbai and Delhi were ranked the 16th and 18th unsafe cities in a list of 60 top cities of the world. Mumbai and Delhi's best standing was in personal security, in which they rank 30th and 33th.
- The study urged local governments to invest in cyber security.
- The performance comparison with other cities in various criteria is:
 - **Digital Security:** Tokyo, Singapore and Chicago were listed the safest cities. Jakarta, Manila and Dhaka were at the bottom of the list. Mumbai and Delhi had the joint 46th rank.
 - **Health Security:** Osaka, Tokyo and Frankfurt topped the list while Yangon, Dhaka and Karachi took up the bottom three ranks. Delhi came in 50th and Mumbai 55th.

- **Personal Security:** Singapore, Wellington and Osaka were the safest cities in terms of personal security. Karachi, Caracas and Ho Chi Minh City were ranked the worst in this category. Mumbai and Delhi were at the 30th and 33rd positions.
- **Infrastructure Security:** Singapore, Madrid and Barcelona had the top three positions, and Dhaka, Karachi and Yangon the last three. Mumbai and Delhi were 51st and 52nd.
- **Overall standings:** Asian cities Tokyo, Singapore and Osaka were adjudged the safest cities, same as in 2015. Karachi was at the bottom of the list, followed by Yangon and Dhaka. Delhi was the 43rd safest city, and Mumbai, the 45th.

About EIU

- The Economist Intelligence Unit (EIU) is the research and analysis division of The Economist Group based in UK and the world leader in global business intelligence.
- It was created in 1946 and is helping businesses, financial firms and governments to understand how the world is changing and how that creates opportunities to be seized and risks to be managed.
- The Economist Intelligence Unit is the world's foremost provider of country, industry and management analysis.

6.3. Global Financial Stability Report

The Global Financial Stability report of International Monetary Fund has been released.

About The Report

- It is a semiannual report by the International Monetary Fund (IMF) that assesses the stability of global financial markets and emerging market financing.
- The Global Financial Stability Report focuses on current conditions especially financial and structural imbalances that could risk an upset in global financial stability and access to financing by emerging market countries.
- The topics covered in the report include systemic risk assessments, debt management, emerging markets and current crises that impact the global financial picture.

Key Findings

- The October 2017 Global Financial Stability Report (GFSR) finds that the global financial system continues to strengthen in response to extraordinary policy support, regulatory enhancements and the cyclical upturn in growth.
- Global bank balance sheets are stronger because of improved capital and liquidity amid tighter regulation and heightened market scrutiny.
- According to the report, the vulnerabilities are shifting to the nonbank sector and market risks are rising. These challenges must be managed carefully to avoid putting growth at risk.
- The report also examines the short and medium term implications for economic growth and financial stability of the past decades' rise in household debt.
- It documents large differences in household debt to GDP ratios across countries.

India's Position

- The report found that countries such as India have taken steps to reduce non-performing loans but stressed that additional and more timely action is needed.

- The report suggested for improved policies to manage corporate distress.
- The report warned of rising medium term risks and said global financial stability will now depend on how well financial institutions adapt to the new era of low growth and low interest rates.
- The financial stability risks such as the Brexit and its possible global repercussions are discussed. The high levels of corporate indebtedness in emerging markets and uncertainties about China's growth transition have abated medium-term challenges are now coming up.
- Medium-term risks are building because we are entering a new era, characterised by chronic weak growth, prolonged low interest rates and growing political and policy uncertainty.
- Noting that banks would need sustained profits to support economic recovery. The report asked RBI to tackle substantial structural challenges.

About IMF

- The International Monetary Fund (IMF) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth and reduce poverty around the world.
- It was created in 1945. The IMF is governed by and accountable to the 189 countries that make up its near-global membership.
- The IMF also known as the Fund was conceived at a UN conference in Bretton Woods, New Hampshire, United States in July 1944.
- The 44 countries at that conference sought to build a framework for economic cooperation to avoid a repetition of the competitive devaluations that had contributed to the Great Depression of the 1930s.
- The IMF's primary purpose is to ensure the stability of the international monetary system the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other.
- The Fund's mandate was updated in 2012 to include all macroeconomic and financial sector issues that affect global stability.

Functions

- The IMF's fundamental mission is to ensure the stability of the international monetary system.
- It does so in three ways: keeping track of the global economy and the economies of member countries, lending to countries with balance of payments difficulties and giving practical help to members.
- The IMF oversees the international monetary system and monitors the economic and financial policies of its 189 member countries.
- A core responsibility of the IMF is to provide loans to member countries experiencing actual or potential balance of payments problems.
- This financial assistance enables countries to rebuild their international reserves, stabilize their currencies, and continue paying for imports and restore conditions for strong economic growth while undertaking policies to correct underlying problems. Unlike development banks, the IMF does not lend for specific projects.
- IMF capacity development technical assistance and training helps member countries design and implement economic policies that foster stability and growth by strengthening their institutional

capacity and skills. The IMF seeks to build on synergies between technical assistance and training to maximize their effectiveness.

7. DEFENCE AND SECURITY

7.1. INDRA 2017

In News

- India and Russia military tri-services exercise was organized from 19th to 29th October 2017. INDRA, the joint bi-annual military exercise between these two countries started in 2003.
- Exercise INDRA-2017 was conducted in the Sea of Japan near Vladivostok.

What Is New In INDRA 2017

- The year 2017 marked a major milestone as this Exercise has been upgraded to involve all the three Services of the Armed Forces (Army, Navy & Air Force), which further accentuates the importance of Joint Services in the present world environment.
- Exercise INDRA in its previous nine forms has been conducted as a single service exercise alternately between the two countries.

Significance

- Exercise INDRA-2017 strengthens mutual confidence, inter-operability and enable sharing of best practices between both the armed forces. It is a landmark event in the history of Indo-Russian defence cooperation.
- This exercise provides an opportunity to the armed forces of both countries to train in counter terrorism operations in a multinational scenario.

India-Russia Defence Cooperation

- In the initial post-independence period, India could not rely on Britain for its defence needs. United Kingdom was skeptical of arming either India or Pakistan and this further fuelled conflict after 1947.
- The United States adopted the same attitude after the Indo-Pakistan war of 1965. India therefore turned towards the Soviet Union for arms transfers.
- The Soviets also provided equipment that was simple to operate and maintain which suited Indian needs.
- The defence links developed between the two countries were reinforced by a shared sense of threat from China.
- Defence cooperation between Russia and India remains strong because of shared security concerns, geopolitical imperatives and economic benefits. Both countries fear radical Islamic terrorism, share concerns about regional instability in Central Asia and the rise of China.
- Russia's defence industry needs foreign sales to achieve economies of scale and sustain a manufacturing base that remains excessive for simply meeting Russian domestic demand.
- India has an enormous legacy of Soviet-based weapons that it needs to modernize, upgrade and replace. In addition Russian arms supplies continue to offer a good price-performance trade-off.

- Defence cooperation is an important pillar of the India-Russia strategic partnership. It is guided by the Programme for Military Technical Cooperation signed between the two countries which is valid at present till 2020.
- India and Russia have an institutionalized structure to oversee the complete range of issues of military technical cooperation. The India-Russia Inter-Governmental Commission on Military Technical Cooperation (IRIGC-MTC) set up in 2000 is at the apex of this structure.
- Bilateral projects currently underway include indigenous production of T-90 tanks and Su-30-MKI aircraft, supply of MiG-29-K aircraft and Kamov-31 and Mi-17 helicopters, upgrade of MiG-29 aircraft and supply of Multi-Barrel Rocket Launcher Smerch. Joint exercises between the two Armed Forces are held under the title INDRA.
- Over the years, cooperation in the military technical sphere has evolved from a purely buyer-seller relationship to joint research, design development and production of state of the art military platforms. Production of the Brahmos cruise missile is an example of this trend.
- The two countries are also engaged in joint design and development of the Fifth Generation Fighter Aircraft and Multi-Role Transport Aircraft.

MITRA SHAKTI 2017

- The fifth India- Srilanka joint training exercise Mitra Shakti 2017 focussing on counter-terrorism operations was organized at Aundh Military Station in Pune.
- The exercise was based on Counter- Terrorist Operations and an infantry company from both the countries was participating in it.
- The SriLanka- India combined training exercise Mitra Shakti 2017 in its 5th edition sent a strong signal to the world that both the countries understand the emerging threat of terrorism and stand shoulder to shoulder in countering this menace.

PASSEX EXERCISE WITH JAPANESE MARINE:

- A PASSEX exercise is an exercise done between two navies to ensure that the two navies are able to communicate and cooperate in times of war or humanitarian relief.
- India and Japan organized PASSEX exercise from 12th-15th October 2017. Indian naval ships Satpura and Kadmatt participated in PASSEX exercise with Japanese Marine Self Defence Force (JMSDF) held at Sasebo, Japan. These ships participated in the exercise in pursuance of India's Act East Policy and demonstration of India's commitment to peace and stability in Asia-Pacific region.
- It is part of Indian government's initiatives to strengthen the long-standing, mutually supportive and strong relationship between Japan and India.

What is INDRA ? Critically analyze the defence ties of India and Russia in the light of INDRA.

7.2. INS Kiltan

Defence Minister Nirmala Sitharaman commissioned INS Kiltan in Visakhapatnam at the Eastern Naval Command.

About INS KILTAN

- INS Kiltan is an indigenously-built anti-submarine warfare stealth corvette that was commissioned into the Indian Navy.
- This is the third of the four Kamorta-class corvettes being built under Project 28. The Kamorta-class corvettes are a class of anti-submarine warfare corvettes currently in service with the Indian Navy.
- It is propelled by four diesel engines to achieve a speed of over 25 knots.
- The ship has enhanced stealth features resulting in a reduced Radar Cross Section (RCS) achieved by X-form of hull and superstructure along with optimally sloped surfaces.
- It is designed by the Indian Navy's in-house organisation, Directorate of Naval Design and built by Garden Reach Shipbuilders & Engineers (GRSE) in Kolkata.
- INS Kiltan is the latest indigenous warship after Shivalik Class, Kolkata Class and sister ships INS Kamorta and INS Kadmatt.
- It is the first major warship to have undertaken sea trials of all major weapons and sensors as a pilot project.
- The ship derives its name from one of the islands in Aminidivi group of the Lakshadweep and Minicoy group of islands.

Assessment

- With the changing power dynamics in the Indian Ocean Region, INS Kiltan will augment the Indian Navy's mobility, reach and flexibility.
- The commissioning of Kiltan will add a new dimension to the Anti Submarine Warfare (ASW) capability of the Indian Navy and the Eastern Fleet in particular. The multifarious missions that can be undertaken by the ship truly reflect the enhanced multi-dimensional capability of the Indian Navy.

7.3. OPV Vikram

An offshore patrol vessel (OPV), developed in-house by Larsen and Toubro, the country's first-ever such defence craft to be built in a private shipyard, was handed over to the Coast Guard.

About OPV Vikram

- OPV Vikram is a 100% in-house designed vessel made by an Indian private sector L&T for Indian Coast Guard.
- It is the first of the seven vessels for which contract had been awarded by the Ministry of Defence in March 2015 to L & T.
- The vessel, equipped with modern weapon and state-of-the-art radar systems would be deployed for day and night surveillance patrol, search and rescue and in pollution response operations in exclusive economic zones of the country.
- OPVs under the project are long range surface ships, capable of operation in maritime zones of India including island territories with helicopter operation capabilities.
- Their roles include coastal and offshore patrolling, policing maritime zones of India, control & surveillance, anti-smuggling & anti-piracy with limited wartime roles.

7.4. India-Bangladesh Bi-annual Talks

The Chiefs of the border guarding forces of India and Bangladesh held bi-annual talks to discuss a host of issues including movement of Rohingya immigrants across the border at New Delhi.

Key Takeaways

- The 45th Director General-level talks between the two sides was held between delegations of the Border Guard Bangladesh (BGB) and Border Security Force (BSF) of India.
- They discussed the measures to stop the menace of smuggling of contraband items including liquor, phensidyl, cannabis and other narcotics.
- Both the sides also discussed the recent incidents of movement of Rohingya Muslims across the border.
- It was decided that India and Bangladesh will undertake a major project to repair and maintain damaged pillars along the 4,096-km long border they share.
- The other issues discussed were: Providing assistance for River bank protection works along common/border River, Confidence building measure, Organized Combined MilonMela at commonly agreed places, Exchange of visit by BGB/BSF Medical team, Joint Seminar/Symposium/Workshop on border related issues in collaboration with renowned academics in the bordering area and Exchange of instructors/teachers for BGB training centers and educational.

Indo-Bangladesh Border

India shares 4096 km (Assam-262 km, Tripura-856 km, Mizoram-318 km, Meghalaya-443 km, West Bengal-2,217 km) long land boundary with Bangladesh.

Major Issues

- **Informal/Illegal Trade:** One of the oldest challenges to border management pertains to illegal trade/smuggling. The main informal trading centres on the Indo-Bangladesh border are Assam, Meghalaya, Mizoram, Tripura and West Bengal. Availability of a large market and railways near the border make it easier and attractive for the smugglers to indulge in informal trade.
- **Terror Networks and ISI activities:** Bangladesh has emerged as the new hub of terrorist activities. Various terrorist training centres have emerged which have an anti-India agenda. According to estimate, there are about 127 training camps sponsored by ISI functioning in Bangladesh along the Indo-Bangladesh border.
- **Illegal Migration from Bangladesh:** Unabated illegal immigration has caused serious long-term economic, political and social and security implications for India. These immigrants have settled in and around the border areas including all the north-eastern states of India and also as far away as Delhi, Mumbai and other parts.

Various Steps Taken To Resolve Border Issues

- **Bagge Awards :** Certain disputes arose during the interpretation and implementation of the Radcliffe Awards. Accordingly, by a special agreement the Indo-Pakistan Boundary Disputes Tribunal was set up in December 1949 under the Chairmanship of Algot Bagge former member of the Supreme Court of Sweden with a member each from India and East Pakistan for the adjudication and final settlement of the arising out of the interpretation of the Radcliffe Award and for demarcating the boundary.
- **Nehru-Noon Accord :** In 1958, the Prime Minister of Pakistan visited New Delhi at the invitation of Pandit Jawaharlal Nehru. Both the Prime Ministers discussed Indo-Pakistan (including East Pakistan) border problems to reduce tension and establish peaceful conditions along the Indo-

Pakistan border. The Nehru-Noon Agreement on India-East Pakistan Border was signed in New Delhi on September 10, 1958, which addressed border disputes related to West Bengal, Assam and Tripura.

- Indo-Bangladesh Border Agreement 1974: The emergence of Bangladesh created a new situation altogether and a need was felt to take a fresh look at border disputes. Mrs Indira Gandhi entered into an Agreement with Sheikh Mujibur Rehman and signed the Indo-Bangladesh Agreement of 1974. The Agreement listed in detail the modalities to deal with each of the outstanding border concerns including enclaves and undemarcated boundaries.
- Land Boundary Agreement : India and Bangladesh have signed pact to operationalise the historic Land Boundary Agreement (LBA) between both nations. It was signed by Prime Minister of India Narendra Modi and his counterpart Sheikh Hasina. The LBA was passed unanimously by the Parliament. Under the Agreement, 111 border enclaves will be transferred to Bangladesh in exchange for 51 enclaves. It also settles the question of citizenship for over 50,000 people in these enclaves.

Assessment

- The Indo-Bangladesh border is long and heavily inhabited and the inhabitants have a common history of growth, culture, language and rich heritage.
- The problem of border management on this border is to secure the borders without causing harm to the economic interests of people, mutual trade and various other forms of interdependence.
- Being on the extreme corner of the country, the border areas have remained underdeveloped economically and politically.
- One of the tasks for the BSF is to inculcate a sense of security amongst the border population. This includes putting an end to trans-border crimes and defending the border population in case of a threat from across the border. Hence the frequency of such deliberations needs to be increased with other measures to help in better border management.

Q) Discuss the significant challenges regarding Indo-Bangladesh border management and the impact on relations of two countries.

7.5. ADMM+

Defence Minister Nirmala Sitharaman attended the 11th Asean Defence Ministerial Meeting and 4th Asean Defence Ministerial Meeting plus organized in Philippines.

About ADMM+

- Established in 2006, the ADMM is the highest defense consultative and cooperative mechanism in the ASEAN.
- It aims to promote mutual trust and confidence through greater understanding of defence and security challenges as well as enhancement of transparency and openness among ten ASEAN member states namely: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam.
- Meanwhile, the ADMM-Plus is a platform for ASEAN Defense Ministers to engage their counterparts from the 8 Dialogue partner countries namely: Australia, China, India, Japan, New Zealand, Republic of Korea, Russia and United States.

- The inaugural ADMM-Plus was convened in Hanoi in 2010. The defence ministers then had agreed on five areas of practical cooperation to pursue under the new mechanism including maritime security, counter-terrorism, humanitarian assistance and peacekeeping operations.

Key Takeaways Of The Meeting

- Ways to enhance defence and security cooperation among the member nations to effectively counter various transnational security challenges facing the region were discussed.
- Defence ministers of the Association of Southeast Asian Nation (ASEAN) signed a joint declaration during the 11th ASEAN Defence Ministers' Meeting (ADMM) reaffirming their common commitments and goals to promote defence cooperation and regional security. The joint declaration embodied the collective sense of the ASEAN defence ministers on the regional security environment.
- Addressing the Asean Defence Ministers Meeting-Plus (ADMM-Plus) Indian defense minister called for safeguarding freedom of navigation which is a key concern of East Asian states.
- Recent nuclear and missile tests conducted by North Korea were criticized.
- On the subject of terrorism, it was decided that the transnational activism of terrorist groups, providing safe havens and funding need to be addressed comprehensively.

Assessment

- The ADMM-Plus has become an effective platform for practical cooperation among the participating countries defence establishments.
- The ADMM-Plus has also another unique feature of military to military relations where militaries can exercise and cooperate with one another to build confidence and understanding.
- However, within Asean, there are two differing opinions regarding China. While Vietnam, Indonesia and Singapore regard China as the premier regional security threat, others like Malaysia, Brunei and Philippines believe their interests lie in accommodating China.

What do you understand by ADMM Plus? Examine its significance for India.

7.6. New Mission Based Deployment Plan Of Navy

Top naval commanders cleared a new plan for deployment of warships in the Indian Ocean region to effectively counter China's growing presence in the strategically key waters.

About The Deployment Plan

- The new mission-based deployment concept was unveiled in the Naval Commander's Conference and was ratified for incremental implementation.
- Supported by the MoD, the plan involves deploying mission-ready ships and aircraft along critical sea-lanes of communications and choke points.
- These ships deployed are always ready to meet any eventuality across the spectrum of operations ranging from acts of maritime terrorism and piracy to Humanitarian Assistance and Disaster Relief missions.

- The change in the deployment concept has necessitated a change in the methods used to sustain and support ships within the Navy.
- Accordingly, *the Chief of the Naval Staff has approved a new Transition cycle for ships from Maintenance periods to Operational Deployments that allows for a focussed and gradual transition of ships from periods of maintenance layoffs to full-scale operations.* The new Transition cycle focuses efforts of Operational Commanders on 'Training and Safety Inspections of ships' prior to their deployment for operations.

Strategic Significance of Indian Ocean

- The Indian Ocean covers at least one fifth of the world's total ocean area and is bounded by Africa and the Arabian Peninsula (known as the western Indian Ocean), India's coastal waters (the central Indian Ocean) and the Bay of Bengal near Myanmar and Indonesia (the eastern Indian Ocean) hence it provides a strategic location.
- It provides critical sea trade routes that connect the Middle East, Africa, and South Asia with the broader Asian continent to the east and Europe to the west.
- A number of the world's most important strategic chokepoints including the Straits of Hormuz and Malacca through which 32.2 millions of barrels of crude oil and petroleum are transported per day more than 50 percent of the world's maritime oil trade are found in the Indian Ocean Region.
- Nearly 40 percent of the world's offshore petroleum is produced in the Indian Ocean, coastal beach sands and offshore waters host heavy mineral deposits and fisheries are increasingly important for both exports and domestic consumption.

Indian Ocean and India-China

- The Indian Ocean is the world's third-largest body of water and has become a growing area of competition between China and India.
- The two regional powers' moves to exert influence in the ocean include deep-water port development in littoral states and military patrols.
- Though experts say the probability of military conflict between China and India remains low, escalated activities (such as port development and military exercises) could endanger stability in a critical region for global trade flows.
- But the diverse nontraditional security challenges in the Indian Ocean Region (IOR) also offer areas of potential collaboration for China and India as well as other regional actors.
- China and India are dependent on energy resources transported via the secure sea-lanes in the Indian Ocean to fuel their economies.
- India imports nearly 80 percent of its energy mostly oil from the Middle East and is due to overtake Japan as the world's third-largest energy consumer (behind China and the United States).
- Even 84 percent of China's imported energy resources passed through Strait of Malacca from the Indian Ocean in 2012.
- As Beijing and New Delhi press to maintain economic growth their dependency on the safe transport of resources intensify. China's growing global influence and India's rapid economic rise have heightened the ocean's strategic value.

- Meanwhile, the United States rebalance to Asia shifting from a foreign policy dominated by the Middle East to one more centered on Asia has also been a contributing factor elevating concern over Indian Ocean security.
- Diverse security challenges affect the region ranging from natural disasters to concerns over energy security, piracy and military posturing.
- The expansion of a Chinese presence in the Indian Ocean has heightened India's concerns. Beijing says its activities are commercially motivated and intended to better protect its interests and people abroad.

Q) Indian Ocean has been of strategic importance in the region. Examine critically.

7.7. Visit Of French Defence Minister

French Defence Minister Florence Parley visited India and held extensive talks with her Indian counterpart Nirmala Sitharaman to deepen the defence cooperation.

Key Takeaways Of The Visit

- At the meeting the two sides agreed on a range of measures to expand military-to-military ties which includes enhancing the scope of their joint exercises in particular the "Varuna" naval exercise scheduled for early 2018.
- During the meeting it was decided that both countries will also actively explore additional measures to facilitate operational level interactions between their respective armed forces.
- France assured that India's interest of having 'Make in India' components of India will be taken care of if India decides to go in for another 36 Rafale fighters after the first 36 jets are delivered to IAF by 2022 under the deal inked in September 2017.
- India and France decided to expand their military cooperation in the strategically key Indo-Pacific region.
- The two sides also agreed to expand counter-terror cooperation.
- India and France held wide-ranging talks aimed at further boosting defence and security ties with a focus on co-development of military platforms and enhancing cooperation in the maritime sphere.

Indo-France Defence Cooperation

- The defence relations between the two countries are strong and have been growing within the framework of structured talks under the Indo-French Defence Cooperation Agreement.
- Joint service level exercises are held regularly between India and France.
- The last and third edition of Indo-French Joint Army exercise, 'EX-SHAKTI' concluded on 16 January 2016 in Rajasthan.
- The fifth edition of the joint air exercise EX- GARUDA was held in Jodhpur in June 2014. The next Garuda Exercise is scheduled to be conducted in France in 2017.
- The latest edition of the Indo - French naval exercise EX - VARUNA, was held off the coast of Goa in May 2015.
- The High Committee on Defence Cooperation (HCDC) meeting is held regularly on various areas of defence cooperation including Army, Navy and Air Force professional exchange visits, joint exercises as well as industrial and technology cooperation.

VAJIRAM & RAVI

- France is also a major defence armament provider of India. One of the major deals is to purchase 36 Rafale jets in fly away condition was signed on 23 September 2016.
- The contract for six Scorpene submarines from DCNS was signed on 6 October 2006. All six vessels will be built under technology transfer at Mazagon Docks Ltd, Mumbai. The submarine Kalvari is presently undergoing sea trials.



8. SCIENCE AND TECHNOLOGY

8.1. A Rapid Test To Diagnose Zika And Dengue

In News

- An international team, including researchers from India, has developed a low-cost, easy-to-use, rapid diagnostic test for diagnosing Zika and dengue viruses and differentiate between the four serotypes of dengue virus.
- **None of the rapid tests currently available is capable of differentiating the four dengue virus serotypes.**
- If the kit is used for diagnosing dengue cases, it would not cross react with any of the other Flaviviruses (Zika, Japanese encephalitis virus and West Nile virus).
- The test was developed by using **Monoclonal antibody produced in Mice** against specific flavivirus nonstructural 1 (NS1) proteins produced by Zika and dengue viruses.

More About The Low-Cost Rapid Test

- It resembles a pregnancy test strip.
- It contains antibodies that react to the presence of Zika or dengue virus, and gold nano-particles that respond to the antibody reaction.
- The test proved 80 per cent to 90 per cent accurate in detecting Zika and avoiding false positives.
- The low-cost rapid test will also differentiate the four serotypes of dengue viruses.

Zika and Dengue

- Zika and dengue both belong to the same viral family, which are called **flaviviruses**.
- They are spread by the same mosquito (**Aedes mosquito**).
- **Infection by one serotype supposedly produces lifelong immunity only against that specific serotype**; it does not protect against other serotypes. Infection for the second time by a different dengue serotype leads to increased infectivity and more severe clinical manifestations such as dengue haemorrhagic fever and dengue-shock syndrome.
- This kind of aggravation of the infection when infected for the second time by a different dengue virus serotype is called **antibody-dependent enhancement (ADE)**.

FDA Approves First Test For Screening Zika Virus In Blood Donations

- The U.S. Food and Drug Administration today approved the **cobas Zika test**, a qualitative nucleic acid test for the detection of Zika virus RNA in individual plasma specimens obtained from volunteer donors of whole blood and blood components, and from living organ donors.
- It is intended for use by blood collection establishments to detect Zika virus in blood donations, not for the individual diagnosis of Zika virus infection. Screening blood donations for the Zika virus is critical to preventing infected donations.

About Zika Virus

- The Zika virus is transmitted primarily by mosquito (**Aedesaegypti**), but it can also be spread through blood transfusion and sexual contact.
- Although most people infected with Zika virus do not develop symptoms, when symptoms do occur they may include fever, arthralgia (joint pain), maculopapular rash (red area with small bumps), and conjunctivitis (red, irritated eyes).

- In addition, Zika virus infection can cause a serious neurological disease in adults, and infection during pregnancy can cause serious birth defects.

8.2. Russia Launches ‘World’s Biggest And Most Powerful’ Nuclear Icebreaker Ship (SIBIR).

- Russia has floated out the world’s largest nuclear-powered icebreaker ship.
- It is powered by two nuclear reactors and will be able to break ice fields up to three metres thick, clearing the path for Russian ships delivering gas to Asia.
- Along with the **Arktika**, put into active service last year, and **the Ural**, the three ships will become the “world’s largest and most powerful nuclear-powered icebreakers.

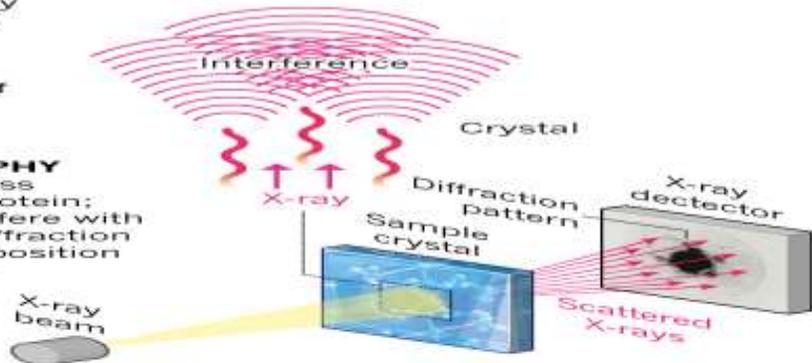
8.3. Cryo-Electron Microscopy

- Cryo-Electron Microscopy specializes in interpreting and visualizing unstained biological complexes such as viruses, small organelle, and macromolecular biological complexes of 200 kDa or larger preserved in vitreous (*i.e.* glassy or non-crystalline) ice.
- **Jacques Dubochet, Joachim Frank and Richard Henderson** were awarded 2017 Noble Prize in Chemistry for their work in developing cryo-electron microscopy (cryo-EM), a technique that fires beams of electrons at proteins that have been frozen in solution, to deduce the biomolecules structure.

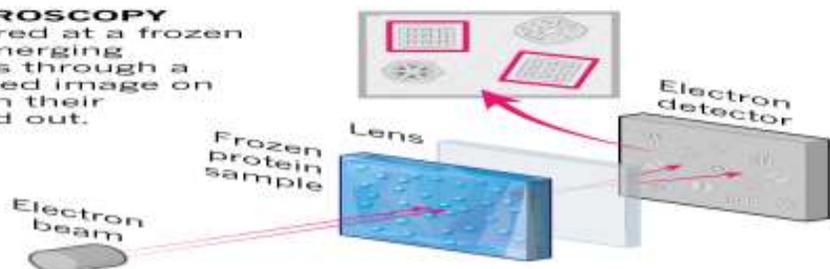
THE RISE OF CRYO-ELECTRON MICROSCOPY

Cryo-electron microscopy is taking over from X-ray crystallography as a method to deduce high-resolution protein structures, particularly of large molecules.

X-RAY CRYSTALLOGRAPHY
X-rays scatter as they pass through a crystallized protein; the resulting waves interfere with each other, creating a diffraction pattern from which the position of atoms is deduced.



CRYO-ELECTRON MICROSCOPY
A beam of electron is fired at a frozen protein solution. The emerging scattered electrons pass through a lens to create a magnified image on the detector, from which their structure can be worked out.



©nature

Why Do We Need Cryo-Electron Microscopy

- Microscopes allow scientists to look at structures that cannot be seen with the naked eye – but when these structures are very tiny, it is no longer possible to use rays of light to do the job because their wavelengths are not short enough.
- Instead, beams of electrons can be used – with a technique known as **transmission electron microscopy (TEM)** – or scientists can employ a method known as **x-ray crystallography** in which x-rays are scattered as they pass through samples, creating patterns that can be analysed to reveal the structure of molecules.
- The trouble is, x-ray crystallography relies on biological molecules forming ordered structures, which many fail to do, and the technique does not allow researchers to probe how molecules move.
- Historically, TEM also presented difficulties. The beam itself fried the biological molecules being studied, while the technique involved the use of a vacuum which resulted in biological molecules drying out and collapsing, throwing a spanner in the works when it came to probing their structure.
- This year's chemistry laureates tackled these conundrums, enabling scientists to use TEM to image biological molecules in incredible resolution.

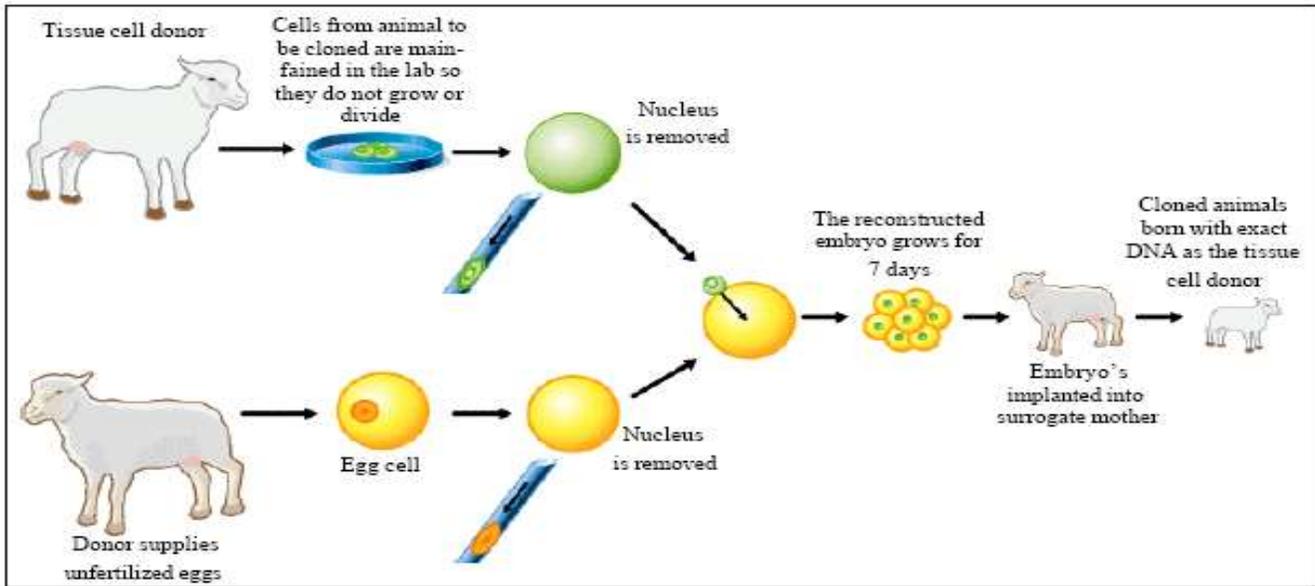
Application of cryo-EM

- Understanding how biomolecules function and interact is fundamental to biochemistry, and underpins efforts to develop new drugs and medical treatments, and understand and treat diseases.
- One recent example is the Zika virus. During the recent outbreak in Brazil, a group of researchers generated a high-resolution 3D image of the virus structure within a few months. This provided a starting point for searching for possible sites that could be targeted by drugs to prevent the spread of the virus.

8.4. Embryo Transfer Technology, A Promising Revolution In Bovine Breeding

To conserve indigenous cattle breeds, the government has rolled out a nine-day program to carry out 440 embryo transfer of higher genetic merit indigenous bovines into surrogate cows. **Embryos of indigenous breeds such as Sahiwal, Gir, Red Sindhi, Ongole, Deoni and Vechur have been proposed to be transferred under this program.**

Embryo Transfer Technology



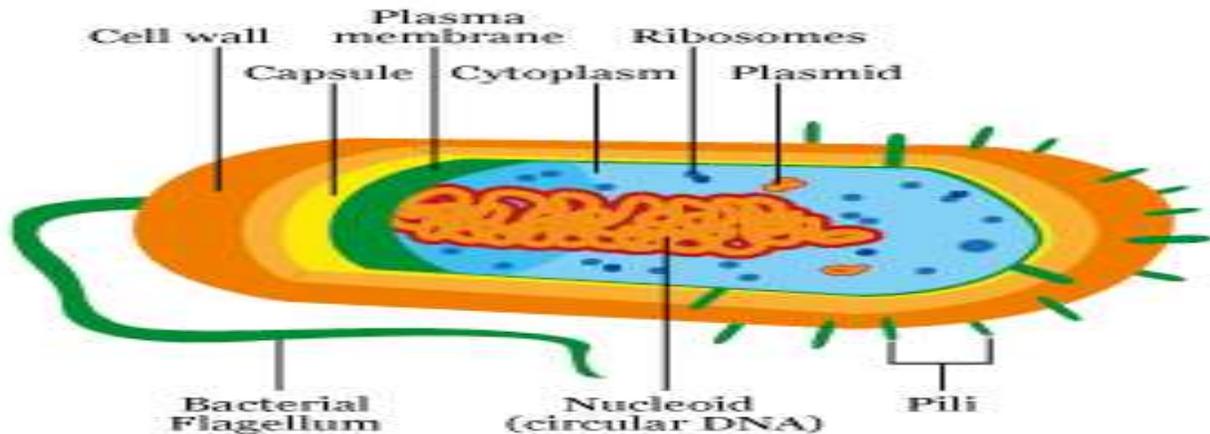
Embryo Transfer Technology (ETT) is a technique by which embryos are collected from a donor female of superior genetics and are transferred in recipient females, which serve as surrogate mothers.

Benefits Of Embryo Transfer Technology

Through the use of ETT, A farmer can get a 5-6 fold increase in number of offsprings, the calves so born will be of high genetic merit and the offsprings born will be free from diseases.

8.5. Bacteria Can Spread Antibiotic Resistance Through Soil

- Researchers including one of Indian origin from North Carolina State University in US have found that antibiotic resistance can be passed between bacteria found in the soil.
- **Reasons for spread of antibiotic resistance through soil:** Bacteria contain small DNA molecules known as plasmids. These plasmids are separate from bacteria's actual DNA and can pick up and exchange genes between bacteria. Thus, these plasmids in bacteria's are responsible for antibiotic resistance in soil also.
- **Antibiotic resistance:** Antibiotics are medicines used to prevent and treat bacterial infections. Antibiotic resistance occurs when bacteria change in response to use of these medicines. Antibiotic resistance occurs naturally, but misuse of antibiotics in humans and animals is accelerating the process. Poor infection prevention and control further accelerate it.



8.6. Japan Launches Fourth Michibiki Satellite For Hi-Tech GPS

- Japan has launched a fourth satellite for a new high-precision global positioning system (GPS).
- An H-2A rocket carrying Japan's fourth and final quasi-zenith satellite, the Michibiki No. 4, lifts off from the Tanegashima Space Center in Kagoshima Prefecture, southwestern Japan.
- Having four satellites that loop over Japan and Australia in a figure of eight orbit will allow for uninterrupted coverage. Japanese GPS can locate devices to within centimetres compared with the US system, which has an accuracy of about 10m.
- **Quasi-Zenith Satellite System (QZSS)**
 - It is own version of GPS and is dubbed as Michibiki system. Michibiki means guidance in Japanese. It is intended for civilian use, with a claimed positioning accuracy down to mere centimetres.
 - The QZSS constellation of 8 satellites will trace out a figure-8 pattern over Japan, the Western Pacific, and Australia. The Michibiki system can cover the Asia-Oceania region and works with the US-operated GPS to provide higher level of precision than previously possible with fewer satellites in visible range.

8.7. Experimental Ebola Vaccines Found Safe, Effective In Human Trial

- Two experimental vaccines (**cAd3-EBOZ** and **rVSV-ZEBOV**) against the Ebola virus have demonstrated both safety and the ability to elicit an immune response that would last for at least one year.
- This clinical trial has yielded valuable information that is essential for the continued development of these two Ebola vaccine candidates and also demonstrates that well- designed, ethically sound clinical research can be conducted during an epidemic.
- Responses at one week were modest with both vaccines. However, by one month, 71 per cent of **cAd3-EBOZ** recipients and 84 per cent of **rVSV-ZEBOV** recipients developed an antibody response compared to 3 per cent of placebo recipients.
- At one year, antibody responses were largely maintained in both groups: 64 per cent of cAd3-EBOZ recipients and 80 per cent of rVSV-ZEBOV recipients had an antibody response compared with seven percent of placebo recipients.

About Ebola Virus

- Ebola virus disease (EVD), formerly known as Ebola haemorrhagic fever, is a severe, often fatal illness in humans.
- It is thought that fruit bats of the Pteropodidae family are natural Ebola virus hosts. Ebola is introduced into the human population through close contact with the blood, secretions, organs or other bodily fluids of infected animals such as chimpanzees, gorillas, fruit bats, monkeys, forest antelope and porcupines found ill or dead or in the rainforest.
- Ebola then spreads through human-to-human transmission via direct contact (through broken skin or mucous membranes) with the blood, secretions, organs or other bodily fluids of infected people, and with surfaces and materials (e.g. bedding, clothing) contaminated with these fluids.
- The average EVD case fatality rate is around 50%. Case fatality rates have varied from 25% to 90% in past outbreaks.
- The first EVD outbreaks occurred in remote villages in Central Africa, near tropical rainforests. The 2014–2016 outbreak in West Africa involved major urban areas as well as rural ones.

8.8. World's Largest Combustion Research Centre At IIT Madras

- The world's largest combustion research centre which will impart a major boost to the Indian scientific community was inaugurated at the Indian Institute of Technology.
- It will provide an impetus to research in Alternative Energy and Environmental Protection by focusing on effective utilisation of combustion as a means of thermo-chemical energy conversion.

8.9. IIT Madras Develops Algorithms That Learn Like Humans

- IIT Madras researchers construct their own algorithm that learn like human beings. What they build into the algorithm is not just learning, but learning from mistakes as well.
- There are two parts to engineering this – one involves incorporating features into the neural network that will get the program to recognize parts of the screen. The other part involves making associations between utilities and action – for instance deciding whether to move left or right based on a specific pattern on the screen.

What Is Deep Reinforcement Learning

- Deep learning or machine learning is the ability of computers to assimilate large amounts of information independently, without any human interference or influence.
- There are different branches of machine learning. These branches include supervised learning, unsupervised learning and reinforcement learning.
- In the case of supervised learning, the learner is told what its response should be. In reinforcement learning, the learner is going to be receiving a form of feedback concerning how appropriate its response is.

8.10. The Kilogram Will Get A New Measure

- The International Conference of Heads of Metrology Institutes has announced that the kilogram will not be pegged to the cylinder made of 90% platinum and 10% iridium from 2019.

- **Kilogram is the only international measurement system that's still defined by a physical artifact, known as the International Prototype Kilogram.**



What Is The Need For Finding New Measure Of Kilogram

- The need for finding a new measure of Kilogram arose after scientists found that the BIPM (the intergovernmental organization through which Member States act together on matters related to measurement science and measurement standards)prototype is losing mass.
- There was a slight change in the weight of the artifact -- the reason could be anything from loss of impurities in the metals, to the witnesses gaining mass by accumulating contaminants.

More About The New Measure Of Kilogram

- Scientists want to redefine the kilogram using **Planck's Constant**, a value from quantum mechanics .
- They are also using a tool called a **Kibble balance**. Instead of balancing the scale with weights, they use electromagnetism.
- In this method, an electrical current is sent through a coiled wire, generating a magnetic field that creates the upward force needed to balance the scale.
- Scientists can figure out the strength of that field by pulling on the coil. If we know the voltage, the current and the velocity at which the coil was pulled, we can calculate the Planck constant with extreme precision.

8.11. New RNA Editing Tool Can Eradicate Genetic Diseases

- Scientists have created a new gene editing tool that tweaks the individual RNA 'letters' in human cells without making changes to the entire genome, paving the way for therapies that can reverse disease-causing mutations.
- The molecular system, called **RNA Editing for Programmable A to I Replacement(REPAIR)** has profound potential as a tool for both research and disease treatment. REPAIR is based on the gene editing tool CRISPR that can be used to modify DNA in cells.
- Earlier scientist looked for **CRISPR/Cas9 system**for editing DNA.

- REPAIR can target specific RNA letters, or nucleosides, that are involved in single-base changes that regularly cause disease in humans.

Reasons For Preference Of REPAIR Over CRISPR/Cas9 System

- With CRISPR/Cas9, the changes to the genome, or the cell's recipe book, are permanent. With REPAIR, since researchers can target single bits of ephemeral RNA, the changes they make are transient, even reversible. So this system could fix genetic mutations without actually touching the genome.
- With [CRISPR/Cas9] gene editing, we can make the desired change, but sometimes we also make off-target or unintended changes in the genome.

8.12. Scientists Link New Virus To Kala-Azar

- Researchers have stumbled upon tantalizing evidence of an unknown virus that may be responsible for the persistence of kala-azar or visceral leishmaniasis, a parasite infection that has spawned epidemics and sickened thousands of Indians for over a century.
- Scientists have found that parasite called **Leptomonas seymouri** hosting virus called **Lepsey NLV1** may be also responsible for spread of kala-azar ((visceral leishmaniasis). Earlier it was believed that parasite *Leishmania donovani* (sandfly) alone is responsible for spread of dreaded infection.

Kala Azar:

WHAT IS KALA-AZAR	
<ul style="list-style-type: none"> A slow progressing indigenous disease Caused by protozoan parasite of genus <i>Leishmania</i> In India, <i>Leishmania donovani</i> is the only parasite causing the disease The parasite primarily infects reticuloendothelial system 	<p>Signs & Symptoms</p> <ul style="list-style-type: none"> Recurrent fever Loss of appetite Weakness Spleen enlargement Anaemia
Transmission	
<ul style="list-style-type: none"> Sandfly of genus <i>Phlebotomus argentipes</i> only known vector of kala-azar in India 	<ul style="list-style-type: none"> Female sandflies pick up parasite while feeding on infected human host
<ul style="list-style-type: none"> Indian kala-azar has a unique epidemiological feature of being anthroponotic. Development and multiplication in the gut of sandflies and move to mouthparts 	<ul style="list-style-type: none"> Parasite undergoes morphological change to become flagellate Healthy human hosts get infection when an infective sandfly vector bites them.

8.13. Muddle Over Nod For GM Mustard

- It was reported earlier in May 2017 that Genetic Engineering Appraisal Committee (GEAC) had cleared transgenic mustard, DMH-11 for commercial cultivation. However, records of that GEAC meeting which was made public now do not record any such approval.
- Though GEAC gave its approval for commercial cultivation of DHM-11, but the final release will be only after approval of Environment Minister.

Genetic Engineering Appraisal Committee (GEAC)

- It is established under Ministry of Environment, Forests and Climate Change.
- It is the apex body for approval of activities involving large scale use of hazardous microorganisms and recombinants.

- It is also responsible for approval of proposals relating to release of genetically engineered organisms and products including experimental field trials.

GM Mustard DMH-11

- DMH (Dhara Mustard Hybrid)-11 is genetically modified variety of Herbicide Tolerant (HT) mustard.
- It was developed by Centre for Genetic Manipulation of Crop Plants at Delhi University under Government sponsored project.
- **It was created by using barnase/barstar technology** for genetic modification by adding genes from soil bacterium that makes mustard self-pollinating plant.
- It contains three genes viz. Bar gene, Barnase and Barstar sourced from soil bacterium. The bar gene had made plant resistant to herbicide named Basta.

8.14. Global Clubfoot Conference in New Delhi

President of India, Ram Nath Kovind, inaugurated the Global Clubfoot Conference, organized by the CURE India in partnership with the Ministry of Health and Family Welfare, in New Delhi.

Clubfoot

- It is one of the most common orthopedic birth defects that affect the child's mobility.
- Clubfoot (also called talipes equinovarus) is a general term used to describe a range of unusual positions of the foot.
- It can cause permanent disability if not treated early. In most cases the cause of club foot is unknown, although there may be a genetic link because it can run in families. It may be due to a disruption in a neuromuscular pathway, possibly in the brain, the spinal cord, a nerve, or a muscle.
- Environmental factors may play a role. Research has found a link between the incidence of clubfoot and maternal age, as well as whether the mother smokes cigarettes, and if she has diabetes.
- In a small number of cases, clubfoot occurs as part of a more serious underlying condition affecting the baby's development, such as spina bifida.



9. ECOLOGY AND ENVIRONMENT

9.1. Global Wildlife Programme Conference held in New Delhi

In News

- Recently, the Global Wildlife Program (GWP) conference was organized in New Delhi. It was **jointly organized by** the Ministry of Environment, Forest and Climate Change (**MoEFCC**), **World Bank** and United Nations Development Program (**UNDP**).
- The theme of the conference was "**People's participation in wildlife conservation**".
- The Conference discussed the management of wildlife habitat, helped to achieve livelihood of sustainable communities, increase enforcement, monitor, reduce wildlife crimes, and reduce the

risks associated with it. Along with this, India was given an opportunity to demonstrate its conservation efforts in and around the protected areas through joint forest management, environmental development committees, forest safety committee.

About Global Wildlife Program (GWP)

- The GWP is a World Bank led global partnership that promotes wildlife conservation and sustainable development by combatting illicit trafficking in wildlife. The GWP has led the **global partnership of 19 countries of Asia and Africa** to combat **preservation and sustainable development by combating smuggling in wildlife**. It was **started in 2015 by the Global Environment Facility (GEF)**.
- It **acts as a platform for an exchange of knowledge and coordination in action on the ground to prevent the poaching of wildlife for improvement in the regime of wildlife conservation**. It tries to reduce supply and demand which runs illegal wildlife trade and protects species and residences through an integrated scenario plan.

9.2. India Presents Wildlife Action Plan 2017-2031

In News

- The central government has released **India's third wildlife action plan**, to chalk out India's strategy for wildlife conservation in the next fifteen years.
- The first wildlife action plan was unveiled in 1983 and the second in 2002.
- The Ministry of Environment, Forests and Climate Change has only released basic points of the plan. There are 103 conservation actions and 250 projects in the final plan, of which seven conservation actions and 11 projects relate to climate change.
- This is the first wildlife action plan which incorporates and talks about the effects of climate change on wildlife. The first two were designed when there was no conversation about climate change or the adverse consequences it had.
- This plan was drafted by a 12-member committee chaired by JC Kala, a former secretary to the ministry. The plan **adopts a "landscape approach"** to the conservation of all wildlife that has an ecological value. The plan gives a special importance to the threatened species. It focuses on protecting their habitats and gives them the possible attention.

Features

- **Climate Change impact:** It has stressed on integrating actions for its mitigation and adaptation into wildlife management planning processes.
- **Approach:** It adopts landscape approach in conservation of all wildlife – uncultivated flora and fauna that have an ecological value to ecosystem and to mankind irrespective of where they occur. It gives special emphasis to recovery to threatened species of wildlife while conserving their habitats which include inland aquatic, coastal and marine ecosystems.
- **Human-animal conflict concerns:** It addresses rising human-animal conflict owing to shrinkage, fragmentation and deterioration of habitats generating animosity against wild animals and protected areas.
- **People's support:** It underscores increasing need for people's support for conservation of wildlife. It recommends co-development, education, innovation, training, extension, and conservation awareness and outreach programs.

- **Participation of private sector:** It underlines increased role of private sector in wildlife conservation. It lays down that Government will ensure that adequate and sustained funding including Corporate Social Responsibility (CSR) funds are made available for implementation of plan.

9.3. Government has launched SECURE Himalaya Project

- The aim of the scheme "**Secure Himalaya**" is to protect **Snow leopards** by saving their habitats and to improve the ecology of life of the Himalayan ranges and hill communities- all among the worst victims of climate change.
- The Secure Himalaya project, launched by the Union Environment Ministry in collaboration with United Nations Development Program (UNDP).
- Himachal Pradesh, Jammu and Kashmir, Uttarakhand and Sikkim will be covered.
- Among the key areas of focus, this project will work on preventing snow leopard smuggling and hunting.
- In India, the economic value generated from the snow leopard habitats is sharply estimated, the amount of \$ 4 billion per year, out of which \$3 billion comes from power generation, \$ 0.5 billion from livestock and agriculture, while \$ 0.4 billion comes from tourism.
- It has been stated in the project's objectives that "snow leopard, its prey, its ecosystems have to face various direct and indirect risks .fragmentation of the ecological environment and region is a direct threat and due to the high reliance of local communities on natural resources and unplanned infrastructure. "
- It was emphasised that there is a need to focus on the emerging threats of illegal wildlife trade and wildlife crime.
- The SECURE - securing livelihoods, conservation, sustainable use and restoration of high range Himalayan ecosystems - is meant for specific landscapes. It include Changthang (Jammu and Kashmir), Lahaul - Pangi and Kinnaur (Himachal Pradesh), Gangotri - Govind and Darma - Byans Valley in Pithoragarh (Uttarakhand) and Kanchenjunga - Upper Teesta Valley (Sikkim).
- The project also outlined that the remoteness and relative seclusion has made the mountain communities, that includes many tribal communities, among the last bastions of globally significant indigenous knowledge and cultural heterogeneity.

9.4. Turtle Sanctuary To Be Set Up In Allahabad

- In order to protect the rich aquatic biodiversity of river Ganga from escalating anthropogenic pressures, development of a **Turtle sanctuary in Allahabad along with a River Biodiversity Park** at Sangam have been approved **under Namami Gange programme**.
- The project would include development of River Biodiversity Park at Sangam (confluence of Ganga, Yamuna and mythical Sarasvati), establishment of a Turtle Rearing Centre (**Permanent nursery at Triveni Pushp** and makeshift annual hatcheries) and awareness about the importance of river Ganga and imperativeness of its conservation has been approved.

- This project will provide much needed platform to make the visitors aware of their place in the ecosystem, their roles and responsibilities, improve their understanding of the complexity of co-existence with the environment and help generate awareness for reducing the impact of human activities on critical natural resources.
- The task of dissipating knowledge about river Ganga will be taken up ardently in this project, which is 100% centrally funded.
- The sustenance of more than 2000 aquatic species including threatened gharials, dolphins and turtles in river Ganga exemplifies the rich biodiversity of this lifeline to over 40 per cent of the country's population.
- Rivers Ganga and Yamuna at Allahabad are home to some of the most endangered fauna like **turtles (Batagurkachuga, Batagurdhongoka, Nilssoniagangetica, Chitraindica, Hardellathurjii etc.)**, the National Aquatic Animal - Gangetic dolphin (Platanistagangetica), the Gharial (Gavialisgangeticus) and numerous migratory and resident birds.

WHAT'S THE DIFFERENCE BETWEEN A TURTLE, TORTOISE & TERRAPIN?

	 TURTLE	 TORTOISE	 TERRAPIN
HABITAT	WATER most are found in water or living near it	LAND most are terrestrial	BRACKISH where water meets land
DIET	CARNIVOROUS, OMNIVOROUS, & HERBIVOROUS	HERBIVOROUS a few are omnivorous	CARNIVOROUS, HERBIVOROUS
SHELL SHAPE	FLATTER CARAPACE reduces drag in water	DOMED CARAPACE aids defensive protection	OBLONG CARAPACE between domed & flat
FEET	WEBBED FEET to help swimming	FEET ARE SHORT, STURDY strong legs needed to dig	WEBBED FEET strong, broad claws to climb out of water



Sheldon the Snapping Turtle ©



Underwater, but never over your head.

9.5. Snow Leopard Photographed For First Time In Arunachal Pradesh

- Scientists have obtained the first evidence of the elusive snow leopard in **Arunachal Pradesh**. Camera traps have captured images of the big cat at Thembang village's Community Conserved Area, a community-owned reserve, in **West Kameng district**.
- The presence of the species outside protected areas highlights the importance of community support for conservation as well as landscape-scale planning, says World Wildlife Fund for Nature (WWF-India), which conducted the camera trap study.

- The camera-trapping, part of a State-wide survey initiated in March 2017 by WWF-India in collaboration with the Arunachal Pradesh Environment and Forest Department, focused on unexplored snow leopard habitats.
- **With only a small fraction of snow leopard habitats falling in the two protected areas (the Dibang Biosphere Reserve and Namdapha National Park) in the State**, scientists tapped into the knowledge of locals — including herders and former hunters — to understand the current distribution of snow leopards and other mammals.
- Over 80 per cent of the respondents confirmed the presence of snow leopards in their area. The research team deployed camera traps in select areas to document the species and obtained the photograph of a snow leopard in the Community Conserved Area (CCA).
- In 2004, WWF-India introduced the concept of CCAs in the State to empower local communities to become active decision-makers and implement conservation initiatives. Local communities in these CCAs form committees to undertake wildlife monitoring, patrolling and community-based tourism activities.
- **Arunachal Pradesh is one of the 22 priority landscapes of the Global Snow Leopard Ecosystem** Protection Program and while locals and researchers knew that there were snow leopards in the area, scientists had not been able to get photographs thus far.

9.6. Air Pollution Affects Children's Memory

- The Exposure to air pollution on the way to school can have damaging effects on children's cognitive development and reduce their working memory, a study has found.
- The study assessed **the impact of fine particulate matter (PM2.5) and black carbon during the walking commute to and from school.**
- The findings of an earlier study had shown that **20% of a child's daily dose of black carbon — a pollutant directly related to traffic — is inhaled during urban commutes.** The results of studies have shown that these short exposures to very high concentrations of pollutants can have a disproportionately high impact on health.
- Statistical analysis of the findings showed that exposure to PM2.5 and black carbon was associated with a reduction in the growth of working memory — an interquartile range increase in PM 2.5 and black carbon levels was associated with a decline of 4.6% and 3.9%, respectively, in expected annual growth of working memory.

9.7. NMCG Approves Eight Projects Under Namami Gange Programme

- National Mission for Clean Ganga has approved eight projects, out of which four pertain to sewage management in Uttar Pradesh, Bihar and West Bengal, three are related to treatment of drains through bio-remediation and one of inventorization and surveillance of river Ganga.
- On sewage management front, projects for pollution abatement in river Ganga has been conceived which includes construction of STP under Hybrid Annuity based PPP model among other works.
- Three projects of treatment of drains using bio-remediation technology have also been given a green signal. These are for **Rajapur drain and Digha drain in Patna and Laksar drain in Haridwar.**

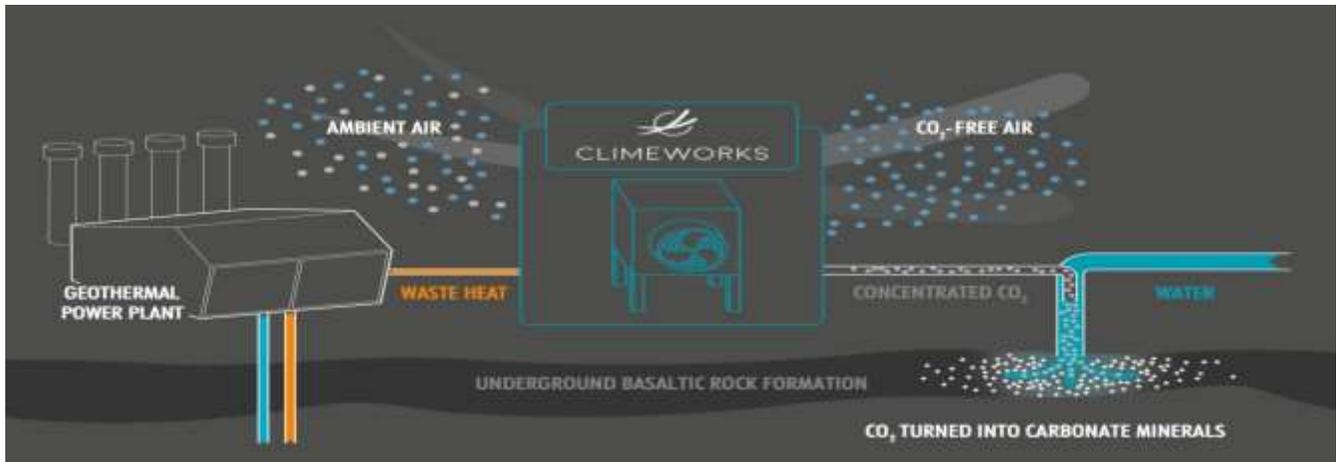
- One project for pollution inventorization, assessment and surveillance on river Ganga has also been approved. Continuation of an ongoing exercise, the project aims to strengthen environmental regulation and water quality monitoring vis-à-vis river Ganga.

9.8. International Day for Disaster Reduction:13 October

- The International Day for Disaster Reduction was started in 1989, after a call by the United Nations General Assembly for a day to promote a global culture of risk-awareness and disaster reduction.
- It is held on 13th October every year. The day celebrates how people and communities around the world are reducing their exposure to disasters and raising awareness about the importance of reining in the risks that they face.
- **The 2017 campaign seeks to raise global awareness about effective actions, policies and practices taken to reduce exposure to disaster risk at the community level, thereby contributing to saving homes and livelihoods.** This is a considerable challenge which can be accomplished only through coordination, cooperation and collaboration among many stakeholders.

9.9. First 'Negative Emissions Plant' That Turns Ambient CO₂ Into Stone Switches On In Iceland

- We produce **40 trillion kg of carbon dioxide each year**, and we are on track to cross a crucial emissions threshold that will cause global temperature rise to pass the dangerous 2°C limit set by the Paris climate agreement.
- **Reykjavik Energy's Edda Aradóttir** has launched the first negative emissions plant in the world.
- Located at the **Hellisheidi Power Plant**, the **CarbFix2 project** captures CO₂ directly from ambient air. It then dissolves it in water and then pumps it into an injection site near the facility, where the CO₂ reacts with basaltic bedrock, forming solid carbonate minerals.
- Not only does the project put a dent in global warming, **it can also provide eco-friendly construction materials.**
- CarbFix 2 is taking carbon sequestration to the next level by capturing CO₂ directly from the ambient air. Essentially, this plant generates negative emissions.
- Ultimately, any CO₂ that is injected underground turns into carbonate minerals. Usually, though, this process takes hundreds to thousands of years. **The key to rapid mineralization of carbon is basalt – a volcanic rock which Iceland has an abundance of. Iceland is actually mostly made up of basalt (90%).** To make things even better, the rock is also rich in calcium, magnesium, and iron – the other key elements for carbon mineralization. The real solution to man-made climate change is the immediate phasing of fossil fuels in favor of clean renewable energy.



9.10. Sawfish More Threatened Than Tigers

- A statement issued by the Central Marine Fisheries Research Institute said the sawfish may be the **most endangered fish species in India**.
- The sawfish, included in **Schedule I of the Indian Wildlife (Protection) Act 1972** enacted to save them from exploitation, have been sighted off the Indian coast less than 10 times in over a decade and they appear to be more threatened than tigers and elephants, say marine scientists as the world observed the first Sawfish Day on 17 October 2017.
- There are only five species of the sawfish ever identified – **dwarf sawfish, knifetooth sawfish, small tooth sawfish, large tooth sawfish and green sawfish**.
- Sawfish are elasmobranchs, meaning their skeleton is made of cartilage. They are closely related to sharks and have shark-shaped bodies and, hence, are also called flat sharks.
- The sawfish family has been assessed either '**Endangered**' or '**Critically Endangered**' in the **International Union for Conservation of Nature Global Red List**, considering their threatened status, high extinction risk and observed population decline.

Indian Wildlife (Protection) Act 1972

- The Government of India enacted Wild Life (Protection) Act 1972 with the objective of effectively protecting the wild life of this country and to control poaching, smuggling and illegal trade in wildlife and its derivatives.
- The Act was amended in January 2003 and punishment and penalty for offences under the Act have been made more stringent.
- The objective is to provide protection to the listed endangered flora and fauna and ecologically important protected areas.
- It has six schedules, which give varying degrees of protection. Schedule I and part II of Schedule II provide absolute protection - offences under these are prescribed the highest penalties.
- Species listed in Schedule III and Schedule IV are also protected, but the penalties are much lower.
- Schedule V includes the animals which may be hunted.
- The plants in Schedule VI are prohibited from cultivation and planting. The hunting to the

Enforcement authorities have the power to compound offences under this Schedule (i.e. they impose fines on the offenders).

9.11. Blue Planet Prize 2017

- **Prof Hans Joachim Schellnhuber** from Germany won 2017 Blue Planet Prize, world's most prestigious award for pioneers in environmental science.
- He was awarded for **establishing new field of science 'Earth System Analysis'** and introducing most influential concepts including the notion of tipping elements in the climate system in Tokyo. He is Director of the Potsdam Institute for Climate Impact Research (PIK).
- It is the **world's most prestigious award for pioneers in environmental science and often considered as Nobel Prize for environmental research.**
- It was **instituted by Asahi Glass Foundation.** It honours outstanding thinkers who help to meet challenges of planetary dimensions. It carries prize of 50 million yen (about \$450,000) and is handed over in presence of Japan's Imperial Prince and Princess.

9.12. New Species Of Large Gecko Discovered From Eastern Ghats

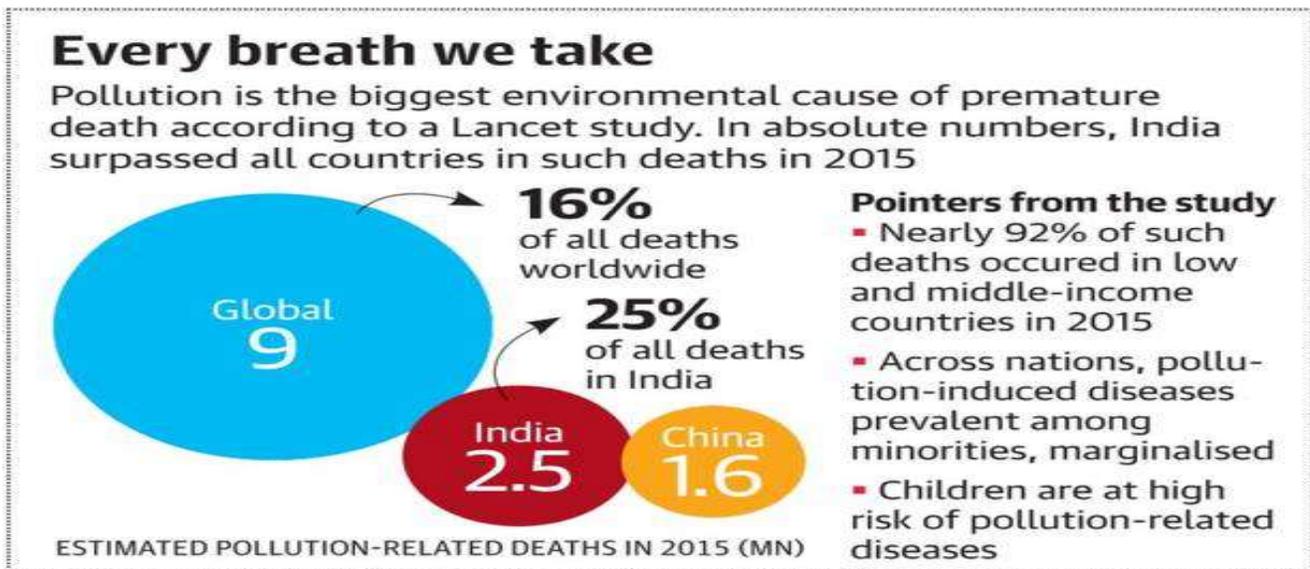
- A team of scientists has discover a new species from the Eastern Ghats.
- **The Kanger valley rock gecko Hemidactylus kangerensis** is the newest addition to India's lizard species.
- Researchers, **led by Zeeshan Mirza** of the National Centre for Biological Sciences, discovered the gecko from Chhattisgarh's **KangerGhati National Park.**
- Though named after this park, the species is also found in Jagdalpur and Sukma in Chhattisgarh and in Khamman in the adjoining State of Telangana, which are part of the Eastern Ghats.
- The distinct black-bordered beige bands that the new species sports right from its neck to its tail tip and specific scales on its thighs (which are visible only on closer inspection) set the Kanger valley rock gecko apart from the commonly-found rock gecko.
- Growing to over eight inches long, the adult Kanger valley rock gecko is fairly large. The researchers found them in abandoned houses in the national park and juveniles on termite mounds and tree trunks. Though several researchers and reptile buffs had spotted the species before, they had mistaken it for the commonly-found rock gecko which it resembles.

9.13. Most Pollution-Linked Deaths Occur In India

- **With 2.51 million deaths in 2015,** India has been ranked No. 1 in pollution related deaths, according to a **report by The Lancet Commission on pollution and health.**
- China recorded the second highest number of such deaths (1.8 million). India accounted for about 28 per cent of an estimated nine million pollution linked deaths worldwide in 2015.
- The Lancet Commission on pollution and health is a two-year project in which more than 40 international health and environmental authors led by environmental scientist Philip Landrigan were involved.
- At 6.5 million premature deaths globally, **air pollution was the leading cause of deaths in 2015.** Among the world's 10 most populous countries that year, the largest increase in numbers of

pollution related deaths were seen in India and Bangladesh. But the absolute number of air pollution deaths in Bangladesh was only 0.2 million.

- With 1.58 million, China had the second-highest number of air pollution deaths after India (1.81 million). But the number of water pollution deaths in China was only about 34,000, compared to 0.64 million in the case of India.
- Nearly 25% of all deaths in India in 2015 were caused by pollution; Pakistan, China, Bangladesh, and Kenya too reported that one in four deaths were caused by pollution.
- In the case of air pollution, the number of deaths in India from ambient air pollution was 1.09 million, while deaths from household air pollution from solid fuels were 0.97 million. In the case of water pollution, 0.5 million deaths were caused by unsafe water source, while unsafe sanitation caused 0.32 million deaths.



SOURCE: THE LANCET COMMISSION ON POLLUTION AND HEALTH

- **Deaths from air pollution were a result of diseases such as heart disease, stroke, lung cancer, and chronic obstructive pulmonary disease (COPD).**
- Pollution has been responsible for the most non-communicable disease deaths. Pollution is responsible for more deaths than a high-sodium diet (4.1 million), obesity (4.0 million), alcohol (2.3 million), road accidents (1.4 million), or child and maternal malnutrition (1.4 million).
- **Pollution was also responsible for three times as many deaths as AIDS, tuberculosis, and malaria combined**

9.14. Ichthyosaur Fossil Discovered For First Time In India

- Scientists in India have discovered a 152 million-year-old fossil of an ichthyosaur - an extinct marine reptile - in the western state of Gujarat.
- This is the first time an ichthyosaur fossil has been discovered in India.
- The fossil was found inside rocks from the Mesozoic Era, which ran between 252 and 66 million years ago, in the Kutch desert.
- Only parts of the skull and tail bones were found to be missing.

- **Often misidentified as "swimming dinosaurs"**, they first appeared in the early Triassic period (251 million to 199 million years ago)
- **The name means fish-lizard, although the creature has been classified as a reptile since the mid-19th Century**
- An examination of the teeth of the fossil suggests that it was a top-tier predator in its ecosystem.
- This is a remarkable discovery not only because it is the first Jurassic ichthyosaur record from India, but also it throws light on the evolution and diversity of ichthyosaurs in the Indo-Madagascan region and India's biological connectivity with other continents in the Jurassic.

9.15. Four Asian Vulture Species Now On Highest Protection List

- Several species of vultures, including four that have India on their migratory routes, were awarded the highest protection by the **Convention on the Conservation of Migratory Species of Wild Animals**.
- **The whale shark**, which inhabits the Indian Ocean, got global protection too. However, the proposal to extend additional protection to the **chinkara or Indian gazelle** was withdrawn.
- The convention in Manila concluded with approvals for protection of 34 species in submissions made by 24 countries **from Asia, Africa, the Americas, Europe and Oceania**.
- The Asian vultures that are set to get collaborative international protection are the red-headed vulture, white-rumped vulture, Indian vulture and slender-billed vulture.
- **Threats:** They are faced with threats such as poisoning, hunting, collision with electricity cables and habitat degradation.
- A subspecies of the **black noddy, the yellow bunting and the lesser and great grey shrike** are the other avians on the protected list.
- Lions, chimpanzees, giraffes and leopards were marked out as species that needed additional protection.

About the Convention on the Conservation of Migratory Species of Wild Animals

- The Convention on the Conservation of Migratory Species of Wild Animals — more commonly abbreviated to just the **Convention on Migratory Species (CMS) or the Bonn Convention** — aims to conserve terrestrial, marine and avian migratory species throughout their range. It is an international treaty, concluded under the aegis of the United Nations Environment Programme, concerned with the conservation of wildlife and habitats on a global scale
- Since the Convention's entry into force, its membership has grown steadily to include over 120 Parties from Africa, Central and South America, Asia, Europe and Oceania.
- The Convention was signed in 1979 in Bad Godesberg, a suburb of Bonn (hence the name), and entered into force in 1983. The depositary is the government of the Federal Republic of Germany.
- The CMS is the only global and UN-based intergovernmental organization established exclusively for the conservation and management of terrestrial, aquatic and avian migratory species throughout their range.

