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Door No 18, New Plot No 259 /109,
AL Block, 4th Avenue, Shanthi Colony,
Annanagar, Chennai - 600040.

www.shankariasacademy.com | www.iasparliament.com



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JULY 2018
G.S PAPER II

1. POLITY

1.1 Threat to RTI

Why in news?

Rajya Sabha deferred the introduction of the bill to amend the Right to Information (RTI) Act, 2005.

What are the proposals?

- **Salary** - The Central government seeks control over the salary and allowances of the functionaries.
- **Tenure** - It also states that the Information Commissioners (ICs) shall hold office for such terms as may be prescribed by the Central government, instead of five years.
- These include Chief and other ICs at Centre, and State Chief Information Commissioners.
- It would eliminate the parity they currently have with the Chief Election Commissioner and Election Commissioners.
- Thus, the equivalence with a Supreme Court judge in matters of pay, allowances and conditions of service would also be disturbed.

Why is it a threat?

- The efficacy of the act hinges on the independence of the commissioners who are the final appellate authority.
- Making the ICs dependent on the government for their tenure strikes at the core mandate of the Act.
- Also, the Supreme Court has held right to information as being integral to the right to free expression under Article 19.
- Thus, weakening the transparency law would go against this guarantee.
- **Citizen** - RTI Act has transformed the citizen-government relationship and invalidated illegitimate concentrations of power.
- It has legitimised people's demands, and changed the feudal and colonial relationships.
- This progress would be threatened with any dilution of the spirit of the RTI Act.
- **Governance** - Under RTI, a public authority is to provide as much information suo motu to the public at regular intervals.
- The spirit of the RTI law thus lies in not just filing and getting an answer.
- It actually mandates the replacement of the prevailing culture of secrecy with a culture of transparency.
- **Ideals** - Government has shown unwillingness to operationalise Lok Pal, Whistleblowers Act and the Grievance Redress law.
- This already has a negative impact on the ideals of transparency and accountability, which would worsen with dilution of RTI.

What are the existing shortcomings?

- **Vacancy** - Central Information Commission has over 23,500 pending appeals and complaints.
- Yet, currently, there are four vacancies in the agency.
- Such is the case with several states like Andhra Pradesh and Maharashtra.
- **Disclosure** - The law envisaged that voluntary disclosure would reduce the need to file an application.
- But many State departments are ignoring the requirement to publish information suo motu.
- **Relevancy** - Fines are rarely imposed for any shortfall in compliance.
- So officers are giving incomplete, vague or unconnected information to applicants with impunity.



- Easier payment of application fee and a reliable online system to apply for information are missing.

1.2 Amendments to RTE Act

Why in news?

Lok Sabha has approved an amendment to the Right to Education (RTE) Act.

What is the amendment?

- The amendment has essentially scrapped the “no detention” policy.
- The provision ensured that no student could be held back/failed in a class until the end of elementary education i.e Standard 8th.
- The amendment calls for regular examination in classes V and VIII.
- If a child fails, there is a provision to give her/him additional opportunity to take a re-examination within 2 months.
- The amendment leaves it to states to decide whether to continue the no-detention policy.

RTE Act

- RTE act mandates free and compulsory education for children between six and 14 years.
- The idea behind policy was to curb the sharp dropout rates in elementary education.
- Since it was argued that students drop out of school because of sheer demotivation when they fail in a class and that they should not be penalised for the failures of their teachers and lack of basic facilities in schools.

What was the rationale?

- The government sees this as a move to rebuild our education system.
- It feels that even though the dropout rates under the existing system fell, no detention has led to falling standards of educational achievement.
- e.g Students in the age group of 14 to 18 struggled with foundational skills such as reading a text in their own language or solving a simple arithmetic division.
- It feels that this move would bring accountability among teachers in elementary education system and “real motivation” to students.

What are the limitations to this move?

- Any dilution of the RTE Act without sufficient thought will erode a major constitutional achievement.
- The Act guarantees and provides for the continued presence of the child in school during the formative learning phase.
- Thus, detention would weaken this significant, progressive feature of the RTE Act.
- NITI Aayog had also found that bringing back detention in elementary schooling would increase the dropout rate.
- This would impact the poor and Dalits the most, as they depend on government institutions.
- The concerns on learning outcomes are not just determined by a student's effort.
- They are also dependent on the number and quality of teachers, processes for continuous assessment and active engagement of parents and the community in encouraging excellence.
- Other long-standing systemic limitations include poor teaching standards, inadequate infrastructure facilities, lack of monitoring mechanisms, skewed pupil-teacher ratio, etc.

1.3 Ruling Delhi

Why in news?

The Supreme Court has held that the Lieutenant-Governor (L-G) is bound by the “aid and advice” of the Government in Delhi.

What is the case on?

- The judgment comes on appeals filed by the NCT government.

- The appeal was against a 2016 verdict of the Delhi High Court, which declared that the L-G has complete control of all matters regarding the NCT of Delhi.
- It said that nothing would happen without the concurrence of the L-G.

Why is Delhi a special case?

- Though seen as a Union Territory, Delhi was created as a separate category.
- It had an elected Assembly with powers to enact laws.
- It could legislate on matters falling under the State and Concurrent lists.
- However, public order, police and land were exceptions to the above.
- The provisions gave Delhi a status higher than other UTs.
- The demand for full statehood has been around for many years now.

What is the present ruling?

- **Conflict** - In case of any dispute, the L-G should straightaway refer it to the President.
- Clearly, L-G cannot delay, sitting over the dispute, for a final decision.
- Also, it cannot be a reason to hamper the governance.
- **L-G** - L-G has not been entrusted with any independent decision-making power.
- The L-G must work harmoniously with the Ministers.
- S/he has to act on the 'aid and advice' of the Council of Ministers.
- Otherwise, s/he is bound to implement the decision taken by the President.
- **Reference** - SC cautioned the L-G against sending every "trivial" dispute to the President.
- The power to refer "any matter" to the President no longer means "every matter".
- It has indicated that it could encompass substantial issues of finance and policy.
- Notably, this should have an impact upon the status of the national capital or implicate vital interests of the Union.

What is the rationale?

- SC followed the 1987 Balakrishnan Committee report to conclude that Delhi is not a State.
- The report said that Delhi as the national capital belonged to the nation as a whole.
- Delhi could not have a situation of having two Governments run by different political parties.
- Such conflicts may, at times, prejudice the national interest.
- The report said the control of the Union over Delhi was vital in the national interest.
- It said the 'aid and advice' concept cannot apply to any judicial or quasi judicial functions.
- It would apply only in matters where the Legislative Assembly has the powers to make laws.
- The L-G has a more active part in the administration than the Governor of any State.
- However, differences of opinion would be decided by the President.

1.4 Law Commission on Legalising Gambling

Why in news?

Law Commission of India has recommended the government to allow gambling in sports.

What are the recommendations?

- The Law Commission has observed that it is impossible to stop illegal gambling.
- Hence, the only viable option left is to allow gambling in sports and to "regulate" it.

- It recommended “cashless” gambling in sports.
- **Linkage** - The revenue from gambling should be taxable, which can be used for public welfare measures.
- Transactions between gamblers and operators should be linked to their Aadhaar and PAN cards.
- This will provide for the government to follow and regulate them.
- **Classification** - Gambling would be classified as ‘proper gambling’ and ‘small gambling’.
- Proper gambling would be for the rich who play for high stakes.
- On the other hand, small gambling would be for the low-income groups.
- **Restrictions** - The number of gambling transactions by each individual should be capped on a monthly, half-yearly and annual basis.
- Restrictions on amount should also be prescribed while using electronic money facilities.
- **Protection** - Regulations should be made to protect vulnerable groups like BPL families and minors.
- It should include those receiving social welfare entitlements, government subsidies and Jan Dhan account holders.
- **Legal** - Foreign Exchange Management and FDI laws and policies should be amended.
- This is to encourage investment in the casino/online gaming industry.
- This would boost tourism as well as employment.



Roll of the dice
Legal status of gambling globally

Europe: The biggest markets are the U.K., Spain and Germany, which have legal and regulated gambling, both land-based casinos and online betting. France and Iceland have banned online casinos, but allow land-based casinos

Americas: Canada and Mexico have legalised all forms of gambling. In the U.S., some States allow gambling. Nevada allows all forms of gambling

Argentina, Peru, Panama, Costa Rica and the Dominican Republic have legalised all forms of gambling. Chile and Brazil only allow off-shore casinos, while Cuba has outlawed gambling

Africa: Over 30 countries have legalised all forms of gambling. South Africa is a well-known hotspot for casinos

Australia: Land-based and online casinos are legal under regulations

Asia: Gambling was outlawed in Singapore since 2014. Japan has recently allowed land-based casinos. In China, all forms of gambling, except for physical sports betting, are outlawed

What are the concerns?

- The SC in 2016 had asked the commission to look into legalising betting in cricket.
- It came as part of the judgment in the BCCI case involving illegal betting in IPL cricket matches.
- Clearly, Supreme Court's reference did not specify sports as a whole.
- Given this, the commission is said to have exceeded the brief given to it.
- There are also opinions that a country as poor as India should not allow ‘legalised gambling’.
- It could leave the poor poorer and promote vested interests.

1.5 The “Puri Jagannath Temple” Case

What is the issue?

- Only people of the Hindu faith are currently being allowed into his shrine in Puri.
- SC suggested that the temple management should give every visitor access to the deity

What is the unique case of Puri Jagannath?

- **History** - The famed Puri “Jagannath Temple” attracts large crowds from all over India and its annual rath yathra is also very popular.
- Most theories have it that the main deity at Puri is a “Sabara Debata” (Adivasi god) who was named Jagannath (Lord of the Universe) by early Buddhists.
- Notably, Jagannath was established in Puri in the 9th century AD, and was usurped into the Brahminical fold after the decline of Buddhism.



- Some Hindutva ideologues decry this, but there is clear evidence that temple entry restrictions based on caste and religion was only after 16th century.
- **Presently** - Considering the tribal (non-brahminical) origin of the Jagannath Cult, many scholars have vouched for making the deity accessible to all faiths.
- There is currently a ban on non-Hindus to enter the Puri Shrine, and hence a case had been filed in the Supreme Court (SC) to break the same.
- In this context, SC suggested that the temple management should give every visitor access to the deity and also allow them to make offerings and prayers.

What was SC's rationale in the pronouncement?

- Generally, religion can be defined as a body of particular belief(s) that a group of people subscribes to and organise themselves for fulfilling the same.
- Interestingly, Hinduism is a conglomerate faith that incorporates all forms of belief(s) without specifically mandating the selection or elimination of anything in particular.
- Notably, “Adi Saiva Sivachariyargal Nala Sangam vs State of Tamil Nadu” case in 2015, stressed the inclusiveness that is naturally inherent in Hinduism.
- That judgment had declared Hinduism as “Sanatan Dharma’ (or eternal faith), which is the “dynamic collective wisdom” of the centuries.

1.6 Women's Entry into Sabarimala Temple

Why in news?

Supreme Court is hearing petitions challenging the prohibition of women of 10 to 50 years of age to enter the Sabarimala temple.

What is the temple's legal back up?

- It relates to Rule 3(b) of the Kerala Hindu Places of Public Worship (Authorisation of Entry) Rules, 1965.
- It states, “Women who are not by custom and usage allowed to enter a place of public worship shall not be entitled to enter or offer worship in any place of public worship.”
- It is based on this provision that the Sabarimala temple prohibits women aged between 10 and 50 years.
- It claims, through the Travancore Devaswom Board, that its deity, Lord Ayyappa, is a “Naisthik Brahmachari.”
- So allowing young women to enter the temple would affect the idol’s “celibacy” and “austerity”.

What are the court's observations?

- Tagging a woman’s right to enter a temple with her menstrual cycle is unreasonable.
- Exclusion of menstruating women considered ‘impure’ could amount to the practice of untouchability.
- And notably untouchability is a social evil which is abolished by law.
- The CJI said there is no concept of “private mandirs (temples).”
- Once a temple is opened, everybody can go and offer prayers and nobody can be excluded.
- The Chief Justice noted that the Sabarimala temple drew funds from the Consolidated Fund.
- It had people coming from all over the world and thus, qualified to be called a “public place of worship.”
- So, clearly, in a public place of worship, a woman can enter, where a man can go, and what applies to a man, applies to a woman.

What are the contentions?

- The current ban is based on a biological factor (menstruation) exclusive to females.
- There is thus a contention if the fundamental right of women can be discriminated solely based on such criteria.
- Article 25 mandates freedom of conscience and right to practise religion, to which all persons are entitled.



- There is nothing in *health, morality or public order* that prevents a woman from entering a public place of worship.
- Thus the right as a woman to pray is not even dependent on a legislation as it is a constitutional right.
- However, the religious freedom clauses in the Constitution are possessed of a special complexity.
- Also, the court's own past jurisprudence seems to put forward contradicting arguments.

1.7 Maratha Reservation Demand

Why in news?

Maratha community in Maharashtra is holding aggressive protests demanding reservation.

What are Maratha protests all about?

- Marathas, a politically influential community, constitutes around 33% of the state's population.
- They began to agitate demanding mainly reservations for the community in jobs and education.
- According to a study of farmers' suicides in 2014-16, nearly 78% of suicides had taken place in Marathwada and Vidarbha, and "most" of the victims were Marathas.
- There are also extraordinary circumstances including displacement, high illiteracy faced by the community.
- Maratha leaders demand the government to give them OBC status.
- Apart from this the community also demands for hostels for Maratha students in every district, and interest-free loans for the economically backward members of the community.

What is government's plan on Maratha reservation?

- The state government responded the protesters that it would provide 16% reservation in government jobs to the Maratha community.
- State administration said a recruitment drive would be taken up once Maratha reservation gets constitutional and legal sanction.
- Apart from this the government is waiting for the consent of the Backward Class Commission which is already considering the proposal to accord OBC status to Marathas.

What are the challenges?

- **Delayed Process** - It is to be clear that any government do not have any right to declare reservation, it has to be done by the Backward Class Commission, the High Court and the government.
- The Backward Commission was currently going around the state to find out the social and economic status of Marathas.
- **Judicial Supremacy** - Bombay High Court has twice rejected a proposed quota for Marathas, striking down an ordinance issued by the earlier Congress-NCP government.

2. GOVERNMENT ACTS, AND POLICIES AND INTERVENTIONS

2.1 Higher Education Commission of India Bill

Why in news?

The draft Higher Education Commission of India (HECI) Bill is now in the public domain.

What are the provisions?

- It proposes to replace the University Grants Commission (UGC) with a Higher Education Commission of India.
- This is to provide for more autonomy and facilitate holistic growth of this sector.
- The new commission will cover all fields of education.
- It proposes a clear separation between academic and grant-giving functions.
- Academic functions would be discharged by the HECI.

- The academic functions include
 - i. promoting the quality of instruction
 - ii. maintenance of academic standards
 - iii. fostering the autonomy of higher education institutions
- The HECI will be bestowed with comprehensive and overriding powers.
- This includes ordering the closure of institutions, in all academic and related matters.
- The grant-giving function will be by the Ministry of Human Resource Development (MHRD) directly.

What is the need?

- **Multiple regulators** - The regime of multiple regulators started in the mid-1980s.
- Various professional bodies also started asserting themselves as regulators from early 1990s.
- It marked a galloping growth of the education sector with the setting up of many private universities.
- Multiple bodies in addition to the existing ones came in to cope with the increasing complexity.
- E.g. UGC, All India Council for Technical Education, professional bodies like the Bar Council of India and Council of Architecture.
- **Quality** - The heavy hands of multiple regulators have not yielded the desired dividends.
- Uneven and deteriorating standards in the quality of student output was witnessed.
- This was against the requirements of the job market.
- It is in this context that the need for a single regulatory body arose.

2.2 Dam Safety Bill 2018

Why in news?

A recent Tamil Nadu Assembly resolution demands that the Centre keeps the Dam Safety Bill 2018 in abeyance.

What are the provisions?

- The objective is to help all states and Union Territories adopt uniform dam safety procedures.
- The Bill provides for constitution of a **National Committee on Dam Safety** which shall evolve dam safety policies and recommend necessary regulations as may be required for the purpose.
- It also provides for establishment of **National Dam Safety Authority** as a regulatory body which shall discharge functions to implement the policy, guidelines and standards.
- The Bill is to address all issues concerning dam safety including
 - i. regular inspection of dams
 - ii. emergency action plan
 - iii. comprehensive dam safety review
 - iv. adequate repair and maintenance funds for dam safety
 - v. Instrumentation and Safety Manuals

What is the need?

- Most dams in India are constructed and maintained by the states.
- Some of the bigger ones are managed by autonomous bodies.
- E.g. Damodar Valley Corporation or Bhakra Beas Management Board
- There is lack of legal and institutional architecture for dam safety in India.
- This has kept the dam safety an issue of concern for long.
- Unsafe dams are a hazard and dam break may cause disasters.

- The Centre has come up with the Bill when about 450 dams are being constructed.

Why is Tamil Nadu opposing?

- The Bill allows the NDSA to inspect dams situated across intra-state rivers.
- This is being viewed by Tamilnadu government as an attempt to encroach on the state's powers and rights.
- This is especially with respect to Dams constructed by the State Government in the neighbouring State.
- It is said to cause various problems in their maintenance and operation.
- It wants the Centre to arrive at a consensus with the states.
- Till then, it asks the Centre to keep in abeyance the process of legislating on the Bill.

What is the Mullaperiyar issue?

- Tamil Nadu owns dams in Mullaperiyar, Parambikulam, Thunakadavu and Peruvuripallam in Kerala.
- The two states have engaged in dispute over the Mullaperiyar dam.
- Tamil Nadu government wants to raise the water level to 142 feet and carry out repair.
- But Kerala has opposed it citing safety threats.
- Kerala Irrigation and Water Conservation (Amendment) Act 2006 limits the full reservoir level to 136 feet.
- The Supreme Court had struck down the Act, and the order went against Kerala.
- Eventually, an SC team inspected the dam and confirmed that the dam was safe.
- Given this, the latest move by the Centre has made Tamil Nadu cautious about its authority and assets.
- More objections are likely to follow from other states as well.



2.3 Draft Personal Data Protection Bill 2018

Why in news?

The draft personal data protection Bill 2018 was submitted by the Justice B.N. Srikrishna-headed expert panel.

What are the key provisions?

- The draft takes into account three aspects in terms of data - the citizens, the state and the industry.
- The draft bill notes that "the right to privacy is a fundamental right".
- It thus makes it necessary to protect personal data as an essential facet of informational privacy.
- **Data** - Critical personal data of Indian citizens should be processed in centres located within the country.
- Central government will notify categories of personal data that will be considered as critical.
- Other personal data may be transferred outside the territory of India with some conditions.
- However, at least one copy of the data will need to be stored in India.
- For data processors not present in India, the Act will apply to those carrying on business in India.
- It may also include other activities such as profiling which could cause privacy harms to data principals in India.
- 'Data principal' refers to the individual or the person providing their data.
- **Violation** - The draft also provides for penalties and compensation for violations of the data protection law.
- The penalty would be Rs.15 crore or 4% of the total worldwide turnover of any data collection/processing entity, for violating provisions.



- Failure to take prompt action on a data security breach can attract up to Rs.5 crore or 2% of turnover as a penalty.
- **Consent** - Processing of sensitive personal data should be on the basis of “explicit consent” of the data principal.
- The consent should be given before the commencement of the processing.
- The law will not have retrospective application.
- **Anonymisation** - It is the irreversible process of transforming personal data to a form in which a data principal cannot be identified.
- Notably, the provisions of the draft shall not apply to processing of anonymised data.
- However, anonymisation should meet the standards specified by the Authority.
- **Right to be forgotten** - The data principal will have the right to restrict or prevent continuing disclosure of personal data by a data processor.
- But the bill does not allow for a right of total erasure as the European Union does.
- Also, it gives a data processor considerable space in deciding on this ‘right to be forgotten.’
- The data holder may charge a reasonable fee to be paid for complying with such requests.
- **Implementation** - The law will come into force in a structured and phased manner.
- The draft has recommended setting up a Data Protection Authority to prevent misuse of personal information.
- The draft Bill also provides for setting up an Appellate Tribunal.

2.4 Anti-Trafficking Bill, 2018

Why in news?

Lok Sabha recently passed the “Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill”, 2018.

What does the bill propose?

- The Bill lays down a stringent punishment of “from 10 years up to life imprisonment” for aggravated forms of trafficking.
- Trading of persons for ‘bonded labour’ or ‘bearing a child’, or administering harmful substances to the trafficked could attract severe punishment.
- The Bill proposes establishing a National Anti-Trafficking Bureau (NATB) for coordinating, monitoring and surveillance of trafficking cases.
- It also provides for a Relief and Rehabilitation Committee (RRC) and Rehabilitation Fund (RF) with an initial allocation of Rs. 10 crore.
- Further, it prescribes forfeiture of property used or likely to be used for the commission of an offence.

What are differing views?

- **Government** - Trafficking is a borderless crime but investigative exercises are constrained by jurisdiction, thereby making it hard for law enforcement.
- Hence, according to the government, the proposed National Anti-Trafficking Bureau (NATB) will help in effectively addressing this.
- **Opposition** - Opposition members raised questions about the provisions for confiscation of properties, which they felt was likely to be misused.
- The need for community-based rehabilitation for trafficking survivors as had been laid down by a Supreme Court (for sex workers) was also highlighted.
- It was also felt that the proposed bill is conflating trafficking with sex work and might result in the harassment of sex workers who willingly engage in the job.
- As there were provisions of the bill that might be misused to harass transgender persons, specific protection for them was sought.



2.5 Road Safety Bill

What is the issue?

- Motor Vehicles (Amendment) Bill (2017) - seeks to better the quality of roads and improve safety standards.
- It has been languishing in the Rajya Sabha since last year, and needs to be furthered for the greater good of the nation.

What are the challenges in ensuring road safety in India?

- Potholes are a major cause for accidental deaths and between 2013 and 2016, official statistics says that 11,836 deaths due to it in India.
- Madhya Pradesh, Uttar Pradesh, Tamil Nadu and Maharashtra have the dubious distinction for consistently causing potholes related accidents.
- Significantly, pothole related deaths peak during monsoons and ironically.
- While cases are to be booked against contractors (or officials) for poor roads, police reports often blame the victim for 'negligence driving'.
- The Indian Road Congress has prescribed over 100 sets of guidelines to ensure standardised road construction, maintenance and management.
- The challenge lies in ensuring that these guidelines are implemented and no complying contractors and officials are brought to book.
- The absence of a unified law on road construction, engineering and maintenance is making it hard to implement these guidelines.

What does the Motor Vehicles (amendment) Act intend to do?

- "Motor Vehicles Act" is the presently existing act for road safety.
- This act has no provisions to ensure accountability of road authorities for defects in the engineering, design and maintenance of roads.
- The Motor Vehicles (Amendment) Bill, 2017, which has been tabled in the parliament, has attempted to address this drawback.
- It has provisions for rectify several systemic issues by providing a uniform driver licensing system, protecting children and vulnerable road users.
- Rationalising penalties and creating a system of accountability in the construction of roads is another important aspect of the bill.
- The bill envisions a monetary fine of up to 1 lakh on the authority responsible, for any road crash caused by defective road design/ maintenance.
- While the fine is only a small amount, this is a step in the right direction.
- Nonetheless, road contractors and engineers will still not be held criminally liable for causing deaths and injuries due to their sloppy work.

What are the technical aspects of the problem?

- Potholes are caused by the presence of heavy traffic and water on roads and improper drainage is found to have direct implications for roads.
- Therefore, it becomes necessary to ensure the use of standardised methodology and good quality material when constructing roads.
- There also needs to be regular maintenance and an effective system to ensure accountability in other aspects of town planning too.
- Incorporating "Safe System Approach" in all aspects of road design, engineering and construction is another point to be considered.
- This accounts for the possibility of human error and ensures that the surrounding environment and infrastructure are designed to save lives.



2.6 Language Data of 2011 Census

What is the issue?

- Recently, the Census of India made public the language data based on the 2011 Census.
- It appears to inadequately reflect India's linguistic composition, and is inconsistent with global ideas.

Why now?

- The language enumeration takes place in the first year of every decade.
- The findings are made public about seven years later.
- This is because the processing of language data is more time consuming.
- The latest language data is based on the 2011 Census.

What are the highlights?

- **Mother tongues** - Citizens submitted 19,569 names of mother tongues, technically called "raw returns".
- However, authorities decided that of these, 18,200 did not match "logically".
- This was based on the previously known linguistic and sociological information.
- The left out "raw returns" represent nearly 60 lakh citizens.
- Because of the classification regime, their linguistic citizenship has been dropped.
- A total of 1,369 names, called "labels", were picked as "being names of languages".
- **Others** - In addition to these shortlisted "mother tongue" names, there were 1,474 other mother tongue names.
- These were placed under the generic label "Others".
- These linguistic "Others" do have languages of their own.
- But the classification system has not been able to identify what or which languages these are.
- **Scheduled** - The 1,369 labels have been grouped further under a total of 121 "group labels".
- These group labels have been presented as "Languages".
- Of these, 22 are included in the 8th Schedule of the Constitution, called "Scheduled Languages".
- The remainder, 99, are "Non-scheduled Languages".

How was language data diluted?

- The 1961 census enumerated in full the languages in the country.
- India learnt that a total of 1,652 mother tongues were being spoken.
- Strikingly, this figure was fixed at only 109, in the 1971 Census.
- The logic was that a language deserving respectability should not have less than 10,000 speakers.
- This had no scientific basis but the practice continues to be followed.

What are the concerns?

- **Hindi** - It is found that most of the groupings are forced.
- E.g. under the heading "Hindi", there are nearly 50 other languages.
- Bhojpuri spoken by more than 5 crore people comes under "Hindi."
- It notably has its own cinema, theatre, literature, vocabulary and style.
- Also, nearly 3 crore population from Rajasthan with its own independent languages is under Hindi.
- The Powari/Pawri of tribals in Maharashtra and MP, Kumauni of Uttarakhand are also added to Hindi.
- Clearly, the report shows an inflated figure on those speaking Hindi as their mother tongue.

- There is a similar and inflated figure for Sanskrit.
- This is done by counting the returns against the question about a person's "second language".
- **English** - The use of English is not seen through the perspective of a second language.
- Counting for this is restricted to the "mother tongue" category.
- In effect, it brings down the figure substantially.
- But a significant number of Indians use English as a utility language.
- It is relevant across education, law, administration, media and health care.
- To some extent it is the language of integration in this multilingual country.

Why is language significant?

- **Legacy** - Language facilitates access to education, protecting livelihoods, preserving culture and knowledge traditions.
- Because of its nature, a language is not visible and fails to concern anyone except its very last speaker.
- Death of a language is covered in silence and when a language disappears it goes forever.
- It takes with it the knowledge gathered over centuries and its unique world view.
- **UNESCO** - UNESCO has progressively developed its vision of global linguistic diversity.
- Significantly, it had debated "Multilingualism in the Context of Education for All".
- It has proclaimed and observed February 21 as International Mother Language Day.
- In 2001, the 'Universal Declaration on Cultural Diversity' acknowledged the linguistic heritage of humanity.
- UNESCO has also brought out an Atlas of the World's Languages in Danger.
- Thus, in the community of nations, the Indian census is bound to be discussed.

2.7 Changes to Entrance Examinations

Why in news?

- The government recently announced the setting up of the National Testing Agency (NTA).
- It also announced a change in the structure of JEE and NEET examinations.

What are these exams for?

- The Joint Entrance Examination (JEE) (Mains) is for admission to National Institutes of Technology, Indian Institutes of Information Technology, etc.
- It is also the eligibility to appear for JEE (Advanced) for admission to the Indian Institutes of Technology.
- NEET decides admissions to all medical colleges except AIIMS and JIPMER, Puducherry.

What are the proposed changes?

- **Exams** - The JEE (Mains) and NEET will be conducted twice a year.
- The same student can take these examinations twice a year.
- The two tests would be equated using psychometric methods, standardisation techniques.
- The best of the equated scores would thus be used for the admissions.
- However, the IITs will continue to conduct the JEE (Advanced) and this is likely to be held just once a year.
- **NTA** - The new National Testing Agency (NTA) would conduct these examinations.
- The NTA will start conducting the JEE (Mains), NEET, UGC NET, CMAT and GPAT examinations from this year itself.
- This would reduce the burden of the Central Board of Secondary Education (CBSE).

- **Computer-based** - All these examinations will be computer-based, though not online.
- The papers have to be downloaded at the test centres just before the exam.
- After downloading, the Internet would be disconnected.
- The papers would then be distributed to all candidates through a local server.
- After the exam, the papers would be uploaded to central servers.
- There would be encryption, and this ensures foolproof testing.
- **Student-friendly** - There would be no examiners and the answers would be fed into the system.
- So a candidate would know her raw score immediately.
- The result would come out after some days to address any possible complaints.
- Examinations will be held on a number of days, with multiple question papers with equal level of difficulty.
- A candidate can choose which date to appear for the exam.
- All the examinations would be held in all the existing languages with no change in syllabus.
- Those who did not have a computer or laptop at home could practise at authorised centres.

What are the benefits?

- **NTA** - There had been concerns of paper leaks, cheating scandals, outdated syllabus, etc with the CBSE.
- The National Testing Agency is thus likely to address these shortfalls.
- A professional agency could make the selection criteria more objective and assess the candidate's suitability.
- Moreover, curbs on commercialisation can help expand higher education.
- **Two tests** - Taking the better of the two scores and offering more days on which the exam is held would help the students.
- This may lower the pressure that students encounter and address exam related suicides to an extent.
- **Process** - Computer-based exam process would bring in more flexibility, less stress and a more transparent process.
- It would be on par with international norms, be student- friendly, open, scientific and leak-proof.

What are the concerns, measures and challenges therein?

- **Method** The real issue with the entrance system is the examination itself.
- The JEE, NEET or NET should be reduced to a score that counts towards the admission process.
- It should not be the single deciding factor.
- **Trust** - The government could consider allowing the institutions to design their own entrance criteria.
- But the fundamental issue is the lack of trust based on past years' experiences.
- As is often the case, institutions favour students, take money and grant admission based on criteria other than merit.
- Additionally, innovative cheating methods are evidently adopted across states.
- **Institutions** - IITs, AIIMS and some medical colleges had taken entrance examination result as one of the inputs for final selection.
- The number of these kinds of trusted institutions could be expanded.
- The list of designated institutions of eminence (now six) could be increased.
- There are hundreds of other medical and engineering colleges that charge humongous amounts.
- There has to be at least three firmly defined criteria, including
 - i. the 10th and 12th board results



- ii. the entrance test score
- iii. a third criteria to assess and make a final selection instead of basing it all on the JEE or NEET

- **Computer-based** - A computer-based test should not turn into a barrier for rural students.
- Good planning and sufficient fund allocation should allay the concerns with online testing.
- **Coaching** - The coaching institutes form a sector worth about Rs. 24,000 crore a year.
- Regulation of coaching institutes is essential to ensure that the changes do not result in further exploitation of students.

2.8 Review of Companies Act, 2013

Why in news?

The Ministry of Corporate Affairs (MCA) has constituted a committee to review the Companies Act, 2013.

What is the Companies Act?

- The Companies Act, 2013 entailed the first massive overhaul of India's legal regime to govern businesses.
- The Act consolidates and amends the law relating to companies.
- The 2013 Act imposes stiff penalties and, in some cases, prison terms as well, for directors and key management personnel.

What are the mandates of the committee?

- The committee is mandated to review the overly harsh provisions of the Companies Act.
- It has been tasked with checking if certain offences under the Act can be 'de-criminalised'.
- It will review if any of the violations that can attract imprisonment may instead be punished with monetary fines.
- It will review the provisions relating to non-compoundable offences which are grave and criminal in nature.
- Also, it will recommend if any such provisions need to be re-categorised as compoundable offence.
- It is also mandated to lay down the framework of an in-house adjudicatory mechanism.
- This will allow penalties to be levied for minor violations, in an automated manner, with minimal discretion available to officials.

What is the rationale?

- The high-pitched anti-corruption discourse of the time led to harsh penalties and prison terms in the 2013 law.
- Several cases of crony capitalism, massive corporate frauds have tainted the credibility of corporate India's standards.
- But the harsh provisions have had an impact on investor sentiment and the ease of doing business.
- Hence a review of the Companies Act is seen as a means to address the above concerns and revive the economy.
- The changes in the regulatory regime are expected to allow trial courts to rationalise their time.
- Courts could pay more attention to serious offences rather than get overloaded with cases of minor violations.

3. SCIOAL ISSUES

3.1 Global Care Crisis - ILO

Why in news?

UN's International Labour Organization (ILO) cautions of a severe shortage of care workers.

Who is a care worker?

- According to ILO, there are unpaid and paid care works.

- Two kinds of work fall in the **unpaid category**, and these overlap suitably.
- There are the **direct**, personal and relational care activities.
- E.g. mother feeding a baby or a son nursing his ill parents.
- **Indirect** care activities include cooking and cleaning and other household chores.
- On the other hand, **paid care work** involves healthcare or other professionals.
- It includes nurses, teachers, doctors and personal care workers.
- They take care of patients, aged people and people with similar challenges and vulnerabilities.

What is ILO's observation?

- There is a shortfall in paid care - the nurses, teachers, doctors and personal care workers.
- Already, there are over 380 million such workers.
- They account for 11.5% of total global jobs.
- But this is not enough given the pace of population growth, ageing and diseases.

What are the driving factors?

- In 2015, ILO estimates showed that around 2 billion people were in need of care.
- This comprised of 1.9 billion under age 15 and 0.2 billion senior citizens.
- This number is estimated to go up, touching 2.3 billion by 2030.
- This is a significant increase considering the way healthcare improves.
- Besides, changes in social dynamics and the concept of family are also the reasons.
- Growth in nuclear families and fragmentation would increase people in need of care.
- Notably, nuclear families account for the highest share of the world's working-age population.

What are the shortfalls and possible measures?

- **Policies** - Governments and businesses must formulate policies to provide decent care work.
- ILO estimates that this will need doubling the investment in the care economy.
- It could lead to a total of 475 million jobs by 2030, which means 269 million new jobs.
- **Pay** - In countries such as India, care workers like nurses are alarmingly underpaid.
- Nurses and midwives constitute the biggest occupational group in healthcare.
- Nursing remains the most feminised of the healthcare occupations, according to the ILO.
- Low, poor wages force them to try multiple jobs, more shifts or working overtime.
- Such practices not only endanger the quality of care work but also impact work-life balance.
- Any policy in this regard should promote social justice and gender equality.
- **Unpaid work** - The ILO and several rights agencies now consider unpaid care as proper work.
- An ILO survey shows each day unpaid care work constitutes 16.4 billion hours.
- In other words, two billion people working eight hours per day with no remuneration.
- If this is assigned a price, it would be \$11 trillion i.e. 9% of global GDP.
- Notably, nearly 80% of this is household work, mostly done by women.

3.2 Responding to Lynchings

What is the issue?

There has been a series of mob lynching, fuelled by rumours circulated through social media.



What are the recent happenings?

- Across the country, more than 20 people have been lynched due to fake news of child lifting.
- Moreover, dozens of other attacks on strangers, including on 24 individuals in Odisha alone.
- In Tripura, a man sent by the government to stop lynchings was himself lynched by villagers.
- Mobs are increasingly driven by viral rumours of child-kidnappers.
- Free messaging service, the Whats App, provided the platform for spreading disinformation.

What does it imply?

- Across the country, lynching and mob vigilantism appear to have got acceptance.
- This indicates a deep sense of insecurity among so many ordinary Indians.
- The state's security apparatus failed to use the same social media platform to counter the rumours.
- More than being a law and order issue, the incidents also imply a deeper societal crisis, especially in cases of cow slaughter that emerges from religious intolerance.
- A sense of "other" is seemed to have gripped the Indian society.
- There is failure on part of the political establishment to censure such incidents also sends a signal of tolerance towards lynching.
- It is more pronounced in the case of minorities, tribals and Dalits who are at the receiving end.

What is the government response?

- **Centre's directive** - The Centre has advised states and UTs to take steps in this regard by keeping a watch for early detection of such rumours.
- Home Affairs Ministry has directed states and UTs to initiate measures to counter them.
- **MEITY** - Ministry of Electronics and IT is holding WhatsApp responsible for such incidents.
- The platform has been advised to take remedial measures to prevent fake message proliferation.
- It has asked WhatsApp to ensure that their platform is not used for malafide activities.

What are the concerns?

- The government response to go after WhatsApp is misplaced.
- In WhatsApp, messages are said to be encrypted, which makes it impossible for any to intercept.
- Given this, methods to limit the spread of sensational messages is unclear.
- Also, such checks would amount to legitimising surveillance and a loss of privacy.
- Besides, the messaging medium is not the issue with the recent incidents.
- The government response seems to be an abdication of responsibility.

What does the US experience show?

- In US, the first amendment rejects making any law prohibiting and abridging the freedom of speech.
- When they had to deal with lynchings in their past, they responded by strengthening the State.
- They increased policing, bettered law enforcement and invested more in the justice system.

3.3 Changing Pattern of Women Migration

What is the issue?

- A paper titled "Mobility in India, recent trends and issues concerning database" was released recently.
- The findings of the paper on women migration call for appropriate government response and policies.

What are the highlights?

- The paper takes into account the 64th round of the National Sample Survey (NSS).



- It also takes in figures from the 2011 Census and the National Health and Family Survey (NFHS) IV.
- As per NFHS IV, women aged 20-24 married before the age of 18 has gone down from 47% in 2005-06 to 27% in 2015-16.
- Also, women aged 15-19 already mothers or pregnant at the survey time has become half from the 16% in 2005-06.
- The paper highlights that the number of women migrating within India is increasing at a higher rate than men.
- Marriage continues to play an important role in women migration.
- But besides this, economic factors such as employment, business and education have gained in importance.
- It shows a reduced dependence on marriage as the single factor behind women migration.

What are the related concerns in India?

- **Participation** - Labour participation is the share of those employed or is seeking work relative to the working-age population.
- India's female labour participation rate is around 33% at the national level.
- This is well below the global average of around 50% and East Asia average of around 63%.
- This is partly due to the missing gender perspective on internal migration policies.
- **Migrants** - Around 80% of migrated eligible female graduates choose not to participate in the organised workforce.
- They are forced to work in construction sites and as household help for low wages.
- Women migrants remain invisible and discriminated against in the workforce.
- This is especially more the case with those in lower-end informal sector occupations.
- Also they don't have facilities like maternity leave and other such entitlements.
- Another concern is the lack of access to proper sanitation, with serious health consequences.
- Migrant women are also more vulnerable to sexual harassment, especially in the hands of agents and contractors.
- Another persistent issue is the gender pay gap, which is not restricted to lower-end jobs alone.
- **Dropout** - India sees the highest drop in representation of women from junior to middle-level positions.
- This is unlike several other Asian countries where such a drop occurs from middle- to senior-level positions.
- This, in turn, impacts the supply line for higher levels.
- Almost one-third of women employees do not resume work, in the absence of a support system at home for child-caring.

3.4 Implications of Predatory Journal Scandal

What is the issue?

Predatory journal scandal raises questions about the undermining higher education system in India.

What is predatory journal scandal?

- Predatory open-access publishing is an exploitative open-access academic publishing business model that involves charging publication fees to authors without providing the editorial and publishing services associated with legitimate journals.
- In May, the US Federal Trade Commission (FTC) filed a case in the District Court of Nevada against a Hyderabad-based outfit called OMICS for making false claims for journals it publishes.
- OMICS is neither a new offender nor the only one, An American academic had raised this charge as far back as 2013 and the FTC had charged OMICS in September last year.



- An investigative report has established that India specifically Hyderabad has become the hotspot of the predatory journal industry with over 300 such bucket-shop outfits.
- They charge between \$30 and \$1,800 to “publish” a “research paper” in a so-called international journal complete with editors, peer reviews and so on.

What are the concerns spotlighted by the scandal?

- FTC discovered that journals published from India are owned by fraudulent self-publishing outfits and the papers mostly written by Indian academics, it turns out had not gone through even the minimum of checks.
- The absence of the basic editorial standards means three things:
 1. The veracity of these papers is unconfirmed.
 2. The quality and rigour of the research are unverified and dubious.
 3. The level of plagiarism is shockingly high.
- Academics have frequently discovered their researches reproduced verbatim in someone else’s paper without any attribution, though some writers have had the chutzpah to tag on the name of the original writer (without permission, of course) in a joint by-line.

What’s driving such academic Scandal in India?

- The principal factor appears to be a performance indicator, the number of papers an academic published instituted by the University Grants Commission for promotion.
- This metric and the UGC’s failure to create the kind of environment that fosters high-quality research have driven Indian academics to cut corners for advancement.
- The knock-on effects on the quality of higher academics do not require a peer-reviewed paper to understand.
- In India is caught between poorly designed regulation, inadequate funding and governments whose approach ranges from benign neglect to disturbing attempts to shape arts and science curricula to ideological agendas.

What measures needs to be taken?

- Union government takes creative attempts to develop an environment of greater autonomy for universities, technical and management education institutes, outside the purview of the stultified and discredited regulatory authorities.
- These are all part of the search for academic excellence, principally in terms of achieving higher placement on influential global rankings of academia.
- The lesson from the countries with the most reputed institutes of higher learning is the criticality of political forbearance in academia.
- Apart from that India must encourage the light touch regulation that enables private funding to drive and sustain quality research and development.

4. GOVERNANCE

4.1 Credibility Test for CBI

Why in news?

Corruption Charges on former finance minister has been debated in the parliament.

What are the charges?

- The CBI has filed a charge sheet against Former Union Minister P. Chidambaram, his son Karti Chidambaram and 16 others.
- The charge sheet was filed on the ground that Foreign Investment Promotion Board approval was granted for investments made in Aircel by Global Communication Holdings Service.
- A Mauritius-based subsidiary of Maxis, a Malaysian conglomerate was involved in the violation of norms.
- Recently, this issue came on the eve of the debate in Parliament on a no-confidence motion against the Union government.

**What are the concerns with CBI actions?**

- Mr. Chidambaram is accused of cheating and bribery, and having exceeded his authority by clearing investments amounting to Rs. 3,200 crore.
- But any investment above Rs. 600 crore needed the clearance of the Cabinet Committee on Economic Affairs.
- For a case that essentially turns on documentary evidence, the CBI has taken unusually long to come to this conclusion.
- Mr. Chidambaram's statement on the FIPB approval was recorded in December 2014, and since then his son has been under the scanner.
- The filing of a charge sheet against Mr. Chidambaram ends the uncertainty about the agency's intentions.

What are the challenges before CBI?

- The case which involves the charges against Mr. Chidambaram has been originally associated with 2G spectrum case.
- Given that the main case against former Union Communications Minister relating to the Aircel-Maxis investment was thrown out at the pre-trial stage by the Special Court, the CBI has a greater burden of proof to discharge.
- In this case Mr. Chidambaram has maintained there was nothing amiss about the FIPB approval, which was given only after being processed at various levels.
- It may not be enough for the agency to prove that the Aircel-Maxis investment supposedly worth Rs. 180 crore actually had a value of Rs. 3,200 crore if the premium attached to it was taken into account.
- It also has to establish a clear link between the FIPB approval and some payments received by companies said to be controlled by Mr. Karti.
- In various instances the Special Judge before whom the charge sheet has been filed, has a record of not accepting theories of quid pro quo behind government decisions without sufficient evidence.
- Thus the case against Mr. Chidambaram will be a test for the CBI not only on merits, but also in disproving the allegations of political vendetta.

4.2 TRAI's Recommendation on Right to Data**Why in news?**

Telecom Regulatory Authority of India has ruled that People should have right to their data.

What is TRAI's recommendation about?

- In a move with far-reaching ramifications, the Telecom Regulatory Authority of India (TRAI) said that users owned their data, while entities in the digital ecosystem storing or processing such data were mere custodians.
- The recommendations have come at a time when there are rising concerns around privacy and safety of user data, especially through mobile apps and social media platforms.
- The authority said it was limiting its recommendations to telecom service providers (TSPs) as the larger issues on data protection.
- For all other sectors the issues would be addressed by the committee headed by Justice B N Srikrishna.

What are the highlights of TRAI's recommendations?

- TRAI claimed that existing norms "not sufficient" to protect consumers and ruled that entities processing user data mere custodians sans primary rights
- The regulatory authority stated that firms should disclose data breaches in public and should list actions taken for mitigation, preventing breaches
- Apart from that consumers should be given right of consent, right to be forgotten and study should be undertaken to formulate the standards for de-identification of personal data
- TRAI's right to be forgotten empowers users to delete past data that they may feel is unimportant or detrimental to their present position.

- Past data could be in terms of photographs, call records, video clippings and so on.
- Mandatory provisions should be incorporated in devices so that users can delete pre-installed applications
- Terms and conditions of data use should be disclosed before the sale of a device
- Data controllers should be prohibited from using pre ticked boxes to gain user's consent.

How such recommendations would be implemented?

- To ensure the privacy of users, national policy for encryption of personal data, generated and collected in the digital eco-system, should be notified by the government at the earliest.
- Till such time a general data protection law is notified by the government, the existing rules/licence conditions applicable to service providers for protection of users' privacy be made applicable to all the entities in the digital ecosystem.
- For this purpose, the government should notify the policy framework for regulation of devices, operating systems, browsers, and applications.
- It has also been proposed that privacy by design principle coupled with data minimisation should be made applicable to all the entities in the digital ecosystem.
- These recommendations when accepted by the government will mean that entities like browsers, mobile applications, devices, operating systems and service providers, among others.
- Such entities will not be able to share personal data with third parties without getting the consent of customers.

5. HEALTH

5.1 Global Roadmap to Tackle Cholera

Why in news?

A New Global Roadmap to eradicate cholera has been developed by the Global Task Force on Cholera Control (GTFCC).

What is Cholera?

- It is a bacterial disease causing severe diarrhoea and dehydration, usually spread in water.
- Key symptoms are diarrhoea and dehydration, rarely shock and seizures may occur in severe cases.
- It can be fatal if not treated right away.
- The treatment includes rehydration fluids and antibiotics.
- World's high-income countries have been cholera-free for nearly 150 years.
- Despite this progress at least 47 countries still remain under the cholera threat.

What is the Roadmap of GTFCC about?

- With the goal of reducing cholera deaths by 90 per cent and eliminating the disease in at least 20 countries by 2030, the new Global Roadmap developed by the Global Task Force on Cholera Control (GTFCC) is a renewed approach to tackle the epidemic.
- The roadmap comprises three strategic initiatives such as
 1. Focus on containing cholera outbreaks.
 2. Quick detection through surveillance and enhanced laboratory capabilities.
 3. Immediate and effective response systems.
- In addition, a multi-sectoral intervention will focus on "hotspots" (geographies with a high incidence of cholera) to implement control measures such as water, sanitation, and hygiene (WASH) and oral cholera vaccines (OCVs).

GTFCC

- WHO revitalized the Global Task Force for Cholera Control (GTFCC) to strengthen WHO's work in eradicating cholera.
- GTFCC has collaboration and coordination among relevant WHO departments and other relevant stakeholders.
- The purpose of the GTFCC is to support increased implementation of evidence-based strategies to control cholera.
- The GTFCC shall not be responsible for developing any technical norms or standards.



- The GTFCC will also facilitate efficient coordination between countries to provide necessary technical support and resource mobilisation.

What are the challenges in eradicating cholera?

- **Scarcity of Resources** -Commonly-available interventions which can prevent and control cholera have largely been ineffective, driven mainly by the scarcity of basic resources.
- With rapid population growth, urbanisation, climate change and the growing scarcity of resources, the risk of cholera is expected to continue increasing.
- **Socio-Economic Challenges** -Geographical patterns of cholera outbreaks have shown that economically weaker countries are disproportionately affected.
- More than two billion people in vulnerable countries still access drinking water from contaminated sources, and over 2.4 billion people lack access to basic sanitation facilities.
- Vulnerable countries still struggle to meet their basic WASH targets, with over 80 per cent of them reporting insufficient availability of financial resources.
- Areas affected by adverse events and calamities conflict, war and famines are at a significantly higher risk.
- With an estimated \$2 billion in global healthcare costs and lost productivity every year, cholera carries a significant economic burden.

What measures needs to be taken?

- Providing access to safe drinking water, improving basic sanitation facilities, access to basic medical care are mandatory requirements for a healthy nation.
- Implementing mass immunisation programmes is a vital component to accelerate the process of making the countries cholera-free.
- With a renewed strategy, the global roadmap aims to implement a series of initiatives to address the cholera epidemic, this needs to be implemented by the cholera affected countries.

5.2 Gaming- A Mental Health Condition

Why in news?

The World Health Organization (WHO) has announced a plan to include “gaming disorder” as a mental health condition.

Why WHO wants to treat gaming as a disorder?

- The reclassification of gaming is a part of the WHO’s 11th revision of the International Classification of Diseases.
- The “disorder” was included in a draft of the ICD-11 released recently.
- While the classification is intended to act as a set of guidelines, ICD-11 influences many countries in determining healthcare policies, diagnoses and treatment options.

What are the reasons behind this decision?

- While addiction to gaming is widely recognised, recently reported incidents include a man being found dead in a cafe after three days of continuous gaming, and a couple neglecting their child due to gaming.
- In the ICD-11 draft, gaming disorder is defined gaming a pattern of gaming behaviour characterized by impaired control over gaming, increasing priority given to gaming over other activities to the extent that gaming takes precedence over other interests and daily activities.
- There is also concern that addiction to gaming could be a symptom of a deeper issue such as depression.
- There are potential examples around the world such as China, which has been known to conduct Internet de-addiction camps, and South Korea, which bans those under 16 from gaming after midnight.

What are the concerns with this decision?

- Various critics have opposed the idea of formalising gaming as a disorder, as stronger base of evidence is required to classify something as a formal disorder.



- Among the worries experts flag is the detrimental effect this “premature classification” could have on treatment and policymaking.
- The clinical utility of such a classification is also dubious, They pointed out that there is still no exact list of symptoms that can be attributed to gaming as a disorder.
- Many clinics around the world offer specialised treatment for gaming addiction, the new classification could result in a trend where clinicians treat the symptom instead of the underlying issue.

What is the way forward?

- Both the WHO and critics of the idea agree on one thing that addiction to gaming, to the point where it becomes a hindrance to a normal routine, needs more research.
- The WHO believes that formalising the disorder will help experts across the world to conduct more research, while critics believe that research should precede any attempt at formalisation.

5.3 Campaign against Drugs

What is the issue?

- Punjab’s drug menace is extremely severe.
- It demands comprehensive actions sans empty gestures and gimmicks.

What is the extent of drug menace in Punjab?

- The challenges faced by the State are huge and in 2017 alone, the government arrested 18,977 peddlers and treated some 2 lakh addicts.
- By some accounts as many as two-thirds of all households in Punjab have a drug addict in their midst.
- Punjab’s prisons are overcrowded with drug-users and peddlers, and its streets and farms witness the easy availability of narcotics and opiates.
- The sheer extent of the problem suggests it is more than just a few profiteers that have been responsible for causing this menace or helping to sustain it.
- The scale of the menace indicates the existence of well-oiled machinery that has the secret support and collaboration of at least a few government officials.

How has the political response been?

- Punjab CM set up a “Special Task Force” (STF) against drugs.
- STF began by arresting thousands of peddlers.
- Within four weeks, the CM and the STF chief announced that the pre-election promise had been fulfilled, and supplies choked.
- Notably, the last one year has seen the “arrest of 19,000 drug peddlers and treatment of more than 2 lakh drug victims”.
- Narcotic Drugs & Psychotropic Substances (NDPS) Act has also been involved in many cases with over 4,000 convictions already secured under the act.
- Additionally, over 5,600 NDPS cases are under trial, and Punjab has recorded an impressive 82% conviction rate under NDPS.
- But the Punjab cabinet’s recommendation of death penalty for drug-peddlers is mere sensationalism rather than a concrete step.
- Capital punishment hasn’t proved an effective deterrent in previous instances and is anyway abhorrent.

What are the larger implications?

- The “Golden Crescent Region” to the North-West of India (Iran, Afghanistan and Pakistan), is the major production destination for “Opium and Heroin”.
- Drugs produced in this region, percolates into India through the border across Punjab and from here it tends to spread to elsewhere in the country.

- The existence of this route indicates that those guarding Punjab's 553-km border with Pakistan must take serious steps to plug the inflow.
- Given the connection of drug trade with terror financing in the region, it is also critical in the national security point of view.
- Border Security is beyond the Punjab government, and hence central policy coordinators need to strategise to control these narcotic inflows.

What are the important initiatives to curtail the drug menace?

- **DAPO Project** - In March, the government launched "Drug Abuse Prevention Officer" (DAPO) project, a community participation programme.
- Thousands volunteered registered as DAPOs to raise awareness and the government also leveraged its 3.5 lakh officials as DAPOs.
- The effectiveness of the exercise is yet to be evaluated.
- **Buddy Project** - The Special Task Force (STF) designed a "buddy project", aiming to include all schools and colleges for student awareness.
- It has been launched in some areas and STF officers say it will soon be extended across the state and encompasses parents and teachers too.
- **OOAT Program** - Health department has opened about 81 "Outpatient Opioid Assisted Treatment" (OOAT) clinics for opium and heroin addicts.
- This program is running since May and addicts are for the time-being given buprenorphine (an opioid substitute).
- **Confiscation Act** - Last year, the Cabinet had decided to enact the "Confiscation of Drug Dealers Property Act".
- This could not take off as the home department informed the CMO that a similar provision already exists under the NDPS Act.

5.4 Ban on FDC Drugs

Why in news?

The Drug Technical Advisory Board has recommended banning 343 "irrational" fixed-dose combination (FDC) drugs

What are FDC drugs?

- An FDC drug is one that contains two or more active ingredients combined in a fixed dose to form a single drug.
- Several cough syrups, painkillers and dermatological drugs in India are FDCs.
- Some are marketed with licenses approved only by state regulatory agencies instead of the Drug Controller General of India.
- These FDCs could be irrational and unsafe for consumption, with potential health risks.
- Rampant use of FDCs has allowed antibiotic resistance to assume threatening proportions in India.
- However, not all FDCs are unsafe as some are crucial to treat chronic illnesses like diabetes and HIV.

Drugs Technical Advisory Board

- DTAB is the apex body to decide on technical matters related to drugs in the country.
- It is constituted as per the Drugs and Cosmetics Act, 1940.
- It functions as part of the Central Drugs Standard Control Organization (CDSCO) in the Ministry of Health and Family Welfare.

How did the issue evolve?

- **Ban** - In 2016, the Ministry of Health and Family Welfare had implemented a ban on 349 FDCs.
- It included popular brands like Saridon, Corex, D Cold Total, and Vicks Action 500 Extra, etc.
- The government says there are enough single drug alternatives that are safer and effective.
- **Committee** - The ban was based on recommendations of the Chandrakant Kokate committee.

- It said FDCs are "unsafe" and "irrational" for consumption, posing health risks.
- **Court** - On pharma companies challenging the ban, the matter was taken to the Supreme Court.
- Drug makers argued that the statutory bodies on drug regulations were not consulted before the ban.
- Eventually, the Supreme Court referred the matter to the Drug Technical Advisory Board (DTAB).
- It directed the DTAB to make a fresh review of the issue with fixed-dose combination drugs.

What are DTAB's findings?

- Most of the pharma companies had not generated safety and efficacy data of their own for their FDCs.
- Almost 95% of the appellants failed to prove safety, rationality and compatibility of these FDCs.
- The indications for which these FDCs were mentioned were too "vague" and not "as per treatment guidelines."
- For most FDCs, their use would lead to "unnecessary over use".
- So, patients would be exposed to risk of multiple ingredients, when actually one would suffice.
- Over the years, India has become a dumping ground for irrational FDCs that are not approved in other countries.
- **Decision** - The DTAB in a meeting held recently re-inforced the ban on 343 of the 349 drugs.
- It, however, felt restricted use could be allowed for six FDCs.
- The DTAB would forward its report to the health ministry soon.

What are the implications?

- The market size of the banned drugs is estimated to be around Rs 20-22 billion.
- The ban, if comes into force, will thus impact the country's top drug-makers.
- These FDCs roughly contribute to 1.8% of the overall domestic drug market.
- The FDC segment is already on a slower growth rate (4.7% in June) compared to the rest of the domestic drug market (8.6%).
- These 343 FDCs are only a small portion of the FDCs that are sold in the country.
- The bigger uncertainty would be the additional 944 FDCs that were identified by the Kokate committee as being irrational.
- The DTAB may look at these products now, and the coverage of the ban is expected to expand.

5.5 UNAIDS Progress Report

What is the issue?

- India has made good progress in prevention and treatment of HIV-AIDS.
- But reducing stigma against the disease is vital to further the progress.

What are the worldwide trends in HIV treatment?

- A report of "Joint United Nations Programme on HIV/AIDS" (UNAIDS) notes that rapid progress has been made regarding HIV in the past decade.
- Notably, 75% of the people with HIV know their status and 21.7 million are taking treatment to delay the progress of the disease.
- HIV incidences have reduced worldwide (particularly Africa) and anti-retroviral therapy is also being provided to many patients worldwide.

What is the status in India?

- India too brought down the number of new cases and deaths by 27% and 56%, respectively, between 2010 and 2017, which is a significant achievement.



- Notably, tuberculosis (TB) is the biggest killer of HIV patients and India is now capable of treating over 90% of the notified TB patients for HIV.
- Social stigma surrounding AIDS-infected people in India is still high but this is said to be declining slowly with increased awareness campaigns.
- Surveys indicate that the number of people unwilling to buy vegetables from a person with HIV came down from over 30% to 27.6%.
- In spite of all this progress, with 2.1 million cases, India is among the largest burden countries in the world and there are critical gaps in its present strategy.

What are the gaps in India's approach?

- A country's laws can legitimise stigma and incentivise the harassment of certain groups that are at the highest risk of HIV.
- Notably, homosexuals, drugs addicts, and sex workers are particularly vulnerable to AIDS, and their fate becomes more dismal due to social stigma.
- Indian laws that criminalise "homosexuality (sec.377) and several aspects of sex work (Immoral Traffic Act)", only aggravate their woes.
- Fear of prosecution under such laws prevents homosexual men, drug-users and sex workers from seeking HIV screening and treatment.
- As a result, these groups lag behind average treatment rates, although their requirements are higher.

5.6 Government Ban on Oxytocin

Why in news?

Government has recently decided to restrict the production and sale of oxytocin.

Why ban?

- **Misuse** - Besides the genuine uses, Oxytocin is largely misused.
- It is used in injecting milch animals, such as cows, to increase milk production.
- Vegetables and fruit, too, are injected with Oxytocin, to increase their sizes.
- Worryingly, it is also used in illegal and unsafe abortions to induce labour.
- Besides, social workers allege that it was injected to force premature puberty in trafficked young girls.
- **Sale** - Illegal import of the drug from China is another concern.
- It is subsequently sold in India in "crude plastic bottles" by unlicensed companies.
- Even on the organised front, only one company imports the raw material.
- This is then made into a finished drug and sold by licensed and unlicensed players.

Oxytocin

- Oxytocin is a crucial hormone used on pregnant women.
- It is used for the induction of labour and stop postpartum bleeding.
- It causes uterine contractions during labour, and helps new mothers lactate.
- It has largely been in use during delivery to reduce maternal mortality.
- Government has banned its production other than by the public sector Karnataka Antibiotics and Pharmaceuticals Ltd (KAPL).
- KAPL alone can supply oxytocin to registered public and private sector hospitals.

What are the concerns with the ban?

- Doctors have cautioned of supply shortages of the drug due to the restriction.
- The KAPL exemption has paved the way for a PSU monopoly, by a company that has never made this drug in the past.
- KAPL claims to have the capacity to supply the country's requirement.
- But there is little transparency over the drug's pricing in comparison to that of private producers.



What could be done?

- Competition is a leveller and so the government should reconsider the ban on private production.
- Its abuse needs to be curbed, possibly by restricting its human and veterinary sale.
- Multiple layers of documentation as with narcotic and psychotropic drugs or antibiotics could be adopted.
- Massive surveillance and raids on illegal importers and unlicensed producers could be implemented.

5.7 Formalin: A Banned Preservative

What is the issue?

- Fish laced with formalin has flooded the markets across states.
- This is creating a massive health scare and the Goa government has recently banned fish supplies from other states temporarily.

Why did Goa ban fish from other states?

- Due to fears of alleged formalin contamination, officials of the Food and Drug Administration (FDA) inspected fish markets in Goa.
- They picked up various fish samples from various states for testing and had confirmed traces of formalin, which is a banned preservative.
- The episode caused a scare, which prompted the Goa government to announce a 15 day ban on entry of fish from other states.
- Border checks have also been established to inspect trucks for fish.

Where else was formalin detected in fish?

- The first reports of formalin-laced fish came from Kerala, a state that consumes around 10,000 tonnes of fish every day.
- Some consumers raised the issue that the fish didn't smell and didn't decompose even when placed outside the fridge for as long as two days.
- Subsequently, Kerala government has been carrying out a storm of raids under its fish safety and hygiene campaign "Operation Sagar Rani".
- Inspections led to the seizure of about 9,600 kg of contaminated fish in Kollam district and about 6,000 Kg of fish in Palakkad district.
- Notably, Tamil Nadu officials have also been carrying out raids for the last two weeks, but laboratory tests have so far returned negative for formalin.

Where is the formalin contamination originating from?

- Andhra Pradesh has around 4,000 hectares of aqua-culture farms, whose output peaks during the monsoon season (when coastal fishing is banned).
- To meet the market demand, cultured fish from Andhra is to be transported widely, with sufficient quantity of ice for retarding degradation.
- But as distances are large, the fish nonetheless tends to get spoilt in transport.
- This has led Andhra fish suppliers to lace fish with formalin, which retards degradation to more than 10 times its natural rate.
- Notably, even a state as far as Assam found that formalin laced fish from Andhra was reaching its market (Assam has also banned outside fish now).

Formalin

- Formalin is a form of hydrated formaldehyde, which is used as a preservative in museums to ensure the specimens doesn't decompose.
- It is also used to harden human tissue for post mortem examinations.
- It can cause gastric irritation and it also speculated to be carcinogenic, and thereby not fit for human consumption even in minimalistic proportions.
- Notably, even in laboratories, only diluted formalin is said to be used.
- Some amount of formalin is naturally formed while fish is transported with ice, but these are usually bound with tissues and not a risk.
- Contrastingly, if fish is laced externally with formalin (to prolong shelf-life), it remains free and can cause serious health issue.

- Also, Data from across the southern states indicates that it is the fish sourced from Andhra that is the most likely to be contaminated with formalin.

6. INDIA AND ITS NEIGHBOURHOOD

6.1 Rise of IS in Afghanistan

What is the issue?

- A recent suicide attack carried out by the ISIS in the eastern Afghan city of Jalalabad has killed 19 people (mostly religious minorities).
- Islamic State's growing presence in the country can undo Kabul's peace moves with Taliban and other insurgents.

What is the context of the recent blast?

- **ISIS** - The IS set up its Afghan affiliate as a South Asian outpost when its so-called caliphate in Iraq and Syria came under strain in 2016.
- Afghanistan proved to be a relatively easier terrain for the IS to recruit fighters from and occupy turf due to its deserted and remote topography.
- When the government and the Taliban were fighting each other, the IS built a network in eastern Afghanistan and started targeting minorities.
- Most of its previous attacks were aimed at the Shia minority, the present one was targeted at Sikhs and Hindus.
- **Attack** - Afghanistan has a small Sikh and Hindu population totalling to about 10,000, who live concentrated in cities like Kabul and Jalalabad.
- A bus ferrying a group of Sikhs and Hindus, who were heading to meet the Afghan President Ashraf Ghani, was attacked in Jalalabad by the IS.
- The attack killed the only Sikh candidate running for upcoming elections, which speaks volumes on the current plight of minorities in Afghanistan.



How is the overall political situation in Afghanistan?

- **Backdrop** - The Afghani government has been trying to pilot a peace initiative with all the armed groups in the country in recent times.
- Taliban, which is the strongest armed group, has been responding positively although it has refused to drop arms for now.
- Significantly, in the run-up to Id last month, the government had announced a unilateral ceasefire, which drew a truce from the Taliban.
- **Challenge** - The government's effort to reign in armed groups faces its most formidable challenge in the eastern provinces due to the rise of IS.
- The IS, as per its worldwide stand of not engaging with any government has refused to respond to Afghan government's outreach.
- Contrarily, it has been increasingly attacking schools and other targets, claiming it as a response to U.S. and Afghani military operations against it.

How does the future look?

- Afghanistan is struck up in an overstretched civil strife for about 4 decades now, right from the days of Soviet invasion in the 1980s.
- The war with Taliban, which controls almost of half of the country's territory, has presently reached a stalemate and peace is being explored.



- In this context, the rise of IS might disturb the present fragile truce and force the country back to total chaos.
- While the U.S. and Afghani forces are stepping up the offensive in the eastern provinces, the lethal potency of IS only seems to be growing.

6.2 Political Churn in Pakistan

What is the issue?

- Democracy has always been fragile in Pakistan, and popularly elected governments have been overthrown repeatedly by the military.
- In this context, the recent conviction and sentencing of the former PM and leader of the ruling PML party “Nawaz Sharif”, is seen as politically motivated.

What is the political context in Pakistan?

- After repeated military coups and instability, it was only in 2013 that a transfer of power from one democratically elected government to another was realised.
- The country is nearing a second such transfer, and general elections are scheduled for July 2018, but recent developments have cast serious doubts.
- **The Case** - Nawaz Sharif was convicted and sentenced to 10 years imprisonment for a corruption case.
- The conviction disqualifies Nawaz Sharif from contesting the upcoming elections this year, and has caused a vacuum in his party and the overall polity.
- The charges are indeed serious, but the case is largely perceived as politically motivated by Pakistan’s deep state that is seeking to curtail democracy.
- **Suspensions** - Many politicians (including Mr. Sharif’s critics), have voiced that the military and judiciary seem overzealous to convict Mr. Sharif.
- Mr. Sharif has been accusing the state agencies of directly colluding with opposition parties like Imran Khan’s Pakistan Tehreek-e-Insaf.
- Further, Mr. Sharif has also stated that deep state actors (implying military and intelligence) are financing Imran’s campaigns against him.

What are the political implications?

- Neutralising Mr. Sharif’s political role in Pakistan’s future clearly seems to be the main motive of this campaign, but the resultant implications look serious.
- To disrupt any neutral opinions from being voiced, media houses have been facing harassment, and journalists have been threatened.
- In line with the systematic campaign to eliminate secularist politicians who don’t tow the military line, ANP leader Haroon was recently assassinated.
- While it is already too volatile for “free and fair elections”, the atmosphere has been further vitiated by extremist factions entering mainstream politics.
- Notably, radical groups like “Allah-o-Akbar Tehreek” are being tolerated by the military, despite stern warnings from the international agencies.
- The elections will serve as one marker for the democratic process; the larger struggle in Pakistan for the deepening of democracy will continue.

6.3 India - China Ties: Two plus One Formula

What is the issue?

- India-China ties have been on the upswing in recent times.
- In this context, the proposed “2 plus 1” formula (“China & India” plus “another”) could further enhance the overall regional prosperity.

How has Nepal been influencing Indo-China ties?

- Nepal's ties with India had come under severe strain in 2015 due to the border blockade that choked off critical supplies.
- At that time, Nepal and its political leadership started enhancing ties with China to counterbalance India and overcome the strain.
- In fact, Nepal was proving to be a new additional thorn in the Indo-China ties, which reached its nadir during the 2017 Doklam standoff.
- Nonetheless, Indo-China ties have been improving drastically after the Wuhan summit between PM Modi and Chinese President Xi in April 2018.
- In this backdrop, the ruling Marxist leadership in Nepal quickly grasped that playing the India versus China card wasn't feasible any further.
- On that note, they are currently displaying diplomatic prudence by maintaining cordial relations with both India and China.
- Also, a Chinese delegation that visited Nepal is said to have proposed the "2 plus 1 formula" for Indo-China-Nepal talks ahead.

What are the other outcomes of Wuhan?

- The Wuhan summit opened up lines of "strategic communications" between Indian and Chinese establishments.
- The arterial flow of information exchange has meant that India and China can be joint custodians rather than rivals in managing their neighbourhood.
- "2 plus 1" which has been currently proposed by China to deal with Nepal, can possibly be extend to other international engagements too.
- This would enable Beijing and New Delhi to engage with any third country jointly and thereby eliminate any likely abrasive competition between them.

How does the future look?

- The aggressive approach of Trump against Chinese trade and geopolitical practices is likely to have forced China to reach a compromise with India.
- Nonetheless, China's new approach is likely to benefit India if leveraged properly through consistent diplomatic engagements.
- The ball is now in India's court to respond to China's two-plus one formulation and Nepal offers a perfect opening to test the same.
- The initiative would be a good indicator on whether India and China can dock their collective rise cordially, through coordinated action internationally.

7. BILATERAL RELATIONS

7.1 India - Seychelles Bilateral Meet

Why in news?

Seychelles President Danny Faure recently visited India for a bilateral meet.

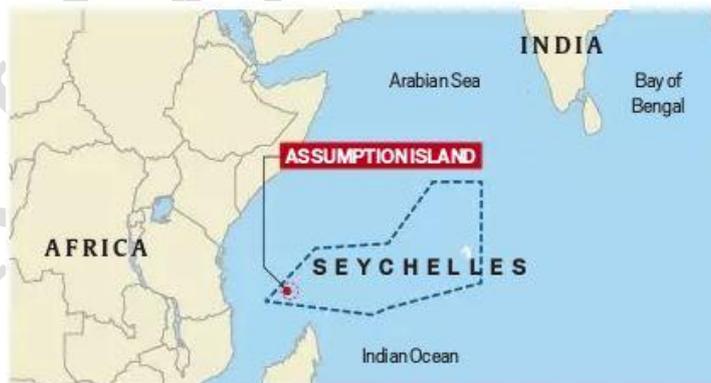
What are the major outcomes?

- **Assumption Island** - It is one of the 115 islands constituting Seychelles archipelago.
- India plans for building a naval base here.
- The National Assembly of Seychelles recently refused to ratify the naval base.
- Given the absence of parliamentary ratification, the future of the project remains uncertain.
- But both countries now agreed to ensure mutually beneficial steps in this regard.
- **Security** - India clarified that security and strategic cooperation with Seychelles will go ahead.
- It announced several initiatives for Seychelles.

- It includes a \$100 million Line of Credit (LoC) for purchase of defence hardware.
- India also gifted a Dornier aircraft to Seychelles.
- **Developments** - India is ready to finance 3 civilian infrastructure projects under Special Grant.
- India will send officials to Seychelles to support for projects that it decides for itself.
- **Others** - Both sides would intensify cooperation on hydrographical studies of the maritime region.
- They have declared exchange of necessary oceanic maps.
- In all, both sides sealed six agreements.
- One of the agreements will twin Panjim in Goa with Victoria of Seychelles.

What is the earlier agreement on Assumption Island?

- India signed a pact to develop Assumption Island, during PM Modi's visit to Seychelles in 2015.
- The Island is leased to India for the operation of a naval base and air strip by the Indian navy.
- The deal was to include 30-year access to the base.
- It includes permission to station Indian military personnel on the ground.
- It is being financed entirely by India.
- But Seychelles retains full ownership of the facilities and sovereign rights over the island.
- Seychelles would "suspend" the use of military facilities in case if India is at war.
- This is because it is not a military base.
- It is seen as a major strategic enhancement of India's Indian Ocean Region naval capacities.
- This would give India a foot- hold in the western Indian Ocean.
- The agreement will enable India to help Seychelles build military infrastructure.
- The island has been at the centre of high profile maritime diplomacy between India and Seychelles.



7.2 Indo-U.S. Ties: A Sinking Ship

What is the issue?

- There is now clear signs that relationships between Indian and the U.S. is strained.
- Steps must be urgently taken to arrest this drift.

What is the evolving dynamics?

- The U.S. President Trump had decided to walk out of the multilateral nuclear deal (Joint Comprehensive Plan of Action) with Iran.
- This was subsequently followed by the U.S. Congress's **CAATSA law**, which imposed sanctions on Iran, Russia and North Korea.
- Mr. Trump is also said to be insistent on tough sanctions against all those continuing to engage with Iran and Russia.
- These developments have direct effects for India, as Iran is a major crude supplier and Russia is a major defence seller to India.
- Additionally, U.S. has also been harsh on countries like India and China for allegedly having "skewed trade tariffs" and "big trade surpluses" with the U.S.



What has been India's reaction?

- On its part, the Modi government has openly asserted a clear change away from the pro-U.S. tilt of India's foreign policy.
- In the recent "**Shangri-La Dialogue**", Modi asserted 'strategic autonomy' in foreign affairs, indicating India's growing independence from the U.S. block.
- Defying the U.S. rhetoric demanding reduction in engagements with Russia and Iran, bilateral were held with both of these countries recently.
- India has also promised to raise oil imports from Iran this year, and has committed to increase engagements on the Chabahar port project.
- In addition, India has been negotiating a \$5.5 billion deal with Russia for the S-400 Triumf missile systems, all of which is likely to attract U.S. ire.

Shangri-La Dialogue (SLD)

- SLD (or IISS - 'Asia Security Summit'), is an inter-governmental security forum conducted by "International Institute for Strategic Studies" (IISS).
- IISS is an independent international think tank that intends to cultivate among policy makers of different countries, a sense of community.
- SLD is attended by high ranking government and military officials of 28 Asia-Pacific states and is held annually in Singapore's Shangri-La Hotel since 2002.

How does the future look?

- U.S. has always pressured allies to limit their ties with countries that it considers a threat to the international order.
- But Trump administration has been going public with its ultimatum and deadlines, which is making it difficult for partners to comply.
- India's present international engagements are likely to trigger U.S. sanctions unless the two countries reach a compromise soon.
- But political will to address these issues is clearly not there presently, as both governments are engrossed in their own calculus.
- Notably, there has been little Indo-U.S. political engagement lately and even the scheduled "Foreign & Defence Ministers" 2+2 dialogue has been postponed.

7.3 India's Exemption from CAATSA

Why in news?

US is set to exempt an Indian defence acquisition from Russia from CAATSA law.

What is India's S-400 deal with Russia?

- The Russian-built S-400 Triumf, is the most dangerous operationally deployed modern long-range surface-to-air missile (MLR SAM) system in the world.
- It is considered to be much ahead of the Terminal High Altitude Area Defence system (THAAD) developed by the United States.
- The mobile S-400 system can engage all types of aerial targets including aircraft, unmanned aerial vehicles (UAVs), and ballistic and cruise missiles within a range of 400 km, at an altitude up to 30 km.
- It can track 100 airborne targets, including super fighters such as the American built F-35, and engage six of them simultaneously.
- India's Defence Acquisition Council considered buying 12 units, but it was subsequently determined that five units would be adequate for India's needs.

What is the US's CAATSA law?

- The Countering America's Adversaries through Sanctions Act (CAATSA), aims at taking punitive measures against Russia, Iran, and North Korea.
- The Act primarily deals with sanctions on the Russian oil and gas industry, defence and security sector, and financial institutions, in the backdrop of its military intervention in Ukraine and its alleged meddling in the 2016 US presidential elections.

- The Act empowers the US President to impose at least five of 12 listed sanctions enumerated in Section 235 on persons engaged in a “significant transaction” with the Russian defence and intelligence sectors.
- The State Department has notified 39 Russian entities including almost all major Russian defence manufacturing and export companies/entities.

How India would have affected by this law?

- Almaz-Antey Air and Space Defence Corporation JSC, the manufacturers of the S-400 system, are in the list of 39.
- If implemented stringently, CAATSA would impact Indian defence procurement from Russia.
- Apart from S-400s, India has procurements like 1135.6 frigates and Ka-226T helicopters as well as joint ventures like Indo Russian Aviation Ltd, Multi-Role Transport Aircraft Ltd and Brahmos Aerospace.
- It would also affect purchase of spares, components, raw materials and other assistance.
- The bulk of India’s military equipment is of Soviet/Russian origin including the nuclear submarine INS Chakra, the Kilo-class conventional submarine, the supersonic Brahmos cruise missile, the MiG and Sukhoi fighters, Mi helicopters, and the Vikramaditya aircraft carrier.

What are the reasons behind this exemption?

- CAATSA impacts Indo-US ties, and dents the image of the US as a reliable partner at a time when it is projecting India as a key player in its Indo-Pacific strategy.
- US administration for countries like India has favoured relief, citing the “strategic opportunity” that India presents, and also the opportunity “to trade in arms with India”.
- Indeed, the US defence industry sees India as a major market, Over the last decade, deals with India have grown from near zero to \$15 billion.
- Both in term of the number and value of contracts, the US is way ahead of other major suppliers.
- The CAATSA exemption also underlines the growing defence and security cooperation that has seen India sign a logistics pact with the US.
- Also US designated India as a Major Defence Partner, and both countries coming together on Indo-Pacific strategy, the newly resurrected Quad.
- It also marks an acceptance by the US of the point of principle that as a sovereign country, India cannot be dictated on its strategic interests by a third country.

7.4 India’s Stakes in Iran-U.S. Tussle

What is the issue?

- Trump administration is seeking to isolate Iran in the international arena.
- This has put India in a tight spot, as it has been pursuing deep business and strategic ties with both Iran and the U.S.

How is India currently engaged with Iran and U.S.?

- **Iranian Engagement** - Iran has been a major crude supplier to India, and India is the 2nd largest buyer from Iran (China is the 1st).
- India’s investment in the Iran has been increasing and recently, India committed to enhance its investments in the Chabahar Port by \$500 million.
- India is also in the process of securing Iran’s Farzad –B gas field and has promised to increase its oil off-take from Iran by 25% this year.
- It has also committed to build a rail road to Afghanistan, a project that will help India circumvent Pakistan and enhance cooperation with Afghanistan.
- **U.S. Engagement** - U.S. is India’s largest trading and technological partner and India enjoys a big trade surplus with it.



- Indo-U.S. defence ties have been growing in recently years and strategic engagements between them are strong.
- But recently, the ties have come under severe strain due to imposition of tariffs on Indian goods and India's engagements with China and Russia.

What is the challenge now?

- Recently, Trump administration, has asked India to cut trade ties with Iran, which is straining India to take a stand.
- Considering the situation, more than the energy security perspective, it is the geopolitical aspects of the directive that worries India.
- If India overlooks U.S. pressures and continues engagements with Iran, it risks antagonising an all powerful trade and strategic partner.
- On the contrary, if U.S. directives are adhered to, Iran might turn hostile to Indian projects on its soil like Chabahar Port and the allied transit corridors.
- Notably, Iran is already hedging the fallouts of a confrontation with U.S. by seeking to engage with EU and other powers like China.

How did India navigate the previous such situation?

- In 2012, the Obama administration wanted to maximise pressure on Iran in order to secure a deal for curtailing Iran's nuclear program.
- Back then, Obama had sent tough messages to New Delhi through discreet channels (unlike Trump's open threats), to reduce ties with Iran.
- India had then agreed to cut oil imports by 15% subsequently, but asserted its autonomy, by attending a meet with Iranian leaders in Tehran.
- India even operationalised a 'rupee-rial' mechanism, under which Iran could use some of its oil bills with India to procure India goods.
- While the current government would seek to emulate its predecessor's line on the issue, the stakes are higher this time.

7.5 Concerns with Indo-S.Korea CEPA

Why in news?

South Korea is speeding up negotiations on expanding the existing Comprehensive Economic Partnership Agreement (CEPA) with India.

What is Indo-S.Korea CEPA?

- The Comprehensive Economic Partnership Agreement (CEPA) is a free trade agreement between India and South Korea.
- It is equivalent to a free trade agreement, and will provide better access for the Indian service industry in South Korea.
- Services include Information technology, engineering, finance, and the legal field.
- The agreement has ease restrictions on foreign direct investments. Companies can own up to 65% of a company in the other country.
- Both countries avoided issues over agriculture, fisheries, and mining and choose not to decrease tariffs in those areas.

What is the status of existing trade relations of Indo-S.Korea?

- Bilateral CEPA was implemented in 2010, South Korea's exports to India jumped from \$10.47 billion in 2010-11 to \$16.36 billion in 2017-18.
- India's exports to South Korea, however, remained sluggish and increased insignificantly from \$3.72 billion in 2010-11 to \$4.46 billion in 2017-18.
- As a result, the trade deficit between South Korea and India increased to a staggering \$12 billion in 2017-18.

- Recently India speedily cut down duties on 11 items and South Korea on 17 items, as a diplomatic necessity.

What are the concerns with existing CEPA?

- Various reports show that while Indian businesses have not been able to take advantage of the provisions of the CEPA.
- But Korean companies have increased their exports taking advantage of the lower duties.
- Moreover, much of the Indian exports to South Korea are still taking place outside the CEPA at higher duties.
- That is mostly because Indian exporters find it too onerous to meet obligations such as rules of origin, Low awareness is another reason for low utilisation.
- Recently South Korea claimed that it wants increased market access in a number of items including sensitive ones like automobiles and textile that got excluded in the original CEPA.

7.6 India's Africa Engagement

What is the issue?

- Ahead of BRICS leaders' summit in South Africa, Indian PM made visits to Rwanda and Uganda.
- This is a reflection of the intensity and significance of India's engagement with Africa.

What is the significance?

- **Rwanda** - It is one of the Africa's fastest growing economies.
- After the end of its civil war, it is moving steadily on the path of recovery and national reconciliation.
- Rwanda President Paul Kagame is chair of the African Union (an intergovernmental organization of African states).
- About 3,000 Indian nationals and PIOs live in Rwanda.
- Rwanda's only sugar refinery, only modern textile mill, and a soap and cosmetic factory are all PIO-owned.
- India-Rwanda bilateral relations have been cordial and have grown steadily over the years.
- In 1999, Rwanda officially opened its mission in New Delhi and posted a charge d'affaires.
- In 2001, it appointed its first resident ambassador in New Delhi.
- India has taken a decision to open a diplomatic mission in Kigali, the capital of Rwanda.
- **Uganda** - In Uganda, India established its diplomatic presence in 1965.
- But the ties dates back to the era when trade began across the Indian Ocean.
- Eventually a number of Indians settled in East Africa, and many made Uganda their home.
- There are over 30,000 Indians/PIOs in the country.
- Uganda is currently chair of the East African Community.
- **India - Africa** - The visit of more than 40 leaders for the 3rd India-Africa Forum Summit in 2015 was a significant event in this regard.
- The present visit to African countries takes forward India's engagement with Africa.

What are the outcomes of the visit?

- India signed two loan agreements with Rwanda worth \$ 100 million each.
- It contributes for investments in agriculture and development of special economic zones.
- With both Rwanda and Uganda, India signed defence cooperation agreements.

What is China's role?

- Chinese President Xi Jinping is also making visits to some of the African States, including Rwanda.
- China gave a loan of \$126 million to build two roads.

- China began its outreach to Africa earlier than India.
- The first ministerial meeting of the Forum on China-Africa Cooperation (FOCAC) was held early in 2000.
- Africa, in many ways, has been a learning ground for China's international role.
- Some of it includes the following:
 - i. China first took a proactive position on an internationally significant Sudan conflict
 - ii. It was in Mali that China sent its first combatant unit under the UN peacekeeping framework in 2013
 - iii. Djibouti will be the first location of the People's Liberation Army's overseas base
- China's role in the African continent is thus noteworthy as it showcases the future of Chinese power.

8. INETRATIONAL ISSUES

8.1 US Ruling on Digital Privacy

What is the issue?

A recent U.S. Supreme Court ruling has imposed limits on the ability of police to obtain cellphone data.

What is the ruling?

- It is related to law enforcers collecting location data of a tracked suspect, from cellphone companies.
- The 5-4 ruling sets a higher legal hurdle than previously existed under federal law.
- The court said police need a court-approved warrant to get the data.
- Police now obtain such data without a warrant, from wireless carriers.
- The court said this would amount to an unreasonable search and seizure under the U.S. Constitution's Fourth Amendment.
- The ruling made exceptions for emergencies like bomb threats and child abductions.

What is the significance?

- Digital data can provide a detailed and intrusive overview of private affairs.
- US court ruling throws light on the way this aspect of modern technology is being used all over the world.
- It comes as a major victory for digital privacy advocates.
- The new decision has implications for all kinds of personal information held by third parties.
- This includes email and text messages, Internet searches, and bank and credit card records.

How does this work in India?

- Central and state law enforcement agencies gain access to cellphone location data.
- Service providers, once asked, provide them with call data records.
- Apart from helping in investigation of cellphone thefts, this also helps police crack criminal cases.
- However, accessing such information is subject to certain permissions.
- The nodal officer of a service provider should be asked in written for call data records.
- Notably, only an officer of SP rank - DCP rank in a commissionerate - can write.
- There are instances where policemen illegally obtaining records have been sent to jail.

8.2 U.S.-Russia: Helsinki Summit

What is the issue?

- U.S. President Trump recently met with his Russian counterpart Vladimir Putin at Helsinki in Finland for a bilateral.
- While it was a historic opportunity of sorts, its outcomes are uncertain.

What is the context in which the Helsinki summit took place?

- A tense cold war was fought between the blocs led by the U.S. and Russia (Soviet Union) for over 5 decades, which polarised the entire world.
- While tensions of the cold war have presently subdued, the recent summit nonetheless was an important for both the countries.
- It was an opportunity to discuss areas of shared interest, find ways to dial down mutual tensions and work together to address global issues.
- Notably, the past few years have seen a significant spike in Russia's international confrontations with the west and the U.S.
- Despite these tensions, the threat posed by nuclear weapons and intercontinental ballistic missiles, were discussed at the Helsinki summit.
- But it's not clear whether the talks will lead to any significant change in policies due to the lack of consistency in Mr. Trump's approach.

Did the events of the 2016 U.S. presidential elections affect the summit?

- Trump openly called for bettering ties with Russia in his campaigns, and some of his campaign aides also established contacts with Russians.
- In that backdrop, allegations were rife that Russia had deployed hackers to prop up Trump's chances in the elections and weaken his opponents.
- After the elections, an inquiry was set up to probe the case, and recently, 12 Russian intelligence officials were indicted by the U.S. justice department.
- Due to the mounting evidence, Trump had earlier stated that, "while Russians might have hacked emails, it didn't influence the election results".
- Hence, even before the summit began, there were concerns that the alleged Russia interference in the presidential elections could cloud the meet.
- After the summit Trump had stated that he believes in Mr. Putin's assertion that Russia had no role in the electoral meddling.
- This u-turn implicitly means that Trump has accepted Mr. Putin's version over the one stated by the U.S. intelligence, which has caused an uproar.
- Mr. Trump could have certainly managed the summit better by addressing genuine concerns in the U.S. over allegations of Russia's election meddling.

Why is Russian engagement essential?

- The resolving the civil war in Syria, and the saving the "Iranian nuclear deal", are important areas that require Russia-US cooperation.
- **Arms Race** - Cold war triggered the massive expansion of the nuclear and other arsenal of both the US and USSR (Russia), which was a scary trend.
- In this context, "Strategic Arms Reduction Treaty" (START) was signed as a mutually declared disarmament treaty between the U.S. and Russia in 1991.
- This was subsequently renewed as "New START" in 2010 to further the cause and this renewed deal is set to expire by 2021.
- While Russia has displayed willingness to renew it, high-level talks between the U.S. and Russia are needed to seal the agreement.
- **Ukraine Crisis** - Ukraine was one of the





republics within the USSR during the cold war days, and has remained a strong ally of Russia ever since till 2013.

- While it was planning to sign an association agreement with the European Union in 2013, Russia sternly objected to it, leading to tensions.
- Russia subsequently annexed “Crimea” (Russian speaking province in Ukraine) by force and declared its sovereignty over it with people’s support.
- Currently, the issue remains unresolved and the various approaches adopted by the international community have come a cropper.

8.4 Israel’s “Nation State Law”

What is the issue?

- Israel’s right-wing government has piloted a “Nation State” law.
- The law is perceived as a clear attempt to legitimise the prevalent apartheid against Arabs and also undermine any peace process with Palestine.

What is the law about?

- The law lays down that “Israel is the historic homeland of the Jewish people and they have an exclusive right to national self-determination in it”.
- While there are 1.8 million Arabs within Israel (20% of the population), the law seeks to strip Arabic off the national language status it currently enjoys.
- It has declared Jerusalem, “whole and united” as its capital, which is implicitly antithetic to any rational solution to the Israel-Palestine conflict.
- It also vows to “promote and encourage” the establishment and consolidation of Jewish settlements on occupied Palestine land (in the West Bank).
- Further, in what is rather symbolic, this law is set to become one of Israel’s powerful “Basic Laws” that will have constitutional status.
- Hence, it can be said that, the law is the realisation of the dream of Israeli far-right groups that strongly vouched for the ethno-religious character of Israel.

What is the political situation within Israel?

- The supporters of the Bill say it is aimed to boost Israel’s Jewish identity and will not discriminate against minorities.
- But strong protests by Opposition lawmakers and the Arab masses had erupted, while the bill was passed in the parliament.
- Arab MPs have called the legislation racist and a form of apartheid aimed at creating two systems within one country.
- In reality, within Israel and on the occupied ‘West bank’, the Arab community is already facing severe discrimination in opportunities are rights.
- While the current Israeli government’s anti-minority politics is no secret, the law is seen as one that legitimises and institutionalises discrimination.
- By providing exclusive right to national self-determination only to the Jewish people and by downgrading Arabic’s status, the law sends a clear message.
- Importantly, it seems to want to undo the concept of equality that the independence declaration of Israel promised to all its inhabitants.

What are the implications?

- Palestinians sees eastern Jerusalem as the future capital of their nation, but the current law asserts Israeli authority over the whole of Jerusalem.
- This assertion and the expansion of Jewish settlements within Palestine’s West Bank are likely to dissuade any form of genuine peace initiative.

- Hence, the law further erodes the credibility of Israel’s professed support of an independent Palestinian state and its commitment to the two-nation theory.
- Israel has recently passed another law that sought to place limits on Arabs living under its authority to access Israel’s High Court.
- Another law bans individual who are seeking “political action against Israeli state or prosecution of Israeli soldiers” abroad from entering school premises.
- All these laws together allow the Israeli state to institutionalise discrimination, deepen illegal settlements in Palestinian land and stifle free speech against it.

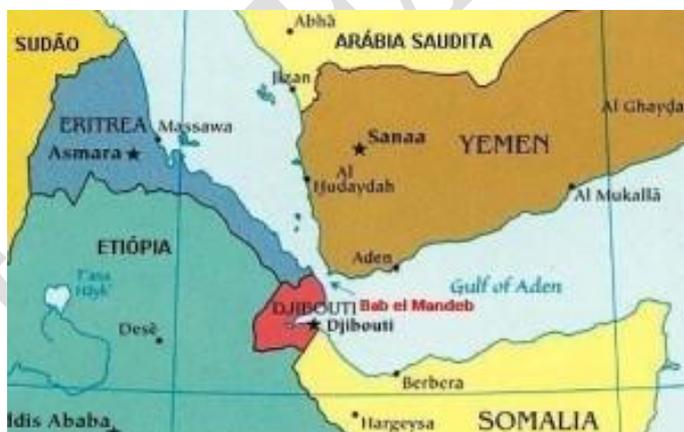
8.5 Ethiopia - Eritrea War Ends

What is the issue?

- Ethiopia and Eritrea have recently announced the end of the deadly “20-year war” between them, which killed over 80,000 people.
- The future looks bright, with both countries announcing the resumption of trade, diplomatic, and travel ties between them.

What is the history of the conflict?

- Eritrea broke from its federation with Ethiopia in April 1993.
- It became an independent country located strategically at the mouth of the Red Sea on the Horn of Africa, bordering crucial shipping lanes.
- **War** - In 1999, war broke out between the two countries over the control of Badme, a border town of no apparent significance.
- Massive displacements of population followed, families were torn apart, and the local trading economy was utterly destroyed.
- **Detente** - In 2000, “Agreement on Cessation of Hostilities” was signed, and later a Boundary Commission was established to settle the dispute.
- The Commission gave its ruling in 2002, awarding Badme to Eritrea, but Ethiopia demanded certain pre-conditions to accept the ruling.
- In this backdrop, Badme continued to remain under Ethiopian control and there was an effective stalemate with intermittent border clashes.
- **Peace** - Ethiopia’s ruling Ethiopian People’s Revolutionary Democratic Front (EPRDF) had recently indicated its desire to end hostilities with Eritrea.
- From then on, things have moved rapidly and Ethiopia has also announced that it would fully comply with the peace agreement of 2000.



What is the likely impact of peace?

- Ethiopia is landlocked, and through the years of the war with Eritrea, it has been dependent heavily on Djibouti for access to the sea.
- The current peace deal will likely give Ethiopia access to Eritrean ports, which will help in counter balancing the dependence on Djibouti.
- For Eritrea too, peace is likely to work to its benefit, as it can divert scarce resources away from the military to other productive avenues.
- Notably, the government of President Afwerki in Eritrea has also come under international pressure for its authoritarian streak and violent means.
- Accepting peace would ease international pressure and also solve the 2015-16 refugee crisis that was precipitated due to Eritrean regime’s oppressive ways.

8.6 EU's fine on Google

Why in news?

The EU had slapped a record € 4.34-billion (\$5.04 billion) antitrust fine on Google.

What is the reason?

- The penalty is for illegally using the Android operating system.
- Google has used Android to strengthen the dominance of its search engine.
- It aimed at ensuring that traffic on Android devices go to its search engine.

How did Google do this?

- Google imposed three types of restrictions on Android device manufacturers and network operators.
- **Pre-installation** - Manufacturers were asked to preload the Google Search app and Chrome browser.
- This was as a condition for licensing Google's Play Store.
- Pre-installation of the apps can create a status quo bias among the users.
- Evidently, Google Search app is consistently used more on Android devices.
- However, it is not the case with Windows Mobile devices where users must download it.
- **Incentives** - Google offered financial incentives to large device manufacturers and network operators.
- The condition was to exclusively pre-install Google Search across their entire portfolio of Android devices.
- This significantly reduced their incentives to pre-install rival search apps.
- However, EU said that by 2014, Google had stopped the practice.
- **Tweaked versions** - Android is an open-source operating system.
- It has its code published by Google online whenever a new version is released.
- So based on this source code, developers like Android can create their own versions.
- This could be done even without getting approval from Google.
- So Google had not allowed the "forked" versions of Android to pre-install Google's proprietary apps.
- Google's measure had thus prevented many manufacturers from developing and selling devices based on these tweaked versions.
- E.g. Amazon's Android fork called 'Fire OS'
- EU now insists that Google allow the forked versions of Android.

What are the earlier instances?

- **EU** - Earlier, the EU fined Google €2.42 billion.
- This was on charges of prioritising its own services on the search platform.
- By this, Google gave itself an advantage over third-party service providers.
- **India** - The Competition Commission of India had earlier fined Google Rs 136 crore.
- It was slapped for its unfair business practices in the Indian online search market.
- The National Company Law Appellate Tribunal (NCLAT) stayed the ruling on Google's appeal.
- Nevertheless, NCLAT asked it to pay 10% of the penalty. The tribunal will soon hear the matter.

What are the implications?

- It could bring about changes in the way the Android ecosystem functions.
- It would set a precedent for other antitrust cases against Google.

What will be the actions of India in this regard?

- Like the European Union, India, too, has a diverse, multi-ethnic, multilingual market connected by a single currency.
- Moreover, the Indian smartphone environment is dominated by the Android-based OS, just like the EU.



- India's Competition Commission would do well to follow this case and consider carefully the principles upon which the EC's actions are based.
- The Competition Commission could consider emulating the EC to induce Google to open up the indigenous Android environment.
- This would stimulate local app developers and it might provide an especially big boost to app developers in vernacular languages.

G.S PAPER III

9. ECONOMY

9.1 Assessing the GST Regime

What is the issue?

With one year of GST in place, a retrospective look at its impact, particularly for industry and services sector, becomes essential.

What was the objective?

- 'One nation one tax' was the philosophy and narrative of the government for GST.
- It was also a part of the vision to improve India's ranking in 'ease of doing business'.
- GST thus aims at addressing the country's complex indirect tax framework.

What are the favourable aspects?

- Governments have had an open approach towards GST implementation constraints.
- They have undertaken immediate corrective measure to resolve issues.
- The GST Council has demonstrated a collaborative effort and consensus-based approach.
- The government thus carried out a rate rationalisation exercise.
- This was to reduce rates on about 178 items from 28% to 18%.
- This had a positive effect to an extent, reducing the tax burden.

What are the concerns?

- **Rate changes** - Given the short time-line, it resulted in several challenges for business.
- As, they had to revise their IT systems overnight.
- Revising pricing labels, revising pricing strategy were the other challenges.
- Besides, some had to deposit huge sums of money due to anti-profiteering for failing to execute required changes in time.
- **E-Way Bill** - This was one of the major changes on the supply chain and logistics front.
- This was to ensure common documentation for movement of goods across the country.
- But the e-way bill provisions are not uniform across States.
- This has diluted the very objective of a common e-way bill.
- It has created problems for businesses operating with pan-India presence.
- As, they had to set up State-wise e-way bill systems.
- **Services Sector** -Under the Constitution's framework, State and Centre collaborate for taxing a particular services transaction.
- Logically, there have been implementation challenges in terms of billing for pan-India contracts, and State-wise credit pools.
- Also, the sector is dealing with challenges around intra entity supplies and input service distribution.



- **Compliance** - One aspect that affected all the sectors was filing three parts of the monthly return for regular dealers.
- This had to be done with matching of the invoice-level details of the supplier with that of the recipient of supply.
- Government has abandoned its original plan and instead implemented a simplified return without any matching concept.
- This is, however, only on a temporary basis.

What next?

- Next wave of GST is likely to include products that are currently not in the ambit of GST.
- These may include petroleum products, alcohol and real estate.
- Changes are expected to be made to the GST law in the next Parliament session.
- The GST Council has been working on this draft to address some of the key issues.
- The objective of GST to improve the ease of doing business largely depends on further appropriate streamlining of the regime.

How has it impacted revenues?

- Despite its glitches and snarls, the new tax has taken firm root and is altering the economic landscape positively.
- Over 4.5 million entities have entered the tax net, many of which would have so far been part of the cash-driven, informal economy.
- Thus, GST has significantly expanded the indirect tax net, which might also positively impact the direct tax base.
- Significantly, clear buoyancy in revenue after a wobbly initial trend is already perceptible, and monthly revenue targets are exceeding estimated sums.
- Government was eyeing about Rs. 90,000 crores a month to make up for the revenues earned under the earlier regime (& for compensating some states).
- But interestingly, Finance Ministry has recently expressed confidence that collections would touch as much as Rs. 110,000 crore per month in this year.

9.2 GST Council Meet

Why in news?

The 28th GST Council meeting was held recently.

What are the highlights?

- GST council has cleared 46 amendments which will be passed in Parliament.
- **Rates** - The Council has cut tax rates on several general-use items such as TV, washing machine and refrigerators.
- Rates for such 17 white goods were cut by 10% from 28 to 18%.
- In all, the Tax Council has announced a reduction in the tax rates for over 85 goods.
- The Council has also put under the exempted category, sanitary napkins, taxed at 12% earlier.
- The tax rate on environment-friendly fuel cell vehicles has been reduced from 28% to 12%.
- Also, the compensation cess levied on them has been dropped.
- GST rates for all leather items were reduced to 18% from 28%.
- GST on imported urea was reduced to 5%.
- Several other products have been placed in lower tax slabs.
- This particularly includes those from employment-intensive sectors such as carpets and handicrafts.



- **Returns** - Simpler return filing process was approved in the meet.
- It will now be quarterly returns for business turnover up to Rs 5 crore instead of monthly filings.
- Nearly 93% traders and small business will get benefited from this.
- **Exemption** limit for traders in Assam, Arunachal Pradesh, HP, Himalaya, and Sikkim was increased from Rs 10 lakh to 20 lakh.
- **Procedure** - There will be a standard operating procedure for imposing less severe penalties for small errors in filling e-way bills.
- This should provide relief to truckers.
- Also, RFID on vehicles will soon be linked with the GST Network.
- The transport ministry has to put this system in place in the next 6 months.
- Another significant change was deferment of the reverse charge mechanism till September 2019.

What are the possible outcomes?

- The sectors that saw tax rate cut have a big share of **unorganised players**.
- Thus the move should help them come under **tax net**.
- The rate cut on products of mass use could be a stimulus to drive **consumption**.
- Simplified paperwork for small and medium enterprises could help improve **compliance**.
- The rate reductions is estimated to **cost** the government exchequer nearly Rs 7,000 crore.
- But it is too early to worry about the impact on macro fiscal numbers.
- If implemented well, the revenue loss could be offset by higher consumption.
- This may even lead to more **investments** over the course of time.

What are the concerns?

- The new rates are to enter into force with less than a week's time.
- So there is less time for companies to rework pricing strategies and replace existing market inventory.
- But failing to meet this would make them face anti-profiteering action.
- Besides, Council members, especially states representatives, have for the first time questioned its functioning.
- They alleged that not all of the changes and rate cuts were placed on the agenda.
- Tax cuts on several items were taken up for the first time and were included in the agenda at the last minute.
- Given this, any distrust between Centre and States would make further rationalisation difficult.
- There is thus a need for close coordination between the Centre and the states.
- The Central government has to come up with a clearly laid-out road map based on an acceptable rationale.

9.3 Growth in State Budget 2018-19

Why in news?

According to RBI report the combined size of State budgets is bigger than that of Union budget.

What is the status of State budgets?

- In 2011-12 size of Union Budget was bigger than that of state Budgets, since then the combined size of the state Budgets has been growing rapidly.
- Last year it was 36 per cent more than the Union Budget and in 2014-15, the state Budgets size was 16 per cent more than that of the Union Budget.
- As of now the combined size of the Budgets presented by 29 states of India is now at least 37 per cent more than the Union Budget.



- Compared to the Union Budget size of Rs 24.42 trillion for 2018-19, the states' budget size for the current year is estimated at about Rs 33.59 trillion.

What are the insights from the recent estimates?

- For the record, the combined fiscal deficit of states and the Centre rose to a level of 6.7 per cent of gross domestic product (GDP) in 2014-15 and widened further to 7 per cent each in the following two years.
- This happened as the state budgets' deficit rose in this period even as the Union government's deficit declined.
- Overall gross fiscal deficit of states declined to 3.1 per cent of GDP in 2017-18, even though it stayed above the prudent level of 3 per cent for the third successive year.
- 29 states have projected a combined fiscal deficit of 2.6 per cent of GDP, non-Special Category states on the other hand, were relatively safe at 2.9 per cent.
- Due to the roll out of the goods and services tax (GST) and its long-term benefits for state revenues, the states' own tax revenue in 2017-18 was to have risen to 6.6 per cent of GDP.

What are the concerns with such projections?

- There is a disconcerting gap between the projections on deficits and the actual performance.
- In particular, the period between 2014-15 and 2017-18 has seen an underestimation of fiscal deficits, leading to slippages.
- The budgeted revenue deficit has overshoot the estimates even in earlier periods and the slippages from 2016-17 also reveal a deterioration in the quality of expenditure, with the ratio of revenue spend to capital expenditure rising for all states.
- There is an acute shortage of analysis of how the states are raising their resources and spending them.
- This is largely due to a lack of a standardised format of Budget presentation by the states and unavailability of comparable numbers from all of them.
- Not every state has provided all its GST data making it difficult to capture the full impact of the new tax regime on state revenues.
- The true picture on the GST's impact on state finances will be available in 2018-19 and the verdict on the credibility of the reduced fiscal deficit numbers will have to wait till then.

9.4 Fugitive Economic Offenders Bill

Why in news?

Lok Sabha has approved Fugitive Economic Offenders Bill.

What is Fugitive Economic Offenders bill about?

- The Bill defines the fugitive economic offender "as an individual who has committed a scheduled offence or offences involving an amount of ₹100 crore or more and has absconded from India or refused to come back to India to avoid facing criminal prosecution in India."
- There is a provision in the Bill that economic offenders who flee from the country will be brought back, prosecuted and their properties will be confiscated.
- The law will apply to all those who have been declared fugitives in big economic crimes by Indian courts.

What is the plan on fugitive economic offenders?

- Union government has already promulgated an ordinance on fugitive economic offenders.
- The recent bill once approved by both the houses and assented by the President, will become an Act and replace the Ordinance promulgated.
- All actions taken under the Ordinance will have the same legal validity once the law is enacted.
- Empowered by the Ordinance, the Enforcement Directorate has already moved a special court for action against most wanted economic offenders.
- Fugitive Economic Offenders Law will be applicable to "any individual who is, or becomes, a fugitive economic offender on or after the date of coming into force of this Act.



- It means the Bill will not be effective from a retrospective date, however this does not provide any relief for offenders who have already been declared fugitive by Indian courts.

What is the significance of the bill?

- It seeks to quickly recover the losses to the exchequer or public sector banks in cases of frauds.
- Among other things, the Bill makes a provision for a Special Court under the Prevention of Money Laundering Act, 2002 to declare a person a Fugitive Economic Offender.
- Fugitive Economic Offenders Bill gave power to agencies to seize properties that are not only in the name of the offender, but 'benami' assets.

9.5 RBI's Approval to Acquire IDBI Stakes

Why in news?

Reserve Bank of India gives in-principle nod to LIC for acquiring majority stake in IDBI Bank.

What is government plan's on IDBI Bank?

- Union government has proposed to sell around 40-43% stake in IDBI Bank to LIC, due to debt burdens.
- The decision is based on LIC's capacity, since it is currently the largest public shareholder of IDBI Bank with a stake of 10.82%.
- If it buys another 43%, its total stake in the state-run IDBI bank will be around 55%.
- The stake sale will fetch the government between Rs 10,000-Rs 11,000 crore. Click [here](#) to know more about the issue.

What is the recent decision of RBI in this regard?

- Reserve Bank of India (RBI) has given an in-principle nod to Life Insurance Corporation (LIC) for acquiring a majority stake in IDBI Bank.
- LIC had sought the banking regulator's nod before it had approached the Insurance Regulatory and Development Authority (IRDAI) for seeking regulatory approvals.
- The Cabinet nod is required because the government's stake will be diluted below 51 per cent in IDBI Bank.
- The government owned 85.96 per cent and LIC 7.98 per cent in IDBI Bank at the end of June.
- After the Union Cabinet approves the proposal, the RBI will examine if LIC meets the "fit and proper criteria" for being a promoter with a controlling stake in IDBI Bank.
- The insurance regulator has, however, asked LIC to bring down its stake in IDBI Bank over a period of five-seven years.

What will be the outcomes of this move?

- LIC is expected to pump Rs 100-130 billion into IDBI Bank through a preferential allotment of new equity shares at a price determined by a formula under SEBI's rules.
- The deal will likely trigger an open offer, which LIC will make to IDBI Bank's shareholders.
- By which LIC likely to get management control of debt-ridden IDBI Bank, at the same time LIC may have to pare down its stake in other banks below 10%
- IDBI Bank will likely become a subsidiary of LIC on the lines of LIC Housing Finance, LIC Mutual Fund and LIC Pension Fund.
- IDBI Bank will seek nod from its shareholders and SEBI by holding separate general meeting of its stakeholders on this matter.

9.6 Withdrawal of FRDI Bill

Why in news?

Union government has decided to withdraw the Financial Resolution and Deposit Insurance (FRDI) Bill.

What is FRDI Bill?



- It aims to limit the fallout of the failure of institutions like banks, insurance companies, non-banking financial companies, pension funds and stock exchanges.
- The FRDI Bill is aimed at insuring the money of a bank's depositors in the case of an eventuality where the bank would have to be liquidated.
- Bail-in clause of the bill gives banks the authority to issue securities in lieu of the money deposited.
- According to this insurance option covers only Rs.1,00,000 of the principal, the remainder of the sum deposited with a bank will be converted to tradable financial assets which can be redeemed.

What are the reasons behind the withdrawal of the bill?

- **Objections** - The Union cabinet decision follows strong objections from several quarters about quite a few provisions of the Bill.
- Unions of workers in nationalised banks and in state-run insurance companies were particularly vociferous in their objections.
- **Poor drafting** - The bail-in provision was poorly drafted, with insufficient transparency in the text.
- There was also ambiguity about the scope of deposit insurance, Given that, this provision served as a poison pill for the Bill as a whole.
- **Concerns about the "Bail-in" provision** - "Bail -in" of the FRDI Bill had simply become too strong and, in the absence of any coherent defence from the Bill's backers in the government.
- It had also become too dangerous for confidence in the banking system overall.
- In particular, there were concerns that the bail-in provision would lead to depositors losing their money.

What is the way forward?

- The government has not abandoned the notion of insolvency legislation for the financial sector altogether.
- It will be important for work to start instantly on drafting a new Bill that serves the purposes that the FRDI Bill was supposed to.
- Hopefully, the new Bill will have clearer provisions for depositor protection.

9.7 Inter-Creditor Agreement

Why in news?

- More than a dozen of lenders led by State Bank of India recently signed the inter-creditor agreement (ICA).

What is the agreement on?

- The agreement is part of the proposed Project Sashakt.
- "Sashakt" plan is approved by the government to address the problem of resolving bad loans.
- The objective is to use this ICA for faster facilitation of resolution of stressed assets.
- It is aimed at the resolution of loan accounts with a size of Rs. 50 crore and above that are under the control of a group of lenders.

How did it evolve?

- Over the last few years, stressed assets resolution has been a challenge, despite RBI's consistent direction to banks.
- A panel led by banker Sunil Mehta identified the disagreement among joint lenders as the biggest problem in resolution.
- It recommended the bank-led resolution approach in the form of inter-creditor agreement.
- This is an improvement on the earlier model of solely relying on the joint lenders' forum to arrive at a consensus.

What are the provisions?

- If 66% of the lenders agree to a resolution plan it would be binding on all lenders.



- A 'dissenting creditor' is that which votes against or abstains from voting for the resolution plan approved by the committee.
- A dissenting creditor could sell its loan at a discount of 15% of the liquidation value to other lenders.
- Liquidation value is the amount at which a company could sell its assets and settle liabilities.
- Another option is to sell their loans to any person at a price mutually arrived between dissenting lender and the buyer.
- However, it cannot sell it to an asset reconstruction company.
- The agreement has a standstill clause wherein all lenders are barred from enforcing any legal action against the borrower.
- During standstill period, lenders are also barred from transferring or assigning their loan to any other person except a bank or finance company.

What are the concerns?

- The obligation on the lead lender to come up with a time-bound resolution plan can have unintended consequences.
- Banks may be compelled to engage in a rush sale of stressed assets due to arbitrary deadlines.
- This will work against the interests of lenders looking to get the best price for their stressed assets.
- Besides, the biggest challenge to bad loan resolution is the absence of buyers to purchase stressed assets.
- There is also the unwillingness of banks to sell their loans at a deep discount to their face value.

9.8 Draft "New e-Commerce Policy"

What is the issue?

- Inter-ministerial task force constituted to evolve a "new e-commerce policy" has submitted its report to the government.
- The policy will seek to define e-commerce, strengthen FDI laws in the sector, address regulatory and competition issues and customer concerns.

What are the expected tenets of the policy?

- **Overall** - The policy will seek to define e-commerce, strengthen FDI laws in the sector, address regulatory and competition issues.
- It will also focus on consumer interests, including data protection and privacy.
- **Data privacy** - The task force has recommended the local storage of data generated by users in India from various sources.
- Data sources include e-commerce platforms, social media and search engines.
- The policy is likely to tow a nuanced approach on data localisation in order to balance the free flow of businesses with privacy concerns.
- **Structures** - Development of a suitable framework for sharing the data within the country has also been recommended.
- An online grievance redressal mechanism is also on the cards and division of powers between the Centre and States is being worked out.
- Further, a single central e-com regulator is also likely to be established on the lines of the Telecom Regulator TRAI.
- **Competition** - The draft policy has recommends tightening the scrutiny of mergers & acquisitions in the sector.
- Further, it also seeks to ensure fairness in the market place and prevent predatory pricing by imbibing aspects of competition principles.

How does the future look?

- India's e-commerce market, currently valued at about \$ 27 billion, is one of the fastest growing in the world.



- A comprehensive e-commerce policy would encourage further investments in the sector that has immense potential for growth.
- A clear policy framework would also help in taking a well-informed stand on issues concerning e-commerce at global forums.
- Notably, India is under immense international pressure to start negotiations for liberalising the Indian e-commerce sector.

9.10 Foreign Investments Slows

What is the issue?

- Reports have confirmed that all forms of Foreign Investment in India (including the priced FDI) are slowing down.
- This is despite the positivity in the global economy and the government's strong rhetoric in this domain.

What is the state of FDI flows?

- **What** - Foreign direct investment (FDI) is prized over other forms of capital flows because it directly adds to the productive base of the country.
- As a long-term and patient monetary stream, it is contrasted against the "hot money" that comes as portfolio investments, which is more temporary.
- **Data** - According to recent data from the "Department of Industrial Policy and Promotion" (DIPP), growth rate of FDI hit a 5-year low in 2017-18.
- It grew by only 3%, to \$44.85 billion this year, which is despite the big-ticket purchase of Essar by Rosneft, for \$13 billion.
- This trend was also confirmed in a report from the "United Nations Commission on Trade and Development" (UNCTAD).
- According to UNCTAD, FDI to India actually fell in the calendar year 2017, from \$44 billion the previous year to \$40 billion.
- But on the contrast, UNCTAD notes that outward FDI from India more than doubled during the same period.

How does this trend contrast against Modi government's rhetoric?

- The current government has been loudly trumpeting its efforts to make India more investment-friendly and prides its pro-business credentials.
- But statistics suggest that not just foreigners, but even Indian investors are less likely to invest in India presently, as indicated by outward FDI flows.
- More specifically, while FDI flows have declined overall internationally, the developing world at large has largely been able to retain its investment flows.
- As some developing countries have even seen considerable spikes in FDI flows, the government can't state external factors for India's FDI trends.
- Interestingly, India's standing in World Bank's "Ease of Doing Business" ranking has been steadily raising, but it isn't being reflected on the ground.
- This may be because the government is focusing on merely tailoring its policies to improve rankings without actually improving business friendliness.
- The government seems to have given up too soon on "deep structural reforms" that it enthusiastically embraced at the start of its tenure.

What is the way ahead?

- There is no scope for any Indian government to abandon reforms at this point in India's development due to the complex market scenario at play.
- **Structural** - The percentage of permissible FDI has been raised in various sectors, but the processes for investors to enter India remains cumbersome.
- The abolition of the Foreign Investment Promotion Board (FIPB) was intended to simplify processes by removing a bottleneck.
- But the direct ministerial approval regime that is now operational doesn't seem to be having the desired results.



- **Changing Wind** - The impressive 6% plus GDP growth in the previous decade had made India one of the most sought after investment destination.
- But the past record seems have made our policy makers arrogant regarding the potency of India's economy to attract investments.
- Considering the current situation, India would do good to give up arrogance and be more respectful of investor concerns (like dispute resolution).
- It is important to note that, a sustained increase in foreign investments is vital for generating jobs for the millions entering the workforce every year.

9.11 Concerns with Design of EPFO

What is the issue?

- Union government has made few tweaks in the design of Employees Provident Fund Organisation (EPFO).
- The recent structural change has made various concerns with the beneficiaries.

What is the role of EPFO?

- EPFO is a statutory body of the Indian Government under Labour and Employment Ministry.
- It is one of the largest social security organisations in the world in terms of members and volume of financial transactions undertaken.
- The Central Board of Trustees administers a contributory provident fund, pension scheme and an insurance scheme for the workforce engaged in the organized sector in India.

What are the recent changes made in EPFO?

- EPFO members who are without employment for one month will now be allowed to withdraw 75 per cent of their accumulated balance without closing their accounts.
- The residual 25 per cent can be withdrawn, if they remain without work for two months.
- This flexibility is likely to be cheered by the more affluent members of the EPFO who are looking to take a career break to pursue higher education or start their own venture.

What are the concerns with government's move?

- The decision may do serious harm to the social security of lower-income employees who make up the majority of the EPFO's member base.
- Given the churn in India's jobs market, sudden job losses are an ever-present threat for workers on the lower rungs of the income ladder.
- For such workers who are at the middle or fag end of their careers, the leeway to withdraw 75 per cent of the kitty to tide over short-term job losses, can mean a measly retirement corpus.
- A similar conflict is also brewing with respect to the EPFO's investments as the funds are now proposing to add stocks beyond the invested stocks in the hope of bumping up its returns.
- Again, higher-income earners in the PF fold may not mind taking on higher market risks for higher rewards, but the majority of EPFO members may not share this sentiment.

9.12 WTO Amidst Trade War

What is the issue?

- Countries are increasingly announcing new trade sanctions and imposing tariffs and retaliatory tariffs on imports.
- The looming trade war raises serious concerns on the very role of the World Trade Organisation (WTO).

What are the recent developments?

- China, India and others have already filed complaints against the US in WTO.
- This is in regards to imposing high tariffs on steel and aluminium imports, citing national security as the reason.
- Adjudication starts after a mandatory 60-day waiting period.
- Meanwhile, US President Trump describes WTO as a "catastrophe" and threatens to pull US out of it.

- At present, WTO rules may prevent the break-out of a full-fledged trade war.

What are the concerns?

- Despite the rules in place, the risks remain, and WTO's limitations are showing.
- **Relevance** - WTO was unable to bring successful closure to the Doha Round of multilateral trade negotiations.
- Most of the action in recent years has been outside the WTO's multilateral framework.
- They had taken the form of bilateral or plurilateral discussions and agreements.
- **Disputes** - WTO's appellate body for disputes may soon become non-operational.
- It has 7 members, but 3 seats are vacant because the US has blocked fresh appointments.
- Given this deterioration, WTO's function of dispute settlement is uncertain and less encouraging.
- **Delay** - In any case, dispute settlement takes years to do.
- By this time, non-compliant tariffs and retaliatory action prevail.
- E.g. China has been imposing tariffs knowing well it would eventually be ruled out of court after a couple of years.
- Nevertheless, it gains from the tariffs in the interim.
- **Violation** - A country that files a successful trade complaint only earns the right to impose penal tariffs on the offending country.
- The whole idea of dispute settlement seems baseless, given the fact that retaliatory tariffs are already being imposed.
- Meanwhile, the US has imposed unilateral trade and other sanctions on countries like Russia, North Korea and Iran.
- India's difficulty to buy oil from Iran, or missiles from Russia is continuing.
- **Role** - WTO is supposed to set the rules for trade and deal with trade disputes.
- But WTO cannot act on its own even in reacting to unfair trade practices.
- It has to wait for member-nations to take the initiative.
- The recent unwelcome developments call for a reform of WTO.

9.13 Four-Year High Wholesale Price Inflation

What is the issue?

- The Wholesale Price Index (WPI) rose 5.77% on a year-on-year basis to a 54-month high in June 2018.
- The inflation scenario demands a closer look at the macro-economic conditions.

What are CPI and WPI?

- Both measure the inflationary trends i.e. movement of price signals within the broader economy.
- WPI tracks year-on-year wholesale inflation at the producer or factory gate level.
- It is a marker for price movements in the purchase of bulk inputs by traders.
- Consumer Price Index (CPI) tracks changes in prices levels at the shop end.
- It is thus reflective of the inflation experienced at the level of consumers.
- The two indices differ in the manner in which weightages are assigned.
- This applies to food, fuel and manufactured items as well as their sub-segments.
- E.g. weightage of food in CPI is far higher (46%) than in WPI (24%).
- Also, WPI does not capture changes in the prices of services but CPI does.

What are the driving factors for WPI rise?

- Rising crude oil prices has persistently driven inflation.
- Inflation in the fuel and power group has risen every month in the recent period.
- Food articles, especially vegetables, have been on a rising trend as well.
- The inflation in politically sensitive duo of potatoes and onions is a notable cause.
- Manufactured products (largest weight in the WPI) are also on an inflationary trend.
- WPI rise is also to be seen from the perspective of an unfavourable base effect.
- It is the effect of the previous year taken as the base for calculation.
- This is because the WPI inflation in June 2017 was just 0.9%.



Is WPI rise a concern?

- **Policy** - In 2014, RBI had adopted CPI as its key measure of inflation from the earlier WPI.
- India thus shifted to CPI as the benchmark for deciding policy rates (e.g. repo rate).
- Accordingly, RBI has a target to keep consumer-level inflation at 4% (+/- 2%).
- Any rise in CPI inflation beyond this comfort zone pressurises RBI to hike interest rates.
- So WPI rise might not appear relevant from a policy perspective.
- **Economy** - However, price changes at the producer level usually get transmitted to the consumers.
- But this could come with a time lag or may not be to the full extent of the impact at the producer level.
- So, the apprehensions with a higher WPI may not be valid at all times.
- Nevertheless, a steady rise in WPI is certainly an indicator of an overall inflationary pressure.
- It reflects the unbalanced conditions within the broader economy.
- **Retail** - There is a concern of a cascading effect of WPI increase on the CPI.
- This remains even after discounting for the base effect.
- Evidently, the retail inflation (CPI) had risen to a 5-month high of 5% in June, 2018.

How does it affect growth?

- Inflation-growth relationship is “significantly negative” if inflation is above a threshold value.
- It is “insignificant or significantly positive” if inflation is below the threshold value.
- Simply, inflation to a certain extent is favourable to the economy, above which it becomes harmful.
- But generally, the threshold values in developing countries are relatively higher.
- In India's case, roughly 4 to 5.5% inflation is said to be the range, above which it retards GDP growth rate.
- But substantial gains can be achieved if inflation is kept below the threshold.

How does the future look?

- Government has recently decided to increase the minimum support price for kharif crops.
- A possible inflationary pressure due to this exists already.
- On the other hand, inflationary trend has reinforced the expectations of a repo rate hike.
- As, rate hike would be a measure of controlling the inflationary trend.



- However, IMF in a recent update has said the Indian economy will grow slower than estimated earlier.
- It has also cut India's growth projection for 2018-19 by 10 basis points to 7.3%.
- The pressure on growth due to the added impacts of inflation and faster interest rate hikes is the reason.
- Thus, balancing between inflation and growth prospects would be a challenging task for the policy makers in the near future.

9.14 Mehta Panel Report on NPAs

Why in news?

The Sunil Mehta Committee submitted a five-point plan on bad loan resolution.

What are the key recommendations?

- The Committee was set up for restructuring stressed assets and creating more value for public sector banks (PSBs).
- It has proposed **Project Sashakt** to recover banks and stressed companies.
- The five-pronged resolution route outlines five features for bank resolution:
 - i. an SME resolution approach
 - ii. bank-led resolution approach
 - iii. AMC/AIF led resolution approach
 - iv. NCLT/IBC approach
 - v. asset-trading platform
- This route will be applicable to the following, which have a potential for turnaround -
 - i. smaller assets with exposure up to ₹50 crore
 - ii. mid-size assets between ₹50 crore and ₹500 crore
 - iii. large assets with exposure of ₹500 crore and more
- **Large assets** - For large assets, an independent asset management company (AMC) will be set up.
- The resolution route is also applicable to larger assets already before the National Company Law Tribunal (NCLT).
- It would also cover any other asset whose resolution is still pending.
- The process will cover both performing and non-performing assets.
- **Mid-size assets** - The committee called for a bank-led resolution approach for these.
- The resolution plan has to be approved by lenders holding at least 66% of the debt.
- The independent steering committee appointed by the Indian Banks Association (IBA) has to validate the process within 30 days.
- The resolution for this category would be achieved in 180 days.
- In this category, the key challenge would be to arrive at a consensus.
- This is because the exposure is held by multiple banks/lenders.
- **SMEs** - The committee suggested setting up of a steering committee by banks for SMEs resolution.
- This will formulate and validate the schemes, with a provision for additional funds.
- The resolution should be complete within 90 days.
- It also suggested that the resolution be under a single bank's control.
- The bank will have the liberty to customise the resolution process.
- **AIF** - Alternative investment fund (AIF) would raise funds from institutional investors.

- Banks would be given an option to invest in this fund if they wish.
- AIFs can also bid for assets in National Company Law Tribunal (NCLT).
- The lead bank can discover price discovery through the open auction route.

What is the significance?

- The recommendations offer a transparent market-based solution and are fully compliant with RBI regulations.
- It focusses on asset turnaround to ensure job protection and creation.
- The resolution process would help bring in credible long-term external capital.
- This could limit the burden on the domestic banking sector.
- It could also ensure robust governance and credit architecture and prevent any build-up of NPAs in the future.

What are the concerns?

- **Approach** - Large banks helping smaller lead banks to run the resolution process, if required, sounds an ineffective suggestion.
- The bank-led resolution approach has largely failed in the past.
- Clearly, this is the reason why alternative plans to resolve NPAs quickly are being sought.
- **Consensus** - The lead bank's resolution plan to be approved by 66% of the lenders (by value) merely replaces the earlier JLF.
- The JLF (joint lenders' forum) structure failed miserably as it fell short of building consensus.
- The present committee report has missed to address this real challenge.
- **Small banks** - The structure also fails to serve the interests of smaller banks.
- If restructuring involves additional finance, small banks may be affected.
- As, unlike the larger ones, smaller banks may not prefer giving good money after the bad loans.
- **Reconstruction** - The report points out the lacunae in the existing functioning of asset reconstruction companies (ARCs).
- But it fails to address how such issues will be tackled under the proposed AMC or AIF structure.
- Success of price discovery through open auction under AMC/AIF depends on banks' willingness and capability to take financial risks.
- Clearly, unattractive returns and poor recovery rates have discouraged investors from bringing in capital in the past.
- **Complex** - The objective of early resolution to NPAs may be hampered by complicated work processes.
- E.g. there is lack of clarity on how AIFs will work with a series of AMCs for a quick resolution.
- Also, there are 26 ARCs and a couple of resolution advisory service companies in operation.
- Given this, creation of new platforms like the AMC in AIFs for NPA resolution seems illogical.

9.15 P-Notes and Money Laundering

Why in news?

The special investigation team (SIT) on black money has asked the SEBI to furnish details of all those investing through participatory notes (P-Notes).

What are P-Notes?

- P-Notes or Participatory Notes are Overseas Derivative Instruments that have Indian stocks as their underlying assets.
- These instruments are issued by foreign portfolio investors (FPIs) registered with SEBI.
- It allows foreign investors to buy stocks listed on Indian exchanges without being registered with SEBI.



- It gained popularity as foreign institutional investors (FIIs) started betting on stocks through this route.
- This is to avoid the formalities of registering, and to remain anonymous.

What is the concern?

- P-Notes are an internationally accepted route to invest money and there are many genuine players.
- But, the government and the regulator are concerned about round-tripping of money.
- As, there are some who are adopting P-Notes route for illicit money transactions.
- There is a concern that it is being used in money laundering.
- Wealthy Indians, like companies promoters, are using it to bring back unaccounted funds and to manipulate their stock prices.
- The primary reason for the concern with P-Notes is because of the anonymous nature.
- These investors could be beyond the reach of Indian regulators.

Derivatives

- Derivative is a contract between two or more parties and its value is determined by the underlying asset.
- The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes.

What are SEBI's moves?

- SEBI has recently put in place restrictions on foreign portfolio investors from issuing participatory notes.
- So, P-Notes can be issued only for the purpose of hedging (safeguarding) with respect to the equity shares held.
- SEBI said that existing positions on unhedged P-Note derivatives have to be liquidated by the end of December 2020.
- Earlier to this, SEBI tightened P-Note norms by deciding to levy a fee of USD 1,000 on each instrument.
- It had increased the know-your-customer (KYC) requirement.
- It also issued curbs on transferability, and prescribed more stringent reporting for P-Notes issuers and holders.
- SEBI also barred their issuance for speculative purposes from checking any misuse for channelizing black money.
- It also decided to relax the entry norms for foreign portfolio investors (FPIs) willing to invest directly in Indian markets rather than through P-Notes.
- It also mandated issuers to follow Indian anti-money laundering laws instead of norms prevalent in the jurisdiction of the end beneficial owner.

What is the significance of SIT's directive?

- The tightening of P-Note norms was triggered by the concerns raised by SIT in 2015.
- This was especially over the investment coming from Cayman Islands, the top destination for P-Note investors investing in the Indian securities market.
- Panama Papers leak also compounded the black money concerns.
- The present directive is the first time the government-constituted SIT has sought such massive amount of data.
- It includes the list of beneficial owners and transfer trials of investors taking the P-Note route.
- The SIT wants to ensure that the regulatory changes made by SEBI are sufficient to curb the misuse of such instruments.

9.16 Annual Ranking on Ease of Doing Business

Why in news?

Annual ranking of States on 'ease of doing business' has been released by

Department of Industrial Policy and Promotion and the World Bank .

What is the annual ranking about?

- The Annual ranking of States on 'ease of doing business', have been drawn up on the basis of performance across 372 parameters.
- These cover a gamut of regulatory practices, such as factory inspections, environmental regulations, labour laws, construction permits, land availability and single-window clearances.
- The highlight of the recent rankings is that it has been prepared after incorporating feedback from industry.
- Such ongoing assessments will help States focus on addressing chronic issues such as multiplicity of authorities, a clutter of rules and red tape.

What are the insights from the recent rankings?

- The recent rankings shows that the economically backward States are keen to catch up with the industrialised western and southern States.
- While Andhra Pradesh and Telangana have grabbed the first two slots, it is notable that Jharkhand, Chhattisgarh, Madhya Pradesh and Rajasthan are in the first 10, their incremental reforms bettering States such as Maharashtra and Tamil Nadu.
- If this impetus translates into a certain equalisation of investment across regions, it may mitigate existing regional inequalities.
- It is notable that, besides the north eastern States, Delhi, Punjab, Goa, Kerala and Jammu and Kashmir have been slotted as reform laggards.

What are few shortcomings with such rankings?

- Various rankings mechanisms in India suffer from shortcomings in methodology and perspective.
- For example, it is not clear whether the top-ranked States have attracted domestic investment or FDI flows.
- Rankings on ease of doing do not adequately factor in the role of public goods such as health, education, gender equality, law and order and sanitation in creating an appropriate ecosystem for business.
- The capacity of governments to deliver these public goods varies substantially across States.
- It is not a coincidence that the south and west, which have fared better in governance, have also attracted more investment than the north and east in the post-reform years.

How ranking systems can be enhanced?

- Reform steps must translate into verifiable outcomes for a State to be highly ranked.
- There should ideally be a demonstrable uptick in registrations under the Shops and Establishments Act, the Factories Act, and so on.
- For instance, if Jharkhand has spruced up its business climate, that should manifest itself in mining activity, infrastructure use and energy consumption, even if with a lag.
- Such proxies must be considered by those drawing up the rankings.
- Rankings also need to take a gamut of institutional and socio-economic concerns into account.
- Both the State and industry need to adapt expectations to emerging technological challenges for a well-governed business climate.

10. INFRASTRUCTURE

10.1 Strategic Petroleum Reserves

Why in news?

Union government approved the construction of two more strategic petroleum reserves in the country.

What is Strategic petroleum reserves?

- Strategic petroleum reserves are essentially huge stockpiles of crude oil to keep the wheels of the country running in crunch situations.



- This is because the government has to stay prepared with emergency stores of crude oil to tide over severe supply shocks of this critical fuel.
- Many major global oil consumers such as the US, China and Japan have built massive strategic reserves of oil over the years, and India too embarked on the path in the last decade.

What is India's Plan on strategic Petroleum reserve?

- Indian Strategic Petroleum Reserves Ltd, has constructed three strategic petroleum reserves in huge underground rock caverns at Visakhapatnam on the East Coast, and at Mangaluru and Padur on the West Coast.
- These facilities, with total capacity of 5.33 million tonnes, can meet about 10 days of India's crude oil requirements.
- The new facilities approved recently can provide additional supply for about 12 days.

Why is the need for such structures?

- India is the world's third largest energy consumer after the US and China.
- The trouble is India produce very little oil of its own and are dependent on imports for more than 80 per cent of its needs.
- The chunk of this is from West Asia which is often in the midst some geo-political face-off or the other.
- Added to this, there's always the risk of supply disruption from natural disasters, war or other calamities.
- Thus strategic petroleum reserves add much-needed heft to the country's energy security.

10.2 Status of "Real Estate Regulatory Act"

What is the issue?

- Many states are yet to comply with the provisions mandated in the Real Estate Regulatory Act (RERA), 2016.
- Parliamentary Committee on Subordinate Legislations has recently submitted its report with recommendations for bettering the situation.

What is the status of "Real Estate Regulatory Act"?

- Real Estate (Regulation and Development) Act, 2016, which seeks to regulate construction sector, received the Presidential assent in March 2016.
- The act sought to make each state governments establish a "Real Estate Regulatory Authority" (RERA) and "Real Estate Appellate Tribunal" (REAT).
- Subordinate rules under the act were supposed to be subsequently notified by states/UTs for their respective jurisdictions, but the progress has been limited.
- As of April 2017, only 12 states/UTs notified the rules, while draft rules were prepared by 16 states/UTs and 7 states hadn't made any progress.
- While 4 states (Sikkim, Arunachal Pradesh, Meghalaya & Nagaland) cited constitutional issues, others (Manipur, West Bengal & Goa) had not provided any information.

What has the parliamentary report stated?

- Parliamentary Committee on Subordinate Legislation looked into the Real Estate Act, and recently submitted its report to the Lok Sabha.
- It has expressed concern over issues such as delay in notifying rules by various states, establishment of RERA/REAT as customers are being affected.
- Dilution of rules to favour builders, absence of registration of ongoing projects and ineffective implementation are other issues that have been flagged.
- The committee also asked the "Ministry of Housing and Urban Poverty Alleviation" to ensure that the act takes effect across states in letter and spirit.
- It further recommends that the provisions of the RERA Act should be uniformly applicable across the country.
- Also, till the time RERA/REAT is constituted, it has been recommended to constitute a temporary authority for the intended purposes.



What is the status of ongoing projects?

- RERA Act says that the ongoing and under-construction projects are required to be registered with the Authority.
- But some states like Uttar Pradesh, Haryana and Gujarat are not adhering to this and developers are resorting to taking partial completion certificates.
- They are hence handing over the flats to the applicants without fulfilling the obligatory requirement of handing flats in complete shape.
- The committee has called for redefining ongoing projects to overcome the current ambiguities and has demanded strong penalties for non-compliance.

10.3 Augmenting Offshore Wind Power

Why in news?

Ministry of New and Renewable Energy (MNRE) has recently declared revised targets for offshore wind power capacity addition.

What is the recent move?

- The National Off-Shore Wind Policy was notified in 2015.
- The recently firmed up offshore wind power target is 5 GW by 2022 and 30 GW by 2030.
- MNRE had earlier invited Expressions of Interest (EoI).
- This was for the first 1 GW offshore wind power plant off the Gujarat coast.
- About 35 major players, global as well as local, in the offshore wind energy sector responded.
- The National Institute of Wind Energy (NIWE) is designated the official agency to develop offshore wind power.
- **Challenge** - There are difficulties in installing large wind power turbines in open seas.
- As, offshore wind turbines are of much larger dimensions and capacities than onshore turbines.

What are the relative advantages?

- Offshore wind power requires a higher initial cost.
- However, it has several benefits over its onshore counterpart.
- Power output from these plants is steady, almost free from interruption.
- In fact, it tends to increase a bit in the evenings to coincide with peak consumer demand.
- Per unit power production is relatively high and the maintenance cost is low.
- India also has a strong wind power equipment manufacturing base, although it needs a revamp.
- Importantly, offshore windmills do not need land.
- So, land acquisition, a major challenge for most terrestrial infrastructure projects is ruled out.
- Offshore wind power is, therefore, ideally suited for a land-short country like India.

What are the prospects?

- **Potential** - Preliminary studies have shown good wind potential in both southern tip of the Indian peninsula and the west coast.
- There is substantial scope off the coasts of Tamil Nadu, Gujarat and Maharashtra.
- **Global** - Globally, 17-18 GW of offshore wind power has been installed.
- UK, Germany, Denmark, Netherlands and China are the leading countries.
- There has also been a fall in offshore wind tariff in the recent years in some of these markets.
- **Investment** - Government has assured a level-playing field to all investors, domestic and international.

- There is thus a favourable power tariffs and policy environment for private investment.
- **Cost** - There is constant inflow of new cost-cutting and output-enhancing technologies.
- This would improve the sector's competitiveness as against the conventional power sector.
- This is expected to sustain the economic viability of these ventures.

10.5 MSME Bill 2018

Why in news?

The Centre has tabled the MSME Development (Amendment) Bill 2018 in Parliament.

What are the key provisions?

- The Bill amends the Micro, Small and Medium Enterprises Development Act, 2006.
- Under the Act, manufacturing units are defined depending on their investments in plant and machinery as:
 - i. micro enterprises (below Rs.25 lakh)
 - ii. small enterprises (Rs.25 lakh to Rs.5 crore)
 - iii. medium enterprises (Rs.5 crore to Rs.10 crore)
- The thresholds were lower for services units.
- Under the Bill, all MSMEs will be classified on the basis of their annual turnover.
- This is irrespective of whether they are manufacturing or service-providing enterprises.
- Now, the units will be
 - i. 'micro' enterprises if their annual sales turnover is less than Rs.5 crore
 - ii. 'small' if they fall in the Rs.5-75 crore range
 - iii. 'medium' if they are in the Rs.75-250 crore band
- The central government may change these annual turnover limits through a notification.
- The maximum turnover may be up to three times the limits specified in the Bill.

What are the benefits?

- **Starters** - MSMEs are offered a range of incentives and tax benefits, to promote them.
- Under the current definition, the newer units often face disadvantages.
- As, their higher investments, as part of the industrial modernisation efforts, keeps them out of MSME definition.
- Hence, the turnover criterion is a more pragmatic way to incentivise industry.
- It facilitates fairer comparisons between older and newer ventures and helps starters in utilising MSME sops.
- **Sectors** - Turnover-based sops may be friendlier to technology-intensive sectors.
- These include engineering, auto components or pharmaceuticals.
- Substantial capital investments are needed to ensure even minimal scale in these.
- Here again, turnover, instead of investment criterion, would be more beneficial.
- **Procedure** - The annual turnover criteria can be directly verified from the GST Network.
- It thus puts an end to physical inspections necessitated by the investment-based regime.
- **Efficiency** - Turnover criteria will allow a unit to graduate from its MSME status on reaching a fair size.
- It will discourage the proliferation of inefficient units created mainly with an eye to utilise sops.
- The Centre should consider a sunset clause on MSME benefits to encourage small units to climb up the value chain.



10.6 India's CSR Landscape

What is the issue?

- There has been a culture of insincerity towards the envisioned provisions of “Corporate Social Responsibility (CSR)” mandate.
- Revamping the regulatory provisions and addressing the anomalies in the “Companies Act” are critical to ensure better CSR compliance.

What is the overall appeal of the CSR mandate?

- Companies Act stipulates that companies with a “net worth of Rs 5 billion, or turnover of Rs 10 billion or net profit of Rs 50 million per annum” must spend 2% of net profits on CSR.
- Notably, “net profit” is derived accounting number that companies can tinker with, and “turnover” could've been a better metric for CSR calculations.
- Even if this irrationality is overlooked, there are several other inefficiencies in the CSR mandate which needs to be scrutinised.
- Data shows that “Indian companies” aren't spending as much on “Corporate Social Responsibility” (CSR) as mandated by law.
- Presently, the government is already looking into the records of top 1,000 companies, and prosecutions have been launched against 254 companies.

What are the financial ambiguities in the act?

- **Taxation** - The rules stipulate that that CSR spending excludes “activities undertaken in pursuance of the normal course of business of the company”.
- In other words, the amount a company spends on CSR cannot be claimed as business expenditure and be offset from taxable income.
- Tax experts say this creates room for ambiguity as business expenditure is vaguely defined, thereby resulting in several court cases.
- **Tokenism** - There are many schemes like “PM's Relief Fund, Rural Development and Skill Development projects” that enjoy tax exemptions.
- Hence, the bulk of CSR spending is merely cheque-writing activity, which defeats the spirit of the act, which is to get corporate entities to go social.
- **Carry Over** - Presently, unspent CSR money is allowed to be transferred to the next financial year, which is causing stagnation in this domain.
- Notably, only revenue and tax expenditure is allowed to be carried over, and as CSR is neither, it is not prudent to allow this accumulation unchecked.
- A provision for the unspent amount must be spent within a year is needed to avoid this clause becoming an excuse for companies.
- **Dedication** - CSR spending of many companies focus on aligning their philanthropic programmes to their image-building exercises alone.
- Consequently, their CSR wings are mere arenas for forwarding their brand and remain institutionally weak to sustain initiatives to effectuate actual change.

11. AGRICULTURE

11.1 Hiked MSP for Kharif Crops

Why in news?

The Union Cabinet has approved a hike in minimum support prices (MSPs) for kharif crops.

What is the decision?

- The present hike is in line with offering MSP at 50% higher than the cost of production.



- MSPs were announced for 14 commodities.
- This includes a Rs.200 per quintal increase in the MSP for paddy.
- Major hikes are seen in cereals such as bajra, jowar and ragi, as well as cotton.

What are the benefits?

- **Economy** - The hike would boost farmers' income and purchasing capacity.
- It would also have a positive impact on the wider economy.
- Government has ruled out fears of rising inflation due to higher food prices.
- **Crops** - The move helps increasing pulses output and reducing dependency on imports.
- The Centre has also sought to push millets cultivation.
- This would benefit dryland farmers as well as the nutrient intake of all consumers.

What are the concerns?

- **Procurement** - Paddy is the major kharif crop, directly procured by the Food Corporation of India.
- But, there are no guaranteed mechanisms for procurement of most other crops.
- Shanta Kumar Committee report highlights that only 6% of all farmers sell their produce to a procurement agency.
- The hike would be useful only for paddy farmers in states with a strong procurement machinery.
- **Price** - High MSPs may end up fuelling inflationary expectations.
- But without procurement, the excess production would only bring down the price.
- It is then usually sold in the post-harvest peak marketing season at prices far below the MSP.
- The MSP hike would then actually turn against farmers' interest.
- **Cost** - MSP hike for kharif crops is based on A2+FL costs.
- This includes family labour, but not land costs.
- Farmers however demand a more comprehensive C2 costs which includes land costs.
- E.g. If MSP had been announced on C2 basis, paddy price would have risen by at least Rs 700 per quintal.
- **Financial** - Paddy hike alone is likely to inflate the food subsidy bill by over Rs.15,000 crore.
- The additional financial burden of the price push is said to be at around Rs 335 billion.
- This estimate is only for the kharif crops for which new prices have been approved.
- The actual annual burden would rise when MSPs of next rabi crops are also raised likewise.

Commission for Agricultural Costs and Prices (CACP)

- It is an attached office of the "Ministry of Agriculture and Farmers Welfare".
- It is mandated to recommend "Minimum Support Prices" (MSPs) and incentivize cultivators to adopt modern technology, and raise productivity.]
- CACP submits its recommendations to the government in the form of 'Price Policy Reports' for 5 categories of crops every year.
- The categories are - Kharif crops, Rabi crops, Sugarcane, Jute and Coconut.
- Importantly, while CACP recommends MSPs, it is the "Cabinet Committee on Economic Affairs" (CCEA) of the Union government takes a final decision.

What could be done?

- These rates have to be ensured to the growers of all the crops and in all areas.
- The price deficiency payment mechanism suggested by NITI Aayog could be considered.
- **Income** - India's subsistence farmers need support systems other than MSP to alleviate distress.
- Policymakers need to shift from price support to income support.
- With the systems in place for direct transfers, the time is ripe.

- Income support, unlike MSP, will not be contentious with the WTO rules.
- **PDS** - Support prices are largely being used to serve populist ends.
- Instead they must be supplemented by a drive to improve the PDS network.
- This would benefit the rural households from cheap retail grain as well.
- **Infrastructure** - There is a need for a robust procurement infrastructure.
- Purchase centres, transportation and storages have to be ensured.
- **Markets** - Rice and wheat stocks are generally pushed through the public distribution system.
- Hence, ways and means to dispose of the procured stocks of other commodities should be found.
- Markets must operate freely, with no curbs on exports.
- This will allow farmers to get rewarded for output and quality of produce.

11.2 Shortfalls in Crop Insurance Schemes

Why in News?

Recent reports by the CAG and CSE has highlighted the shortfalls in various crop insurance schemes.

What are the reports on?

- The CAG report examined the following crop insurance schemes:
 - i. Modified National Agriculture Insurance Scheme (MNAIS)
 - ii. Weather Based Crop Insurance Scheme (WBCIS)
- These were implemented during 2011-12 through 2015-16.
- The Centre for Science and Environment (CSE) study analysed the new Pradhan Mantri Fasal Bima Yojana (PMFBY).
- Notably, PMFBY replaced all the above schemes from Kharif 2016 onwards.

What are the concerns highlighted?

- **Low claim** - There were shortcomings in implementation of the crop insurance scheme in the 2011 to 2016 period.
- As a result, a huge sum was released to private insurers without proper verification of the beneficiaries.
- Notably, there was low claim in relation to the premium charged.
- This led to the insurance companies making in huge profits.
- **Delay in subsidy** - Under PMFBY, claims must be paid to farmers within 3 weeks of yield data by insurance companies.
 - But on ground, claims made for Kharif 2016 were not fully settled even a year after.
 - A major reason for this is the delay by states in releasing their share of the subsidy.
 - Also, delay on part of the states to take up requisite number of *crop cutting experiments* (CCE) is another major failure.
- **Crop value** - The value of the crop is based on the average yields of the last 3 years.
- The sum insured does not represent the real value in an area where yields are growing, or for farmers who have higher yields.
- **Coverage** - Most districts tend to have just one or two notified crops.

Pradhan Mantri Fasal Bima Yojana

- The Pradhan Mantri Fasal Bima Yojana (Prime Minister's Crop Insurance Scheme) was launched in 2016.
- It envisages a uniform premium to be paid by farmers at only 2% for Kharif crops and 1.5% for Rabi crops.
- The premium for annual commercial and horticultural crops will be 5%.

Crop Cutting Exercises (CCE)

- States are mandated to conduct crop cutting experiments (CCE) for assessment of yield losses or crop damage.
- Standing crops in five square metre would be harvested, thrashed and the quantum of grains and straw would be weighted to assess the loss.
- Crop loss assessment has to be timely and also be reasonably accurate, to inspire confidence among insurance companies.



- So most vegetables/fruit tend to be uninsured if they are not the major crop of the district.
- The share of small and marginal farmers was very low under the NAIS scheme given their proportion of 85% of the total farmers.
- Coverage of non-loanee farmers under the crop insurance schemes has been particularly low.
- Farmers receiving crop loans are mandatorily enrolled in crop insurance schemes.
- Unlike these loanees, non-loanee farmers are those who sign up for these schemes willingly.

11.3 Unapproved GM Cotton Seeds

What is the issue?

Reports of expert committee set up by PMO concerns widespread cultivation of unapproved genetically modified (GM) cotton seeds.

What are the report findings?

- In India there are widespread cultivation of unapproved genetically modified (GM) cotton seeds.
- The seeds of these unapproved herbicide-tolerant GM cotton, produced last season, are likely to be used by the farmers in the ongoing cotton planting season as well.
- Supervisory lapses of this kind can prove disastrous for the environment, biodiversity as well as human and animal health though, fortunately, no such ill-effect has been traced by the panel in this case.
- Thus the report calls for a thorough review of GM crops regulatory regime and also the entire gamut of policies governing the GM sector.

What are the flaws with the report?

- The experts' panel has ruled out any hand of the Mahyco Biotech Company, the original proprietor of the herbicide resistance technology.
- The company involves in the clandestine production and distribution of these seeds.
- This company had also presented these new-generation biotech seeds for official approval but it had formally withdrawn them in 2016 when the government lowered the cap on the prices of Bt-cotton seeds as well as the royalty payable to the technology developer.
- The committee felt that the herbicide-tolerant genes in the cotton crop actually planted by the farmers were stolen during field trials.

Why farmers rely on GM seeds?

- In India over 90 per cent of the crop area is under Bt-cotton seeds, the existing Bt-hybrids are gradually losing their effectiveness.
- Major pests of the cotton, notably the American or pink bollworms, which were restrained by the Bt-cotton, are re-emerging and even getting immune.
- Farmers did not mind paying substantially higher prices for these seeds reflects their hunger for new and more lucrative technology.
- They did so knowing full well that they would not be entitled to any compensation for the crop failure due to these seeds and might even be prosecuted for using illegitimate seeds.
- But farmers are "satisfied with the technology which is less labour-intensive and hence cost-beneficial".

What are the pitfalls of government policy in this regard?

- Government policy is denying a useful technology to the farmers by putting a moratorium on the development and approval of new gene-altered crops.
- Such an ill-advised policy based on anti-GM lobby is depriving the farmers of an opportunity to boost their income by bagging larger harvests with lower costs.
- If the government does not allow the evolution of new and better gene-engineered strains as alternatives to the existing ones, the cotton revolution may not endure for long.

12. SCIENCE & TECHNOLOGY

12.1 EU Ruling on Gene Editing

Why in news?

The European Court of Justice recently ruled that organisms obtained by mutagenesis are also GMOs within the meaning of the GMO Directive.

What is the ruling?

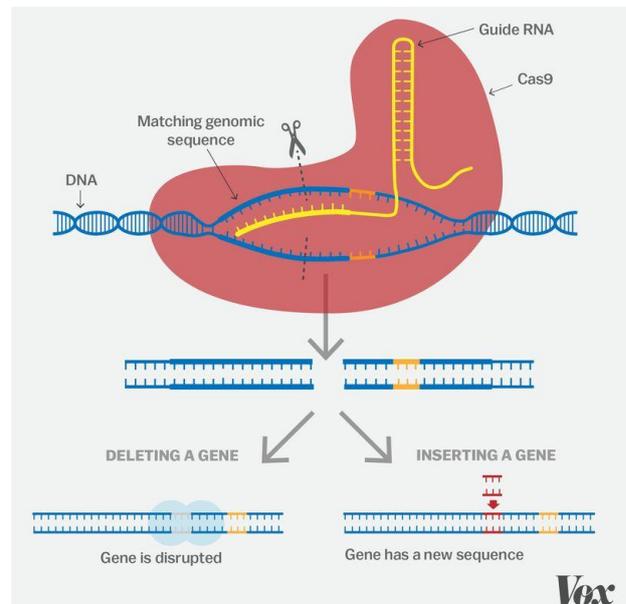
- The guidelines on genetically modified organisms (GMOs) will apply to plants bred using gene editing technology (mutagenesis).
- The techniques of mutagenesis should alter the genetic material of an organism in a way that does not occur naturally.
- These organisms will come, in principle, within the scope of the GMO Directive.
- They are subject to the obligations laid down by that directive.
- The ruling, however, leaves out other mutagenesis techniques like irradiation.
- It's because these have a proven track record and need not be considered under the same bracket.

What is gene editing?

- Genetic modification involves the introduction of foreign DNA into an organism.
- On the other hand, gene editing involves editing of the organism's native genome.
- CRISPR (Clustered Regularly Interspaced Short Palindromic Repeats) is a gene editing technology.
- CRISPR was talked about recently for its successful use in human embryos.
- This is done by introducing a protein (Cas9) containing the code of a defective gene.
- The protein then seeks out parts of the defective DNA that match this code.
- It then attaches itself to it, cuts it out, and then the DNA is allowed to repair itself by getting rid of the defect.

What are the benefits?

- Along with GMOs, gene-edited crops are considered to play an important role in increasing productivity.
- With gene editing, under appropriate regulations and policy, product development would be faster.
- It can be used to tackle specific traits by creating mutations.
- It is hoped that gene editing technologies would find wider acceptance than GM which faced opposition.
- As, gene editing does not involve introducing a foreign element into the plant's genetic code.
- **Concerns** - Questions over the efficiency of gene editing and its potential to disrupt the natural order exist.
- Also, the new ruling will affect research, with over 14,000 papers on gene editing having been published in 2017 alone.



What is the case with India?

- Indian experience with gene editing technology is mainly confined to research and not the field.
- Today India does not have any regulations on CRISPR as it does on GMO crops.

- But the Department of Biotechnology and Indian Council of Agricultural Research are in talks in this regard.
- There are demands from various sides for regulation on gene editing, for bio-safety.
- There is a need for a regulatory framework that does not take long processes for approval.
- India, instead of following the EU model of regulation, should take up models followed in the US, Australia and Canada.
- As, regulation has traditionally been stricter in Europe than in the US and Canada.

12.2 Oumuamua Comet Discovery

Why in news?

Scientists solved the mystery of the small, dark red cigar-shaped object that shot across cosmic neighbourhood late last year.

What is Oumuamua?

- Oumuamua - Hawaiian for “a messenger from afar arriving first”, was first spotted on October, 2017.
- When it was spotted near the Solar System, astronomers were puzzled to classify the object in space, recently scientists discovered that this object is to be a comet.
- When it was discovered, the oddly-shaped, about 800-m-long ‘Oumuamua was racing through space.
- It was dark and faint, with no visible ‘coma’ (atmosphere of dust and gas around a comet’s core) or ‘tail’ (elongated cloud that points away from the Sun) signature identifiers of comets as they approach the inner Solar System.



How astronomers found the object to be a comet?

- Comets are icy chunks of frozen gases, space rock, and dust, It has fascinated humankind for over 2,000 years.
- The absence of a visible tail in the case of ‘Oumuamua had initially led to its being classified as an asteroid.
- Scientists discovered the object last year, has shown that comets do not necessarily vaporise and light up as they get close to the Sun.
- The object’s spectrum (i.e. the colour of the light it reflects) is very similar to the Solar System comets, This supports its identification as a comet.

How Oumuamua differs from other comets?

- Oumuamua’s nucleus is probably similar to comets of our Solar System, although some aspects have to be different.
- The dust grains have to be larger than typical for other Comets, which could be a reason for the absence of the characteristic cometary tail.
- The tail we see in comets is typically made of fine dust lifted off the nucleus and dragged away by the emitted gas.
- In the case of ‘Oumuamua, the dust is not visible because it’s made of larger grains, that are too heavy to be lifted off by the gas.
- The gas itself is actually very difficult to detect, because the specific molecules composing it (water, CO and CO₂) are difficult to see in optical images.

What are the insights from this findings?

- There isn’t a lot of information about ‘Oumuamua, but the discovery provides exciting insights into the chemistry of objects born in other solar systems.
- The lack of visible tail and activity makes objects harder to see, because they appear less bright.

- If an object is active, the dust around it contributes to the overall brightness, making the object also easier to discover.
- It has happened a few times that an object that looked asteroidal at the time of discovery was then noticed to have a coma or a tail, and therefore reclassified as a comet.
- But once it has been discovered, the indirect method used to identify comets would prevent faulty classifications.

12.3 Net Neutrality Rules in India

Why in news?

Telecom commission of India has approved the net neutrality rules under new telecom policy.

What is move on Net neutrality?

- The Telecom Commission is the highest decision-making body in the Department of Telecommunications.
- Recently the commission has approved the net neutrality rules implying internet will remain open to everybody in the country.
- Apart from net neutrality rules, the commission has also approved the new telecom policy, National Digital Communications Policy (NDCP) 2018.
- It is aimed at promoting investments, ease of doing business, and emerging technologies like 5G.
- This decision, which comes within a month of the US nullifying its own net neutrality rules, reiterates India's firm commitment to a non-discriminatory net regime.

What is the significance of the recent move?

- The move on net neutrality is in sync with the recommendations of the Telecom Regulatory Authority of India (Trai).
- It is meant to ensure no service provider can restrict or discriminate in the treatment of content by blocking, slowing down or granting preferential speeds while providing internet access.
- A net-neutral regime allows smaller businesses and individuals to create and disseminate content without fear that their offerings will be swamped by larger competitors, or throttled by ISPs.
- It will remain an open platform and internet service providers (ISPs) will be prohibited from practices such as blocking content, degrading speeds, slowing specific content, or granting differential speeds or treatment.
- In that sense, net neutrality helps to promote innovation across the entire digital ecosystem.

What are the concerns with the move?

- Given India's hyper-competitive market, where telecom service providers have been struggling to generate enough revenues to service debts, tight net neutrality could be considered a restrictive approach.
- For example, under net neutrality, telecom service providers cannot offer "zero-rating" services where they charge surfers less to access specific websites or content run by partners.
- It does certainly restrict the freedom of telecom service providers to offer favourable terms to specific content providers, and does cut down the potential for creating new revenue streams.
- In technical terms new rules require both monitoring of compliance as well as a willingness to accept consumer complaints and penalise operators who violate the rules.

What measures needs to be taken?

- Key element about the net neutrality regime is that certain critical services may be exempt from it.
- It is up to the government now to decide on services that deserve exceptional treatment by regulators.
- For example, emergency remote diagnostic and telemedical services may need to be fast-tracked.
- The same may also be necessary for disaster management or during crowd management situations such as pilgrimages.



- Critical high-tech services like the management of smart power grids could also require priority, and there may be new applications such as autonomous car communications or drone operations, which might merit priority.
- On the whole, this policy should boost innovation by helping to maintain a level-playing field across the digital landscape.
- That will enable everyone from small businesses to artists to create and offer content without fear of being stifled.

13. ENVIRONMENT

13.1 Felling of Trees in Delhi

What is the issue?

- Protests have erupted in Delhi over the felling of over 16,000 trees in government redevelopment yards.
- Authorities argue that the numbers are exaggerated and in any case, they would plant more trees than are being felled.

What is the government policy?

- In India's countryside, forest lands underwent diversion for "non-forest purposes".
- These have been compensated for, through a series of laws.
- The Forest Conservation Act of 1980 was the foremost one.
- The policy culminated in the Compensatory Afforestation Fund (CAF) Act of 2016.
- It assumes that planting large number of trees would compensate for the loss.
- However, how effectively will this redress cutting down natural wilderness is uncertain.
- On the other hand, compensatory afforestation largely exists on paper.

Will planting new trees really help?

- Clearly, compensation is reduced to a matter of counting trees.
- But an old forest is a whole lot more than the sum of its trees.
- Plants, fungi, microbes, insects and animals are all part of a living jungle ecosystem.
- Recreating this community is not an easy task, as it takes decades.
- Also, soil with microorganisms and mycorrhiza inhabiting the humus takes 30,000 years to build up.

What are the governance issues?

- The sole agency for carrying out compensatory afforestation is the Indian Forest Department.
- Rewilding is possible, but it needs tools, knowledge and techniques.
- But, no Forest Department in India has any experience or track record of doing any ecological restoration work of any kind.
- It is also not taught to foresters in their training.

What is the case with Delhi?

- **Authority** - For compensatory afforestation, it is the Forest Department which implements the planting schemes.
- It is charged with compliance under the CAF Act.
- But, in a city like Delhi, the Forest Department is confused of what role to play.
- It is confused in the centre of power and with so many horticultural agencies competing for its natural turf.
- The Forest Department thus plays little role in managing the green areas of Delhi.
- This is the case even with the Central Ridge, which is nominally under its control.

- **Afforestation** - In Delhi, the land that is made available for afforestation is mostly least arable and degraded.
- Also, small plots are crammed with large number of saplings which are not even native trees.
- Clearly, they cannot be relied upon or sustained, once watering and care are withdrawn.
- Delhi is one of the cities with toxic air quality in the world.
- Given this, any development that adversely impacts Delhi's air quality needs a reassessment.

13.2 IPCC Draft Report on Global Warming

What is the issue?

A recent Intergovernmental Panel for Climate Change (IPCC) draft report on climate change response draws global attention.

What is the report on?

- The report comes on the direction of the United Nations Framework Convention on Climate Change in 2015.
- Accordingly, IPCC was asked to prepare a special report by 2018.
- This would be on the impact if the planet grew hotter by 1.5°C over the global average surface temperatures between 1850 and 1900.

What are the highlights?

- The basic message is that the world is not doing enough to keep the planet from heating up excessively.
- If the emissions continue at the present rate, global warming will exceed by 1.5°C over the reference period by around 2040.
- The current measures such as rise of renewable energy and electric vehicles are just not enough.
- The inevitable consequences will be more
 - i. floods and droughts
 - ii. forest fires
 - iii. islands losing ground to rising sea waters
 - iv. water scarcity
 - v. vector-borne diseases
- This reiterates what the UN Environment Programme has been emphasizing in its annual Emission Gap Reports.
- In 2016 report, it said that even if countries stick to their Paris deal commitments, the target would not be met.

What are the concerns and challenges ahead?

- **Paris deal** - At Paris in 2015, all countries agreed to limit global warming to 2°C by the turn of this century.
- This aside, they also agreed on an ambitious goal to limit global warming to 1.5°C.
- But the Agreement is loosely-worded, and leaves everything to voluntary action with no penal provisions.
- **US** - The United States has recently pulled out of the Paris accord.
- It has also begun to support coal, a fuel chiefly responsible for the climate change.
- Further, the US has slashed its contribution to the Global Environment Facility (GEF).
- Resultantly, developed countries' funding to GEF has come down by \$300 million.
- Notably, GEF is a big funder of climate projects in developing countries.
- **Australia** - Australia is also following the US's example.
- It has also said that coal would have an important role in the country's energy mix.

- **Coal** - With US and Australia backing coal, poor countries like Indonesia are taking the opportunity.
- Having seen good returns in exporting coal over the last decade, it wants to do more.
- The situation is likely to worsen with the development of a new Russia-funded railway.
- The railway will open up new areas of Kalimantan (Indonesian part of Borneo island) for coal.
- Banks are also not doing enough to restrict funding for coal projects.
- **Deforestation** - According to Stockholm Environment Institute, permits for mining cover 6.3 million hectares of Conservation Forest and Protected Forest areas.
- In 2017, the tropics lost nearly 16 million hectares (size of Bangladesh) to deforestation.
- **Measures** - A recent International Energy Agency report looked at 35 areas requiring action, to be consistent with the 2°C goal.
- Out of the 35, only four were on the right track and these are solar PV, LED, e-vehicles and data centres.
- The IPCC report comes as a wake up call for nations to relook and reassess the climate strategies.

13.3 Dealing with Petcoke

What is the issue?

- With restrictions on sulfur consumptions, petcoke is getting to be a favourable alternative.
- India has to react appropriately to this in the context of the environmental implications involved.

What is the recent challenge?

- Sulfur is a common impurity in crude that can cause respiratory problems and acid rain when it's burned.
- The global shipping industry has started implementing regulations to limit its sulfur consumption.
- This will make the bunker fuel used in ships cleaner than the crude oil produced worldwide.
- Traditionally, it has been the cheapest, dirtiest fraction from refining.
- The rules on sulfur content will come into force at the start of 2020.
- The oil market and refiners would thus have to find another way to dispose of their by-products.
- One popular way of disposing this of late has been to sell it to India as a cheap petcoke.

How is petcoke an alternative?

- Petroleum coke or petcoke is a spongy, solid residue from oil distillation.
- It is a coal substitute and can be burned for fuel in the same manner as coal.
- It notably has a higher energy content.
- Petcoke has become an attractive raw material for power stations and cement plants in India.
- The loophole in India's environmental taxes has facilitated this.
- Plain old coal attracts a clean-energy levy that has risen to Rs.400 a metric ton since it was introduced in 2010.
- On the other hand, petcoke has been exempt from this levy.
- Indian price for coal of comparable heating values in the region is Rs. 4,000 a ton.
- Given this and the high tax, petcoke has been a favourable alternative.
- Similar levy issues have favoured petcoke over natural gas as well.

How has petcoke use been?

- Petcoke was the fastest-growing fraction of oil demand in India.
- Its consumption is the second-biggest share of India's petroleum consumption after diesel.

- It has outstripped even LPG and gasoline.
- While petcoke is richer in energy than coal, it can have 20 times as much sulfur too.
- The choking smogs have made India's cities the world's most polluted in recent years.

What are the measures?

- The Supreme Court last year banned the use of petcoke in New Delhi and adjacent states.
- It however allowed a reprieve for the cement companies that consume about half of it.
- Cement plants currently escape the court ban on the grounds that all their sulfur is removed in the production process.
- Government is planning a nationwide ban on using petcoke as fuel.
- Also, there are, reportedly, measures to halt imports.
- This is because petcoke produced overseas now accounts for about 40% of supply.
- Much of it is from U.S. refineries processing heavy Canadian and Latin American crude.

13.4 Emission Standards for Thermal Plants

What is the issue?

- Thermal power plants failed to comply with new emissions standards notified in 2015, by December 2017 deadline.
- Implementation remains unclear, even with the new opportunity to comply over a five-year period that ends in 2022.

Why is it significant?

- Air quality is no longer a seasonal irritant as a public health crisis is looming.
- It may adversely impact public and private spending on health care.
- The health cost borne by society, if the standards are not implemented, far exceeds the implementation cost.
- It could make India's cities less attractive for investment.
- It may also weaken long-term productivity, due to an unhealthy population.
- So it is crucial that the emission standards are implemented by the power plants.

What are the directions?

- The Central Pollution Control Board issued an order in December 2017.
- It lays out a clear implementation plan for
 - i. electrostatic precipitator (ESP) retrofits (components) aimed at particulate matter
 - ii. flue-gas desulfurisation (FGD) units for reducing sulphur oxides (SO_x) emissions from power plants
- A successful reduction in emissions from power plants will depend on:
 - i. plant operators investing in retrofits
 - ii. regulators permitting a full price revision for additional costs
 - iii. decline of bulk procurement costs for utilities

What are the concerns and challenges?

- Power Utilities currently incur losses to the tune of Rs 700 billion a year from their operations.
- This is because consumers are either subsidised or given free electricity, due to political pressures.
- Utilities are thus unable to recover even the cost of supplying power.
- So they are unlikely to recover higher costs resulting from plant retrofits.
- The installation and operation of these retrofits could increase the cost of procuring from coal-fired power stations.



- It could result in an increase of 20% on the average costs of procurement today.
- In turn, plant operators are concerned about their capital investment if utilities do not pay up.
- The pace of implementation of the standards is thus well off the mark and there could be further delays.
- Another challenge is that India has followed a command and control approach.
- It does this by setting almost a uniform standard for all plants.
- The United States had addressed an earlier acid rain issue through a comprehensive cap-and-trade mechanism for SO_x emissions.
- But India has many challenges in rolling out a cap-and-trade regime including:
 - i. low levels of monitoring of emissions
 - ii. low capacity within state pollution control boards
 - iii. lack of a cadre of administrators to monitor

13.5 CAG report on Chennai floods

Why in news?

The CAG report, 'Flood management and response in Chennai and its suburban areas', was recently tabled by the government in TN Assembly.

What are the highlights?

- It has found fault with the government on many counts, with adverse criticism over Water Resources Department (WRD).
- It categorized the flood as a "man-made disaster".
- It has held the government of Tamil Nadu responsible for the scale of the catastrophe.
- The report said that there was indiscriminate discharge of water from the Chembarambakkam reservoir, in excess of inflows, which burdened the Adyar river, leading to floods in the city and its suburbs.'
- There was no proper supervision mechanism as there was no record available on any communications between the Section Officer (in-charge of the tank) with government officials.
- The report also charged that even if there was communication, the fact remains that the actual inflow and outflow was not regulated as per Central Water Commission (CWC) norms.
- The WRD had the opportunity to store 0.268 thousand million cubic feet (tmc) more at the tank on December 1, 2015 at 2 pm when the discharge was increased from 12,000 cusecs to 20,960 cusecs.
- So the discharge could have been maintained at 12,000 cusecs for another six hours.
- The indiscriminate discharge was done to save patta land allowed in the foreshore area from submergence.
- This excess discharge of water continuously for 21 hours on December 1 and 2 into the Adyar river, coupled with surplus water from upstream tanks and catchment areas, caused a huge flow of flood waters into the river.
- The report also charged the WRD for not taking up desiltation of the river.
- In the absence of an Emergency Action Plan (EAP) and due to the government's failure to update its system / manuals as per CWC guidelines, the water was released in an unsustainable manner.

14. INTERNAL SECURITY

14.1 Islamic State (IS) in India

Why in news?

- Indian intelligence agents have confirmed the arrest of an Islamic State (IS) operative.
- This was ahead of a planned plot to bomb New Delhi.

How is IS presence in India?



- The arrest throws the spotlight on the IS's presence in India.
- The National Investigation Agency (NIA) and state police have so far arrested 75 individuals with alleged IS links.
- The highest number is from Kerala (21), followed by Telangana (16), Karnataka (9), Maharashtra (8).
- Other states include MP (6), Uttarakhand (4), TN (4), UP (3), Rajasthan (2), J&K (1) and WB (1).

How does IS recruit?

- IS propaganda and recruitment depends largely on social media apps such as WhatsApp and Nimbus.
- Recruiters and trainers use the Internet, the phone and one-on-one meetings for indoctrinating Indian youth.
- They then get them travel to Syria, Libya or Iraq.
- Of late, recruiters have been using the "dark web".
- This is a class of Internet content that is not visible to general browsing and is not indexed by search engines.

How have IS's activities in India been?

- So far, IS has not directly claimed responsibility for any attack in India.
- The 2014 blast on **Church Street, Bengaluru** was however allegedly triggered by an IS-linked individual.
- As per NIA reports, he had acted on directions from handlers in Syria associated with the IS.
- The target was Israeli tourists in Bengaluru.
- He was earlier with SIMI (Students Islamic Movement of India) and then Indian Mujahideen.
- IS is also suspected to be behind the low-intensity blasts on **Bhopal-Ujjain passenger train** in 2017.

How is IS role in J&K?

- The security establishment believes that the IS does not have any defined organisational structure in J&K.
- 4 militants recently killed in South Kashmir belonged to Islamic State of Jammu and Kashmir (ISJK).
- However, this outfit is believed to have no organisational links with ISIS.
- ISJK recruits are mostly former operatives of other groups such as Hizb-ul Mujahideen and Lashkar-e-Toiba.

How does IS operate in India?

- Bhatkal (Karnataka)-resident Shafi Armar is said to be highest-ranking IS operative in India.
- He is designated a global militant by the United States.
- Shafi Armar was earlier with the Indian Mujahideen.
- He claims to have been tasked by IS chief al-Baghdadi to set up a Caliphate in India.
- However, intelligence agencies doubt if he has a direct association with al-Baghdadi.
- Officials suspect that Armar uses the name of ISIS on directions of Pakistan.
- As, it is learnt that IS prefers Arab fighters for jihad and engages Indians mostly in administrative work.

What is the government's response?

- In 2015, the Home Ministry notified Islamic State of Iraq and Syria (ISIS) as a banned terrorist organisation.
- This was under the provisions of Unlawful Activities (Prevention) Act, 1967.
- It stated that ISIS was involved in radicalisation and recruitment of vulnerable youths.
- Recently, the government included ISIS-K, also known as Islamic State in Khorasan Province (ISKP) or ISIS Wilayat Khorasan.
- This is a branch that is active in Afghanistan and Pakistan.

How is Afghanistan becoming significant?



- The recently arrested Islamic State operative is an Afghan national.
- The IS is looking for new bases as its territory is shrinking in Iraq and Syria.
- Significantly, Afghanistan is one of the targeted countries.
- Afghanistan's Khorasan province, where many have migrated from Kerala, is being eyed.
- Notably, in 2016, 22 residents of Kerala, including 6 women and 3 children, reached an IS establishment in Afghanistan.
- Also, Pakistan-backed militant groups are suspected to use Afghanistan nationals to attack India in the name of the IS.
- In 2015, such groups had allegedly tried to make use of medical visas granted to Afghan nationals.

14.2 Status of Policing in India Report

Why in news?

The 'Status of Policing in India Report, 2018' was published recently by the Centre for the Study of Developing Societies and the NGO Common Cause..

What are the highlights?

- It offers a comprehensive survey of the performance and perceptions of the Indian police.
- Especially, the relation between Indian Muslims and the police was brought out by the report.
- **Fear** - The report highlights that all minorities feared the police more than Hindus.
- Notably, the apprehension is more acute in the case of Muslims.
- This is the case even with no reference to lynching of Muslims in the name of cow protection.
- **Cases** - The fear is because police often implicates Muslims under false terrorism charges.
- Indeed, many young Muslims have been in jail for years for this reason, before the judiciary released them.
- Muslims in Bihar, Maharashtra, Rajasthan and Tamil Nadu increasingly feel that police discriminate on the basis of religion.
- This may be partly explained by the social profile of the policemen.

How is the Muslim representation in law enforcement agencies?

- Muslims are dramatically under-represented in the Indian Police Service (IPS).
- Their share was already lower than 5% in the 1950s.
- This is less than half the proportion of Muslims in India according to the 1951 census.
- Their share in the population subsequently increased, reaching nearly 15% in 2011.
- However, the proportion of Muslims in the IPS decreased, falling below 3% in 2016.
- It is even as low as 2.5% if Jammu and Kashmir is excluded from the calculation.
- But the situation is slightly better if policemen at lower levels are taken into account.
- In this case, Muslims roughly made up 6% of policemen in India.
- Nevertheless, their strength is on a decreasing trend over the years.
- Overall, Muslims are underrepresented in law enforcement agencies.
- But the situation is a little better if the armed services as a whole are accounted.
- In the army, Muslims made up 2.5% of the people in uniform in 1990-2000.
- Similar figures are found in the navy and in the air force.
- There too, the proportion is slightly less in higher ranking categories and more in others.

Why is it significant?

- The report shows a quasi-absence of the largest minority in a key institution like the police.
- The fact that Muslims are underrepresented in police increases their vulnerability.
- Moreover, there is no effort being made to address this situation.
- The scenario clearly affects the national character of a nation-state.
- It undermines the idea of a multicultural India enshrined in the Constitution.

14.3 Russia's S-400 Triumph

Why in news?

S-400 Triumph is in the middle of an ongoing stand-off between Russia and Western nations.

What is S-400 Triumph?

- S-400 Triumph is one of the world's most advanced air defence systems.
- The system is a large complex of radars, control systems and different types of missiles.
- It can simultaneously track numerous incoming objects in a radius of a few hundred kilometres.
- The objects may include all kinds of aircraft, missiles and UAVs.
- It can employ appropriate missile systems to launch the counter attack and to neutralise the objects.
- The system is potential of ensuring a high success rate.

How did it evolve?

- S-400 traces its origins to the demands of the Cold War period.
- It was an effort to find a credible counter to the threat from missiles and incoming enemy aircraft.
- The development of S-400 started towards the end of the Soviet Union in the 1980s.
- It was disrupted by the collapse of the Communist bloc in 1991.

What is the recent development?

- The acquisition of S-400 by countries has taken centre stage in the American diplomacy regarding Russia.
- U.S. believes that S-400 could access sensitive U.S. military technologies in service with the potential buyers.
- Russia has also deployed at least two S-400 systems in Syria.
- This is of much concern to observers who fear the system could contribute to a global conflict breaking out in Syria.
- Among the countries under pressure from the U.S. to not buy this weapon are India and Turkey.

PRELIM BITS

ART & CULTURE

Mumbai UNSECO Status

- Mumbai's Art Deco buildings and Victorian Gothic Architectures were added to UNESCO's World Heritage List.
- This makes Mumbai city the second city in India after Ahmedabad to be inscribed on the World Heritage List.
- This is the third such honour for the metropolis after the Elephanta Caves and the majestic Victoria Terminus rechristened Chhatrapati Shivaji Terminus railway station which earned the coveted tag in 1987 and 2004 respectively.
- There are more than 200 Art Deco buildings in Mumbai,



majority of them, built between the early 1930s and early 1950s.

- Such buildings are clustered together in the south of the coastal city along the marine drive area.
- These are sleeker buildings boasting curved corners, balconies, vertical lines and exotic motifs.
- They were built by wealthy Indians who sent their architects to Europe to come up with modern designs different to those of their colonial rulers.

Victorian Gothic Structures

- These are predecessors of Art deco structures built by the British empire
- These public buildings include the Old Secretariat (1857-74), University Library and Convention Hall (1874-78), the Bombay High Court (1878), the Public Works Department Office (1872), Watson's Hotel (1869), David Sassoon Library (1870), the Elphinstone College(1888), etc.

Behdienkhlam

- It is Meghalaya's annual cultural festival.
- It is celebrated in the month of July all over the Jaintia hills for good health, property and bumper harvest.
- The main spectacle happens at the small peripheral town of Jowai, 64 km away from Shillong, Meghalaya.
- The non-Christian 'Pnar' people who believe either in the traditional faith of 'Niamtre' or Hinduism observe this festival.

Buddha of Swat

- Buddha of Swat is located in Jahanabad, the epicentre of Swat's Buddhist heritage, a beautiful valley in the foothills of the Himalayas.
- It belongs to 7th century depicted in a lotus position at the base of a granite cliff in northern Pakistan.
- It was damaged by Afghan Taliban in 2007.
- It is restored recently by Italian government nearly 12 years after the Afghan Talibans damaged.



Upgradation of Monuments by ASI

- Ministry of Culture has proposed upgradation of 7 monuments in Tamil Nadu.
- The Archaeological Survey of India will carry out the upgradation of infrastructural and tourist-friendly facilities.
- The idea is to create good quality infrastructure.
- Monuments include
 - The Shore Temple in Mamallapuram,
 - Vellore Fort,
 - Brihadeeswarar Temple in Thanjavur,
 - Kailasanathar Temple in Kancheepuram,
 - Sittannavasal Caves in Pudukottai,
 - Gingee Fort in Villupuram and
 - MoovarKoil in Kodumbalur.

Global Promotion of KumbhMela

- KumbhMela is the largest congregation of pilgrims in the planet, held once in every 12 years in 4 places - Haridwar, Allahabad, Ujjain and Nashik.
- It represents a syncretic set of rituals related to worship and ritual cleansing in holy rivers in India.

- The intergovernmental committee for the safeguarding of the Intangible Heritage under UNESCO has recognised Kumbh Mela as an intangible heritage.
- The “49 day Kumbh Mela” is going to be held in January, 2019.
- The government is taking various measures to promote globally to attract foreign tourists.
- Some of the measures are,
 - Launch of ‘Chalo Kumbh Chalo’ campaign across the country
 - Development of a designated area for flag hoisting for 192 countries visiting Kumbh Mela
 - Organising the ‘Pravasi Bharatiya Divas’, 2019 in Varanasi to attract ‘Pravasi Bharatiya Delegates’ to visit Kumbh, 2019

GEOGRAPHY

Agartala-Akhaura Rail Link Project

- It is a 45-km dual gauge line between Agartala in Tripura and Akhaura, a sub-district of Chittagong in Bangladesh.
- The project is developed as a part of India’s \$4.5 billion third line of credit extended to Bangladesh for its infrastructure and social sector development.
- The Agartala-Akhaura rail project will lend full connectivity from east to west of Bangladesh, apart from enabling trade relations between the two neighbours.
- Once completed, the railway link is expected to cut the distance between Agartala and Kolkata by more than 1,000 km, it will also enhance India’s access to Chittagong port in Bangladesh.



Under Water Museum

- Bolivia is going to build an underwater museum in its sacred **Lake Titicaca**.
- It is in partnership with Belgium and UNESCO would contribute \$2 million to the project.
- Titicaca is located between the border of Bolivia and Peru with an area of 8,500 sq.km.
- It will be both a tourist complex and a centre for archaeological geological and biological research which will make it the only one in the world.

Deep Ocean Mission

- The Central government has drawn up a 5-year plan to explore the deep ocean.
- Ministry of Earth Sciences has been tasked with coordinating the exercise.
- The ministry has recently unveiled the blueprint of "Deep Ocean Mission".
- The mission proposes to explore the deep ocean similar to the space exploration started by ISRO about 35 years ago.
- The Exclusive Economic Zone (EEZ) allotted to India (2.2 million sq.km) in the international waters will be covered under this mission.
- The focus will be on technologies for deep-sea mining, underwater vehicles, underwater robotics and ocean climate change advisory services.
- Under this mission, the key deliverables are
 - i. Offshore desalination plant that will work with tidal energy, and
 - ii. Developing a submersible vehicle that can go to a depth of at least 6,000 metres with three people on board.

Banganga River



- Ministry of Road Transport & Highways has accorded in principle approval for inter-state high level bridge on the Banganga river.
- Banganga River originates from the Aravalli hills, near Bairath in Jaipur and drains into Yamuna.
- Ramgarh dam has been constructed across the river in Jaipur.
- The main tributaries are Gumti Nalla and Suri River, joining the river on its right bank, and Sanwan and Palasan Rivers, meeting the river on its left bank.
- Its basin extends over parts of Alwar, Jaipur, Dausa, Sawai Madhopur and Bharatpur Districts.
- Its eastern edge borders the Yamuna River Basin in Uttar Pradesh.
- The inter-state high level bridge is proposed on the Sakdi-Dangorali route in Balaghat district of Madhya Pradesh.

Bansagar Canal Project

- Bansagar canal project was recently inaugurated in Mirzapur in Uttar Pradesh.
- The project is a joint venture between Madhya Pradesh, Uttar Pradesh and Bihar.
- It is a multipurpose river valley project on Son River.
- It aims to bring boost to irrigation in the region.
- Son River originates near Amarkantak in Madhya Pradesh.
- It is one of the tributary of Ganges from Central India.
- It is the second largest of the southern tributaries of Ganga. Yamuna is the largest tributary.

Idukki Dam

- Idukki dam in Kerala is constructed across the Periyar river, the longest river in Kerala.
- It is one of the highest arch dams in the continent, measuring 550ft in height.
- It was commissioned in the year 1973 with financial aid from Canada.
- It is built between two granite hills such as Kuravanmala and Kuravathimala.
- It is owned by the Kerala State Electricity Board.
- It supports a hydroelectric power station in Moolamattom.
- The hydel project is receiving water from two other dams at Cheruthoni and Kulamavu.
- The water levels in the reservoir are rising at an alarming rate as a result of the record high rains Kerala has received this monsoon.
- It has prompted authorities in Kerala to issue an "Orange Alert" - a precautionary messages to the public in light of possibility of water release from the reservoir.
- The dam is going to be reopened after 26 years. Previous opening was in 1981 and 1992.

POLITY

Repatriation of Bru refugees

- The Centre and the state governments of Tripura and Mizoram has recently signed an agreement for repatriation of Bru community from Tripura to Mizoram.
- The central government will provide financial assistance for rehabilitation of Bru community members in Mizoram.
- The Bru militancy was a reactionary movement against Mizo nationalist groups.
- Mizo nationalists had demanded in the mid-1990s that the Brus be left out of the state's electoral rolls, contending that the tribe was not indigenous to Mizoram.
- In 1997, the murder of a Mizo forest guard at the Dampa Tiger Reserve in Mizoram allegedly by Bru militants led to a violent backlash against the community.

- It forced several thousand people belonging to Bru community to flee to neighbouring Tripura.
- The displaced Bru people from Mizoram have been living in various camps in Tripura since 1997.

Legal Entity for Animal Kingdom

- The Uttarakhand High Court has declared the entire animal kingdom, including birds and aquatic animals, as a legal entity having rights of a “living person”.
- The court has invoked Article 21 of the Constitution - safeguarding the rights of humans, protects life. The court has clarified that the word ‘life’ includes animal world.
- According to the judgement, Legal Entity means “The entity acts like a natural person but only through a designated person, whose acts are processed within the ambit of law”.
- This means the animal kingdom could be represented by a custodian.
- It declared all citizens of Uttarakhand “persons in loco parentis” (in the place of a parent) giving them the responsibility to protect animals and ensure their welfare.
- The high court, last year accorded the status of “living entity” to the Ganga and Yamuna rivers , a decision subsequently stayed by the Supreme Court.

Religious Minority Status to Jews

- The Gujarat government has granted religious minority status to the Jewish community in the State.
- Gujarat is the third state in India to accord minority status after Maharashtra and West Bengal.
- It will enable the community to get benefits of welfare schemes formulated for religious minority communities.
- Gujarat is home to about 170 Jews, mostly centered in the western city of Ahmedabad.
- The city also is home to the only synagogue in the state, the Magen Abraham Synagogue, built in 1934.

Anti-Graft Amendment Bill

- The Lok Sabha has recently passed the Prevention of Corruption (Amendment) Bill, 2018.
- The bill amends the Prevention of Corruption Act, 1988.
- The bill termed bribe as ‘Undue advantage’, defined as ‘gratification other than legal remuneration’.
- It seeks to punish bribe-givers and bribe-takers.
- The bill provides for jail terms of three to seven years, besides fine, to those convicted of taking or giving bribes to public officials.
- The bill introduces powers and procedures for the attachment and forfeiture of property of public servants accused of corruption.

Prevention of Corruption (Amendment) Bill, 2018	Prevention of Corruption Act, 1988
It makes specific provisions related to giving a bribe to a public servant, and giving a bribe by a commercial organisation.	No specific provision for offence of giving a bribe, except as abetment.
Police officer cannot begin probe without prior approval of relevant authority or government except when caught red-handed.	No such provisions in the Act.
Sanction needed for prosecuting former officials for offences done while in office.	Sanction was required for serving officers only.



New section introduced for special court to confiscate property.	Not given under the act.
It redefines criminal misconduct to only cover misappropriation of property and possession of disproportionate assets.	Criminal misconduct cover circumstances where the public official: (i) uses illegal means, (ii) abuses his position, or (iii) disregards public interest and obtains a valuable thing or reward for himself or another person.

GOVERNMENT INITIATIVES

Higher Education Financing Agency (HEFA)

- HEFA was formed as a non-banking financial company to give a major push for creation of high quality infrastructure in premier educational institutions.
- It was registered as a **Section 8 Company** under the Companies Act.
- It was set up as a joint venture between the **HRD ministry** and **Canara bank**.
- Union Cabinet has recently permitted HEFA to mobilise **Rs. 1 lakh crore** to fund research and academic infrastructure in higher educational institutions by 2022.
- It will raise funds from the market and mobilize CSR funds from PSUs/Corporates.
- It will also have equity share from Central government (Rs. 5000 crore) and Canara Bank.
- The funding will also be available to government-run schools Kendriya Vidyalayas and Jawahar Navodaya Vidyalayas.
- **Funding** - HEFA will directly release the sanctioned amount to vendors or contractors only after the certification of executing agency and educational institutions.
- All the Centrally Funded Institutions will have to repay the borrowed amount (loans) in a time frame of **over 10 years**.

Institutions of Eminence

- Institutes of Eminence are institutions which are expected to make into top 500 world rankings in a decade.
- They have complete freedom to decide the curricula, hire domestic and foreign faculty and fix a fee structure of their choice.
- It comprise 10 public and 10 private educational institutions which will be selected based on the recommendations of Empowered committee.
- The Government has shortlisted Six Institutions of Eminence (IoEs) including 3 from Public Sector and 3 from Private Sector.
- **Public Sector** - Indian Institute of Science, Bangalore, IIT Bombay and IIT, Delhi.
- **Private Sector** - Jio Institute (Reliance Foundation), Pune, Birla Institute of Technology & Sciences, Pilani, Rajasthan; and Manipal Academy of Higher Education, Manipal, Karnataka.
- These institutes were selected based on the recommendations of Empowered committee set up for this purpose.
- These institutions will get financial assistance up to Rs. 1000 Crore over the period of five years under this scheme.

Swachh Survekshan Grameen

- Government has recently launched the Swachh Survekshan Grameen, 2018.

- It is a nationwide survey of rural India to rank the cleanest and dirtiest States and districts.
- A random selection of 6, 980 villages across 698 districts will be surveyed.
- This is the **first comprehensive survey for rural India**, which has been launched after three successful editions of a similar survey in urban India.
- The ranking will be based on qualitative and quantitative evaluation.
- The three basic parameters are,
 - i. Direct observation of public places by independent surveyors,
 - ii. Service-level progress using data from the Swachh Bharat Mission's information system and
 - iii. Citizens' feedback.

2021 Census

- The Registrar General of India (RGI) recently notified the amended census rules.
- The RGI issued the notification as the process for the 2021 Census kicks in.
- According to the notification, the data collected during the 2021 Census will be stored electronically.
- This is the first time to store data electronically since the decennial exercise was conducted in 1951 in Independent India.
- Any tampering with the data will invite punishment under the Information Technology Act, 2000.

National Achievement Survey

- National Achievement Survey is conducted by National Council of Educational Research and Training (NCERT).
- The survey focuses on assessing the learning levels of the students in Classes 3, 5, 8 and 10.
- The Learning Outcomes for each class in Languages (Hindi, English and Urdu), Mathematics, Environmental Studies, Science and Social Science has been set under RTE Act, 2009.
- The ambit of the survey includes school leaders, teachers and officials at the Cluster, Block, District Institute of Education and Training (DIET), State Council of Educational Research and Training (SCERT) and the Directorates of Education in the different States/ UTs.

Mission Satyanishtha

- Indian Railways has launched the mission Satyanishtha.
- It aims at sensitizing all railway employees about the need to adhere to good ethics and to maintain high standards of integrity at work.
- It is the first ever such mission by any government organisation.
- The objectives of the Mission are
 1. To train every employee to understand the need and value of ethics in Personal and Public life.
 2. To deal with ethical dilemmas in life and Public Governance.
 3. To help understand the policies of Indian Railways on ethics and integrity and the employee's role in upholding the same.
 4. To develop inner governance through tapping inner resources.

Turnitin

- It is the software to detect plagiarism (Stealing and publication of another author's ideas or expressions) in research.
- Union Human Resource Development Minister has recently asserted that this software will be provided to all universities free of cost.

Innovate India Platform



- The platform is a collaboration between the Atal Innovation Mission of NITI Aayog and MyGov, a citizen centric platform of the Government of India.
- It will serve as the common point for all the innovation happening across the nation.
- Through the Innovate India portal, users can view, comment, share, and rate the innovations crowdsourced on the Innovate India platform.
- It provides for registering both grassroots and deep-tech innovators at a national level.

Student Police Cadet (SPC) Programme

- Home Ministry is planning to launch the Student Police Cadet (SPC) programme in Gurgaon.
- The programme designed for students of Class VIII and IX to start a project on tolerance, moral values, patience and ethics among others.
- The programme is aimed at making them “better citizens” and seeks to build a bridge between the police and the larger community through school students.
- It will be implemented first in government schools.
- It seeks to cover issues like community policing, fight against social evils, safety of women and children, fight against corruption and disaster management.

eVIGIL

- eVIGIL is a mobile app launched by Election Commission of India.
- It enables citizens to report on violation of code of conduct during elections.
- The application will be active only in States where elections have been announced.
- The moment a citizen exits an election-bound State, the app will become inactive.
- To prevent any misuse, the app will not allow uploading of the pre-recorded or old images and videos.
- The app will be made available for general use by all, from the forthcoming Assembly elections in the States of Chhattisgarh, Madhya Pradesh, Mizoram and Rajasthan.

Khan Prahari

- It is a **mobile application** is launched by Ministry of Coal for tracking illegal mining.
- It is a tool for reporting any activity taking place related to illegal coal mining like rat hole mining, pilferage etc.
- Citizens can upload geo-tagged photographs of the incident along with textual information directly to the system.

Coal Mine Surveillance & Management System (CMSMS)

- The CMSMS is a **web based GIS application** through which location of sites for unauthorised mining can be detected.
- Its basic objective is reporting, monitoring and taking suitable action on unauthorised coal mining activities.
- The basic platform used in the system is of Ministry of Electronics & Information Technology's map which provides village level information.
- The system will use satellite data to detect changes by which unauthorised mining activity extending beyond the allotted lease area can be detected and suitable action can be taken on it.
- It is developed by a subsidiary of Coal India Limited (CIL) and Bhaskarcharya Institute of Space Application and Geo-informatics (BISAG).

Mission Shaurya

- 'Mission Shaurya' is an initiative of the Tribal department of the Maharashtra State Government.
- It aims to train tribal students to scale Mt. Everest.

- Recently, 10 tribal students from residential schools in Chandrapur district of Maharashtra conquered Everest.
- **Mission Shakti** - Maharashtra government has also announced this mission to impart special training and prepare tribal students for the Olympics 2024.

National Skill Training Institute (NSTI) for Women

- A permanent campus of National Skill Training Institute (NSTI) for Women is going to be built at Mohali, Punjab.
- This is the first NSTI Institute for Punjab and only one of its kind in India which is exclusively for women.
- It is launched under "Skill India" Mission.

Pradhan Mantri Kaushal Kendra (PMKK)

- PMKK is established by National Skill Development Corporation (NSDC) across India.
- It aims to provide skill training for unemployed youth through its short-term training (STT) module and contribute to the capacity building of municipal employees through Recognition of Prior Learning (RPL) program.
- PMKK for differently abled person is going to be launched in Mohali.
- It is also a first of its kind in India.

GOVERNMENT SCHEMES

Revitalising Infrastructure and Systems in Education (RISE) Scheme

- RISE scheme was announced in 2018 budget to revitalize the infrastructure of higher educational institutions with a total investment of one lakh crore in the upcoming 4 years.
- It will be financed via a restructured HEFA.
- This scheme will cover all centrally-funded institutes (CFIs) including central universities, IITs, IIMs, NITs and IISERs.
- These institutions can borrow a sum of Rs. 1,00,000 crore in next 4 years.
- Indian Institutes of Technology (IITs) will get largest part of loans on offer under RISE Scheme.

Samagra Shiksha Scheme

- Samagra Shiksha is an Integrated Scheme for School Education formulated by the Department of School Education.
- It is a centrally Sponsored Scheme (CSS) subsumes 3 erstwhile CSS schemes such as Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE).
- It is an overarching programme for the school education sector extending from pre-school to class XII.
- It aims to ensure inclusive and equitable quality education at all levels of school education.
- It envisages the 'school' as a continuum from pre-school, primary, upper primary, secondary to senior secondary levels.

Ekalavya Schools

- Ministry of Tribal Affairs recently approves setting up of Ekalavya Model Residential Schools (EMRSs) in States/ UTs.
- Ekalavya Residential Schools aims to provide education to tribals in their local environment.
- **Target** – Ekalavya schools in every block with more than 50% ST population and at least 20,000 tribal persons by 2022.
- Ekalavya schools will be on a par with Navodaya Vidyalayas.
- It will have special facilities for preserving local art and culture, besides providing training in sports and skill development.

- The Ekalavya Residential School Scheme is not new. It has been around for many years now. However, the government has signaled in Budget 2018 that it wants to expand the scope.

Khelo India Talent Identification Development scheme

- Khelo India is a National Programme for Development of Sports, which aims to enable a pathway from schools to Olympics.
- Each athlete selected under the scheme will get a scholarship of Rs. 5 lakh per annum for eight years.
- The government also aims to set up 20 universities across the country as hubs of sporting excellence.
- Following the successful conduct of the Khelo India School Games, Sports Authority of India cleared the proposal of Khelo India Talent Identification Development scheme.
- It is a scholarship programmedesigned to take care of their expenses including training, development, boarding and lodging and tournament exposure apart from offering them out of pocket expense allowance.

Seva Bhoj Yojana

- It is a **Central Sector Scheme** under the Ministry of Culture.
- Under the Scheme, CGST and Central Government's share of IGST paid by Charitable Religious Institutions on purchase of specific raw food items shall be reimbursed to them as financial assistance by the Government of India.
- The charitable religious institutions include Temples, Gurudwara, Dharmik Ashram, Mosques, Dargah, Church, Matth, Monastries etc.
- As per the scheme guidelines, the institutions applying for financial assistance are required to produce a certificate from District Magistrate indicating that the institution is involved in charitable religious activities.
- These institutions must be distributing free food to public/devotees etc. since last 3 years on daily/monthly basis.
- In case of mis-use of funds, it provide for penalties such as black listing the organisations, recovering the financial assistance with penal interest apart from taking criminal action as per law.

Scheme for Safeguarding the Intangible Heritage and Diverse Cultural Traditions of India

- Ministry of Culture has formulated this scheme for revitalizing various institutions, groups, individuals, NGOs, researchers and scholars to engage in activities for preserving and promoting the rich Intangible Cultural Heritage (ICH) of India.
- The scheme is being implemented through Sangeet Natak Akademi, an autonomous organisation under the Ministry of Culture.
- It cover all recognized domains of ICH such as
 - oral traditions and expressions, including language as a vehicle of the intangible cultural heritage,
 - Performing arts, Social practices, rituals and festive events,
 - Knowledge and practices concerning nature and the universe,
 - traditional craftsmanship etc.
- Assistance under the scheme will be provided in the form of non-recurring grants, honoraria, infrastructure grants for the survival and propagation of all forms of ICH.
- Assistance will also be provided for short research and referencing work of relevance to ICH.
- It also support initiative of Ministry of HRD in setting up Sector Skill Councils relating to art under National Vocational Educational Qualifications Framework (NVEQF).

NATIONAL INSTITUTES IN NEWS

National Commission for Safai Karmacharis

- The National Commission for SafaiKarmacharis (NCSK) was constituted in 1994 as a statutory body by "National Commission for SafaiKarmacharis Act, 1993".

- But with the lapse of the act in 2004, the commission is acting as a **Non-Statutory body** of the Ministry of Social Justice and Empowerment.
- Its tenure is extended from time to time through government resolutions.
- The latest resolution in 2016 extended its tenure to 2019.
- With the enactment of “The Prohibition of Employment as Manual Scavengers and Their Rehabilitation Act, 2013”, the mandate and scope of the commission has also been enlarged.
- The commission will monitor the implementation of the act and **take suo-moto notice** of matter relating to non-implementation of the Act.
- The commission will also advice central and state government for effective implementation.
- Union Cabinet has recently approved the creation of one post each of Vice-Chairperson and Member in the commission to fulfil desired objectives of welfare and development of Safai Karamcharis.

National Centre for Polar and Ocean Research

- Indian Government has recently renamed National Centre for Antarctic and Ocean Research (NCAOR) as “National Centre for Polar and Ocean Research”.
- NCAOR was formed in 1998 with an objective to conduct expedition to India’s base stations in Antarctica.
- NCAOR is under the Ministry of Earth Sciences.
- The intent behind the name change is to show that government is refocusing its priorities to Arctic.
- It is because of the opportunities and challenges posed by climate change in Arctic.
- Now, India only has one Arctic observation station near Norway.
- India is already an observer at the Arctic Council.
- **Arctic Council** is a forum of countries that decides on managing the region’s resources and popular livelihood in Arctic region.
- The **Ottawa Declaration** lists the few countries as Members of the Arctic Council.
- They are Canada, the Kingdom of Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden and the United States.
- **Observer countries** are China, France, Germany, India, Italy, Japan, South Korea, Netherlands, Poland, Singapore, Spain, and the United Kingdom.
- India setup an underground observatory, called IndARC in 2015.
- It is located at the Kongsfjorden fjord, half way between Norway and the North Pole.

Delhi Dialogue

- India hosted the 10th edition of the Delhi Dialogue (DD X) under the theme “Strengthening India-ASEAN Maritime Cooperation” in New Delhi.
- Delhi Dialogue is a premier annual event to discuss politico-security, the economic and socio-cultural engagement between India and ASEAN.
- It was the first major event to be organised after the ASEAN-India Commemorative Summit.
- It was organised in partnership with the Research and Information System for Developing Countries (RIS).
- India-ASEAN Commemorative Summit was held earlier this year, marking 25 years of India-ASEAN ties.
- The Delhi Declaration was released after the summit.

INTERNATIONAL ORGANISATIONS

Organisation for the Prohibition of Chemical Weapons (OPCW)

- OPCW is an independent, autonomous international organisation with a working relationship with the United Nations.

- It is the implementing body of the Chemical Weapons Convention (CWC), which entered into force in 1997.
- OPCW has 193 Member States working together to achieve a world free of chemical weapons.
- It is headquartered in The Hague, Netherlands.
- It was awarded Nobel Peace Prize in 2013.
- It has been recently **granted additional powers** by its members voting in two-third majority.
- Until now, OPCW could only say whether chemical weapons were used but not who had used them.
- The new power allows it to assign blame for attacks.
- This process of extending its jurisdiction was heavily opposed by Russia.
- But, Britain was supporting the move arguing that new powers were needed to deal with repeated chemical attacks in Syria.

RIMPAC

- RIMPAC (Rim of the Pacific Exercise) is the world's largest international maritime exercise.
- The 26th edition of RIMPAC was hosted by the U.S. Indo-Pacific Command (INDOPACOM) recently.
- It commenced off the Hawaii coast with the participation from 25 countries.
- It is aimed at increased inter-operability and development of common understanding of procedures for maritime security operations.
- It provides a platform for multilateral operational interactions.
- India has participated in this edition and represented by INS Sahyadri.
- Israel, Sri Lanka and Vietnam joined RIMPAC for the first time.
- China is absent this year as it was dis-invited from participating by the U.S., citing China's military actions in the South China Sea.
- China participated in the exercise in 2014 and 2016.

International Organisation for Migration (IOM)

- IOM was established in 1951. It had been an observer to the UN since 1992.
- The agency joined the UN system as a related organization in September 2016.
- It is headquartered in Geneva, Switzerland.
- It works in the field of migration with governmental, intergovernmental and non-governmental partners.
- The organisation has 166 member countries (including India) and 8 observer states.
- It aims to provide humanitarian assistance to migrants in need, including refugees and internally displaced people.
- IOM works to help ensure the humane management of migration by providing services and advice to governments and migrants, promote international cooperation on migration issues.
- Mr. Vitorino of Portugal is the first Director General elected to IOM after it has become part of UN.

Regional Integrated Multi-Hazard Early Warning System for Africa and Asia (RIMES)

- It is an intergovernmental institution for the generation and application of early warning information.
- It was established in 2009, evolved from the efforts of countries in Africa and Asia, in the aftermath of the 2004 Indian Ocean tsunami.
- It works with a multi-hazard framework for the generation and communication of early warning information and capacity building for preparedness and response to trans-boundary hazards.
- It operates from its regional early warning center in Thailand.
- The **State government of Odisha** has recently entered into a collaboration with RIMES.



- It is to enhance early warning system for effective management of all kinds of disasters like flood, drought, heat wave, lightning and road accidents.

United Nations Conference on Trade and Development (UNCTAD)

- Third Intergovernmental Group of Experts (IGE) on consumer protection was recently convened by UNCTAD.
- India was represented by Union Minister of Consumer Affairs, Food and Public Distribution.
- UNCTAD is a permanent intergovernmental body established by the United Nations General Assembly in 1964.
- It is headquartered in Geneva, Switzerland and part of the UN Secretariat.
- It is a part of the United Nations Development Group (UNDG).
- It was formed specifically to handle the problems of developing countries dealing with trade, investment and development issues.
- **Reports published by UNCTAD** – World Economic Situation and Prospects Report, Trade and Development Report, World Investment Report, The Least Developed Countries Report, Information and Economy Report, Technology and Innovation Report and Commodities and Development Report.

India and WMO

- India has been designated as a nodal centre for preparing flash-flood forecasts by the World Meteorological Organization (WMO).
- India will develop a customised model that can issue advance warning of floods in Vietnam, Sri Lanka, Myanmar and Thailand.
- The system is called the Flash Flood Guidance System which aims to provide forecasts six hours in advance.
- The WMO says flash floods account for 85% of flooding incidents across the world, causing some 5,000 deaths each year.

World Meteorological Organisation

- WMO was created in 1950 as an intergovernmental organization.
- It became a specialized agency of the United Nations, in 1951, for meteorology (weather and climate), operational hydrology and related geophysical sciences.
- It is the UN system's authoritative voice on weather, climate and water.
- Its secretariat is located in Geneva, Switzerland and is headed by the Secretary-General.
- Through its members, WMO provides forecasts and early warnings to nations, which help prevent and mitigate disasters.
- It WMO monitors and forecast the transport of chemical and oil spills, forest fires, volcanic ash, haze and nuclear isotopes.
- It also draws world attention to the depletion of the ozone layer.

World Customs Organisation (WCO)

- India has become the Vice-Chair (Regional Head) of the Asia Pacific Region of WCO for a period of two years (2018-2020).
- WCO established in 1952, is an **independent intergovernmental body** whose mission is to enhance the effectiveness and efficiency of Customs administrations.
- WCO is the only international organization with competence in Customs matters.
- It represents 182 Customs administrations across the globe that collectively process approximately 98% of world trade.
- The organisation has divided its membership into six regions. Each of the regions is represented by an elected vice-chairperson to the WCO council.
- It is considered as the voice of the International Customs community.

BRICS Media Forum

- BRICS Media Forum, 2018 is a high-level dialogue among media organisations from Brazil, Russia, India, China and South Africa.
- It was held at Cape Town in South Africa recently under the theme 'Fostering an Inclusive, Just World Order'.
- It was organised on the occasion of former South African President Nelson Mandela's 100th birth anniversary on July 18.
- The Forum was attended by 38 mainstream media organisations from BRICS nations, including five from India.
- The forum unanimously agreed to adopt the **Cape Town Declaration 2018**.
- It pledged to strive to create a media landscape that upholds the integrity of news that is created and shared through the BRICS nations.
- A decision to establish BRICS Media Academy and a BRICS news portal was also taken.

Myanmar Joins ISA

- Myanmar has recently joined the India-initiated International Solar Alliance (ISA), becoming its 68th member.
- International Solar Alliance was launched by India and France at the Paris climate summit in 2015.
- It is open to all 121 prospective member countries falling between the Tropics of Cancer and Capricorn.
- Click [here](#) to know more about ISA.

Asia Pacific Trade Agreement

- The Asia-Pacific Trade Agreement (APTA) was signed in 1975 as an initiative of UN- Economic and Social Commission for Asia and the Pacific (UNESCAP).
- It is previously named the **Bangkok Agreement**.
- There are 6-member states to APTA – Bangladesh, China, India, South Korea, Laos and Sri Lanka.
- Mongolia is soon to become the 7th member of APTA. It has concluded bilateral negotiation on tariff concessions with members of APTA.
- It is a **preferential trade agreement (PTA)**, under which the basket of items as well as extent of tariff concessions are enlarged during the trade negotiating rounds.
- It is a truly region-wide trade agreement spanning East and South Asia, with potential to expand to other sub-regions, including Central Asia and the Pacific.
- APTA is the only operational trade agreement linking China and India.
- It is open to all developing member countries.
- It is the first plurilateral agreement among the developing countries in the region and has the longest effective implementation period amongst the trade agreements in the entire Asia-Pacific.
- Recently, India has agreed to provide tariff concessions on 3,142 products to APTA members from July 1.

Accession to WIPO treaty

- Union Cabinet has approved the proposal regarding accession to the WIPO Copyright Treaty and WIPO Performers and Phonograms Treaty.
- The treaty extends coverage of copyright to the internet and digital environment.
- It is seen as a step towards the objective laid in the National Intellectual Property Rights (IPR) Policy, 2016.
- The policy aims to get value for IPRs through commercialization by providing guidance and support to IPR owners about commercial opportunities of e-commerce through Internet and mobile platforms.
- The treaty came to force in 2002 and has been adopted by 96 contracting parties till date.
- It is a Special agreement under **Berne Convention** (for protection of literary and artistic works).



- It has provisions to extend the protection of copyrights contained therein to the digital environment.

Resolution 2427

- The UN Security Council has adopted a resolution 2427, which won unanimous approval of the 15 members of the council.
- The resolution aimed at a framework for mainstreaming protection, rights, well-being and **empowerment of children** throughout the conflict cycle.
- It also condemns attacks against schools and hospitals and the denial of humanitarian access by parties to armed conflict.
- It demands that all relevant parties immediately put an end to such practices and take special measures to protect children.

ECONOMY

Regional Rural Banks (RRB)

- RRBs were set up with the objective to provide credit to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in rural areas for development of productive activities.
- RRBs are jointly owned by Government of India, the concerned State Government and Sponsor Banks with the issued capital in the ratio of 50:15:35 respectively.
- Union cabinet has recently approved the extension of the scheme of recapitalization of RRBs for the next 3 years upto 2019-20.
- This will enable the RRBs to maintain the minimum prescribed Capital to Risk Weighted Assets Ratio (CRAR) of 9 per cent.
- The scheme of Recapitalization of RRBs started in FY 2010-11 and was extended twice in the year 2012-13 and 2015-16.
- Earlier, the Government has sought comments of respective State Governments and Sponsor Banks on a roadmap for consolidation of RRBs within a State.
- In line with the proposal, the roadmap for consolidation of RRB has been prepared in consultation with NABARD.
- It is expected that it will bring better scale-efficiency, higher productivity, robust financial health of RRBs, improved financial inclusion and greater credit flow to rural areas.
- Earlier, the government approved the extension of the scheme of recapitalization of RRBs for the next 3 years upto 2019-20.
- This was done to help RRBs to maintain the minimum prescribed Capital to Risk Weighted Assets Ratio (CRAR) of 9 per cent.

Additional Surveillance Measures

- Additional Surveillance Measures (ASM) was introduced recently by SEBI.
- It is a surveillance method in which SEBI impose trading curbs on excessively volatile stocks in the Indian market.
- For example, if the "Spread" - Price variation of a stock between the high and low price, in the last three months is 200 per cent or more, then it will be placed under ASM.
- Once a stock is caught in the ASM net, it attracts a bunch of stricter exchange rules on intra-day price movements.
- Such curbs discourage speculators and intra-day traders from taking heavy positions in stocks and will result in stock prices to drop.
- Stocks of PSUs, securities with derivative products and stocks under **Graded Surveillance Measure** are exempted from ASM net.

Graded Surveillance Measure (GSM)

- GSM, designed by SEBI, is to keep a tab on securities that witness an abnormal price rise, which is not commensurate with financial health and fundamentals of the company.
- The underlying principle is to protect small / retail investors from getting stuck in such stocks inadvertently on some wrong advice.
- Currently, more than 900 companies are monitored under this.
- Once a firm is identified for surveillance it goes through 6 stages.
- In the first stage the securities are put in the trade-to-trade segment i.e no speculative trading is allowed and delivery of shares and payment of consideration amount are mandatory.
- A maximum of 5% movement in share price is allowed.
- With subsequent stages, corresponding surveillance actions and the restrictions get higher progressively.
- In the sixth and final stage, trading is permitted only once a month, with no upward movement allowed in price.
- There would a quarterly review of securities.
- Based on this, the securities would be moved from a higher stage to a lower stage in a sequential manner.

ENVIRONMENT

Mudumalai Tiger Reserve

- Mudumalai Tiger Reserve is a critical part of the Nilgiris Biosphere Reserve.
- The reserve, comprising the wildlife sanctuary and the national park, was declared a core tiger habitat in 2007.
- It extends over a core area of 321 sq.km and buffer area of 367 sq.km.
- Union Ministry of Environment has recently issued notification declaring 438 sq.km of area around the Mudumalai Tiger Reserve as an **ecosensitive zone**.
- The notification followed a Supreme Court order calling for an eco-sensitive zone around all national parks
- The declaration of an eco-sensitive zone would place restrictions on polluting industries but it would not stop agriculture activities in the area.
- The following activities are restricted/prohibited in the eco-sensitive zone,
 1. Commercial mining,
 2. Setting up of industries causing pollution,
 3. Establishment of major hydroelectric projects,
 4. Use or production or processing of any hazardous substances,
 5. Discharge of untreated effluents into natural water bodies or land area and
 6. Setting up of new saw mills or brick kilns.
- But resorts already present in the area would not be forced to stop functioning.

Advanced SAFAR

- Union Environment Ministry has recently unveiled the most advanced System of Air Quality and Weather Forecasting (SAFAR) in New Delhi.
- The system, **first of its kind in the country**, was developed indigenously in by Indian Institute of Tropical Meteorology, Pune and operationalized by IMD.
- It will also measure sun's UV-Index, PM1 and Mercury in addition to monitoring and forecasting regular air quality.
- In addition to regular air quality parameters like PM2.5, PM10, Sulfur Dioxide, Ozone, Nitrogen Oxides, Carbon Monoxide, the system will also monitor the existence of Benzene, Toluene and Xylene.
- Based on UVI, skin advisories will be issued on display.

Bharat Stage Emission Standards

- International Centre for Automotive Technology (ICAT) releases first Bharat Stage -VI engine certificate for a heavy-duty engine model.
- It is much ahead of the implementation date of 1st April 2020 for rolling out of Bharat Stage-VI norms in the country.
- BS standards are emission standards instituted by the Government of India in the year 2000, based on EU standards.
- It is to regulate the **output of air pollutants** from internal combustion engines and Spark-ignition engines equipment, including motor vehicles.
- The standards and the timeline for implementation are set by the Central Pollution Control Board under the Ministry of Environment & Forests and climate change.
- All new vehicles manufactured after the implementation of BS norms must be compliant with the regulations.
- Major emissions governed under these norms are carbon monoxide emissions, hydrocarbon emission limits. Nitrogen Oxides and particulate matter are also significant metrics.
- BS-IV standard was brought into place in country-wide in April 2017.
- Implementation of the BS V standard that was earlier scheduled for 2019 has now been skipped.

Solar Park

- Gujarat, Andhra Pradesh and Rajasthan have topped the list of states with maximum solar power generation capacity approved under solar parks in India.
- A solar park is a concentrated zone of development of solar power generation projects.
- It provides developers an area with proper infrastructure and access to amenities and where the risk of the projects can be minimized.
- The solar park scheme also provides for reduced number of statutory approvals to facilitate faster and easier development.

Ethanol Bio-refineries

- Biofuels are fuels produced directly or indirectly from organic material biomass, including plant materials and animal waste.
- Primary biofuels are organic materials used in an unprocessed form, primarily for heating, cooking or electricity production.
- Ethanol is a secondary biofuel which is produced through processing of biomass.
- **First generation** biofuels are produced directly from food crops.
- **Second Generation (2G)** biofuels are produced from marginal croplands unsuitable for food production.
- Oil PSUs have entered into MoUs with State Governments and Technology Providers for setting up five 2G ethanol bio-refineries.
- In 2016, the foundation stone of India's first 2G ethanol bio-refinery in Bathinda, Punjab has been laid.
- In the National Policy on Biofuels 2018, Government has allowed B grade heavy molasses, sugarcane juice and damaged food grains as feedstocks to increase availability of ethanol.

SPECIES IN NEWS

Koala bear

- Recently, an international team of scientists has successfully sequenced the whole genome of Koala bear.
- It is a tree-dwelling marsupial of coastal eastern Australia and not a bear.
- They have exceptional parental care and strange eating habits that they enjoy the leaves of eucalyptus that would be toxic or even fatal to most mammals.



- They are born after just 34-36 days of gestation without an immune system and spend almost six months developing in the pouch.
- It is listed as “Vulnerable” under IUCN’s Red Data Book.

Dhole

- Wildlife scientists from Wildlife Institute of India (WII) have recently satellite- collared a dhole, the Indian wild dog, for the first time.
- The satellite transmitter will help to study the habits of the endangered species.
- Dhole is native to Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Thailand.
- It is included in CITES – Appendix II (2013) and are legally protected in the countries where they occur.
- It is listed as “Endangered” under IUCN red list of Threatened species.

Salicornia

- Salicornia is a plant that grows in salty marshes in the mangrove wetlands.
- The plant can be used as a substitute to salt with low sodium content.
- The patients suffering from hypertension, diabetes and gastric related ailments prefer the Salicornia salad and salt.
- The production of the salt substitute has come down drastically in Gujarat with the scarcity of the Salicornia. Thus India is forced to import it from Israel and Scandinavian countries.
- Recently, Andhra Pradesh government has intensified the efforts to tap commercial benefits from the plant through cultivation as well as extraction.
- The government has documented the presence of the Salicornia along the coastline of Krishna district, exploring the possibilities to extract the salt substitute through various methods.

Pangolin

- A special unit of the Odisha Police has launched a drive to bust an international syndicate that illegally trades pangolin.
- Pangolins are nocturnal mammals, often called “scaly anteaters,” are covered in tough, overlapping scales.
- These burrowing mammals eat ants and termites using an extraordinarily long tongue, and are able to quickly roll themselves up into a tight ball when threatened.
- There are eight different pangolin species can be found across Asia and sub-Saharan Africa.
- They are the most trafficked mammal in the world.
- They are listed as "Endangered" in IUCN red list of threatened species.
- The scales of the pangolin are sold raw or fried in Asia for as much as \$500 per kilogram for treating asthma and migraines.

Harrier birds

- Harrier birds are **migratory raptor species** that regularly visits vast swathes of India.
- India has one of the largest roosting sites in the world for Pallid Harriers and Montagu’s Harriers.
- Recent reports highlights that the numbers of birds visiting the site are declining.
- While a general declining trend was observed in all the monitored sites, researchers noted the most dramatic changes at the **Rollapadu Bustard Sanctuary in Andhra Pradesh's Kurnool district**.
- In Hessarghatta on the outskirts of Bengaluru, Western Marsh Harriers declined significantly, leaving the area nearly deserted.
- The gravest concern is the **loss of grasslands**, either to urbanisation or to agriculture.



- Excessive use of pesticides in farms in and around the roosting sites could also be a reason for the lowered population counts.

SCIENCE AND TECHNOLOGY

SPACE

Longest Lunar Eclipse of the Century

- A total lunar eclipse will occur on July 27-28, 2018 with a totality duration of 1 hour 43 minutes which makes it the **longest total lunar eclipse** of this century (2001 AD to 2100 AD).
- In this eclipse, the Moon will pass through the central part of the Earth's umbral shadow.
- **Longer eclipse** – The moon will be at apogee, means at farthest from the Earth in its orbit and will be moving at a slower speed in its orbit.
- This slower moving full Moon will take longer time and greater distance of Earth's umbral shadow cone to travel, making it the longest duration of total eclipse of this century.
- **Brighter Moon** - On July 27, the red planet Mars, will also be at opposition, meaning that the Sun and Mars will lie opposite to each other, keeping the Earth in the middle.
- This will result in Mars coming close to the Earth, causing it to appear brighter than normal.

NASA Solar Probe

- NASA plans to send its first robotic spacecraft "Parker Solar Probe" to the Sun.
- It will travel directly into the sun's atmosphere about 4 million miles from the star's surface.
- The mission is to study why the surface of the Sun, called the photosphere, is not as hot as its atmosphere, called the corona.
- The surface temperature of the Sun is only about 5,500°C but the atmosphere above it is an over two million degrees Celsius.
- The mission may also ascertain why the Sun occasionally emits high-energy particles that are a danger to unprotected astronauts and spacecraft.
- **Recent Development** - NASA's Parker Solar Probe has recently got its revolutionary **heat shield** permanently attached to the spacecraft.
- The shield is made of superheated carbon composite material sprayed with a specifically formulated white coating on the sun facing side to reflect the sun's energy away from the spacecraft.
- As the spacecraft approach the sun, temperatures on the heat shield will reach nearly 1,300°C but the spacecraft will be kept at about 30°C.
- The shield will help the spacecraft remain safe as it collects data about the inner workings of the corona.

Temperature in the Sun's Atmosphere

- The sun's atmosphere corona is much hotter than its visible surface Photosphere.
- Normally, the layer closest to a source of heat, the Sun's surface, in this case, would have a higher temperature than the more distant atmosphere.
- But the reason for the high temperature is the constant eruption of tiny solar flares in the solar atmosphere.
- The solar flares produce hard X-rays, whose wavelengths are much shorter than the light humans can see and it is a signature of extremely hot solar material.

Hubble Space Telescope

- NASA's Hubble Space Telescope has recently detected a massive **globular cluster** that orbits the Milky Way galaxy.
- The globular cluster is a huge gravitationally bound collection of stars believed to be 10 billion years old.
- They are denser and more spherical than open star clusters and typically contain stars which are thought to have formed at roughly the same time.

- Hubble space Telescope is the world's first large, **space-based optical telescope**, named in honor of astronomer Edwin Hubble.
- The Hubble is a joint project between NASA and the European Space Agency.
- Sun is the energy source of this space-based telescope.
- Hubble Telescope has tracked the Neptune's Mysterious Shrinking Storm.
- Some of the interesting Hubble Discoveries are
 1. Creating a 3-D map of mysterious dark matter.
 2. Discovering Nix and Hydra, two moons of Pluto.
 3. Helping determine the rate of the universe's expansion.
 4. Discovering that nearly every major galaxy is anchored by a black hole.
 5. Helping refine the age of the universe.

Kepler Telescope

- NASA has recently revealed that the Kepler Space Telescope is almost out of fuel and decided it to put the spacecraft in a hibernation-like state.
- The Kepler telescope was originally launched in 2009 as part of NASA's Discovery Program.
- It is an observatory in space dedicated to finding planets outside our solar system.
- It targets particularly alien planets that are around the same size as Earth in the "habitable" regions of their parent star.
- Since 2009, it has discovered extra-solar planets in the range between the size of Earth and Neptune.
- Most of these planets were discovered in a small region of the constellation Cygnus.
- Kepler was the first telescope to find a planet (Kepler-69c) approximately the size of Earth in the habitable region of a star.
- It examined the TRAPPIST-1 system which likely has multiple Earth-sized planets in it between December 2016 and March 2017.
- It was approved far beyond its original mission length and was operating well until May 2013, when a second of its four reaction wheels or gyroscopes failed.

Sagittarius A*

- It is believed to be a super massive black hole in the Milky Way Galaxy.
- It is 4 million times heavier than sun.
- The gravity produced by it is so intense that stars many times more massive than our sun orbit around it at incredible speeds.
- One of the stars, called S2, recently passed by the black hole at a speed of nearly 3% of the speed of light.
- The passerbby of the S2 was observed by Very Large Telescope of European Space Agency.
- It proved Albert Einstein's general theory of relativity is correct.
- Einstein predicted that when light (such as the light emitted from S2) passed so close to such a powerful source of gravity, it would lose some of its energy.
- In a way, the light has to struggle to move through the field of intense gravity.
- The light from S2 star has shown that it does lose some of its energy during its passage around the Black Hole.

Very Large Telescope

- It is the world's most advanced ground based visible-light astronomical observatory.
- It is operated by European Southern Observatory.
- It is located on the mountain Cerro Paranal in **Chile** and consisting of four telescopes with mirrors.



- These telescopes can operate individually or together as an interferometer.
- The large telescopes are named Antu, Kueyen, Melipal, and Yepun, which are the names for the Sun, the Moon, the Southern Cross, and Venus in the language of the Mapuche people.

Crew Escape System

- Crew Escape System is an emergency escape measure to quickly pull the astronaut crew out to a safe distance from launch vehicle during a launch abort.
- To demonstrate this system, ISRO recently successfully carried a test named “Pad Abort Test (PAT)”.
- PAT is the first in a series of tests to qualify a crew escape system technology of a manned mission in the future.
- PAT is viewed as a major technology demonstrator and to ascertain the trustworthiness and efficiency of the crew escape system.
- The U.S, Russia and China have their own crew escape system in place.
- It is a small step closer to ISRO’s ambition of sending Indians to space.

Vikas Engine

- Vikas is a family of liquid fuelled rocket engines that powers India’s launch vehicles PSLV and GSLV.
- It is aimed at improving the payload capability of PSLV, GSLV and GSLV Mk-III launch vehicles.
- It is used in second stage of PSLV which consists of four stages in its operation (Solid-Liquid-Solid-Liquid).
- It is used in second stage and four strap-on stages of GSLV.
- GSLV is a three stage vehicle (Solid-Liquid-Cryogenic Engine) with four liquid strap-on boosters.
- ISRO has recently improved the thrust of the Vikas engine which is expected to boost the rocket engine.
- The main beneficiary of the high-thrust Vikas engine is GSLV-Mark III launcher, which is expected to lift 4,000-kg satellites to space.
- GSLV-Mark III uses twin engine core liquid stage (L110).
- GSLV – Mark III with upgraded Vikas engine would be the third Mk-III and the first working one to be designated MkIII Mission-1 or M1.

DEFENCE

Strategic Partnership Model

- The Defence Ministry has recently approved key guidelines for implementation of Strategic Partnership model.
- The guidelines were approved by the Defence Acquisition Council (DAC), the ministry's highest decision making body.
- Under this model, select private firms will be roped in to build military platforms like submarines and fighter jets in India in partnership with foreign entities.
- It aims to create a vibrant defence manufacturing ecosystem in the country through joint ventures between Indian corporates and global defence majors.
- All procurements under the SP Model would be executed by specially constituted Empowered Project Committees (EPC).
- It is to provide focused attention and ensure timely execution.

Tejas

- It is an indigenous fighter aircraft inducted in to Indian Airforce in the year 2016.
- It has recently commenced its operation.
- It is designed by the Aeronautical Development Agency (ADA) and Hindustan Aeronautics Limited (HAL).



- It is a single-seat, single-jet engine, multirole light fighter.
- It is the smallest and lightest multi-role supersonic fighter aircraft in its class.
- It can fire Air to Air Missiles, carry bombs and Precision Guided ammunition.
- It has its root in the Light Combat Aircraft (LCA) programme, which began in the 1980s to replace the ageing MiG-21 fighters.
- MiG-21 fighters are purchased from Russia in 1961.

K9 Vajra-T Guns

- K9 Vajra-T is an artillery gun produced by South Korea.
- India is going to procure this artillery guns and it will be the first induction of heavy artillery since the Swedish Bofors guns imported in the 1980s.
- It is a 155-mm, 52-calibre self-propelled artillery gun with a maximum range of 40 km, customised from the original K9 Thunder gun.
- The fire control system has been customised for desert conditions to the requirements of the Indian Army.
- India is also planning to procure **M777 ultra-light howitzers from the U.S.**
- The M777 is a 155-mm, 39-calibre towed artillery gun and weighs just four tonnes, making it transportable under slung from helicopters.

National Advanced Surface-to-Air Missile System

- India is planning to procure National Advanced Surface-to-Air Missile System (NASAM - II) from U.S.
- It is an advanced air defence system.
- It is the state-of-the-art defense system that has ability to quickly identify and destroy enemy aircraft, UAV or emerging cruise missile threats.
- NASAMS-II is an upgraded version of the NASAMS and features new 3D mobile surveillance radars and 12 missile launchers for quicker reaction.
- It is proposed to be deployed to protect national capital region.
- It will help in preventing 9/11-type attacks in Delhi.

Advanced Air Defence systems in India

- India is deploying a multi-tiered air defence network to fully secure its airspace from incoming fighter aircraft, missiles and UAV.
- An indigenous two tiered defence shield known as "Ballistic Missile Defence (BMD)", to destroy enemy ballistic missiles is being developed.
- The BMD consists of two interceptor missiles,
 - i. The Prithvi Defence Vehicle (PDV) for exo-atmospheric (high) altitudes of 50–80 km and
 - ii. The Advanced Area Defence (AAD) missile for endo-atmosphere (low) altitudes of 15-30 kilometers.
- India is also in an advanced stage of talks with Russia for the procurement of very long range S-400 air defence systems.

Exercise Pitch Black 2018

- It is a multinational air exercise in Australia, involves over 100 aircraft from around the globe to provide opportunity to operate in a dynamic warlike environment.
- It is a biennial warfare exercise which provides opportunity for nations in a dynamic warfare environment.
- It was conducted in Darwin air base, Australia.
- Indian Air Force participated in this exercise for the first time.

INS Sahyadri

- INS Sahyadri is an indigenously built stealth frigate.
- It participated in trilateral Malabar war games with Japan and the U.S. off the Coast of Guam.
- It recently participated in RIMPAC and has been adjudged **runner-up in an innovation competition.**
- INS Sahyadri presented the 'idea of integrating yoga into our daily life as technology for well-being during extended deployments for ships'.
- The idea was appreciated by representatives of participating countries.

INS Tarangini

- INS Tarangini is part of the first Training Squadron based at Kochi, under the Southern Naval Command of the Indian Navy.
- The word Tarangini means 'the one that rides the waves'.
- It is the first ship of the Indian Navy to have circumnavigated the globe in the year 2003-04.
- It commenced 'Lokayan-18' from Kochi, to cover a distance of over 20,000 nautical miles to display the Indian flag at 15 ports across 13 countries.
- During its Lokayan voyage, it will participate in the prestigious 'tall ship races - 2018' at Sunderland Port in the UK.
- It has already participated in tall ship races conducted around the world in 2007, 2011 and 2015.

INS Trikand

- India's latest frontline warship INS Trikand has reached Sri Lanka in a goodwill visit.
- INS Trikand is a state-of-the-art warship of the Indian Navy equipped with a versatile range of weapons and sensors capable.
- It can address threats in all three dimensions - air, surface and sub-surface.

INDEX AND REPORT

Global Innovation Index (GII)

- The 11th edition of Global Innovation Index (GII) has ranked India as the 57th most innovative nation in the world.
- The GII is being developed jointly by Cornell University, the Paris-based business school Insead and the World Intellectual Property Organisation (WIPO) in Geneva.
- GII ranks 126 economies based on 80 indicators.
- India has improved its ranking from 60th position in 2016 and 81st position in 2015.
- China improved its ranking from 22 in 2017 to 17 this year.
- Since 2011, Switzerland has been ranked at the top every year. This year, Netherlands follows at second place and Sweden at third.

Global Slavery Index

- It is published by the Australia-based human rights group Walk Free Foundation.
- It includes data on three key variables
 1. Prevalence of modern slavery in each country,
 2. Vulnerability,
 3. Government responses to modern slavery.
- Modern slavery refers to situations of exploitation that a person cannot leave because of threats, violence, coercion and abuse of power or deception.
- The report estimates most victims of modern slavery live in Asia.

- North Korea has the highest prevalence of modern slavery globally, with one in 10 of the population, or 2.6 million people, victims of modern slavery.
- The 10 countries with the largest number of absolute numbers of people in modern slavery include India, China, Pakistan, North Korea, Nigeria, Iran, Indonesia, Democratic Republic of the Congo, Russia and the Philippines.

FDI Confidence Index

- The index is compiled by AT Kearney, an American global management consulting firm.
- It ranks top 10 destinations for FDI in terms of its attractiveness.
- India ranks 11th in 2018 index, down from 8 in 2017 and 9 in 2016. Thus, India has fallen out of top 10 destination.
- The report by AT Kearney highlighted that the fall in rank is due to troubles in the implementation of the goods and services tax and the government's demonetisation decision in 2016.
- It also highlighted several of the reforms such as removing the Foreign Investment Promotion Board and liberalising FDI limits in key sector.

Public Affairs Index

- The index has been developed by Bengaluru-based think tank Public Affairs Centre.
- It ranks States in India based on 10 themes 30 focus subjects and 100 indicators.
- The themes include,
 - Essential infrastructure,
 - support to human development,
 - social protection,
 - women and children,
 - crime,
 - law and order,
 - delivery of justice,
 - environment, transparency and accountability,
 - fiscal management and economic freedom.
- The current edition 2018 focus on the subject "The Children of India".
- The latest index released by PAC shows that Kerala has been ranked as the number one state in terms of governance for the past three years, followed by Tamil Nadu.
- Despite the political instability and the public protests seen in the recent past, Tamil Nadu continues to be ranked second in terms of governance.
- Telangana, Himachal Pradesh and Karnataka follow the top two states.
- Telangana, which had an overall ranking of 20 in 2017, has shot up to third place in the new index.
- Among smaller states, Jammu and Kashmir held its position as the best in terms of governance for the second consecutive year, followed by Himachal Pradesh.