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### *Summary*

Chanakya IAS Academy

Web: [www.chanakyaiasacademy.com](http://www.chanakyaiasacademy.com), Email: [enquiry@chanakyaiasacademy.com](mailto:enquiry@chanakyaiasacademy.com)

Toll Free No. 1800 - 274 - 5005

## CJI UNDER RTI

### Introduction:

- Supreme Court has upheld the **2010 Delhi High Court Verdict and ruled that the office of Chief Justice of India** is a public authority **under the right to information Act**.
- The **five judge bench** led by **Chief Justice of India Ranjan Gogoi** highlighted the importance of transparency in the judiciary and said right to privacy and confidentiality is an important aspect.
- Apex court also held that judicial independence has to be kept in mind while dealing with transparency.

### The five judge bench:

- The five-judge bench of CJI Ranjan Gogoi, Justices N V Ramana, D Y Chandrachud, Deepak Gupta and Sanjiv Khanna passed the judgment on an **appeal filed by the Supreme Court administration**.
- The **appeal challenged the 2010 order of the Delhi high court** which held that the CJI's office comes under the ambit of the Right to Information Act.
- Oppositions to the plea had contended that courts had time and again given a slew of directions to infuse transparency in the functioning of various institutions.
- The five judge bench has declared that **"transparency doesn't undermine judicial independence"** the CJI has rejected the contention of the Supreme Court that had challenged a Delhi High Court judgment bringing it under the ambit of the Right to Information (RTI) Act.

### Background: Delhi HC Order

- In a **landmark verdict on January 10, 2010**, the Delhi High Court had held that the office of the Chief Justice of India comes within the ambit of the RTI law.
- It said that the **judicial independence was not a judge's privilege**, but a responsibility cast upon him.
- The **88-page judgment was then seen as a personal setback** to the then CJI, KG Balakrishnan, who has been opposed to disclosure of information relating to judges under the RTI Act.
- The apex court said that the **right to privacy and confidentiality is an important aspect** and has to be balanced while taking a decision on giving out information from the CJI's office.
- The CJI-led bench added that transparency cannot be allowed to run counter to right to privacy. The bench said that the information commissioner must apply test of proportionality while entertaining applications seeking information from the CJI's office.

### The Verdict by Supreme Court:

- The Supreme Court is a **"public authority"** and the office of the CJI is part of the institution. Hence, if the Supreme Court is a public authority, so is the office of the CJI.
- **The judiciary cannot function in total insulation** as judges enjoy a constitutional post and discharge public duty.
- However, **Right to Privacy** is an important aspect and **has to be balanced with transparency** while deciding to give out information from the office of the Chief Justice of India.
- RTI cannot be used as a tool of surveillance.

### Judicial Independence:

- It is the concept that the judiciary should be independent from the other branches of government.
- Courts should not be subject to improper influence from the other branches of government or from private or partisan interests.
- Judicial independence is important to the idea of separation of powers.

### Judicial Accountability:

- Judiciary accountability generally refers to the **"answerability or responsibility"** of the judiciary to the various segments.

**Relation between Judicial Accountability and Judicial Independence:**

- The principal of **judicial independence** is not meant to benefit the Judges; it is **meant to guarantee a fair and impartial hearing and an unswerving obedience** to the rule of law.
- It is also universally accepted that the **judiciary has to be independent and impartial** and to be so it must also enjoy some degree of immunity.
- However, **Accountability is necessary to prevent any judicial delinquency** and ensuring the efficient functioning of the judiciary.

**Chief Justice of India:**

- The Chief Justice of India (CJI) is the head of the judiciary of India and the Supreme Court of India.
- The **CJI also heads their administrative functions**. As head of the Supreme Court, the chief justice is responsible for the allocation of cases and appointment of constitutional benches which deal with important matters of law.
- In accordance with **Article 145 of the Constitution of India** and the Supreme Court Rules of Procedure of 1966, the Chief Justice allocates all work to the other judges.

**Right to Information (RTI) Act:**

- Right to Information Act 2005 **mandates timely response to citizen requests** for government information. It replaces the erstwhile **Freedom of information Act, 2002**.
- The **Act applies to all States and Union Territories of India**.
- Under the provisions of the Act, any citizen may request information from a **“public authority” (a body of Government or “instrumentality of State”)** which is required to reply expeditiously or within thirty days.

**Public Authority:**

- “Public authority” is defined in **Section 2(h) of the RTI Act**.
- It states: “public authority” means any authority or body or institution of self- government established or constituted:
  - (a) By or under the Constitution;
  - (b) By any other law made by Parliament;
  - (c) By any other law made by state legislature;
  - (d) By notification issued or order made by the appropriate Government,

**and includes any:**

- (i) Body owned, controlled or substantially financed;
- (ii) Non-Government organization substantially financed, directly or indirectly by funds provided by the appropriate Government.

**Issues with respect to the Implementation of the RTI ACT:**

- The implementation of the RTI Act is affected by:
  1. Central Government’s apathy towards the RTI Act.
  2. Low public awareness.
  3. Non-availability of user guides.
  4. Poor quality or incomplete information provided.
  5. Inadequate trained public information officers.
  6. High level of pendency.

**Conclusion:**

- The judgement could lead for greater transparency and disclosure by other public institutions like political parties.

- The political party's financing, even with initiatives like electoral bonds is marked by opacity and the citizen needs to be fully informed about the sources of party incomes.

**Mains Question:**

1. Critically analyse the implications and outcomes of the verdict given by CJI?

## DRINKING WATER: QUALITY & CHALLENGES

**Introduction:**

- **Mumbai residents need not buy reverse osmosis (RO) water purifiers as a study by the Union Consumer Affairs Ministry** has found samples of tap water collected from the financial capital compliant with the Indian standards for drinking water.
- However, **other metro cities of Delhi, Kolkata and Chennai failed in almost 10 out of 11 quality parameters tested by the Bureau of Indian Standards (BIS)** which is under the aegis of the Consumer Affairs Ministry.

**Findings of the Study:**

- **Mumbai tops the ranking, while Delhi is at the bottom.**
- Similarly, samples drawn from 17 other state capitals were not as per the prescribed specifications for drinking water.
- During the third phase of the study, samples from the capital cities of the northeastern states and from 100 smart cities will be tested and their results are expected by January 15, 2020.
- **India ranks 120th amongst 122 countries as per the Global Water Quality Index.**

**Nature of Water Crisis in India:**

- **According to a study** by the federal government think tank **NITI Aayog, 21 Indian cities** will run out of groundwater by next year, including the capital New Delhi and the information technology hub of Bengaluru.
- Two hundred thousand Indians already die every year because they don't have a safe water supply, the report said.
- A shocking 600 million people face **"high to extreme"** water stress.
- Looking at the current situation, there is a need for a paradigm shift.
- We urgently require a transition from this **'supply-and-supply-more water'** provision to measures which lead towards **improving water use efficiency, reducing leakages, recharging/restoring local water bodies** as well as applying for higher tariffs and ownership by various stakeholders.

**Causes of Drinking Water Crisis in India:**

- The water scarcity is mostly man made due to excess population growth and mismanagement of water resources.
- Some of the major reasons for water scarcity are:
  - (a) **Release of chemicals, Chlorine and effluents** into rivers, streams and ponds. This results in drinking water Scarcity.
  - (b) **Lack of on-time de-silting operations** in large water bodies that can enhance water storage capacity during monsoon.
  - (c) **Lack of efficient water management and distribution of water** between urban consumers, the agriculture sector and industry.
  - (d) The pipes which carry the **water are old and leaking**. These leakages in pipes lead to contamination of water.
  - (e) In metropolitan cities, the **demand for water is higher than the supply**. Therefore, this deficit in the water supply is compensated by the mixing of surface water & groundwater. However, groundwater is severely contaminated by carcinogenic pollutants like Arsenic.
  - (f) **Rapid urbanization** has led the **unequal distribution of water, contamination/ depletion of local water bodies** due to pollution.

**Effects of Unsafe Drinking Water:**

- Some of the more commonly reported problems experienced from drinking impure water include, but are not limited to, the **following waterborne illnesses:**
  - (a) Gastrointestinal Problems
  - (b) Diarrhea
  - (c) Nausea
  - (d) Intestinal or Stomach Cramping
  - (e) Intestinal or Stomach Aches and Pains
  - (f) Dehydration
- Poor drinking water will lead to a **reduction in tourist inflow**. Hence, results in Economic loss.
- Result of poor drinking water is the prime reason for the sale of plastic bottled drinking water. However, this **bottled water gives rise to plastic pollution**.
- The water from purifiers is deprived of metallic alkali ions such as Calcium, and Magnesium. RO is expensive and for 1 litre of RO or bottled water, many litres of water wasted. Also, the **RO water is deprived of essential minerals and salts**.

**Challenges faced due to drinking water crisis:**

- (a) Chlorination of drinking water isn't enough to treat water. **Chlorination may kill the bacteria; it may however not be useful for the treatment of the dissolved solids** and toxic metals present in the water.
- (b) The drinking water pipelines being expensive aren't replaced or even checked on a regular basis. The negative vacuum created in a **leaking pipe pulls materials from outside the pipe causing contamination of the water**. This causes the water quality to differ from the distribution side to the consumer's side. In most of the places, the **sewage line and the water supply pipes are running parallel to each other**, creating a potential situation for the break of an epidemic.
- (c) The boiling of water is sufficient to kill certain types of bacteria but not the other contaminants present. There is no option left, but to install water filters, which present more problems. A lot of water is wasted during the process of reverse osmosis. The RO treated water is deficient in minerals and the regular consumption of this water robs the body of calcium from the bones, leading to further complications.
- (d) People also resort to buying **bottled water, which is expensive and causes plastic pollution**.
- (e) There is no specific binding or commitment to the BIS standard of water quality. All water supply bodies and municipalities must conform to the BIS standard of water.
- (f) The Delhi government is able to supply **only 986 million gallons of water in comparison to the actual requirement of 1134 million gallons of water**.
- (g) The solid waste which is dumped around, toxic industrial waste, and sewage among other factors contribute to pollution of the groundwater.

**Government Initiatives:**

- **Jal Shakti ministry** mandated to deal with water issues including drinking water availability with a holistic and integrated approach. It has already set an ambitious task to provide **piped water connections to every household in India by 2024**.
- As **Sustainable Development Goals -provides, Goal 6** for clean water and sanitation for ensuring their availability and sustainable management, a country like India will be highly productive if all its population have **access to clean drinking water, and improved sanitation, and adopts a scientific approach to solve its problems**.

**Way Forward:**

- Water quality should be tested frequently and the findings should be made public. This will increase involvement, sensitization & awareness of citizens, service providers and the government.

- Long-distance pipelines of water should be discouraged and water treatment should be made more localized. Also, efforts should be made to find out the sites of continuation in the supply line.
- Every independent home/flat and group housing colony must have rain water harvesting facility. If efficiently designed and properly managed, this alone can reduce the water demand significantly.
- Waste water treatment and recycling for non-drinking purposes. Several low cost technologies are available that can be implemented in group housing areas.
- The government needs to enhance its investment in technology and include all stakeholders at the planning level to ensure optimization of existing resources.

**Mains Question:**

1. A study by the Union Consumer Affairs Ministry has found metro cities failed in almost 10 out of 11 quality parameters of safe drinking water tested by the Bureau of Indian Standards (BIS). In this context, explain the effects, causes and challenges associated with the drinking water crisis? Also, suggest some measure to overcome the drinking water crisis.

## DAIRY INDUSTRY & FTA

**Introduction:**

- India decided **not to join the Regional Comprehensive Economic Partnership (RCEP)** which is a free trade agreement between more than dozen countries.
- In the run up to the RCEP meet, the **domestic Dairy Industry has been vocal about its apprehensions regarding this FTA.**
- India has been the **leading producer and consumer of dairy products** with a sustained growth over the years.
- Estimated production of milk in 2018-19 was 187 million tonnes. Milk is equally important to both farmers and consumers.

**Apprehension of the Dairy Industry:**

- If India signs the RCEP, without exemptions for dairy and its products, it **would allow the dairy industry of Australia and New Zealand to unfairly target its huge market.**
- Indian products would start facing stiff competition from Australian and New Zealand products. It **will lead to unemployment and worse living conditions.**
- There are 70 million households dependent on dairy in India, the corresponding number is just 10,000 in New Zealand and 6,300 in Australia.
- The unit cost of **milk production is relatively low in countries like New Zealand because of extensive grazing lands** (which reduce feed costs), mechanised operations and the advantages of economies of large-scale production, and the high productivity of milch animals.
- This **will lead to decline in the cattle rearing and proper care** for them which will lead in the decline of population. India will cease to become self-sufficient.
- India's dairy sector provides livelihood to about 70 million households. A key feature of **India's dairy sector is the predominance of small producers.**
- As a result, India does not **import or export milk in any significant quantity.**
- Joining RCEP would have bound India to reduce that level to zero within the next 15 years.
- RCEP could perhaps end up doing to dairy what the free trade agreement with the Association of Southeast Asian Nations (ASEAN) did in palm oil, fear many in the industry in India.
- India's milk production would rise to 330 MMT while its milk demand would be 292 MMT. Thus, India is likely to be a milk-surplus country by 2033.

**Milk Production in India:**

- India is the **largest producer of milk.**

- The value of milk is more than that of rice and wheat combined. So, it is **India's biggest agri-produce**.
- It is a **source of income to small and landless agri-households**.
- 70 per cent of those earning their livelihood from milk are women.
- Milk is a source of liquidity for farmers, as it is **sold daily and generates cash to take care of routine household expenses**, unlike other crops that are marketed only once or twice a year.
- Milk matters equally to consumers in India, because it **meets the animal protein/fat requirements of a significant portion of the population** that is vegetarian.

#### Concerns of Dairy Industry:

- Threat to domestic dairy market:** The option of cheaper milk and milk products might seem tempting but it is not good for the long run because it will adversely affect the dairy industry.
- Impact on cattle:** Rural families with a marketable surplus amount of milk will suffer mainly. If the milk will not have a market or with very less value, the cattle will be left open because its maintenance is also expensive.
- Threat to life security:** Indian farming community is not a cohesive unit in itself and two-thirds of them are either landless or small marginal farmers so it becomes a more pressing issue for their life security.
- Employment loss:** The dairy industry is a major source of livelihood providing employment to millions of people at various levels like- production, procurement, transportation, value addition etc. and FTA will harm all of them.
- Impact on income:** People engaged in the dairy sector and their livelihood would have come under direct threat as they will not get remunerative prices in case of a free trade agreement.

#### Challenges faced by the Dairy Industry:

- There is a shortage of organized dairy farms and lower productivity among the Indian cattles, there is a **need of high degree of investment to take dairy industry** to global standards.
- **Improving productivity of farm animals** is one of the major challenges.
- **Crossbreeding of indigenous species** with exotic stocks to enhance genetic potential of different species has been successful only to a limited extent.
- The sector will also come under significant adjustment pressure to the emerging market **forces**. Though globalization will create avenues for increased participation in international trade, stringent food safety and quality norms would be required.
- **Lack of access to markets** may act as a disincentive to farmers to adopt improved technologies and quality inputs.

#### Initiatives taken by the Government:

- National Programme for Bovine Breeding:** It has been initiated in February 2014 by merging four ongoing schemes of the Department of Animal Husbandry, Dairying and Fisheries in the dairy sector, viz., National Project for Cattle and Buffalo Breeding (NPCBB), Intensive Dairy Development Programme (IDDP), Strengthening Infrastructure for Quality & Clean Milk Production (SIQ & CMP) and Assistance to Cooperatives (A-C).
- Rashtriya Gokul Mission:** The "Rashtriya Gokul Mission" has been launched by the Government for conservation and development of indigenous breeds in a focused and scientific manner. The mission also envisages establishment of integrated cattle development centres-Gokul Grams to develop indigenous breeds including upto 40% nondescript breeds.
- Quality Mark:** Quality mark is a quality and food safety initiative of National Dairy Development Board (NDDB) to enhance consumer confidence in Cooperative and allied dairy sector. The guidelines for award of Quality Mark do not propose any new/additional system for Food Safety and Quality Management but only lays down the processes required for ensuring quality and safety of milk and milk products.
- National Kamdhenu Breeding Centres:** National Kamdhenu Breeding Centre Scheme has following objectives:

1. To conserve and preserve indigenous bovine breeds.
  2. To enhance production and productivity.
  3. To upgrade genetic merit.
  4. To supply certified elite germ-plasm.
  5. To protect threatened breeds from extinction.
- (e) **E-Pashuhaat portal:** It aims to connect breeders and farmers regarding availability of bovine germ-plasm. The portal has been launched under the scheme "National Mission on Bovine Productivity."
- (f) **National Programme for Dairy Development (NPDD):** The NPDD scheme is designed to provide technical and financial assistance for the dairy development and thereby creating any infrastructure related to the processing, production, marketing and procurement by the milk federation/unions while extending their activities by providing training facilities to the farmers.
- (g) **Dairy Entrepreneurship Development Scheme (DEDS):** Bring structural changes in unorganized sector so that initial processing of milk can be taken up at village level. Generate self employment and provide infrastructure mainly for unorganized dairy sector.
- (h) **National Dairy Plan-I (NDP-I):** It is a Central Sector Scheme being implemented by the National Dairy Development Board (NDDB) through End Implementing Agencies (EIA) for a period of 2011-12 to 2018-19.
- (i) **Dairy Processing and Infrastructure Development Fund (DIDF):** To ensure that Dairy Cooperatives remain competitive for the sustained benefit of farmers, the Government of India had announced creation of Dairy Processing and Infrastructure Development Fund under NABARD with a total corpus of Rs. 8000 crore over a period of 3 years (i.e. 2017-18 to 2019-20), in the Union Budget of 2017-18.
- (j) **Supporting Dairy Cooperatives and Farmer Producer Organizations engaged in dairy activities (SDCFPO):** It is a Central Sector Scheme initiated under Dairy Processing and Infrastructure Development Fund through NABARD. The funds from NABARD will be monitored and released for farmers by the National Dairy Development Board (NDDB).

#### Way Forward:

- India **needs to reduce the unit cost of milk production improved feeds, mechanised operations and increasing the productivity of milch animals.**
- India should ensure that its concerns are addressed if it wants to join RCEP in future, by providing adequate room for India government to protect Indian farmers.
- There should be **balance between FTA and dairy industry & between interest of farmers and consumers.**
- Incentivise investments in value-added products in the organised sector, like curd, buttermilk, cheese, ice-cream and even chocolates.
- India is the biggest producer as well as the consumer of milk and the solution lies within the ecosystem only by **making improvement in the quality and quantity of the milk** produced and by adding value to it so that both farmers and consumers can benefit.

#### Mains Question:

1. In the context of the current scenario of the RCEP and Dairy Industry, Analyse the following:
  - (a) Joining RCEP would have had high socio-economic costs on Indian dairy farmers. How?
  - (b) Joining RCEP would lead to unemployment and worsen the living conditions. How?

## BRICS: FOCUS ON TERRORISM

#### Introduction:

- BRICS member states have urged for **concerted efforts to fight terrorism** in accordance with the international law.
- The **declaration at the end of the 11th BRICS summit** stressed on the need to tackle the misuse of information and communication technologies for terrorist activities and combating illicit financial laws.

- Speaking at the **plenary session** of the summit Prime Minister of India said **terrorism has caused loss of approximately 1 trillion dollars to the world economy and 2.25 lakh people have lost their life** due to terror acts in over a decade.

#### **Plenary session:**

It is a session of a conference in which all members of all parties attend the session. Such a session may include a broad range of content and is not necessarily related to a specific style of presentation or deliberative process.

#### **BRICS Summit 2019:**

- The **11th BRICS Summit took place from 13th-14th November 2019 in Brasilia, Brazil.**
- The theme of the 2019 BRICS summit is **"Economic Growth for an Innovative Future."**
- BRICS is the acronym coined for an association of five major emerging national economies — **Brazil, Russia, India, China and South Africa.**
- During the summit, the **BRICS countries have adopted the Brasilia Declaration.**

#### **Brasilia Declaration:**

- The declaration has urged for concerted efforts to **fight against terrorism under United Nations (UN) in accordance with international law.**
- They have also called for an expeditious conclusion and **adoption of the Comprehensive Convention on International Terrorism (CCIT) within the UN framework.**
- They also called on the States to **prevent financing of terrorist networks and terrorist actions including those from their territories.**
- The **trade war between China and the U.S.** and rising protectionism is **hurting the global economy.** Hence, multilateralism is crucial for emerging countries to protect their own interests.
- There is an urgent need to **reform the United Nations including the World Trade Organisation (WTO) and the International Monetary Fund (IMF)** to address the significant challenges being faced by the developing countries.
- It was the **fourth round of the joint working group** on counter-terrorism in BRICS.
- They have decided to welcome **five sub-groups to aid in the strategic fight against terrorism.**

#### **Comprehensive Convention on International Terrorism (CCIT):**

- The Comprehensive Convention on International Terrorism (CCIT) was **proposed by India at United Nations in 1996.**
- The convention **provides a legal framework which makes it binding on all signatories to deny funds and safe havens to terrorist groups.**
- The CCIT has remained deadlocked mainly due to **opposition from three main blocks the US, the Organization of Islamic Countries (OIC) and the Latin American countries.**
- The three blocks have raised objections over the definition of terrorism and seek exclusions to safeguard their strategic interests.
- In Brasilia declaration, there was called for an expeditious conclusion and **adoption of the Comprehensive Convention on International Terrorism (CCIT) within the UN framework.**

#### **Objectives of CCIT:**

- To have a universal definition of terrorism that all 193-members of the UNGA will adopt into their own criminal law.
- To ban all terror groups and shut down terror camps.
- To prosecute all terrorists under special laws.
- To make cross-border terrorism an extraditable offence worldwide.

### Significance of the Brasilia Declaration:

- The five BRICS nations form nearly 50% of the global economy and the economic losses faced by these countries only due to terrorism are huge. 90% of terrorism is based on an ideology and the availability of finances. So when the five nations got together, they **decided to operate comprehensively on the financial aspects and on controlling communication networks.**
- Finances spread through **direct and indirect sources such as through drugs, arms smuggling, and direct contribution of people for a cause.**
- When these five countries get together and form common action plans to see how terrorism can be controlled while operating under the UN on the two pillars- financial terrorism and controlled communication network, then the whole world gets involved making us move in a constructive and forward way, which is a very beneficial step, especially for India.
- From the Indian perspective, **BRICS has emerged as the voice of developing countries**, or the global south.
- As these countries face an aggressive club of developed countries, raising challenges on issues from WTO to climate change, India believes **BRICS has to protect the rights of the developing countries.**
- The joint working group on counter-terrorism has decided to constitute sub-working groups in five areas:
  - (a) Terrorist financing;
  - (b) Use of Internet for terrorist purposes (May be chaired by India);
  - (c) Countering radicalisation;
  - (d) The issue of foreign terrorist fighters;
  - (e) Capacity-building.

### BRICS Nations towards Terrorism:

- Each of five countries has a different approach towards terrorism.
- **Brazil doesn't experience much of a terrorism problem. Latin America experiences a few terroristic activities** with the exception of a few Islamic activities in some areas.
- South Africa does not face much terrorism again with the exception of a few Islamic activities. Biggest **African terrorist group such as Boko Haram al- Shabaab does not operate in southern Africa.**
- Russia, China and India are the three countries for which it is a major concern and are genuinely affected.
- The primary focus of **Russia is on the terrorism that has emanated out of Chechnya and the Caucasus region** and they're also getting extremely worried about Central Asia, afraid that if the Taliban were to come back to Afghanistan, it will create instability in Central Asia.
- **China is taking an extreme step to effectively try to eradicate Islam in its culture** and society to handle the problem of Islamic terrorism on its soil by eradicating the entire culture and size of the society. Cross-border terrorism is simply not acceptable for them because of their relationships with Pakistan.
- The **Islamic State is a concern for India.** Situations involving sudden attacks by the Islamic State such as in the sudden attack in Sri Lanka recently by the Islamic state. Lashkar-e-Taiba and Al-Qaeda operate in the Bay of Bengal and is a direct threat to India. Terrorism financing and online radicalization is an area of convergence for India.

### Way Forward:

- Every country has to fight its own battle of terror, but the advantage of a large forum like BRICS is that it sensitizes a large segment of the society, making the other countries which aren't facing terrorism currently realize that terrorism is an ever-present threat which they might face in future.
- Financial terrorism and the spread of ideology through social media require a whole world approach. Hence all of the forums available such as the UN are equally important.
- So BRICS should be treated as one of the important forums and not as the only important forum.
- India can use the BRICS as a platform to insist that these new structures should incorporate anti-terrorism mandates and rules and regulations making it difficult for countries like Pakistan to use such alternate sources.

**Mains Question:**

1. BRICS nations have urged for concerted efforts to fight terrorism in accordance with the international law. In this context, Examine the relevance of BRICS in eradicate terrorism from the BRICS Nations?

## EPFO

**Introduction:**

- 1st November is observed as the foundation day of the **Employees' Provident Fund Organisation**.
- The day marks the roll out of the **Employees' Provident Fund Scheme on 1st November 1952. This was the first social security scheme under the EPF Act.**
- Beginning its journey with a few lakh beneficiaries, the EPFO now services more than 4.5 crore employees, who are engaged in around 6 lakh contributing establishments. With over 63 lakh pensioners, the **EPFO is the 21st largest pension fund globally.**
- Recent e-governance initiatives of online coverage of establishments, online grievance redressal and online filing of claims backed by Universal Account Number have all generated a huge trust in public service delivery.
- It is noteworthy that more than 50% claims in EPFO are preferred through online mode, indicating a wide acceptance in just one year of its rollout.

**EPFO:**

- **EPFO is one of the World's largest Social Security Organisations** in terms of clientele and the volume of financial transactions undertaken. At present it maintains 19.34 crore accounts (Annual Report 2016-17) pertaining to its members.
- **The Employees' Provident Fund came into existence** with the promulgation of the Employees' Provident Funds Ordinance on the **15th November, 1951**. It was **replaced by the Employees' Provident Funds Act, 1952**.
- The Act is now referred as the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 which extends to the whole of India. **The Act and Schemes framed there under are administered by a tri-partite Board known as the Central Board of Trustees, Employees' Provident Fund, consisting of representatives of Government (Both Central and State), Employers, and Employees.**
- 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.
- The **EPFO is under the administrative control of Ministry of Labour and Employment, Government of India.**

**Vision of EPFO:**

- Employees' Provident Fund Organisation has a vision to reposition itself as a world class Social Security Organisation providing futuristic services meeting the growing requirements of all categories of its stakeholders.

**EPFO Vision 2030 envisages:**

1. **Universal Social Security Coverage** on mandatory basis by way of Provident Fund, Pension and Life Insurance for all workers of the country.
2. **Online Services for all EPFO benefits** with State-of-the-Art Technology.
3. **Implementation of policies** for a benefit structure with adequate support level of social security.

**Mission of EPFO:**

- **Its mission is to extend the reach and quality of publicly managed old age income security programs** through consistent and ever-improving standards of compliance and benefit delivery in a manner that wins the approval and confidence of members in our methods, fairness, honesty and integrity, thereby contributing to the economic and social well-being of the nation.

- The technology-driven and hassle-free services are envisaged to improve the level of trust on the functioning of EPFO include:
  1. Provide minimum interface but maximum output from the EPFO offices.
  2. Improved and reliable facility for on line services.
  3. Real time monthly updation of member accounts.
  4. Online access to member account.
  5. Ensure one Employee one EPF account.
  6. Reduce the time for settlement of claims from the present 20 days to 3 days.
  7. Facilitate the ease of compliance.
  8. Encourage and promote voluntary compliance.
  9. Keep up the vigil and ensure proper compliance by all establishments.
  10. Further improvise easy interaction with EPFO to obtain information or seek redressal.

**EPFO Schemes:**

**1. EPF Scheme 1952:**

- (a) Accumulation plus interest upon retirement and death.
- (b) Partial withdrawals allowed for education, marriage, illness and house construction.
- (c) Housing Scheme for EPFO Members to achieve Prime Minister's Vision of housing to all Indians by 2022.

**2. Pension Scheme 1995 (EPS):**

- (a) Monthly benefit for superannuation/retirement, disability, survivor, widow(er) and children
- (b) Minimum pension on disablement
- (c) Past service benefit to participants of erstwhile Family Pension Scheme, 1971

**3. Insurance Scheme 1976 (EDLI):**

- (a) Benefit provided in case of death of an employee who was a member of the scheme at the time of death
- (b) Benefit amount 20 times of the wages. Maximum benefit of 6 lakh.

**Services offered by the EPFO:**

**1. Universal Account Number:**

- A Universal Account Number (UAN) is given to every employee who is contributing towards EPF. Various Member IDs that have been allotted to employees from various organisations come under the UAN. Each employee will be allotted only one UAN throughout his/her employment life. The EPFO allots the distinctive 12-digit UAN to employees. A monthly SMS regarding the contribution of the EPF amount, transferring of EPF amount from the previous Member ID to the current one, checking and downloading EPF Passbook, withdrawal of EPF online, and updating KYC details online are some of the services that are provided by the UAN.

**2. Helpdesk for Inoperative Accounts:**

- In February 2015, the EPFO set up the Inoperative Accounts Online Helpdesk to help employees track dormant and old inoperative accounts that do not accumulate any interest. Employees can track these accounts, and either withdraw the funds or transfer them to the current Member ID. Basic details must be provided by the employees about their previous employment to track inoperative accounts.

**3. Online withdrawal of EPF:**

- The EPF withdrawal amount can be easily done online with the help of the UAN. Employees who have been unemployed for more than 2 months are eligible to withdraw their EPF amount. However, the Aadhaar and bank details of the employee must be linked with the UAN.

**4. International workers can generate a Certificate of Coverage:**

- EPF members that are working in countries who have Social Security Agreements with India can generate a Certificate of Coverage (CoC) with the help of an online centralised software that the EPFO has launched.

**5. Monthly returns for exempted establishments:**

- With the help of the IT tool that the EPFO has launched, exempted establishments can file their monthly returns online without any trouble.

**6. UMANG App:**

- The EPFO has launched the Unified Mobile Application for New-age Governance (UMANG) for EPF members. Employees can use their UAN and password to avail the services of the UMANG app. Various services such as viewing of EPF passbook, updating profile details, etc. are available on the UMANG app.

**7. Online transfer of EPF:**

- EPF Transfer amount from the employee's previous Member ID to the current one can be done online with the help of the UAN. The process is hassle-free, paperless, and simple.

**8. Establishments can register online:**

- The Online Registration of Establishments (OLRE) can be completed on the EPFO portal. Employees are also benefitting due to the online presence of the PF code allotment letter.

**9. Online payments of PF:**

- It is compulsory for all organisations to make the PF payments online. Currently, Kotak Mahindra Bank, Axis Bank, ICICI Bank, HDFC Bank, Bank of Baroda, Union Bank of India, Allahabad Bank, Indian Bank, Punjab National Bank (PNB), and State Bank of India (SBI) are the 10 banks that have agreements with the EPFO for the collection of dues.

**10. Missed call and SMS service:**

- Members who have activated their UAN can access their PF balance, previous contribution, the status of KYC, etc., by sending an SMS (Format: EPFOHO UAN) to 7738299899 or by giving a missed call to 011-22901406. Employers will also receive an SMS for non-payment of EPF.

**11. Claim status and passbook:**

- The EPFO members will be able to check the status of their claims as well as view and download their EPF passbook with the help of the UAN.

**12. Grievances:**

- In case of any issues regarding the settlement of pension, transfer of PF, withdrawal of PF, etc., members can raise a complaint online. Grievance redressals are a top priority for the EPFO, and they are dealt with swiftly. 80% of the complaints are solved within 7 days and 97% of them are solved within 15 days. Due to constant monitoring of the EPF grievances, complaints have come down from 20,000 to 2,000-3,000 in a day.

**Conclusion:**

- The Employees' Provident Fund Organisation (EPFO) is a non-constitutional body that promotes employees to save funds for retirement.
- In terms of the number of financial transactions and clientele, the EPFO is one of the largest Social Security Organisations in the world.
- The schemes offered by the organisation cover Indian workers and international workers (from countries with whom the EPFO has signed bilateral agreements).

**Mains Question:**

1. What do you understand by the UAN and digital signature certificate (DSC)? How are these connected to the EPF programme? Explain.

## INDIA & WEST ASIA - NEW FRONTIERS

### Introduction:

- PM of India was on a visit to Saudi Arabia. **India and Saudi Arabia inked over a dozen agreements in several key sectors including oil and gas, defence and civil aviation** to bolster their ties as Prime Minister held extensive talks with Kingdom's top leadership.
- **India is also achieving its strategic goals alongside trade with Saudi Arabia.** Meanwhile, the bilateral ties between India and the UAE too have reached new heights.

### Highlights of the visit:

- They exchanged views on regional and international issues of mutual interest.
- The two **countries re-affirmed their deep commitment** to strengthen the strategic partnership envisaged in the **'Riyadh Declaration' of March 2010.**
- The countries expressed satisfaction at the establishment of Strategic Partnership Council between the two countries and the signing of its founding document.
- Both sides expressed appreciation for the **progress of bilateral relationship in political, economic, security, defence, manpower and people to people exchanges**, in recent years, which have strengthened the bilateral relations.
- They stressed the **Security Council Resolution with regard to the situation in Syria**, and emphasized the importance of preserving the unity of Yemen and achieving its security and stability, and **the importance of a political solution to the Yemeni crisis** on the basis of the GCC initiative, the outcomes of the Yemeni National Dialogue and the Security Council Resolution.
- Both sides expressed hope for achieving a just, **comprehensive and lasting peace in Palestine based on the Arab Peace Initiative** and the relevant UN resolutions, to guarantee the legitimate rights of the Palestinian people and the establishment of their independent state on the 1967 borders with Jerusalem as its capital.
- The countries agreed on **the importance of bilateral engagement to promote ways to ensure the security and safety of waterways in the Indian Ocean region and the Gulf region** from the threat and dangers that may affect the interests of the two countries including their national security.
- They reaffirmed the further **deepening of trade and investment cooperation between the two countries under the Vision 2030 of the Kingdom of Saudi Arabia.**
- During the visit, a **number of MoUs were signed in several areas, including Energy, Civil Aviation, Security Cooperation, and Defence, launch of RuPAY Cards and regulation of medical products** to further strengthen cooperation across the sectors.

### India and West Asia:

- India has economic, political, security and strategic interests with the West Asian countries:
  - ◆ Energy,
  - ◆ Trade
  - ◆ Safety of Indian community
- **70 per cent of India's imported energy needs come from West Asia.**
- India is the largest recipient of foreign remittances from west Asia. 11 million Indians work in West Asia.

### Importance:

- ◆ To counter radicalization
- ◆ Gate way to central Asia
- ◆ Geostrategic importance

**Issues:**

- ◆ Political instability in Syria, Yemen, Iraq
- ◆ extra-regional players such as the USA and Russia
- ◆ Presence of ISIS and other terrorist groups
- ◆ GCC-Iran rivalry
- ◆ Shia-Sunni conflict
- ◆ Saudi-Iran rivalry
- ◆ Arab Israel Conflict
- ◆ Israel – Palestine Conflict
- ◆ US-Iran conflict.
- ◆ Influence of Pakistan

**India's Look West policy:**

- **Cold war period:** India remained a passive player though maintained close economic cooperation with both Saudi Arabia and Iran.
- India **adopted Look West policy in 2005.**
- India now follows a **Secular and Non- Aligned Policy.**
- Focus is on business-to-business and people-to-people relationships.
- There is focus on **maritime diplomacy.**
- Relationship today is driven more by economic calculation than political rhetoric.

**Background of India Saudi relations:**

- India and Saudi Arabia enjoy cordial and friendly relations reflecting the centuries old economic and socio-cultural ties.
- The establishment of diplomatic relations in 1947 was followed by high-level visits from both sides.
- The historic visit of King Abdullah to India in 2006 resulted in **signing of 'Delhi Declaration'** imparting a fresh momentum to the bilateral relationship.
- The reciprocal visit by Then Prime Minister to Saudi Arabia in 2010 raised the level of **bilateral engagement to 'Strategic Partnership' and the 'Riyadh Declaration'** signed during the visit captured the spirit of enhanced cooperation in political, economic, security and defence realms.
- India is one of the **Kingdom's 8 Strategic Partner Countries under 'Vision 2030'.**
- **Saudi Arabia is India's 4th largest trade partner** and is a major source of energy as India imports around 18 % of our crude oil requirement from the Kingdom.
- The 2.6 million (as of August 2019) **strong Indian community in Saudi Arabia is the largest expatriate community in the Kingdom and is the 'most preferred community'** due to their expertise, sense of discipline, law abiding and peace loving nature.
- The **Hajj Quota was increased by 24, 975 in 2019, enabling 2, 00, 000 Indians** performing Hajj in 2019. Around 7, 00, 000 Indians also visit the Kingdom to perform Umrah every year.

**Background of India and UAE relations:**

- **India and United Arab Emirates (UAE) established diplomatic relations in 1972;** the UAE Embassy in India was opened in 1972 while Indian Embassy in UAE was opened in 1973.
- India-UAE commercial relations are anchored by **energy cooperation, trade, investments by UAE in India and investments & businesses** driven by Indian expatriates in UAE.
- In the energy sector, **UAE accounts for 8 percent of India's oil imports and is the fifth largest supplier of crude oil** to India.

- India-UAE trade which was valued at US\$ 180 million per annum in the 1970s, is today around US\$ 50 billion (exports from India US\$ 28 billion and imports to India US\$ 22 billion in the year 2017) **making India the second largest trading partner of UAE**, while UAE is India's third largest trading partner (after China and US). Moreover, UAE is the second largest export destination of India of over US\$ 31 billion for the year 2016-17.
- The two nations share historical ties and have maintained regular cultural exchanges both at official and people to people levels. **India and UAE signed a Cultural Agreement in 1975.**

#### Background of India and Iran relations:

- **India-Iran relations span millennia** marked by meaningful interactions.
- The two countries **shared a border till 1947** and share several common features in their language, culture and traditions. Indian subcontinent and the Persian Gulf have strong commercial, energy, cultural and people-to-people links.
- India and Iran established **diplomatic links on March 15, 1950.**
- **In April 2001 the two countries signed the Tehran Declaration** which set forth the areas of possible cooperation between the two countries.
- Both sides signed **The New Delhi Declaration in 2003** which set forth the vision of strategic partnership between India and Iran.
- During the visit of Prime Minister of India to Tehran in **May 2016, the contract on Chabahar was signed which, inter-alia, comprises investment of \$85 million** for equipping the port.
- The contract also comprises of provision of credit of approximately USD 150 million for the development of the 1st Phase of Shahid Beheshti port at Chabahar.

#### Conclusion:

- Saudi Arabia has, for some time now, been looking for new friends in the East. The disappointing response of the United States after half of the kingdom's oil production was knocked out by drone attacks last month, or when the West cornered Riyadh on the murder of journalist Jamal Khashoggi last year, has only driven it to look east.
- Meanwhile, the bilateral ties between India and the UAE too have reached new heights. Having prospered for several decades, it has more recently advanced into a sterling partnership spanning multiple dimensions, with both countries firmly committed to expanding collaboration in new sectors.

#### Mains Question:

1. Not just Saudi and the UAE, the whole of West Asia is looking to engage with India and explore new frontiers. Critically analyse in context the relation between India and West Asia?

## FAMILY LAWS & CUSTODIAL RIGHTS

#### Introduction:

- The Supreme Court has sought Centre's response to a **PIL which challenged validity of a provision of Hindu Minority and Guardianship Act, 1956** that prefers father as a natural guardian of children till they attain majority.
- A bench headed by Justice Arun Mishra issued notice to the Centre after petitioner's counsel argued that the **1956 law's gender-based discrimination for grant of guardianship of children violated constitutional right** to equality guaranteed to Hindu women.
- The apex court had issued a similar notice to centre last month on another petition seeking re-visit of country's all personal laws with **regard to the custody of child in matrimonial disputes.**

#### The PIL Issue:

- The **PIL** was filed by Sakshi Bhattacharya **on the basis that it violated Article 14 particularly in terms of gender discrimination** and the **Right to equality of a mother.**
- Sakshi Bhattacharya filed a PIL against the laws which governed child custody and guardianship.

- The petitioner has filed the PIL, stating that **the sections of the Shariat Act of 1937 and the Hindu Guardianship Acts** were outdated with relation to the current situation.
- The petitioner has also alleged that the Act is in violation of the right to equality as per Article 14 of the mother and establishes a bias on the basis of **gender discrimination by** stating that the **father is a natural guardian of the child** until they attain majority, in the event of a divorce.
- The issue raises a doubt whether the PIL was based on discrimination, or fundamental rights of women or fundamental rights of the child or the custody/matrimonial rights.
- The bench headed by Justice Arun Mishra had issued a formal notice to the centre.
- The apex court issued a similar notice to the centre in October 2019, on **another petition which was asking for all the personal laws of the country governing the custody of the child in the case of marital disputes** to be revisited and modified according to the present-day condition.
- The **257th report by the Law Commission of India** had also suggested certain amendments to the currently available statutory **provisions so that the provision for shared custody/joint custody could be included.**

#### Article 14 of the Indian Constitution:

##### ■ Equality before law:

- ◆ The State shall not deny to any person equality before the law or the **equal protection of the laws within the territory of India** Prohibition of discrimination on grounds of religion, race, caste, sex or place of birth.

#### Hindu Minority and Guardianship Act, 1956:

- It states that the natural **guardianship of a minor will first go to the father** after which it will go to the mother.
- "In the case of a boy or an unmarried girl—the father, and after him, the mother, provided that the custody of a minor who has not completed the age of five years shall ordinarily be with the mother."
- "The natural guardianship of **an adopted son who is a minor passes, on adoption, to the adoptive father** and after him to the adoptive mother."

#### Observations of the Supreme Court:

- The **interest of the child should be kept foremost** in custody battles between separated parents.
- Family courts should grant visitation rights in such a manner that a **child is not deprived of the love and care of either parent.**
- The Supreme Court observed that the **child needs to have the love and support from both the parents** irrespective of their fights.
- The gender bias eliminates the **chance of equal opportunity and in some situations**, women tend to stay in abusive relationships and suffer from domestic abuse only for the fear of giving up their children.
- Changed nature of society since the law was made, DOL changed, relation between man and women changed, changed notion of welfare of child, Presupposition that father is the natural guardian.

#### Way Forward:

- To eliminating the issue of discrimination on the basis of gender, there should be the introduction of gender-neutral laws which are child-centric.
- To safeguard women and protect the welfare of the children who fall into another genre completely and ensuring justice to one section it has to be maintained for all other sections. Hence a balancing act has to be made while reviewing the PIL.
- Introduction of shared parenting within the law.
- All the personal laws need to be revisited to ensure that they're relevant to the current situation and aren't biased on the basis of gender.

#### Mains Question:

1. Recently, the Supreme Court has sought Centre's response to a PIL which challenged validity of a provision

of Hindu Minority and Guardianship Act, 1956. Explain the Hindu Minority and Guardianship Act, 1956 and in the context of the PIL, how can you say that, there is a need of a modification of the Act?

## INDIA'S ACT EAST POLICY

### Introduction:

- Prime Minister of India visited Bangkok and will consider whether its concerns and interests in trade in goods, services, and investments are being fully accommodated when he attends the meeting of the RCEP there.
- **PM to participate in the 16th ASEAN-India Summit** and will also attend the **14th East Asia Summit and the 3rd Summit meeting of nations** negotiating a **Regional Comprehensive Economic Partnership (RCEP) agreement**.
- Prime Minister said ASEAN related Summits are key elements of India's foreign policy, most notably our Act East Policy.
- It gives an opportunity to present our vision for the Indo-Pacific region. The Prime Minister will also hold bilateral meetings with a number of other world leaders present in the Thai capital for related summit meetings.

### Evolution of India's Act East Policy:

- India Act East Policy was unveiled by Prime Minister of India, at the 12th ASEAN-India Summit in 2014 held in Myanmar. **Act East Policy is the successor of Look East Policy.**
- **India's 'Act East Policy' (AEP)** came into effect when the Prime Minister of India at his maiden visit to **ASEAN-India Summit in 2014 emphasized on practicing more action-oriented policy towards ASEAN and the wider East Asia.**
- In 2015, the Prime Minister visited five East Asian countries at various occasions. There have been other high level diplomatic visits to the East, followed by the appropriate diplomatic channels.
- Therefore, AEP has brought a great sense of speed and priority in engaging with the East Asian countries in general and Southeast Asia in particular.

### Look East Policy:

- After initiating the **economic liberalization policies in 1991, the country adopted a 'Look East Policy' (LEP)** with a two-track approach in mind.
- While on one hand, **Japan, Singapore and South Korea were considered as source of technology and investment**, high growth rate in several economies of **East and Southeast Asia was instrumental in considering them as high potential export markets.**
- India subsequently strengthened the ties with the 'East' by becoming Sectoral Dialogue Partner of ASEAN in 1992, covering trade, tourism, investment and science and technology.
- In this pursuit, Then Prime minister of India launched **Look East policy in 1992, to give a strategic push to India's engagement with South-East Asia region.**

### Difference in Act East and Look East policy:

- **Look East policy** focused on the **Association of Southeast Asian Nations (ASEAN) countries + Economic Integration.**
  - ◆ India became a dialogue partner of ASEAN in 1996 and summit level partner in 2002.
  - ◆ In 2012 the relationship got up-graded into a Strategic Partnership in 2012.
  - ◆ The time when India launched Look East Policy in 1992, India's trade with ASEAN was \$2 billion. After signing the Free Trade Agreement in 2010 with ASEAN, the trade has grown to \$72 billion (2017-18).
  - ◆ India is also an active participant in several regional forums like the East Asia Summit, ASEAN Regional Forum (ARF) etc.
- **Act East Policy** focused on **ASEAN countries + Economic Integration + East Asian countries + Security cooperation.**

- ◆ Prime minister of India highlighted **4C's of Act East Policy**.
  - (a) Culture
  - (b) Commerce
  - (c) Connectivity
  - (d) Capacity building
- ◆ **Security** is an important dimension of **India's Act East Policy**.
- ◆ In the context of growing Chinese assertiveness in the **South China Sea and the Indian Ocean, securing freedom of navigation and India's own role in the Indian Ocean is a key feature of Act East Policy**.
- ◆ India has been engaged under the narrative of **Indo-pacific** and informal grouping called **Quad**.

#### Indo-Pacific:

- The first time, the term 'Indo Pacific' was used by the **Japanese Prime Minister in 2007**.
- According to him, it is a **connection between the Indian Ocean and the Pacific Ocean**.
- However, the **President of the United States reinvigorated the term Indo-pacific at EAS summit, 2017**.
- Through **Indo-pacific, US envisages an open, free, inclusive, prosperous and rule-based Indo Pacific system**.
- The term **Indo-pacific is being used instead of 'Asia-Pacific'**. This shows the **salience of India in the new construct**.
- This can be reflected in **multilateral military exercises like Malabar** (trilateral naval exercise between **India, Japan and the US**).
- India hosted ASEAN Plus military exercise (**Force 18**) in **2018**.

#### Quad:

- Quad is an **informal strategic dialogue** of like-minded democracies **converging across the Indian and Pacific oceans**.
- It **comprises of the US, Japan, India and Australia**.
- Quad is perceived to be symbiotically linked **military alliance, formed to contain China**.

#### Way forward for Act East Policy:

##### 1. Need for Competitive Manufacturing:

- ◆ Act East Policy seeks economic integration of India's economy with global supply chains which are concentrated in Southeast Asia and East Asia.
- ◆ In order to **become a manufacturing hub, India should do holistic reforms to make its manufacturing competitive**.
- ◆ In this context there is a need for **capital sector reforms, labour reforms, easing of land acquisition and bridging infrastructure deficit**.
- ◆ The responsibility of carrying out these reforms lies with both the private sector and the government.
- ◆ This will also help India to check its trade deficit.
- ◆ **A balanced, fair and equitable trade relationship is critical for a resounding Act East Policy**.

##### 2. Developing North East:

- ◆ **The success of India's Act East Policy will depend upon connectivity projects in India's North East region**.
- ◆ Therefore, India should expedite the connectivity projects like India–Myanmar–Thailand Trilateral Highway and Kaladan Multi-Modal Transit Transport Project.

##### 3. Leveraging Soft power:

- ◆ While pursuing Act East Policy India must work on **its niche advantage i.e. cultural and civilisational**. These **cultural and civilisational** linkages are dated from ancient times (spread of Buddhism and Hinduism).

- ◆ The sphere of India's cultural power expanded because of **technological infusion and globalization**.

**Mains Question:**

1. Discuss how the India's Act East Policy is different from the India's Look East Policy? Also suggest some measures to give boost to the India's Act East Policy.

## INDIA'S START UP JOURNEY

**Introduction:**

- India continues to be home to the third largest start up ecosystem in the world.
- According to a recent **report released by NASSCOM 1300 tech startups** were added up to September this year. While **7 startups entered the Unicorn club** taking the total number to 24, potential unicorns also saw a significant increase to 52 from 15 last year.
- The **volume of investments in startups also grew**, touching 4.4 million US dollars for January to September this year.
- According to the report these **startups have created and estimated 60000 direct jobs** and between 1.3 to 1.8 lakh indirect jobs.

**NASSCOM:**

- NASSCOM is the **premier trade body and chamber of commerce of the Tech industry** in India and comprises over 2800 member companies including both Indian and multinational organisations that have a presence in India.
- Our membership spans across the **entire spectrum of the industry from startups to multinationals** and from products to services, Global Service Centers to Engineering firms.
- Guided by **India's vision to become a leading digital economy globally**, NASSCOM focuses on accelerating the pace of transformation of the industry to emerge as the preferred enablers for global digital transformation.

**Key highlights of the report released by NASSCOM:**

- Also known as **"Indian Tech Startup Ecosystem- Leading Tech in the 20's"** Report.
- India continues to reinforce its position as the **third largest startup ecosystem** in the world, with addition of more than **1300 startups this year**.
- The total number of tech startups in the country has grown to 8,900-9,300 with 1,300 startups being added this year so far.
- India also **witnessed the addition of seven Unicorns this year** till August taking the total tally to 24, the third highest number of Unicorns (companies with valuation of over \$1 billion) in a single country in the world.
- The startups have created an estimated **60,000 direct jobs and 1.3-1.8 lakh indirect jobs**.
- **Investments in start-ups were steady with \$4.4 billion flowing** in between January-September this year across 450 start-ups – up 5 per cent year-on-year.
- **Funding saw a huge spike** in early stages with \$1.6 billion being recorded and growing at 70 per cent y-o-y.
- The trend witnessed over the year was that start-ups are driving focus more towards the B2B space and almost half of the country's start-ups are offering enterprise focused services.
- Over **18 per cent of all start-ups in India are now leveraging deep-tech**, which means there are over 1,600 such companies in India.
- This number constituted only 8 per cent of start-ups incepted in 2014, and has seen a 40 per cent CAGR (compound annual growth rate) over the past five years.

**Challenges faced by Startups in India:**

1. **Culture:** Entrepreneurship and startups are only a recent phenomenon in the country. It is only in the last decade and half that people in the country have moved from being job seekers to job creators. Doing a

startup is tough and every country sees more failures than success. More often than not an **entrepreneur needs to be prepared to face failures and unprecedented hardship.**

2. **Mentoring:** A great mentor is often what separates success from failure by providing valuable inputs. However, there is no formal mechanism to mentor startups in the country. Every mentoring that happens is on an ad-hoc basis. A **startup that has raised funds can count the investors for some form of mentoring**, but honest, unbiased, good business mentors are far and few in between. For startups finding a good mentor is often an uphill task.
3. **Policies:** The **government's role has so far been limited to giving out grants and loans, but without an effective, enabling environment, implementation** is far off the target. In this regard it will be interesting to see the contours of the recently announced Startup Fund in this year's budget. For startups to thrive and succeed, the government has a lot to do and understand the importance of entrepreneurship in economic development.
4. **Hiring:** India's skilling need is so huge that National Skill Development Corporation (NSDC) has been mandated to skill 150 million Indians by 2022. For a startup, it is particularly **difficult to attract and hire talent and skilled workers**. A startup often cannot match the salaries drawn at larger companies nor is a job at a startup seen as a steady one. This means startups face severe **hiring challenges and at times have to settle for the next best option.**
5. **Funding: Capital and access to capital has been a perennial problem for startups.** While, of late angel investors, venture capital and private equity have brought succor to some extent, a large number of startups still grapple to raise funds from institutional setup.

#### Opportunities of Startups in India:

1. **Demographic dividend:** According to the latest UN report India with 356 million 10-24 year-olds have the largest concentration of youth population despite having a smaller population than China. Youth is the driving force behind innovation, creation, and the future leaders of a country. Youth also drives demand and consumption pattern in a country. **For startups youth make up the workforce that it so desperately needs and going forward youth can be a huge talent base for startups.**
2. **Large population:** For startups in the country, it is not essential to go overseas. **India, with over a billion people, presents a very large home market for any goods or services.** The large population has also led to a consumer expenditure growth, which has in turn has propped up supply and production. Startups that look to service and cater to the large population in solving a pain point or providing a utility in one of the world's most important consumer markets, stand to do well.
3. **High Mobile penetration:** High mobile penetration in urban and rural India has reshaped the economy of the country and how goods and services are offered. It has led to greater efficiencies and increased productivity. Higher mobile penetration has also led to increased financial inclusion and flow of credit to the unbanked. **Growth in mobile penetration is transforming the way businesses and consumers communicate and work.**

#### Way forward:

- Although, it is a positive sign that we are looking at our potential to grow even faster and bigger.
- There is need to have very active government support.
- For market access, the policies should be designed across all sectors of government and access should be at deep level.
- Need to have proper balance between founders, investors and consumers.
- Regulatory constraints in the social sectors should be removed and enabling environment should be provided for startups.
- Enable founders to not only capture but retain the value of their innovation created is important.

#### Mains Question:

1. To provide equal platform to startups in government procurements, the criteria of prior experience or turnover will be exempted without any relaxation in quality standards or technical parameters. Analyse?

## INDIGENOUS RADAR SYSTEMS

### Introduction:

- Radars are detection systems which use **radio waves to identify and determine the range, velocity and angle of an object.**
- There have been **significant technological advancements** making them highly sophisticated and powerful.
- In India **DRDO and its laboratory Electronics and Radar Development** Establishment is the agency which is responsible for design and development of all kind of radars.

### Radar System:

- **Radar is a detection system** that uses radio waves **to determine the range, angle, or velocity of objects.**
- It can be **used to detect aircraft, ships, spacecraft, guided missiles, motor vehicles, weather formations, and terrain.**
- The RADAR system generally consists of a transmitter which produces an electromagnetic signal which is radiated into space by an antenna.
- When this signal strikes any object, it gets reflected or reradiated in many directions. This reflected signal is received by the radar antenna which delivers it to the receiver, where it is processed to determine the geographical statistics of the object.
- **Radar is still most familiar as a military technology.** Radar antennas mounted at airports or other ground stations can be used to detect approaching enemy airplanes or missiles, for example.

### Electronics and Radar Development Establishment (LRDE):

- In India, **Electronics and Radar Development Establishment (LRDE) is the laboratory that comes under Defence Research & Development Organisation (DRDO) which is responsible for development of radars.**
- This organisation has met success with **various radar systems developed by it being inducted in Indian Armed Forces** now in large numbers.
- Electronics and Radar Development Establishment (LRDE) works in the area of design and development of ground-based, ship borne and airborne complex radar systems and related technologies. Currently, LRDE is also developing technologies for space-based radars.
- **Vision of LRDE:** *Nurturing Leaders of Tomorrow*
  - To create a centre of **excellence in radar and electronics technologies** by developing and delivering world class systems to meet the customer requirements.
- **Mission of LRDE:** *SINCE-1993*
  - **To design and develop Radar Systems** meeting the current and futuristic requirements of Services and Paramilitary Forces, keeping in view the emerging threat and EW scenario.
  - **To contribute towards building self-reliance in contemporary Radar Systems** and associated technologies through Industry collaboration.
  - **To promote collaborative research and core competence** within the country, in the field of Radar Systems and emerge as the National Centre of Excellence in Radar Technology.

### The Radar Systems Used by Indian Armed Forces:

#### 1. INDRA Radar:

- The Indian Doppler Radar (**INDRA**) series of 2D radars were developed by India's DRDO for the Army and Air Force.
- The INDRA-I is **mobile surveillance radar** for low level target detection while the INDRA-II is for ground controlled interception of targets.

- INDRA-I is 2D mobile surveillance radar for low level target detection.
- The radar is housed in two wheeled vehicles. Some of the main features are automated **Track While Scan (TWS), integrated IFF and high scan rate for high speed target detection.**
- The radar is produced by Bharat Electronics Limited and inducted into service.
- The **INDRA-I was a landmark project for the DRDO**, as it was the first large radar system designed by the organization and produced in number for the defence forces.

## 2. RAJENDRA Radar:

- It is a **multifunction electronically scanned phased array Radar** which is the heart of Aakash Air Defence System.
- It is **passive electronically scanned array (PESA) radar** and is used to guide Aakash missile to its target.
- Mounted on a two wheeled vehicle it fulfills multiple **radar functions like surveillance, tracking and guidance.**
- It is multifunction radar, capable of surveillance, tracking and engaging low radar cross section targets.
- It is the **heart of the Aakash surface-to-air missile system and is the primary fire control sensor for an Aakash battery.**

## 3. ROHINI Radar:

- The Rohini is an **operating in S-Band ground based 3D medium range air surveillance radar** providing detection and tracking air targets even under hostile EW operational environment.
- It is **capable of handling multiple targets simultaneously** and also precisely calculate the height at which projectiles are flying. Mounted on Tatra mobile platform, a heavy duty modified truck **built by the public sector Bharat Earth Movers Limited (BEML)** and supported by an auxiliary mobile power unit; it enables the Rohini to be easily transported to the battlefield.
- **Operating in a range of upto 170 kilometers and an altitude of 15 kilometers**, the Rohini radar can track multiple targets like fighter jets and missiles travelling at supersonic speeds of over 3,000 kms per hour.
- The **radar employs an array of Electronic Counter Measure (ECCM)** features including frequency agility and jammer analysis.
- A Secondary Surveillance Radar, IFF, is integrated with the primary radar Rohini, which distinguishes friendly and hostile aircraft. About 100 pieces are expected to be built, with around 20 radars being manufactured every year.

## 4. Swathi Weapon Locating Radar:

- Swathi Weapon Locating Radar is **mobile artillery locating phased array radar** developed by India.
- It is **counter-battery radar designed to detect and track incoming artillery** and rocket fire to determine the point of origin for Counter-battery fire.
- It has been **developed by DRDO's Bangalore base laboratory, LRDE and the Government owned Bharat Electronics Limited (BEL).**
- It can track 7 targets at a single time and are helpful for Indian Army to locate Pakistani artillery positions across the LOC.

## 5. AEROSTAT Radar:

- The **aerostats are large fabric envelopes filled with helium**, and can rise up to an altitude of 15,000 feet (4,600 m) while tethered by a single cable.
- The **largest lifts a 1000 kg payload to an operating altitude providing low-level, downward-looking radar coverage.**
- The first aerostats were assigned to the United States Air Force in December 1980 at Cudjoe Key, Fla. During the 1980s, the U.S. Customs Service operated a network of aerostats to help counter illegal drug trafficking.

**Conclusion:**

- Indigenous produce in defence manufacturing is currently about 45-50 per cent only. Therefore, **the country must focus on more indigenous defence production to reduce import** in the sector and should become self-reliant in technology.
- The **ultimate aim of DRDO is to supply the technology to other countries to enable the domestic defence industry to sustain itself and earn foreign exchange.**
- DRDO had come up with many technologies in the past few years and developed a complete range of indigenous radar systems.

**Mains Question:**

1. What do you understand by Radar Systems? Also Explain Radar systems used by Indian Armed Force with their features.

## INDO-PACIFIC OCEANS INITIATIVE

**Introduction:**

- Prime Minister of India proposed a **new initiative to create a safe and secure maritime domain in the Indo-Pacific**, indicating India's readiness to play a bigger role in the region where China has been expanding its military assertiveness.
- PM floated the **idea of the Indo-Pacific Oceans Initiative during his address at the 14th East Asia Summit**, a premier forum in the Asia-Pacific region dealing with issues relating security and defence.
- Apart from the 10 ASEAN member states, East Asia Summit includes India, China, Japan, Republic of Korea, Australia, New Zealand, United States and Russia. The ASEAN's current chair Thailand and Australia welcomed the Prime Minister's proposal.

**Background:**

- The concept of the **"Indo-Pacific"** was **popularized by Japanese Prime Minister Shinzo Abe** during his **2007 "Confluence of the Two Seas"** speech to the Indian Parliament.
- As a framework, the Indo-Pacific seeks to create a connected multi-polar region that must be governed by commonly agreed international norms, rules, and practices.

**Concept of Indo-Pacific:**

- The **"Indo-Pacific"** construction has attracted considerable attention around the world and is progressing rapidly. Countries that are part of the vast expanse of ocean in India and the Pacific are called **"Indo-Pacific countries"**.
- **Its expanse is debated to be ranging from the eastern shores** of Africa to the western coast of the United States, albeit with variations in definitions depending on each actor and their own geographic positioning in the vast expanse.
- Strategically, it can be viewed as a continuum across the two oceans connected by its main trade channel, the Strait of Malacca.
- The main reasons for the rise of a strategic imagination of the Indo-Pacific are the **growing footprint of China across the length and breadth** of the region and the relative decline of the U.S. alliance system and its striving for resurgence.

**Significance of the Indo-Pacific Ocean:**

**1. Maritime Trade:**

- Pacific islands are strategically significant from New Delhi's point of view as they sit astride important sea lines of communication through which important maritime trade is conducted.
- India has been going slow on RCEP negotiations as it is wary of China's presence in the grouping, with which New Delhi already has a massive \$60 billion trade deficit.

**2. Connectivity:**

- Freedom of navigation and openness of sea lanes which extend from East Africa to the west coast of North and South America will enhance connectivity
- ASEAN resides at the connecting point of the Indian Ocean and the Pacific Ocean

**3. Infrastructure:**

- The United States, India and Japan are working together to finance sustainable and community-driven infrastructure projects which are vital to the development of the region.

**4. Blue Economy:**

- India plans to devote more energy to Indian Ocean Rim Association (IORA) because the heart of its Indo-Pacific policy is anchored in the Indian Ocean. This integrates the “blue economy” part of Indian politics with the security side.

**India's Stand:**

- India is playing a key role in the **Pacific, East Asia and Southeast Asia**.
- India is also trying to make innovative use of trade and diplomacy as strategic arsenals.
- India can take this opportunity to promote the justification and rationalization of its interests in Southeast Asia, expand its presence in East Asia, strengthen its political, economic and military cooperation with the United States and its allies, and comprehensively increase **India's influence in international affairs**.
- India's approach of the Indo-Pacific is of making this area an inclusive region, anchoring on peace and prosperity for all stakeholders.
- India's geographical vision for the Indo-Pacific is from the eastern shores of Africa to the western shore of the US. **The India-Ocean Region (IOR) is India's prime area of interest in the Indo-Pacific.**

**Other Countries' stand:**

- **United States, Japan, and Australia:** The United States is the leader of the “Indo-Pacific Strategy” and Japan & Australia has fully endorsed this idea.
- For them “Indo-Pacific Strategy” is to contain China's rise and safeguard their interests in the region.
- The US considers the area between the **west coast of the United States and the western shores of India as the Indo-Pacific**.
- Its primary areas of focus are the Pacific Ocean and the three seas of China - the Yellow Sea, East China Sea and the South China Sea.

**Challenges of the India-Pacific Strategy:**

- The geographical construction of the Indo-Pacific is unclear even after so many years.
- The **confrontational model of the United States is not acceptable for many countries**, including India. India wants an inclusive model, as mentioned in the Shangri-la dialogue.
- Without balancing China's point of view, no initiative will work. All related countries have strong links with China of different natures.
- Recently, India has just rejected the Regional Integrated Economic Association (RCEP) and will have an impact on the Indo-Pacific strategy.

**Possible Impacts of the Strategy:**

- Central position given to ASEAN; to give them a comfort that their role is not diluted in the region in any way.
- **Ensuring freedom of navigation.**
- **Freedom of over-flights.**
- All **disputes are resolved as per international conventions– UN convention** for the Laws of Seas (UNCLOS).

- Safety and security of the region is of paramount importance.
- Sustainably utilising the maritime resources of the region, partnerships with countries in having joint projects: **natural resource utilisation, disaster management, security etc.**
- 'East Asia Summit' (EAS) to take forward the concept of maritime security in the Indo-Pacific.

#### Future prospectus for India:

- **Naval forces and diplomacy** are two essential tools to promote the stature of India in Indo-Pacific affairs.
- New Delhi needs to build on already strong trade and trade relations to develop bilateral diplomacy, **blue water policy and deeper economic integration** under Free Trade Agreements (FTAs). All of these pieces are needed to complement Indo Pacific's open, integrated and balanced image.
- **India's vision of security and growth for all in the region (SAGAR)**, on which systems such as Sagarmala are based, should be exploited to increase international confidence in India's role in Indo-China peaceful relations.

#### Quadrilateral Security Dialogue:

- It is the strategic dialogue between the **four countries viz. India, United States, Japan, and Australia, originally initiated in 2007** but soon disbanded with the withdrawal of Australia.
- In 2017, on the sidelines of East Asia summit in Manila, Philippines, it again came into the picture **because of growing Chinese assertiveness in the South China Sea.**
- It is a sort of quasi-military alliance to control the growth of china's hegemonic tendencies in the region.
- It's objective to **tackle challenges of terrorism, promoting stability and maritime alliances, trade & commerce and ensure freedom of navigation** in the Indo Pacific region.

#### Way Forward:

- India needs to be clear where it stands, whether with those that support the rules or with those who do not support the rule-based approach.
- There is **need for internal reforms - capital, land, labour-** if India wants to make a contribution to the Indo-Pacific region.
- Quad and Indo-Pacific should present an **alternative to the Belt-Road-Initiative in terms of alternate funding and financing on ground.**
- It is important that this alteration happens, as it will be important for the ASEAN countries to find Indo-Pacific Initiative a value concept worth supporting.
- And since **connectivity is as important as security**, there is need for resources to help achieve connectivity in the region.

#### Mains Question:

1. What is the significance of the Pacific region for India? Analyse the initiatives to secure the maritime domain in the Indo-Pacific.

## J & K AND LADAKH - ROAD AHEAD

#### Introduction:

- Three months after the bold decision of scrapping Jammu and Kashmir's decades-old special status under Article 370, the strife-torn state ceased to exist.
- India now has **two new Union Territories - Jammu and Kashmir, and Ladakh** - while it has one less state.
- The big change of status for Jammu and Kashmir comes 86 days after the Centre moved to scrap the **special status of the state of Jammu and Kashmir.**
- This is for the first time in the history of India that a state is being converted into two Union Territories.

- The total number of states in the country will now be 28, while the **total UTs will go up to nine.**
- The UT of Jammu and Kashmir will have a legislature like Puducherry while Ladakh will be a UT without legislature like Chandigarh.

#### Background:

- Jammu and Kashmir was enjoying **special status under Article 370 and 35A of Indian constitution.**
- It was not fully integrated with the Indian Union and had a separate constitution.
- On August 5th 2019, the special status of Jammu and Kashmir was abrogated by bringing amendments to Article 370 through Presidential Order, 2019 and the **state was bifurcated into two union territories of Jammu and Kashmir with a legislature and Ladakh without a legislature by Reorganisation of Jammu and Kashmir Act, 2019.**

#### Changes taken place after the Reorganisation of Jammu and Kashmir Act, 2019:

- Central Government has taken charge of both the newly created UTs of Jammu and Kashmir and Ladakh.
- Under Article 239, President is authorized to administer the UT through the designated officer appointed by him known as lieutenant Governor. So it is the **LG that is going to administer the newly created UTs.**
- The UT of Jammu and Kashmir is going to have a legislative assembly with strength of 107 members. On the other hand, the UT of Ladakh is to be directly administered by the central government without legislature.
- The state symbols i.e. the **state flag and emblem will cease to exist.** J&K till now used to have a separate flag owing to the provisions of Article 370 in the Constitution of India. Only the national flag will be used from now on.
- The existing state cadre of officers from **Kashmir Administrative Services (KAS) and Kashmir Police Service (KPS) will remain unchanged.** However, the new appointments will be made from the AGMUT cadre.

#### Implications of the Act:

- There has been no violence and insurgency in Ladakh as has been seen in Kashmir since last three decades.
- The **people of Ladakh will not have to move to Srinagar or Jammu where administrative decision makers** are located to get their problems solved.
- Refugees have rights to vote in Parliamentary elections but not in Assembly elections which is the denial of their fundamental rights. This new constitutional arrangements will take into consideration all these **injustices and deliver justice to them.**
- Jammu and Kashmir will exist and thrive without Article 370 too. But here lies a duty on central government to convince the people that the new constitutional arrangement is for the good of the people.

#### Duties of the Lieutenant Governors of Jammu and Kashmir and Ladakh:

- According to the Jammu and Kashmir Reorganisation Act, 2019, the **Legislative Assembly of the UT of Jammu and Kashmir may make laws for the whole or any part of the union territory** with respect to any of the matters enumerated in the state list of the Constitution except the subjects mentioned in entries one and two -- '**public order**' and '**police**' respectively -- or the Concurrent List in the Seventh Schedule of the Constitution.
- The Act says the **cadres of the IAS and IPS** for the existing state of Jammu and Kashmir, on and from the appointed day, **shall continue to function on the existing cadres.**
- The President shall **appoint the L-G under article 239.** The L-G will be assisted by advisors appointed by the Centre since the Union Territory will not have a Legislative Assembly.
- In the case of Union Territory of Jammu and Kashmir, the L-G shall **"act in his discretion" on issues which fall outside the purview of powers conferred on the Legislative Assembly, in which he is required to exercise any judicial functions, and/or** matters related to All India services and the Anti-Corruption Bureau.
- The Chief Minister shall be appointed by the L-G who will also appoint other ministers with the aid of the CM. The L-G shall also **administer the oath of office and of secrecy to ministers and the CM.**
- The L-G will have the **power to promulgate ordinances which shall have the same force and effect as an act of the Legislative Assembly assented by the L-G.**

- **Maintenance of Rule of law:** Maintenance of peace should be the top priority of the LGs.
- **Development opportunities:** The people of Jammu and Kashmir and Ladakh must be provided opportunities for education, employment and excellence.
- **Restoration of Democratic processes:** Delimitation of constituencies should take place as quick as possible and only then elections will happen.

#### Challenges for the Lieutenant Governors of Jammu and Kashmir and Ladakh:

- **Good governance and efficient administration** are vital for hassle-free and smooth public service delivery mechanism.
- **Well-defined citizen's charter and viable grievance redressal mechanism** are the cornerstones of a welfare administration.
- **Development of the newly formed Union Territories** should be the top priority.
- The big challenge in Jammu and Kashmir will be **eradicating corruption**.
- To **streamline administration as there are no basic amenities provided in Kashmir** and Jammu ranging from public goods to infrastructure for private sector.

#### Conclusion:

- A 10-year strategy for education, employment and employability should be deployed for uplifting Kashmir.
- The Gandhian path of non-violence and peace should be adopted to solve the legitimacy crisis in Kashmir.
- The government can mitigate the challenges emanating out of Action on article 370 by launching a comprehensive outreach programme to all the people of Kashmir.
- In this context, Atal Bihari Vajpayee's version of Kashmiriyat, Insaniyat, Jamhooriyat (inclusivity culture of Kashmir, humanitarianism and democracy) for Kashmir solution, should become a cornerstone of the forces of reconciliation in the State.

#### Mains Question:

1. What are the major challenges for the government of India in the newly created union territories of Jammu and Kashmir and Ladakh? Explain and suggest some measures to overcome them?

## INDO-GERMAN ECONOMIC TIES

#### Introduction:

- **India and Germany signed multiple pacts and joint declarations** of intent and exchanged agreements after bilateral talks between Prime Minister and German Chancellor in New Delhi.
- The **agreements were inked for cooperation in fields such as space, civil aviation, maritime technology, artificial intelligence, digital technology, medicine, defence, cyber security and education**.
- Prime Minister said the expertise of economic power houses like **Germany could help in his government's aim to build a "new India" by 2022**.
- PM invited Germany to also take advantage of opportunities in defence production in dedicated corridors in Uttar Pradesh and Tamil Nadu.
- **Germany is India's largest trading partner in Europe** and more than 1,700 German companies operate in the country.

#### Indo-German Trade history:

- With a trade history of **over 500 years India and Germany are linked by a common past of economic cooperation**.
- Over the years, not only has the bilateral trade increased but **German companies have discovered new business and investment opportunities in India** and so have the Indian firms in Germany.

- Between the 16th and the 18th centuries, a number of German companies were established **with the aim of trading with Indian and other East Asian countries.**
- In the 19th century it was the German company Siemens who built the **first telegraph connection between Kolkata and London, via Berlin.**

#### Indo-German Trade in recent times:

- **Germany is the 7th largest foreign direct investor in India since January 2000.** Germany's total foreign direct investment in India from 2000 until 2016 amounted to approx. EUR 9 billion.
- There are **more than 1600 Indo-German collaborations and over 600 Indo-German Joint Ventures in operation.** Various programs have been set up in order to facilitate the realization of business opportunities in India such as the Fast-Track-System for German companies or the Make-in-India Mittelstand-Program.
- In recent times the success story continues as both countries extend their business relationship.
- Thereby, **India as one of the fastest growing economies in the world** offers various opportunities for German companies. Today, more than 1700 German companies are active in India, providing around 400.000 direct and indirect jobs.
- **Germany is India's largest trading partner in Europe** and among India's top ten global trade partners. Bilateral trade between Germany and India in 2016 was valued at more than EUR 17.4 billion.

#### Indo-German Economic Cooperation:

- **Germany is India's second-largest bilateral partner** with a record commitment of Rs.11,000 crore in the country.
- It has opened up a new strategic economic phase with Germany committing upto Rs.12,600 crore towards **sustainable urban development for improving living conditions in urban India.**
- Germany-based companies have developed technologies that make cities more live-able and are committed to help India to make a success of its Smart Cities mission by providing cutting-edge technologies.
- **Germany is the seventh largest foreign investor in India with \$8.64 billion worth Foreign Direct Investment (FDI),** accounting for three percent of the total FDI of \$288.6 billion during April 2000-March 2016.
- **"Make in India" campaign, has the potential of being a big game changer, but its prime focus should be on manufacturing quality products and rendering efficient services.** "If India continued its focus only on meeting the demands of the domestic market, it would never produce goods and services of world-class standard".

#### Major Concerns of Germany's Companies in India:

- Major concerns of Germany's companies doing business in India are **non-availability of land, high duties on goods, shortage of skilled manpower, absence of Investment Protection Agreement between India and the European Union, and impasse in the proposed India-EU Free Trade Agreement (FTA) negotiations etc.** which need to be resolved to take the Indo-German economic cooperation to a new exciting phase.

#### Germany as a business location:

- Indian investments in Germany have remarkably increased over the last few years.
- **Indian corporate entities have invested over EUR 6.5 billion in Germany,** especially in sectors of IT, automotive, Pharma and biotech.
- Today, **there are more than 200 Indian companies operating in Germany.**
- Germany lies at the center of Europe and offers not only excellent access to a prosperous market of over 80 million inhabitants but also to the Common Market of the European Union with 28 member states and more than 500 million people.

#### Conclusion:

- **Germany is the largest national economy in Europe and the fourth-largest by nominal GDP in the world.**
- It is also the third largest exporter in the world and its exports account for more than one-third of national output.

- **More than 10,000 foreign companies operate in Germany, with** more than 2 million employees and an annual turnover of more than 750 billion Euros.
- Foreign investors and entrepreneurs see Germany as a **prime location in terms of infrastructure, logistics, research and development as well as design.**
- Especially when it comes to the **framework and the conditions for R&D**, Germany scores high marks, which underlines the country's high competitiveness with regards to future technologies.

**Mains Question:**

1. Critically analyse the Economic relations between the India and Germany? Also explain Major concerns of Germany companies for doing business in India.

## JUNKING JUNK FOOD

**Introduction:**

- The food safety and standards authority of India - **FSSAI has recently released draft regulations for ensuring healthy food for children** titled as **Food Safety and Standards** (Safe food and healthy diets for school children) **Regulation, 2019.**
- One of the important regulations proposed in this draft is that **foods which are high fat, salt or sugar cannot be sold to children in school canteens, mess, premises, and hostel kitchens** or within 50 metre of the school campus.
- Junk food is considered as one of the leading causes of health problems.

**Junk Food:**

- Junk foods are **processed foods consisting of high calories** and are prepared in a way that they look appealing and are enjoyable.
- Generally, a food is classified as junk if it doesn't offer any or has very little nutritional benefits and is **generally high in sugar or fat.** The junk foods are also observed to be **very low in fibre and very high in calories.**
- Junk foods are also high in their salt content, which upon regular consumption can have debilitating effects on an individual's health.

**Effects of Junk Food on Human Health:**

- Frequent consumption of junk food increases the intake of excess fat, simple carbohydrates, and processed sugar which may **lead to a higher risk of obesity and cardiovascular diseases** among other chronic health problems.
- The resulting obesity may begin **clogging up the arteries** and lay the basis of an **impending heart attack.**
- It has also been suggested that eating junk food **affects the brain in the same way as consuming addictive drugs.**
- Most of the junk foods have been found to contain carcinogens, which can potentially **cause cancer.**
- An addiction to junk food may even result in rejection of healthier food options like fruits, vegetables, salads etc. **leading to further lack of nourishment.**
- The additional salt in the blood would result in a shift of the water from the cells to the body fluid, which often causes a **buildup of fluid in the brain thereby causing seizures.**
- The junk foods have also been found to have adverse effects on the **cognitive development in children** thereby not letting them develop to their fullest potential.

**FSSAI:**

- FSSAI or the **Food Safety and Standards Authority of India, is a sovereign body** established by the Ministry of Health & Family Welfare, Government of India.
- It was **established under the Food Safety and Standards Act, 2006.** This act is an amalgamation of the food regulations and safety rules of India.

- It is responsible for the **promotion and protection of the public's health** through careful and systematic supervision of the food safety and regulations.
- It is **mandatory to obtain the license issued by FSSAI** for the individuals who would or want to be involved in the **food business operations**. This license is an assurance of the quality and safety of marketed or sold food products to the public.

#### **Food Safety and Standards (Safe food and healthy diets for school children) Regulation, 2019:**

- The FSSAI has drafted a set of regulations concerning the sale of junk food in the school premises and 50 metres near the school campuses with an aim to change the school campuses into '**eat right school campuses**' which promote healthy eating. It **aims at providing children wholesome, safe and nutritious food at schools**.

#### **Objectives of the FSSAI Regulation:**

- Eat Right School:** Schools will be prohibited from selling junk food or foods high in sugar, fat or salt in school messes, kitchens and in the hostel messes which promotes eating a balanced, nutritious meal and emphasizes on the food wastage also.
- Marketing and Sales of Unhealthy Food Banned:** Foods high in fat, sugar or salt cannot be sold by vendors within 50 metres from a school campus, in an aim to shield the children from false advertising of the companies.
- Prohibition of Branding:** To impede food companies manufacturing such products from targeting children, the companies have been banned from using their logos or product names and images as advertisement on any books or educational material and even from educational buildings and structures.
- Food Products Recommendation:** The draft has a set of guidelines regarding the foods which can be provided in the schools.
- Safety and Standards Regulations:** All vendors dealing with manufacturing or selling of food products in or around 50 metres of a school campus must be registered under the FSS Act (under Schedule 4) which means they have to follow hygienic and safe practices to prepare, store and handle food.
- Regular inspection:** In schools it will be done on a periodic basis to keep a check on the quality and safety of food served in schools. A sub-committee has also been recommended by the state-level advisory committee to ensure effective implementation and to keep a check on all of the guidelines being enforced on schools.

#### **Need for the Regulation Draft:**

- Case Studies:** Government survey was released recently. It was conducted in collaboration with UNICEF, which revealed dangerous results about the health of Indian students, and showed that 10% of all Indian school students surveyed were found to be pre-diabetic and all risk factors of NCD (Non Communicable Disease) were found. They had high triglycerides, high predisposition to hypertension, and all risk factors for chronic kidney diseases. This indicates that on growing up, these children would not be healthy individuals.
- Court Orders:** The Delhi High Court, in 2015, had mandated all the central agencies to formulate a plan to promote healthy balanced diets for school students. Government also gives a lot of importance to eating right.

#### **Challenges:**

- Violation of the Norm:** Most often, the laws made are not strictly enforced and are violated after sometime.
- Collaboration of Schools and Parents:** The schools and parents will both have to contribute equally to the cause as one sided efforts will not yield any results. Parents also have to insist on the importance of a healthy diet at home while the school works on a healthy diet plan and prevention of sales of unhealthy food near its campus.
- Lack of Awareness:** Most of the times, even if the parents are educated, they are not particularly aware of the intricate of the nutritional aspects and requirements on a daily basis.
- Favourability:** Students favour junk food due to the added flavours, and these foods are addictive.

- (e) **Lack of a Nutritionist in Schools:** There is usually no nutritionist involved in the school premises for educating the parents and to keep track of the general health of the students.

**Way Forward:**

**(a) Strict Enforcement:**

- FSSAI has to ensure that the structure of the law has to be such that there is no escape route for anyone.
- Ban on the marketing of such unhealthy foods to the kids.

**(b) Awareness Campaigns:**

- Awareness workshops will have to be conducted for parents to help them understand the need and importance of a healthy balanced diet in children.
- The students will also have to be made aware of the importance of nutritious wholesome and balanced meals as a part of a healthy lifestyle. They will also need to be educated about the food wastage and hygienic practices.

**(c) Professional Help of a nutritionist:**

- A professional nutritionist should be hired to help prepare balanced meal plans for schools.
- The National Institute of Nutrition, Hyderabad has drafted a document. This document is for adaptation by school managements in the country and goes by with, in case they do not have much knowledge on the topic.

**Mains Question:**

1. What are the major challenges for the government behind prohibition of junk foods in school premises? Also discuss the objective of the Government behind such initiative.

## MLA DISQUALIFICATION - SC VERDICT

**Introduction:**

- The **Supreme Court has confirmed the disqualification of 17 Karnataka MLAs** whose revolt triggered the collapse of the two political parties in the state.
- But the court has cancelled the former Karnataka Assembly Speaker's decision to bar the rebel MLAs from contesting polls till 2023.
- By polls to 15 out of 17 Karnataka assembly seats, which became vacant following the disqualification of the MLAs, are scheduled for December 5.
- After their disqualification the **MLAs had filed petitions asking for the order to be quashed**. This verdict once again brings into focus the anti-defection laws in the country.

**Verdict of Supreme Court:**

- The **Supreme Court upheld the disqualification of the dissident legislators;** however it also held that their ouster does not put any bar upon them from contesting by-polls.
- The Court clarified that the **disqualification is till their re-election and not till the end of the term of the house** as ruled by the speaker.
- The speaker had ruled that the **MLAs cannot contest in further elections including the by polls to be held in December, 2019** and till the end of the tenure of the 15th Karnataka Assembly.
- The court also **remarked that even the 91st Amendment Act, 2003 which did not allow a disqualified member to be appointed as a minister**, did not give Speaker the power to put a ban upon them to contest elections till the end of the term.

**Anti defection law:**

- It refers to the '**Aaya Ram, Gaya Ram**' phrase coined after Haryana MLA Gaya Lal **changed his party twice in one day and thrice within a fortnight in 1967**.

- In response to this, then government brought anti-defection law to prevent such political defections in the year 1985.
- The law is necessary because when a voter decides to cast his/her vote for a candidate, he/she is considers not only the candidate but also the party that the candidate stands for and the manifesto the party presented.
- That is why in the year 1985, amendment to the constitution was effected and **Xth schedule was introduced**.
- The amendment and the schedule are connected to **Article 102 and Article 191 of the Constitution**. Both the articles pertain to disqualification for membership.

#### Article 102 and Article 191:

- Under the **provisions of Article 102 (1) and Article 191 (1) of the Constitution, an MP or an MLA is barred from holding any office of profit** under the central or state government.
- The articles clarify that **“a person shall not be deemed to hold an office of profit under the government of India or the government of any state by reason only that he is a minister”**.
- The Constitution **specifies that the number of ministers including the Chief Minister has to be within 15% of the total number of members** of the assembly (10% in the case of Delhi, which is a union territory with legislature).
- Provisions of Articles 102 and 191 also **protect a legislator occupying a government position if the office in question** has been made immune to disqualification by law.
- In the recent past, several state legislatures have enacted laws exempting certain offices from the purview of office of profit.

#### Features of anti defection law:

##### (a) Disqualification:

- If a member of a house belonging to a political party, Voluntarily gives up the membership of his political party, or Votes, or does not vote in the legislature, contrary to the directions of his political party.
- However, if the member has taken prior permission, or is condoned by the party within 15 days from such voting or abstention, the member shall not be disqualified.
- If an independent candidate joins a political party after the election.
- If a nominated member joins a party six months after he becomes a member of the legislature.

##### (b) Power to Disqualify:

- The Chairman or the Speaker of the House takes the decision to disqualify a member.
- If a complaint is received with respect to the defection of the Chairman or Speaker, a member of the House elected by that House shall take the decision.

##### (c) Exception:

- A person shall not be disqualified if his original political party merges with another, and
- He/she and other members of the old political party become members of the new political party, or
- He/she and other members do not accept the merger and opt to function as a separate group.
- This exception shall operate only if not less than two-thirds of the members of party in the House has agreed to the merger.

#### Previous cases of Anti-defection:

##### (1) AIADMK MLA's Disqualification Case:

- Tamil Nadu speaker disqualifies 18 dissident MLAs.
- Speaker expels MLAs under anti-defection law.
- MLAs approached Madras high court seeking justice.

- MLAs loyal to the rebel AIADMK leader.
- 2 judge division bench delivers split verdict.

**(2) AAP MLAs Disqualification Case:**

- Election Commission issues show cause notice to 21 AAP MLAs.
- MLAs accused of holding offices of profit.
- EC rejects pleas of AAP MLAs to drop 'Office of Profit' case.
- MLAs move Delhi HC against EC's order.
- EC recommends to President of disqualification of MLAs.
- President approves it.
- MLAs move Delhi HC seeking quashing of decision.
- HC reserves order on AAP MLA's pleas.
- HC quashes notification that had led to disqualification of MLAs.

**Advantages of Anti-defection law:**

- Provides stability to the government by **preventing shifts of party allegiance**.
- Ensures that candidates remain loyal to the party as well the citizens voting for him.
- Promotes party discipline.
- Facilitates merger of political parties without attracting the provisions of Anti-defection.
- **Expected to reduce corruption at the political level.**
- More concentration on governance is possible.
- Provides for punitive measures against a member who defects from one party to another.

**Disadvantages of Anti-defection law:**

- Interferes with the member's freedom of speech and expression by curbing dissent against party policies.
- By preventing parliamentarians from changing their allegiance, it **reduces the accountability of the government to the parliament and the people.**
- There are several instances that presiding officers take politically partisan view.

**Way forward:**

- Anti-Defection Law should be made applicable only in a situation where there is a vote for survival of the government or **trust vote of no confidence motion.**
- There has to be some way out for the cases in which the **MPs or MLAs genuinely feel** that they should not be voting on party lines.
- Also, there should be an **option that a conscientious politician** can resign and stand for election again, if he doesn't agree with the party line.
- There is a **need to provide the Speaker with a timeline** i.e. providing him/ her specified number of days for reviewing a resignation.

**Mains Question:**

1. Recently, the Supreme Court has confirmed the disqualification of 17 Karnataka MLAs. On which grounds, Supreme courts can disqualify the Members of Parliament and Members of Legislative Assembly? Explain. Also describe the Anti-defection law, Its objectives, features, merits and demerits of the law?

## REVIEW OF FDI POLICY

**Introduction:**

- The **Union Cabinet has approved the proposal for Review of Foreign Direct Investment (FDI)** in various sectors.

- **Foreign Direct Investment is an important driver of economic growth** and a source of non-debt finance for the economic development of the country.
- These amendments to the FDI Policy will liberalize and simplify the FDI policy to provide ease of doing business in the country. **More FDI will contribute to the growth of investment, income and employment in the country.**

#### Background:

- FDI is a major driver of economic growth and a source of non-debt finance for the economic development of the country.
- Government has put in place an investor friendly policy on FDI, under which FDI up to 100% is permitted on the automatic route in most sectors/activities.
- FDI policy provisions have been progressively liberalized across various sectors in recent years to make India an attractive investment destination.
- Some of the **other sectors include Defence, Construction Development, Trading Pharmaceuticals, power exchanges, insurance, pension, other financial services, Asset reconstruction companies, Broadcasting and Civil Aviation.**
- These reforms have contributed to India attracting record FDI inflows in the last 5 years. Total FDI into India from 2014-15 to 2018-19 has been US \$286 billion as compared to US \$ 189 billion in the 5 year period prior to that (2009-10 to 2013-14).
- In fact, **Total FDI in 2018-19 i.e. US \$ 64.37 billion is the highest ever FDI received for any financial year.**

#### The government will allow FDI in the following sectors:

##### 1. Digital Media:

- The new government policy of FDI will allow **Digital Media for 49% FDI under approval route in Up-linking of 'News and Current Affairs' TV Channels.**
- According to the Union Cabinet, it has been decided to permit 26% FDI under government route for uploading/ streaming of News and Current Affairs through Digital Media, on the lines of print media.

##### 2. Coal Mining:

- As per the present FDI policy, **coal and lignite mining can get 100% FDI under automatic route for captive consumption by power projects, iron and steel and cement units** and other eligible activities permitted under and subject to applicable laws and regulations.
- Now, with the new policy of FDI, a further 100% FDI under automatic route is also permitted for setting up coal processing plants.
- It will include **plants like washeries and the company shall not do coal mining** and shall not sell washed coal or sized coal from its coal processing plants in the open market.

##### 3. Single Brand Retail Trading (SBRT):

- It has been decided that the current cap of considering exports for 5 years only is proposed to be removed, to give an impetus to exports.
- However, the present FDI policy provides that 30% of the value of goods has to be procured from India if **SBRT entity has FDI more than 51%.**

##### 4. Contract Manufacturing:

- According to the new **FDI policy Contract manufacturing sector will be allowed 100% FDI.**
- Some activities related to manufacturing can be conducted by the investee entity or through contract manufacturing in India under a legally tenable contract.

##### 5. Major Impacts of FDI Policy Reform:

- Government agencies believe that India may become an attractive FDI destination that can provide several benefits to the country like a **boom in investment, growth and employment.**

- For example, international players can invest in coal mining because the new policy has allowed 100% FDI under the automatic route.
- Further manufacturing through contract contributes equally to the objective of Make in India. FDI now being permitted under automatic route in **contract manufacturing will be a big boost to manufacturing sector in India.**
- Similarly, **FDI in Single Brand Retail Trading (SBRT) can lead to the creation of jobs in logistics, digital payments, customer care, training and product skilling.**

**Way Forward:**

- **To further boost this entire investment environment and to bring in foreign investments in the country,** the Government has brought in FDI related Reforms and liberalisation touching upon **15 major Sectors of the Economy.**
- **The salient measures are:**
  1. Limited Liability Partnerships, downstream investment and approval conditions.
  2. Investment by companies owned and controlled by Non-Resident Indians (NRIs).
  3. Establishment and transfer of ownership and control of Indian companies.
  4. Agriculture and Animal Husbandry.
  5. Plantation.
  6. Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities.
  7. Defence.
  8. Broadcasting Sector.
  9. Civil Aviation.
  10. Increase of sectoral cap.
  11. Construction development sector.
  12. Cash and Carry Wholesale Trading / Wholesale Trading (including sourcing from MSEs).
  13. Single Brand Retail Trading and Duty free shops.
  14. Banking-Private Sector.
  15. Manufacturing Sector

**Mains Question:**

1. FDI Policy will liberalize and simplify the FDI policy to provide ease of doing business in the country. Critically Comment.

## PNEUMONIA

**Introduction:**

- Pneumonia is an **infection that inflames the air sacs in one or both lungs.** The air sacs may fill with fluid or pus (purulent material), **causing cough with phlegm or pus, fever, chills, and difficulty breathing.**
- To mark the occasion of the **World Pneumonia Day on November 12,** the **International Vaccine Access Center (IVAC)** released the **10th Pneumonia and Diarrhoea Progress Report.** The report describes **progress in fighting pneumonia and diarrhoea** in countries with the highest absolute number of deaths.

**Signs and symptoms of pneumonia may include:**

- Chest pain when you breathe or cough
- Confusion or changes in mental awareness (in adults age 65 and older)

- Cough, which may produce phlegm
- Fatigue
- Fever, sweating and shaking chills
- Lower than normal body temperature (in adults older than age 65 and people with weak immune systems)
- Nausea, vomiting or diarrhea
- Shortness of breath

**Newborns and infants may not show any sign of the infection. Or they may vomit, have a fever and cough, appear restless or tired and without energy,** or have difficulty breathing and eating.

#### **Causes:**

- Many germs can cause pneumonia. The most common are bacteria and viruses in the air we breathe. Your body usually prevents these germs from infecting your lungs. But sometimes these germs can overpower your immune system, even if your health is generally good.
- Pneumonia is classified according to the types of germs that cause it and where you got the infection.

#### **Hospital-acquired pneumonia:**

- Some people catch pneumonia during a hospital stay for another illness. Hospital-acquired pneumonia can be serious because the bacteria causing it may be more resistant to antibiotics and because the people who get it are already sick.
- People who are on breathing machines (ventilators), often used in intensive care units, are at higher risk of this type of pneumonia.

#### **Health care-acquired pneumonia:**

- Health care-acquired pneumonia is a bacterial infection that occurs in people who live in long-term care facilities or who receive care in outpatient clinics, including kidney dialysis centers.
- Like hospital-acquired pneumonia, health care-acquired pneumonia can be caused by bacteria that are more resistant to antibiotics.

#### **Aspiration pneumonia:**

- Aspiration pneumonia occurs when you inhale food, drink, vomit or saliva into your lungs.
- Aspiration is more likely if something disturbs your normal gag reflex, such as a brain injury or swallowing problem, or excessive use of alcohol or drugs.

#### **Risk factors:**

Pneumonia can affect anyone. But the **two age groups at highest risk are:**

- Children who are 2 years old or younger
- People who are age 65 or older

#### **Other risk factors include:**

- **Being hospitalized:** You're at greater risk of pneumonia if you're in a hospital intensive care unit, especially if you're on a machine that helps you breathe (a ventilator).
- **Chronic disease:** You're more likely to get pneumonia if you have asthma, chronic obstructive pulmonary disease (COPD) or heart disease.
- **Smoking:** Smoking damages your body's natural defenses against the bacteria and viruses that cause pneumonia.
- **Weakened or suppressed immune system:** People who have HIV/AIDS, who've had an organ transplant, or who receive chemotherapy or long-term steroids are at risk.

**Complications:**

Even with treatment, some people with pneumonia, especially those in high-risk groups, may experience complications, including:

- **Bacteria in the bloodstream (bacteremia):** Bacteria that enter the bloodstream from your lungs can spread the infection to other organs, potentially causing organ failure.
- **Difficulty breathing:** If your pneumonia is severe or you have chronic underlying lung diseases, you may have trouble breathing in enough oxygen. You may need to be hospitalized and use a breathing machine (ventilator) while your lung heals.
- **Fluid accumulation around the lungs (pleural effusion):** Pneumonia may cause fluid to build up in the thin space between layers of tissue that line the lungs and chest cavity (pleura). If the fluid becomes infected, you may need to have it drained through a chest tube or removed with surgery.
- **Lung abscess:** An abscess occurs if pus forms in a cavity in the lung. An abscess is usually treated with antibiotics. Sometimes, surgery or drainage with a long needle or tube placed into the abscess is needed to remove the pus.

**Prevention:**

- **Get vaccinated:** Vaccines are available to prevent some types of pneumonia and the flu. Talk with your doctor about getting these shots. The vaccination guidelines have changed over time so make sure to review your vaccination status with your doctor even if you recall previously receiving a pneumonia vaccine.
- **Make sure children get vaccinated:** Doctors recommend a different pneumonia vaccine for children younger than age 2 and for children ages 2 to 5 years who are at particular risk of pneumococcal disease. Children who attend a group child care center should also get the vaccine. Doctors also recommend flu shots for children older than 6 months.
- **Practice good hygiene:** To protect yourself against respiratory infections that sometimes lead to pneumonia, wash your hands regularly or use an alcohol-based hand sanitizer.
- **Don't smoke:** Smoking damages your lungs' natural defenses against respiratory infections.
- **Keep your immune system strong:** Get enough sleep, exercise regularly and eat a healthy diet.

**India's Status:**

- Rollout of rotavirus vaccines to **prevent rotavirus diarrhoea (in 2016)**, and pneumococcal conjugate vaccine for treating pneumonia (in 2017) has helped India to improve its scores.
- India's exclusive breastfeeding rate (at 55%) is among the highest of the 23 countries. However, the proportion of children receiving important treatments, as with many other countries, remains below targets.
- In India, **half of the children with diarrhoea receive ORS (Oral Rehydration Solution) and 20% receive zinc supplementation** that helps to protect against, prevent and treat pneumonia and diarrhoea.

**International Vaccine Access Center (IVAC) Reports Findings:**

- Reports from organizations like **Save the Children and UNICEF** have marked that, in 2017, the **highest risk factors for child pneumonia death** in India were:
  - ◆ 53% caused by **child wasting**,
  - ◆ 27% by **outdoor air pollution**, and
  - ◆ 22% caused by **indoor air pollution** from solid fuels.

**Way Forward:**

- The report concludes that the global community must **increase investment and support** other countries in developing **smart and sustainable strategies** that can close the gaps and accelerate progress.

**Mains Question:**

1. International Vaccine Access Center (IVAC) released the 10th Pneumonia and Diarrhoea Progress Report. Examine the India's Status of the Report and suggest some measures to prevent Pneumonia?

## RCEP AND INDIA

### Introduction:

- India has decided not to join RCEP and PM of India has stood firm on the issue that India's concerns were not addressed in the agreement.
- RCEP agreement with China and ASEAN countries does not reflect "its original intent" and the outcome is "not fair or balanced".
- India held that it will not become part of RCEP until **"significant outstanding issues" are resolved.**
- The **RCEP negotiations were kick-started during the 21st ASEAN Summit** in Cambodia in November 2012 and all **participating countries sought to finalize and sign a deal by 2020.**

### RCEP:

- The Regional Comprehensive Economic Partnership (RCEP) is a **trade deal that was being negotiated between 16 countries.**
- They include the **10 Association of Southeast Asian Nations (ASEAN) members** (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam) and the **six countries with which the bloc has free trade agreements (FTAs) — India, Australia, China, Korea, Japan, and New Zealand.**
- The pact looks to drop tariffs and duties between the members so that goods and services can flow freely between them.
- The RCEP is the "largest" regional trading agreement. The countries involved account for almost half of the world's population, contribute over a quarter of world exports, and makeup **around 30% of the global Gross Domestic Product.**

### Reasons for India's EXITS:

#### 1. Unfavourable conditions of Trade:

- Though trade has increased post-FTA with South Korea, ASEAN countries and Japan, imports have risen faster than exports from India.
- According to NITI Aayog, India has a bilateral trade deficit with most of the member countries of RCEP.

#### 2. Chinese Goods:

- India has already signed FTAs with all the countries of RCEP except China.
- This is the major concern for India, as after signing RCEP cheaper products from China would have flooded the Indian market.

#### 3. Non-acceptance of Auto-trigger Mechanism:

- In order to deal with the imminent rise in imports, India had been seeking an auto-trigger mechanism.
- Auto-trigger Mechanism would have allowed India to raise tariffs on products in instances where imports cross a certain threshold.
- However, other countries in the RCEP were against this proposal.

#### 4. Protection of Domestic Industry:

- India had also reportedly expressed apprehensions on lowering and eliminating tariffs on several products like dairy, steel etc.
- For instance, the dairy industry was expected to face stiff competition from Australia and New Zealand.
- Currently, India's average bound tariff for dairy products is on average 35%.
- The RCEP binds countries to reduce that current level of tariffs to zero within the next 15 years.

#### 5. Lack of Consensus on Rules of Origin:

- India was concerned about a “possible circumvention” of **rules of origin**.
- Rules of origin are the criteria used to determine the **national source of a product**.
- Current provisions in the deal reportedly do not prevent countries from routing, through other countries, products on which India would maintain higher tariffs.

#### Farmers were against to it:

- Farmers feel that the **RCEP will permanently bring down import duties on most agricultural commodities to zero** which will lead to countries looking to dump their agricultural produce in India which would lead to a drastic drop in prices.
- This will aggravate the agrarian crisis even as the input prices in **India are heavily taxed and farmers are not given profitable prices**, resulting in substantial losses and farmer debts.
- The **dairy sector and plantations sector are going to be hit very hard**. It is because New Zealand and Australia being part of RCEP will invariably lead to the dumping of their dairy products into India.
- The **Southeast Asian countries have larger and cheaper production of plantation crops** like rubber, coconut, palm oil as compared to India and opening up of the markets will lead to a large inflow of these products given their price competitiveness.
- The IPR clauses are likely to seriously **impinge on farmers' seed freedoms**. Seed companies will get more powers to protect their Intellectual Property Rights, and farmers would be criminalized when they save and exchange seeds.

#### Impacts of India's Exit:

- Exiting RCEP, **India can still keep a check on China's dumping of goods in India**. However, from needles to the turbine, Chinese goods are all over the Indian market.
- Refraining from RCEP will **provide protection to the Indian domestic industry** from cheap imports.
- RCEP is a China-backed trade deal, signing it without India will further **strengthen China's economic power**. It will affect India's neighborhood as China already tries to influence the region.
- India envisages becoming a manufacturing hub. However, staying out of the **RCEP reduces opportunities for trading with these countries**, which together account for roughly a third of global trade.
- India's exit of RCEP may also **affect India's Act East policy**.

#### Way Forward:

- India needs to work on reforms and frame policies to prepare the economy for facing global competition.
- This can be done by:
  - (a) Easing land acquisition
  - (b) Reforming Labor laws
  - (c) Bridging Infrastructure deficit

#### Mains Question:

1. Analyse the reasons of India's Exit from RCEP. What would be the possible Impacts of India's Exit? Discuss.

## PEGASUS SPYWARE

#### Introduction:

- WhatsApp has released a shocking statement admitting that a **cyber attack exploited their software's vulnerabilities and infected about 1,400 devices across 20 countries** spanning four continents.
- The attack targeted activists, lawyers and journalists, of which 20 were Indians. The attack was **allegedly carried out using the Israel-based NSO Group's spyware, Pegasus**, which allowed the surveillance to be conducted on individuals via their smart phones.

- Those responsible for the surveillance are still unknown, but the **NSO Group has denied the allegations, insisting that their customers are licensed government intelligence** and law enforcement agencies who get assistance in fighting terrorism and other crimes.

#### Initial outbreak:

- **Pegasus made headlines in 2016** when it was revealed that it unsuccessfully attempted an attack on the device of UAE human rights activist Ahmed Mansoor.
- He received text messages on his **iPhone promising 'new secrets' about tortured prisoners** in the country if he opened a link in the SMS. Instead of following the instructions, Mansoor sent the messages to researchers at Citizen Lab, who traced the origin of the links back to **infrastructure belonging to the NSO Group**.
- Further testing revealed that the link gave access to the Pegasus spyware that could target and exploit vulnerabilities in an iPhone and infect it, giving near unlimited access to data on the device.
- **Citizen Lab then collaborated with cyber security firm Lookout Security, to investigate the spyware's current reach.** The final report revealed 45 countries with possible Pegasus infections, with 33 operators handling surveillance of the affected targets.
- Eight telecom **operators in India, included Bharti Airtel Ltd and Hathway Cable & Datacom Ltd, were believed to have been targeted by Pegasus.** The domain name used by Ganges was noted by Citizen Lab as they could indicate possible political motivation behind the surveillance.

#### Pegasus:

- **Pegasus works by sending an exploit link**, and if the target user clicks on the link, the malware or the code that allows the surveillance is installed on the user's phone.
- A presumably newer version of the malware doesn't even require a target user to click a link.
- Once Pegasus is installed, the attacker has complete access to the target user's phone.
- Pegasus **delivers a chain of zero-day exploits to penetrate security features** on the phone and installs it without the user's permission.
- **Zero-day exploit** - A completely unknown vulnerability about which even the software manufacturer is unaware, and thus there is no patch or fix available for it.
- In the **cases of Apple and WhatsApp, neither was aware of the security vulnerability**, which was used to exploit the software and take over the device.
- In May 2019, the Pegasus was being used to exploit WhatsApp and spy on potential targets.
- **WhatsApp issued an urgent software update to fix the security bug** that was allowing the spyware to exploit the app.

#### Working of Pegasus:

- It can **work on BlackBerry, Android, iOS and Symbian-based devices.**
- It can send back the target's private data, including passwords, messages, live voice calls, etc., from popular mobile messaging apps.
- The **target's phone camera and microphone can be turned on to capture all activity** in the phone's vicinity, expanding the scope of the surveillance.
- Pegasus has the **ability to access password-protected devices, being totally transparent to the target, leaving no trace** on the device without arousing suspicion in more alert users.
- It has a self-destruct mechanism in case of risk of exposure, and ability to retrieve any file for deeper analysis.

#### Impact of Pegasus on WhatsApp:

- That's a question for many, given that WhatsApp has always its end-to-end encryption.
- A **missed call on the app was all that was needed to install the software on the device** - no clicking on a misleading link was required.

- WhatsApp later explained that Pegasus had exploited the video/voice call function on the app, which had a zero-day security flaw.
- It didn't matter if the target didn't take the call - the flaw allowed for the malware to be installed anyway.
- The exploit impacted WhatsApp for Android and iOS; WhatsApp Business for Android and iOS; **WhatsApp for Windows Phone and Tizen (Samsung).**

#### The infection:

- Once infected, almost all the user's data is immediately compromised. **Pegasus can record any conversation made in the vicinity via the microphone or the cameras.**
- The **live GPS location is tracked at all times** and the spyware uses keystroke logging (recording keystrokes) to keep a log of any text message or email typed out after the infection.
- Any call made is recorded as well as personal data like passwords, contacts and in some cases, biometric information.
- Financial Times reported that the latest variant of Pegasus can access data from **cloud-based accounts and can even bypass two-factor authentication**, making the compromised Smartphone a digital spy, perhaps the most effective one yet.
- The chances of a phone recovering from a **Pegasus infection are bleak, with most options leading to a total loss of data on the phone.**
- Pegasus has a **'self-destruct' mechanism that erases itself and wipes** the phone if triggered. Backing up the device can potentially trigger it and even if it doesn't, the backup will contain the spyware, resulting in another infected device.

#### Prevention better than cure:

- While removing a Pegasus infection cannot be successful without data loss, a user can take certain measures to prevent or at least reduce the impact of an infection by malware or spyware. **Here's a list:**
  1. Never open links or download or open files sent from an unknown source.
  2. Switch off push SMS messages in your device settings.
  3. If you own an iPhone, do not jailbreak it yourself to get around restrictions.
  4. Always install software updates and patches on time.
  5. Turn off Wi-Fi, Bluetooth and location services when not in use.
  6. Encrypt any sensitive data located on your phone.
  7. Periodically back up your files to a physical storage.
  8. Do not blindly approve app permission requests.

#### Conclusion:

- The Government says, it is concerned over the **breach of privacy of the citizens of India** and asked WhatsApp to explain the kind of breach and what is it doing to **safeguard the privacy of millions of Indian citizens.**
- In a country where **data protection and privacy laws** are still in a nascent stage, incidents such as this highlight the **big dangers to privacy and freedom in an increasingly digital society.**
- It is, therefore, extremely important for the Government to clear the air on **this issue in no uncertain terms** especially when WhatsApp had given information to CERT-IN, a government agency, even if without any mention of Pegasus or the extent of breach.

#### Mains Question:

1. What do you understand by the Pegasus Spyware? Discuss the impact of Pegasus Spyware on WhatsApp. How do we prevent the infection of Pegasus to spread? Explain.

## REVIVING REAL ESTATE

### Introduction:

- Finance Minister has indicated that the next round of reforms is likely to be focussed on the Real Estate sector.
- Piling inventory, funding issues for developers and stagnant or drop in property prices are some of the key problems faced by this sector.
- As of 30th June this year, 421 real estate developers are under the corporate insolvency resolution process.
- Finance Minister has said that the Government is working closely with the Reserve Bank of India to address the issues faced by the real estate sector.

### Root causes of the problems of Real estate:

#### 1. Housing affordability:

- Real estate sector is mainly concentrated in luxury housing while the need is of affordable housing. The target customer is mainly upper middle class which leaves a very small customer base for developers and makes these projects unaffordable for other sections of the population. This causes a **huge stock of unsold inventories**.

#### 2. Interest Rates:

- Interest rates also have a major impact on the real estate markets.
- Changes in interest rates can greatly influence a person's ability to purchase a residential property.
- That is because the lower interest rates go, the lower the cost to obtain a mortgage to buy a home will be, which creates a higher demand for real estate, which again pushes prices up.

#### 3. The Economy:

- Another key factor that affects the value of real estate is the overall health of the economy. This is generally measured by economic indicators such as the GDP, employment data, manufacturing activity, the prices of goods, etc.

#### 4. Government Policies/Subsidies:

- Legislation is also another factor that can have a sizable impact on property demand and prices. Tax credits, deductions and subsidies are some of the ways the government can temporarily boost demand for real estate for as long as they are in place. Being aware of current government incentives can help you determine changes in supply and demand and identify potentially false trends.

#### 5. Job Crisis:

- The **Periodic Labour Force Survey (PLFS)** of the National Sample Survey Office (NSSO) showed that the overall unemployment rate in the country in the financial year 2018 was at 6.1%.
- Since the real estate sector is the **second-largest** contributor to the labour force and employment, downturn in this sector is aggravating the job crisis in the country.

#### 6. Drop in Property Prices:

- Post demonetization and implementation of **RERA Act 2016**, there has been a sharp decline in the property prices across the country.

### Real Estate (Regulation and Development) Act, 2016:

- RERA Act 2016 is a step towards reforming the real estate sector in India, **encouraging greater transparency, citizen centricity, accountability** and financial discipline.
- It had been made **mandatory for each state and union territory**, to form its own regulator and frame the rules to govern the functioning of the regulator.

- Real estate projects mandatorily **need to be registered with the State Real Estate Regulatory Authority.**
- Promoters cannot book or offer these projects for sale without registering them.
- Real Estate Agents dealing in these projects also need to be registered with Real Estate Regulatory Authorities.
- The act makes it mandatory for a developer to deposit 70% of the collected amount from buyers in an escrow bank account for construction of that project only.
- The act also provides for fast track dispute resolution mechanism through the Real Estate Regulatory Authority and Appellate Tribunals across the country.

#### **National Real Estate Development Council:**

- National Real Estate Development Council (NAREDCO) was established as an **autonomous self-regulatory body in 1998** under the **Ministry of Housing and Urban Affairs.**
- It was formed with the **mandate to introduce transparency and ethics in the real estate business and transform the unorganized Indian real estate sector into a matured and globally competitive business sector.**

#### **Steps taken by the Government:**

- The sector benefited from the amendments that were made in 2016 to the **Benami Transactions Prohibition Act.**
- This, coupled with the central government's stated intent to make **Aadhaar linkage compulsory for all property transactions,** will help in curbing malpractices and stopping the inflow of black money into real estate.
- The **recapitalization of banks** also rejuvenated the banking sector and gives a boost to lending (for the sector).

#### **Pradhan Mantri Awas Yojana (urban) (PMAY):**

- The PMAY were amended to **encouraged married or single people** to invest in property.
- The government is trying to attract **both middle-income and low-income groups** to this segment.
- The central government extended, under PMAY, the **benefit of interest subsidy on home loans** for households in the middle-income group.
- The Government also **granted infrastructure status to the affordable housing** segment.
- The ministry of housing and urban affairs introduced as many as **eight public-private-partnership options to encourage private investments** in affordable housing projects.
- These new policies, if implemented well, could give a much-needed boost to this segment and make it a powerful growth driver for the real estate sector.

#### **Alternative Investment Fund:**

- Alternative investments include **private equity or venture capital, hedge funds, managed futures, art and antiques, commodities, and derivatives contracts.** Real estate is also often classified as an alternative investment.

#### **Reviving the sector:**

- The **Rs 25,000 crore Alternative Investment Fund (AIF) announced by Finance Minister** has expanded in both size and scope.
- The fund, to be managed by SBICAP Ventures, will offer support to viable projects with a positive net worth and registered with the Real Estate Regulatory Authority.
- Most of the **stalled projects are solvent but stuck for liquidity** and with support from the AIF, can be completed, unlocking value not just for buyers but also precious cash for the project promoters and their lenders.
- The real estate sector is not only one of the **biggest providers of jobs but also has a huge multiplier effect in the economy.**
- Industries ranging from cement and steel to paints and sanitary ware stand to reap the benefits of a healthy real estate sector.

- These **reforms will bring transparency and accountability** in the sector.
- Developers need to be sufficiently funded to achieve RERA compliance.
- The real estate sector will be institutionalized, and probably have fewer but larger and more reliable developers in the coming years.

#### Way Forward:

- It **should ensure that funding from AIF goes to genuine developers** who are willing to complete the stalled project and handover the inventories to buyers in given time frame.
- The **government should focus on the framework to assess the requirement of housing at local levels** and then allowing the requisite amount to be developed i.e. need based planning at local level.
- **Infrastructure status to housing segment may lead to flow of funds at cheaper rate** and can significantly help in tackling liquidity crunch but government needs to be cautious that fund flows to affordable housing sector only.
- Generally, in manufacturing, we first produce, then sell and earn profits but **in real estate sector, we first sell and earn profit and then produce** which leads to corruption and undelivered promises.
- It is high time to strike the root cause of the problem and convert the crisis into an opportunity to create good solutions and boost the economy.

#### Mains Question:

1. What do you understand by the Alternative Investment fund? How does it help to revive the stressed real estate sector? Explain. Also discuss the steps taken by the Government for the revival of the sector?

## THE KILLER POLLUTANT

#### Introduction:

- People of **Delhi NCR are facing one of the worst ever spells of air pollution**. Waking up to mornings that have an overhanging all pervasive grey, opaque and overwhelming smog in the air. The city's landscape has disappeared.
- When people step outside, **acid air almost immediately scorches our nostrils and stings our eyes**.
- It is the Killer Pollutant in the air that we breathe. It has forced the authorities to declare a public health emergency.

#### Increasing Air Pollution:

- It is clear that the problem of air pollution has increased very seriously and **over the years its intensity and seriousness has grown. In many places there is no proper air quality measurement mechanism**.
- The main constituent of the pollutants are the particulate matter which breaches the standard prescribed by **Central Pollution Control Board (CPCB)**. CPCB standards are fairly above the international WHO standards.
- There **are thermal power plants around Delhi** and the polluted air moves towards the neighbouring cities. Many industries are using high sulphur oil which is highly polluted.
- There are large **mounds of solid waste** **Seasonally farmers of Punjab and Haryana burn their crop** residues for preparing their fields for next crop and during the winter the air becomes heavy, there is temperature inversion and the dispersal of the pollutants is very low. During winter we also see **people burning fire during night to bear the cold**. All this put together has a cumulative effect on the air quality.
- The thrust towards renewable energy is time consuming and expensive. **Construction and demolition are the two major sources of Particulate Matter** in the atmosphere.
- Most of the vegetation has been denuded, there is deforestation taking place and soil erosion acts a source for Particulate Matter pollution.

#### Causes of air pollution:

- Spikes are due to different reasons and factors.
- One of the main **reasons of increasing air pollution levels in Delhi is crop burning by the farmers** in these states. Farmers burn rice stubbles in Punjab, Haryana and Uttar Pradesh.

- Pollution caused by the **traffic menace in Delhi is another reason contributing to this air pollution and smog**. The air quality index has reached 'severe' levels.
- As the winter season sets in, dust particles and pollutants in the air become unable to move. Due to stagnant winds, these pollutants get locked in the air and affect weather conditions, resulting in smog.
- Another reason of **air-pollution is over-population in the capital**. Over-population only adds up to the various types of pollution, whether it is air pollution or noise pollution.
- **Meteorology** is also very important factor.
- Industrial pollution and garbage dumps are also increasing air pollution and building-up smog in the air.

#### Health impacts of air pollution:

- Air pollution is one of the world's largest killers, responsible for 6.4 million deaths per year (1 in 9 deaths), of which 600,000 are children.
- This is **more than the number of deaths from AIDS, Malaria and tuberculosis combined**. The World Health Organization estimates that 2 billion children live in areas where outdoor air pollution exceeds international limits and 300 million children live in areas where outdoor air pollution exceeds 6 times international limits.
- Children, the elderly, and people with **heart or lung disease, diabetes, minority and low - income communities are particularly vulnerable to adverse health outcomes** from exposure to air pollution, including cardiovascular disease, asthma and other respiratory diseases, and cancer.
- Recent evidence suggests that air pollution is also linked to **higher risk of diabetes, autism, and lower IQ**.

#### Pollutants cause Air Pollution:

##### 1. Particulate matter (PM10, PM2.5):

- Particulate matter (PM) is made up of small airborne particles like dust, soot, and drops of liquids. The majority of PM in urban areas is formed directly from burning of fossil fuels by power plants, automobiles, non-road equipment, and industrial facilities. Other sources are dust and diesel emissions and secondary particle formation from gases and vapors.
- Coarse particulate matter (PM10, particles < 10 microns in diameter) is known to cause nasal and upper respiratory tract health problems. Fine particles (PM2.5, particles < 2.5 microns in diameter; Ultra Fine Particles) penetrate deeper into the lungs and cause heart attacks, strokes, asthma, and bronchitis, as well as premature death from heart ailments, lung disease, and cancer. Studies show that higher PM2.5 exposure can impair brain development in children.

##### 2. Black Carbon (BC):

- Black carbon is one of the components of particulate matter and comes from burning fuel (especially diesel, wood, coal, and others). Most air pollution regulations focus on PM2.5, but exposure to black carbon is a serious health threat as well. Populations with higher exposures to black carbon over a long period are at a higher risk for heart attacks and stroke. In addition, black carbon is associated with hypertension, asthma, chronic obstructive pulmonary disease (COPD), bronchitis, and a variety of types of cancer.

##### 3. Nitrogen Oxides (NO and NO2):

- Nitrogen oxide (NO) and Nitrogen dioxide (NO2) are produced primarily by the transportation sector. NO is rapidly converted to NO2 in sunlight. NOx (a combination of NO and NO2) is formed in high concentrations around roadways, and can result in development and exacerbations of asthma, bronchitis, as well as lead to a higher risk of heart disease.

##### 4. Ozone (O3):

- Ozone high up in the atmosphere can protect us from ultraviolet radiation. But ozone at ground level (where it is part of what is commonly called smog) is a well-established respiratory irritant. Ozone is formed in the atmosphere through reactions of volatile organic compounds and nitrogen oxides, both of which are formed as a result of combustion of fossil fuels. Short-term exposure to ozone can cause chest pain, coughing, throat

irritation, while long term exposure can lead to decreased lung function and cause chronic obstructive pulmonary disease (COPD). In addition, ozone exposure can aggravate existing lung diseases.

### 5. Sulphur dioxide (SO<sub>2</sub>):

- SO<sub>2</sub> is emitted into the air by the burning of fossil fuels that contain sulphur. Coal, metal extraction and smelting, ship engines, and heavy equipment diesel equipment burn fuels that contain sulfur. Sulfur dioxide causes eye irritation, worsens asthma, increases susceptibility to respiratory infections, and impacts the cardiovascular system. When SO<sub>2</sub> combines with water, it forms sulfuric acid; this is the main component of acid rain, a known contributor to deforestation.

#### Measures to improve air quality:

- (a) Improving public transport
- (b) Limiting the number of polluting vehicles on the road
- (c) Introducing less polluting fuel
- (d) Strict emission regulations
- (e) Improved efficiency for thermal power plants and industries
- (f) Moving from diesel generators to rooftop solar
- (g) Increased use of clean renewable energy
- (h) Electric vehicles
- (i) Removing dust from roads
- (j) Regulating construction activities
- (k) Stopping biomass burning, etc.

#### Way Forward:

- Increase public awareness of air pollution. Educate and inform people about what they can do to reduce air pollution. Put out public health messages on the metro, buses, billboards, and radio to help change public behaviour.
- Improve public transportation and traffic management. Expand the fleet of CNG buses. Implement BRT the right way. Build, repair, and reclaim the sidewalks for pedestrians – not for parking and vending – so people can walk more often, including to nearby bus stops and metro stations.
- Discourage vehicle use: Driving is not a right but a privilege; it has a social cost. Impose – as many countries do – an annual vehicle use fee. Penalise ownership of multiple cars in a household.
- Reduce road and construction dust. The problem of dust plagues the entire Indo-Gangetic plain. It can be mitigated by changing how our urban surface infrastructure is built.
- Reduce domestic sources of pollution, improve waste management. According to the 2011 census, over ten percent of Delhi's households still use biomass for cooking. Remove the address proof requirement for LPG. Make LPG more affordable.

#### Mains Question:

1. People of Delhi NCR are facing one of the worst ever spells of air pollution. Enlist the Reasons and Health impacts of the Air pollution? Also, suggest some measures to improve air quality.

## SECURITY: STATUS SYMBOL OR PROTECTION?

#### Introduction:

- Recently, the **Special Protection Group (SPG) cover given to former Prime Minister** and some other political leaders and their family was **replaced with the 'Z-plus' security of the Central Reserve Police Force.**

- The decision on the **change in security cover was taken by the Ministry of home affairs** of India.
- The political leaders demanded restoration of the SPG cover to their family and former prime minister by "rising above partisan politics".

#### Security Categories in India:

- In India, security is provided to some high-risk individuals by the police and local government.
  - Depending on the threat perception to the person, the **category is divided into four tiers:**
    - ◆ Z+ (highest level), Z, Y and X.
    - ◆ Individuals under this security blanket include the President, Vice-President, Prime-Minister, Supreme Court and High Court Judges, Service Chiefs of Indian Armed Forces, Governors of State, Chief Ministers and Cabinet Ministers.
1. **SPG category:** Strength of security detail is classified (only provided to the Prime Minister of India).
  2. **Z+ category:** It has a security cover of 55 personnel [Including 10+ NSG Commando] + [Police Personnel].
  3. **Z category:** It has a security cover of 22 personnel [Including 4 or 5 NSG Commando] + [Police Personnel].
  4. **Y category:** It has a security cover of 11 personnel [Including 1 or 2 Commando] + [Police Personnel].
  5. **X category:** It has a security cover of 2 personnel [No Commando, Only Armed Police Personnel].
- The **Z+ level of security is provided by National Security Guard commandos**. They are armed with Heckler & Koch MP5 submachine guns and modern communication equipment, and **each member of the team is adept in martial arts and unarmed combat skills**.
  - The '**Z**' category entails security cover by the Delhi police or the ITBP or CRPF personnel and one escort car.
  - The '**Y**' category encompasses two personal security officers (PSOs) and the '**X**' category, one PSO.
  - The SPG (Special Protection Group), NSG (National Security Guards), ITBP (Indo-Tibetan Border Police) and CRPF (Central Reserve Police Force) are the **agencies responsible for providing securities to VVIPs, VIPs, politicians, high-profile celebrities and sportspersons**.
  - The NSG is used extensively to guard VIPs and VVIPs, especially those in the Z+ category.
  - Many **NSG personnel are seconded to the Special Protection Group (SPG) which guards the Prime Minister**.

#### Special Protection Group (SPG) Act, 1985:

- An Act to **provide for the constitution and regulation of an armed force of the Union for providing proximate security to the Prime Minister of India** and former Prime Ministers of India and members of their immediate families and for matters connected therewith.
- The **SPG Act was introduced** in the wake of **former Prime Minister Indira Gandhi's assassination in 1985**.
- Birbal Nath Committee recommended the setting up of a Special Protection Unit (SPU) to provide protection to the Prime Ministers.
- The **law initially did not include protection to the former prime ministers** and thus the protection was withdrawn when Rajiv Gandhi stepped down as the Prime Minister.
- Following **Rajiv Gandhi's assassination in 1991, the Act was amended to offer protection** to all former PMs and their families for at least 10 years.
- The **Act was amended again in 2003 to bring the period of automatic protection from 10 years to "a period of one year from the date on which the former prime minister ceased to hold office"** and thereafter based on the level of threat as decided by the government.

#### Functions of the Special Protection Act:

- The SPG is in close coordination with the other concerned agencies and **follows a mechanism to pass on the intelligence input in the fastest possible way** while keeping the nodal offices in the loop.

- The coordination may be hourly, or daily depending on the gravity of the threat.
- The SPG is trained to **offer layers of protection and the inner layers are infallible** and invincible.
- The threat perception has reduced significantly over the years.
- The SPG is at par with the best in the field and they're based in the Prime Minister's Office.

#### Conclusion:

- The **allotment of security causes a huge drain** on the resources of the state. As, this is at the cost of public security and public welfare.
- Security allotment has to be made realistic. The **allotment has to be on the basis of actual need and requirement** instead of on the whimsical imagination and ambition of a person.
- The SPG security protocol makes the person seem very distinct. It has now **become a status symbol**.

#### Mains Question:

1. What is Special Protection Act? Explain the Act with its objectives, functioning and challenges. Also, describe the procedure and requirements of the various securities provided by India?

## STRENGTHENING PARLIAMENTARY INSTITUTIONS

#### Introduction:

- Vice President of India pushed for the **Women's Reservation Bill and reforms in the Parliament works** including a code of conduct for lawmakers and greater powers to the presiding officer to deal with disruptive legislators.
- The Vice President, **also pitched for a minimum sitting for both Houses** in a year and a longer tenure to parliament's standing committees.
- Pointing out that **women at present constitute only about 13% of Parliament**, he urged political parties to take forward "the legislation in the Parliament for reservation of women in legislatures".
- He suggested both "**pre and post Legislative Impact Assessment**" for "quality and informed law making.

#### 15-point reform agenda given by Vice-President for strengthening parliamentary institutions:

- Expressing concern over the functioning of parliamentary institutions in the country and erosion of public trust in them, the Vice President, unveiled a **15 point reform charter** as the basis for a new political normal to **enable effective functioning of the Parliament and State Legislatures:**
  1. **Political Conscience:** Call for a new political consciousness amongst legislators to review their roles and responsibilities.
  2. **Ensuring member Strength:** Political parties must ensure attendance of at least 50% of their legislators throughout the proceedings of the Houses by adopting a roster system. This was needed in the backdrop of required Quorum (of 10% of the strength of the Houses), which if not met, leads to the adjournment of the House.
  3. **Whip:** Review of Whip system which hinders the freedom of expression of the legislators. This will allow a reasonable degree of dissent without impacting the stability of the government.
  4. **Anti-Defection:** Review of the Anti Defection Law to rectify the areas like incentivizing legislators to resort to actions that invite expulsion from the party besides providing for time-bound disposal of defection cases by the Presiding Officer.
  5. **Department Related Standing Committees:** Measures for effective functioning of Department Related Standing Committees like longer tenure (instead of the present one year), promoting specialization, etc were needed.
  6. **Legislative Impact Assessment:** A detailed framework for pre and post Legislative Impact Assessment was needed. Every legislative proposal must incorporate a detailed account of social, economic, environmental and administrative impact for wider awareness and subsequent legal assessment.

7. **Voting Preferences:** Need for moving away from identity-based voting to that of development-oriented exercise of voting preferences. Role of caste, community, region, and religion in influencing the voting preferences needs to be minimized.
8. **Responsible Government and Opposition:** Need for responsive governments positively acting on the concerns of the opposition and the need for responsible and constructive opposition while resorting to available parliamentary instruments.
9. **Simultaneous Polls:** Building consensus on the proposal of simultaneous polls to allow unrestricted governance.
10. **Reservation of Women:** Enacting for reservation of women in legislatures.
11. **Rules and Regulations:** Making rules that automatically take action against erring members in case of interruptions and disruptions. Need for timely and effective action against legislators for non-ethical conduct.
12. **Transparency & Accountability:** Regular publication of reports by the Secretariats of Legislatures on the attendance of Members and their participation in debates.
13. **Concern on criminal records:** Addressing the concern of a rising number of legislators with criminal records.
14. **Setting up of special courts:** for time-bound adjudication of criminal complaints against legislators.
15. **Minimum number of sittings:** A minimum number of sittings for both the Houses of Parliament and State Legislatures per year need to be appropriately prescribed.

#### The diminishing of India's Parliament:

- Parliament is an institution that would provide social and political unity. The **first-past-the-post (FPTP) electoral system** which enabled the National Party to dominate legislative politics for three decades.
- The **overlapping nature of the ruling party** and the government caused parliament to serve primarily as a public forum for the ventilation of grievances rather than a law-making body.
- While parliament has become more representative, it has declined in status and effectiveness. **Subject-based standing committees** have been created in an attempt to **revitalise the institution**.
- While it continues to be a 'reactive legislature', parliament's role in **India's political system is more marginal than it was in the country's early years**.
- The **process of legislation has become slow** and lagged. Laws are often passed in rush with little scrutiny and no follow-up rules. In some cases, it takes sessions together for a bill to become law.
- **Discourse and debate on issues** of national importance were an attribute and highlight of Parliament during the first two decades of the republic, until around 1970. But this has eroded and diminished with the passage of time.

#### Reasons of the diminishing of the Parliament:

- Declining number of sittings of legislatures.
- Declining quality of debates.
- Growing number of legislatures with criminal record.
- Less attendance of the parliament members.
- Inadequate representation of women.
- Lack of inner democracy in functioning of the political parties.
- Poor knowledge, low argumentative power of the masses, negative influences of poverty and economic disparities.
- Faulty 'First Pass the Post (FPTP) election system.

#### Steps taken by the Government to improve the effectiveness of the Parliament:

##### 1. Formation of Electoral Bonds:

- In order to cleanse the system of political funding in the country Electoral Bonds Scheme was launched in 2017.

- This is an effective step to minimise the role of black money in the election and thereby keeping a check on criminalization of politics.

## 2. Regulation of Anonymous Donations:

- In Union Budget 2017-18, the government declared that the maximum amount of cash donation, a political party can receive is Rs2000 from one person.

## 3. NOTA (None of the above) option in electronic voting machine:

- It was mandated by the Supreme Court of India in 2013. It enables the voter to officially register a vote of rejection for all candidates who are contesting.

## 4. Removal of Archaic Laws:

- In accordance with Ramanujam committee (2014) recommendation, the government plans to repeal more than 1500 archaic laws.
- Bill to provide reservation for women in the Parliament was introduced in 2008. However, till now it has not been passed.

### Way Forward:

- Both pre and post Legislative Impact Assessment to be ensured for quality and informed law making for creating wider awareness about the targeted outcomes by bringing out social, economic, environmental and administrative impacts besides the involvement of all stakeholders in law making.
- Law makers should abide by the Rules of the House and political parties to take responsibility in this regard by evolving and enforcing a code of conduct.
- Making rules that automatically take effect against erring Members in case of interruptions and disruptions.
- Political parties to evolve roster system for ensuring attendance of at least 50% of their members in the legislatures all through the proceedings of the House everyday to address the issue of lack of quorum.
- To review the functioning of 'Whip System' which is being alleged to be stifling even reasonable dissent from the party position even on non-consequential matters and rationalise the norms for issuing Whip to enable some degree of freedom of expression without adversely affecting stability of the Government.
- Setting up special courts/tribunals for time bound adjudication on criminal complaints against legislators and election related matters.
- Timely and effective action against legislators for non-ethical conduct.

### Mains Question:

1. Expressing concern over the functioning of parliamentary institutions in the country, the Vice President, unveiled a 15 point reform charter to enable effective functioning of the Parliament and State Legislatures. In this regard explain the reasons of diminishing the effectiveness of the Indian Parliament over the reasons? Also explain the significance of the reform charter given by the Vice President?

## ROAD ACCIDENTS IN INDIA

### Introduction:

- A report on road accidents published by the Union transport ministry has shown a steep rise in the number of pedestrians killed on the roads. Road accidents are the most common thing in India.
- India however ranks 1 in the number of road accident deaths across the 199 countries reported in the World Road Statistics, 2018 followed by China and US.
- As per the WHO Global Report on Road Safety 2018, India accounts for almost 11% of the accident related deaths in the World.

### Findings of the report:

- The **increase is as much as 84 percent** between 2014 and 2018, with average daily fatalities going up from 34 in 2014 to 62 last year.
- The report also says in all **22,656 pedestrians were killed last year**. West Bengal topped the list of pedestrian fatalities with 2,618 deaths followed by Maharashtra and Andhra Pradesh.
- With 1.51 lakhs death pedestrians killed in the road accident touched all-time high in 2018, an increase of nearly 3, 500 compared to 2017.
- **12, 330 pedestrians were killed** across the country in 2014.
- Pedestrians and cyclists accounted for 15% and 2.4 % of the total road deaths.

### Causes of the Road Accidents:

- Several causes are attributed to road accidents including **over speeding, drunken driving, red light jumping, avoiding driving safety measures** like helmets and seat belts, using mobile phones, honking, lack of traffic sense.
- There are also issues pertaining to the **lack of infrastructural facilities** like driving such as poor pedestrian space, undivided roads, potholes, narrow roads, sharp road curvatures etc.

### The Motor Vehicle Act, 2019:

- Parliament passed the Motor Vehicles Act 2019 in July and **it took effect as a law on 1st September 2019** with an **aim is to reduce road accidents and save human lives**.
- The new legislation made significant changes to how India's roads are governed.
- Road construction standards were changed.
- Insurance norms tweaked and most importantly fines for traffic violations were increased.
- From **higher penalties for driving errors to imprisonment** up to a month for speeding and up to six months for accidents.

### Provisions under the Act:

#### ■ For violating traffic rules:

- For **not wearing a helmet**, the fine has been raised from 100 Rs. to 1000 Rs. in addition to a three months' disqualification of license.
- For **not wearing a seat belt**, the penalty is now 1000 Rs.
- For **Speeding or raising the fine** has been increased from 5, 00 Rs. to 5,000 Rs and for **drunk and driving** from 2,000 Rs. to 10,000 Rs.
- It includes imprisonment for severe crimes like; **speed racing can attract imprisonment for three months** with or without fine. This will extend to one year if caught for the second time.

#### ■ For offences by Juvenile:

- The **guardian or owner of the vehicle shall be deemed to be guilty** and punished with a 25,000 Rs. fine and three years imprisonment.
- The juvenile would be tried under the Juvenile Justice Act, 2000 and the **registration of the motor vehicle will be cancelled for 12 months**.

#### ■ Other rules:

- Owners of the vehicle who alter it by way of **retrofitting of motor vehicle parts in a manner not permitted under the Act** shall be punished with imprisonment for a term which may extend to six months and all with fine of 5,000 Rs. per alteration.
- These **penalties will be increased by 10% every year on April 1**.
- The new act has also extended the **renewal of Driving License from a month to 1 year** after the date of expiry.

- The act also **promises to protect those who render emergency medical or non-medical assistance** to a victim of an accident from any civil or criminal liability.
- The minimum compensation for death/grievous injury due to hit-n-run has been moved up substantially.
- Soon after the new act took effect, a traffic violation is dropped sharply across states. In **national capital, a 66% reduction in traffic violations was recorded in September** compared to the previous year.
- For better enforcement of the law, the **government also installs speed cameras and in-vehicles sensors** but experts say five key areas need more attention improving road safety management, developing driving safe infrastructure, safer cars, changing road user behavior and improving post-accident trauma care and management.

#### Underage driving:

- A big reason for the **rising road accident is underage driving**. They are not only a hazard on the road for others. But also end up losing their own lives.
- In 2017 alone, over **130 underage drivers were killed in road accidents**. In 2018, more than 1, 50,000 people lost their lives in road accidents i.e. ten times more than the fatalities in the 1970s.
- Nearly **75% of road accidents in India are caused by a driver's mistake**. It's difficult to ascertain the exact number of road accidents caused by minors across the country but in Delhi, children as young as 10 years are sometimes caught driving.
- Delhi police traffic data shows that every passing year, offenders are getting younger. In 2018, **1228 challans were issued for underage driving** while in 2017, the figure stood at 1067.
- In 2013, the average age of underage drivers was between 15 and 16 years, however the average **age of all the violators have been between 13 and 14 years in the last five years**.

#### Supreme Court's verdict on underage driving:

- In 2008, the SC delivers a landmark verdict concerning minor drivers in India.
- The court said that **parents must pay for minors causing accidents dramatically changing the position of governed by the Motor Vehicles Act**.
- The **ruling pertains to an 11-year-old case**. In 1997, a 15-year-old boy, Karan Arora, drove his father's car and caused an accident killing one.
- The victim's father filed an application seeking compensation of 10 lakh rupees. The minor offender father contested the claim.
- On 24th September, the **SC ruled in favor of the victim's father directing the insurance company to immediately pay up the compensation amount**.
- This judgement not only brought to an end the 11-year-old litigation but it also came as the most practical **deterrent for parents to not allow their minor children to drive**.

#### Rules that need to be followed by Pedestrians:

- To pay attention while walking.
- Never assume the driver has seen you when you are about to cross the road.
- Always keep an eye out on the traffic.
- Avoid crossing the roads at places where drivers may not be able to see you at all.
- Wait for a suitable gap in traffic flow before crossing the road.
- Never jump over the divider railings.
- Children should always be held while crossing the road. Avoid crossing the road between parked cars.
- Cross the road by the shortest, most direct route as it reduces the time on the road.

**Conclusion:**

- Road accidents can be decreased by showing more awareness of simple rules and regulations.
- Pedestrians should follow some rules while the administration must punish the offenders.
- At the same time the Indian roads congress must also update their design codes and conducting regular safety audits makes a huge difference in the country's approach to road safety.

**Mains Question:**

1. The increase in numbers of road accidents in India is as much as 84 percent between 2014 and 2018, with average daily fatalities going up from 34 in 2014 to 62 last year. Evaluate the reason behind such incidents even after the government's initiative as Motor Vehicle Act and high penalties for not following the traffic rules?

## THE TAXATION LAWS (AMENDMENT) ORDINANCE, 2019

**Introduction:**

- The government issued an Ordinance in September, making **key changes to the Income Tax Act 1961, and the Finance (No. 2) Act 2019.**
- The ordinance mainly provides an optional lower tax rate of 22% to Indian companies and a revised tax rate of 15% for new Indian manufacturing companies.
- The **Ordinance provides domestic companies with an option to opt for lower tax rates**, provided they do not claim certain deductions. It also amends certain provisions regarding levy of surcharge on income from capital gains.

**Important amendments introduced by the Ordinance:**

**1. New Corporate Tax Rates:**

**(a) 22% New Tax Rate (Sec. 115BAA):**

- ◆ An option is **provided to all domestic companies to pay tax at a concessional rate of 22 percent with a fixed surcharge of 10 per cent** and health and education cess of 4 percent. Thus, the effective tax rate for domestic companies will be 25.17 per cent.

**(b) 15% Tax Rate for New Manufacturing Companies (Sec. 115BAB):**

- ◆ This **provides the option of a concessional tax rate of 15% with a fixed surcharge of 10 per cent and a health and education cess of 4 percent to new domestic companies.**
- ◆ These companies must be engaged solely in the business of manufacturing or production of any article or thing and research in relation to, or distribution of such article or thing manufactured or produced by the company.
- ◆ This **benefit will be available to all such domestic companies which are set up and registered on or after 1st October, 2019** and commence manufacturing on or before the 31st of March, 2023.
- ◆ Hence, this deduction will not be available to an existing company even if it sets up a new unit of manufacturing or production.

**2. Clarifications by CBDT:**

The CBDT vide circular dated 2nd October, 2019 clarified two principal issues of allowability of brought forward loss and MAT credit.

**(a) Allowability of brought forward loss on account of additional depreciation:**

- 115BAA (2) (1) inter provides that the total income shall be computed without claiming any deduction under section 32 (1) additional depreciation.

- Also, it is provided that the total income shall be computed without claiming set-off of any loss carried forward from any earlier assessment year if the same is attributable, inter alia to additional depreciation.
- Therefore, a domestic company which would exercise the option for availing the benefit of the lower tax rate under section 115BAA shall not be allowed to claim set-off of any brought forward loss on account of additional depreciation for an Assessment Year for which the option has been exercised and for any subsequent Assessment Year.
- Further, as there is no timeline within which the option under section 115 BA can be exercised, it may be noted that a domestic company with brought forward losses on account of additional depreciation may, if it so desires exercise the option after setting off the losses so accumulated.

**(b) Allowability of brought forward loss MAT credit:**

- Provisions of Section 115JB relating to MAT shall not be applicable to a domestic company which exercises the option under section 115BAA. Therefore, it is clarified that the tax credit of MAT paid by a domestic company exercising the option under section 115BAA of the Act shall not be available consequent to exercising of such option.
- Further, as there is no timeline within which the option under section 115BAA can be exercised, it may be noted that a domestic company having MAT credit may, if it so desires exercise the option after utilising the said credit against the regular tax payable under the taxation regime existing prior to the promulgation of the Ordinance.

**(3) Minimum Alternate Tax (MAT) Rate Reduced to 15%:**

- The Ordinance reduces the MAT rate from 18.5% to 15% with effect from the financial year 2019-20.
- MAT rate is the minimum percentage of profit that a company is required to pay as tax, in case its tax liability falls below this threshold after claiming deductions under the Act. The Ordinance specifies that MAT will not apply to the domestic companies opting to pay tax at the new rates.

**(4) Other Amendments:**

**(a) Enhanced surcharge not to apply on capital gains on sales of equity shares or equity-oriented mutual funds:**

- ◆ The enhanced surcharge on individual HUF, AOP, and BOI, including FPI of 25 per cent in case income exceeds Rs.2 Crore and 37 per cent in case income exceeds Rs.5 Crore, shall not be applicable in respect of capital gains arising on sales of equity shares in a company or units of equity-oriented funds or units of a business trust liable for security transaction tax. This surcharge shall also not apply to the income of a foreign institutional investor (FII) from securities as referred in section 115AD of the Act.

**(b) No tax on buyback of shares of listed companies before 5th July, 2019:**

- ◆ The provision of section 115QA which was amended by the Finance (No.2) Act, 2019 exempted tax on buyback of shares of listed companies which have made a public announcement of such buyback before 5th July, 2019. It may be relevant to point out that the Finance (No.2) Act, 2019 has extended the levy of tax on buyback of shares of listed companies, taking effect from 5th July, 2019, with the result that many listed companies which have initiated the process of buyback have to pay further tax on such buyback.

**(5) Comparison of Companies with Proprietorship, Partnership Firm, LLP:**

- The introduction of the new corporate tax rates of 22% and 15% has increased the motivation to incorporate companies.
- Businesses should evaluate which form of organization is most advantageous, considering the taxation and other compliance requirements.
- The company is the preferred organization structure from a tax point of view. However, one has to consider the restrictions and compliance requirements before making a final decision.

- Here are some of the compliance requirements one needs to consider:
  - (a) Restrictions on acceptance of loans or deposits
  - (b) Restrictions on giving loans or advances
  - (c) Maintenance of records and minutes
  - (d) Penalty provisions for non-compliance
  - (e) Financials and other details being available on the MCA portal
  - (f) Need to understand that the company is a separate person in all dealings
  - (g) Various other restrictions and compliance requirements on companies

**Conclusion:**

- These amendments will encourage new investment opportunities for entrepreneurs, create job opportunities, and thus help to increase consumer demand.
- The reduction in corporate tax rates is not just a short-term measure to tackle slowing down of the economy, but also a major policy change.
- It is the dawn of a new era of corporate taxes, making Indian corporate tax rates internationally competitive.

**Mains Question:**

1. Critically analyse the important Amendments introduced by the ordinance making key changes to the income tax Act, 1961. Also, Explain how these amendments will encourage opportunities for entrepreneurs and help to increase consumer demand?

