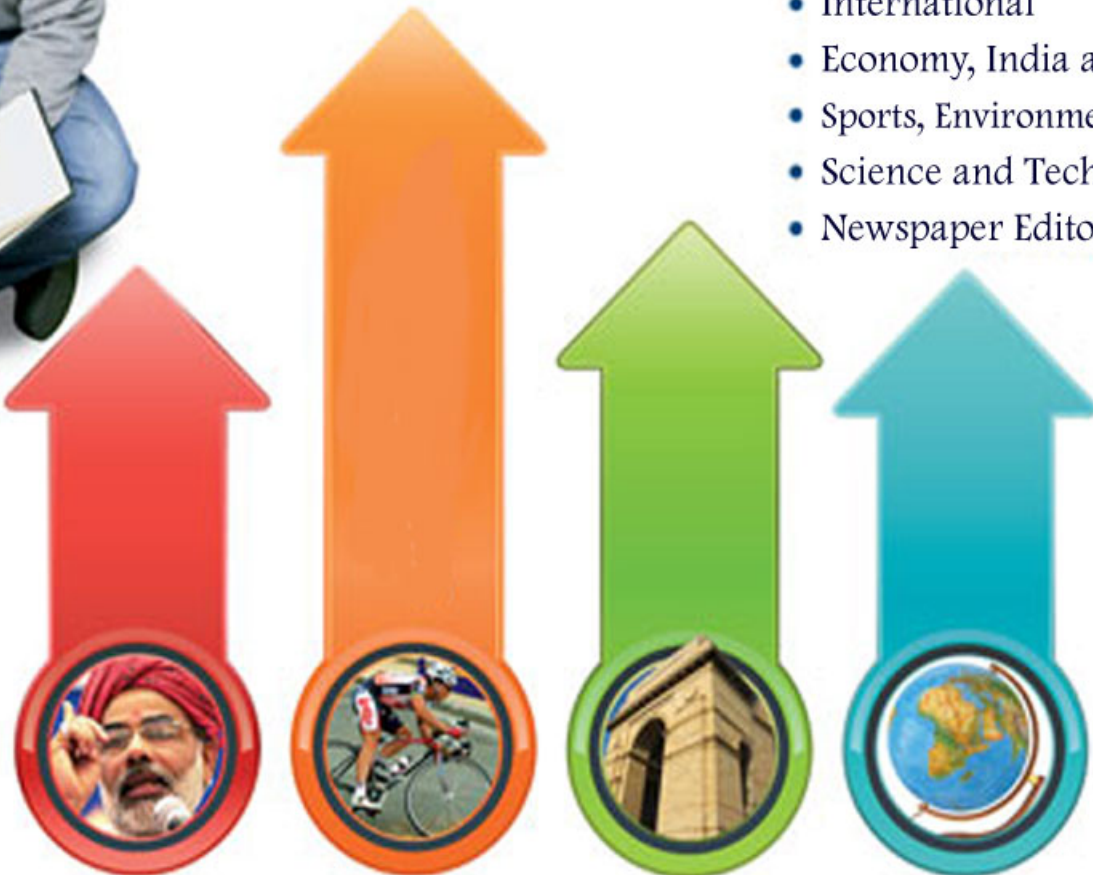


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Weekly Current Affairs



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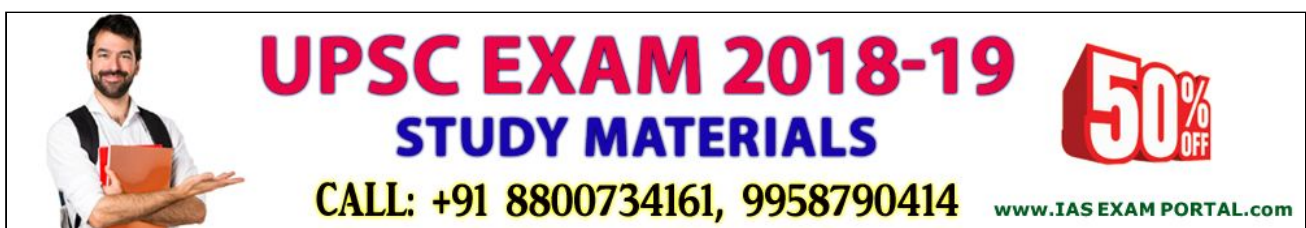


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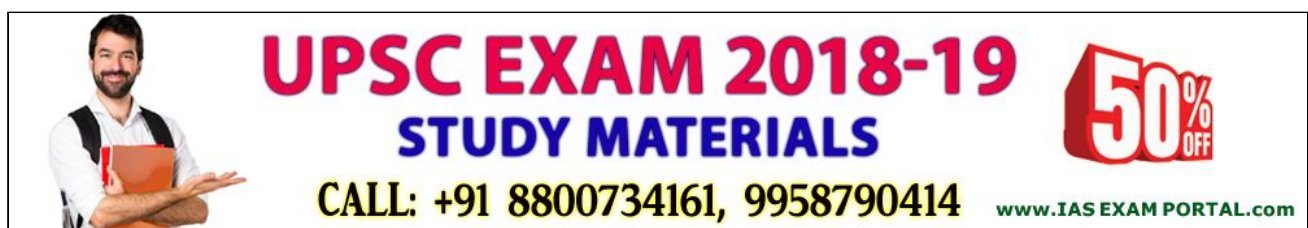
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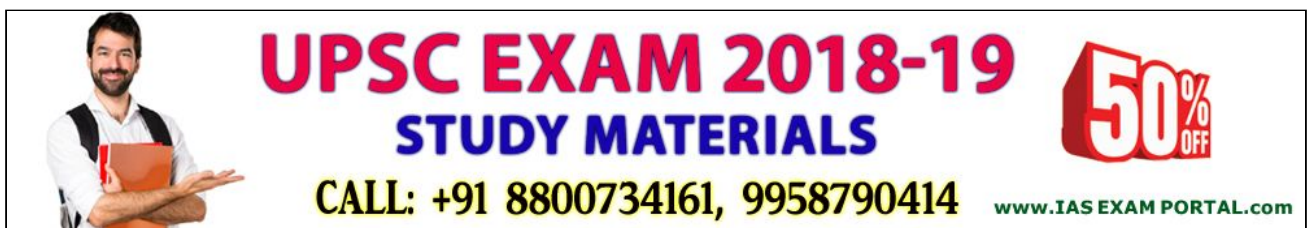
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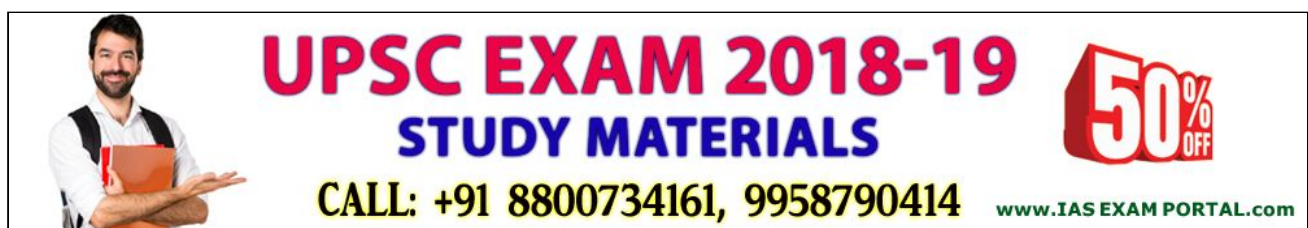
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NATIONAL



Liquefaction a threat to cargo vessels

- Across the merchant marine community, fingers have been pointed at the cargo that the ill-fated Emerald Star was carrying – 55,000 tonnes of nickel ore.
- Under certain conditions [fine particle cargo, containing high levels of moisture], nickel ore may become like a semi-solid or liquid, in a process termed as liquefaction. Then it starts moving like liquid inside the hold [cargo area] of a ship.
- If the hold is partly filled in such a condition, the effect [free surface effect] on ship stability will be bad. In this context, it may be noted that liquid cargo in bulk is carried by tanker ships, which are specially designed, considering safety requirements.
- DNV GL, an international accredited registrar and classification society that certifies that a ship is built and maintained as per set standards and is seaworthy, has acknowledged that the Emerald Star was DNV GL class.
- In shipping parlance, “clean class” would mean the ship had no deficiency and all its certificates and surveys were in order. This lends credence to the opinion that structural deficiency was likely not an issue, especially since the Emerald Star, built some seven years ago, was a relatively young ship.
- In a 2015 paper, DNV lists six accidents due to nickel ore and notes that they coincide with the period when South East Asia sees storms. Three of them happened in 2010 and two in 2013, and all the ships were carrying nickel ore from either Indonesia or Philippines.
- Earlier this year, Stellar Daisy, with a cargo capacity of 2,66,000 tonnes, sank off the coast of Uruguay, reportedly after the iron ore it was carrying liquefied.
- The DNV paper notes that nickel ore is 99% clay-like soil and the ore is likely to liquefy under the impact of a ship’s motion if the moisture exceeds a certain level. It also notes recent changes to international codes governing such cargo.



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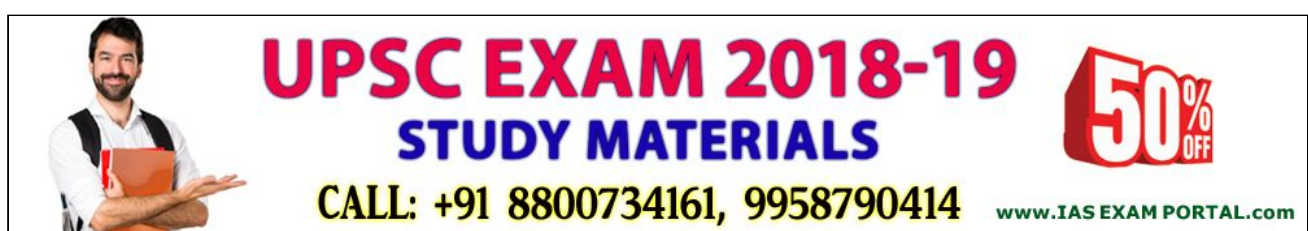
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- A Transportable Moisture Limit (TML) is specified to limit the maximum moisture content ores can have before loading on a ship, but the paper notes that the moisture level of the ores can change after measurement in laboratories.
- A merchant ship's structure is supported by a steel base, the keel. If the cargo loaded or unloaded at a port causes a list to one side then on-board staff take in or pump out sea water from various ballast tanks to even the keel. Out at sea, the impact of waves can create rolling, pitching and other motions.
- A ship is designed to have a large self-righting capacity so it doesn't capsize even during heavy rolling or pitching. But a high list reduces the reserve stability considerably, which may lead to a sudden capsize of the ship
- Carrying a cargo like nickel ore, a prudent action would have been to change course – termed as weather routing. Questions on weather routing, and issues such as whether the cargo moisture level was monitored, tests were conducted by ship staff, and if the captain was under pressure to carry the cargo may be answered at the Hong Kong inquiry.
- The ship staff did perform relevant tests and the cargo in a few loading barges was rejected based on these. Weather routing was indeed done but the rough weather the ship faced was unexpected.

India's air pollution crisis

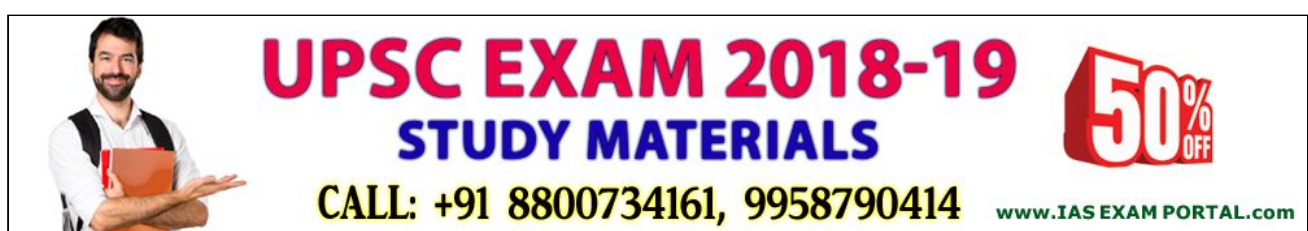
- Many major Indian cities, including Mumbai, Pune and Kolkata, grapple with air pollution. However, India's air pollution crisis is largely due to the noxious, winter air quality in Delhi and some cities in north and central India.
- In 2016, the World Health Organization put 10 Indian cities on the list of the world's most-polluted. Reports from monitoring stations across Delhi, for at least a day after Diwali this year, reported very high concentrations of particulate matter.
- The six-rung color-coded Air Quality Index showed that pollution levels had shot up to 'severe' on October 20 – a sign that the air was toxic enough to warrant even the healthy to stay inside – but in a few hours the needle eased down to 'Very Poor,' or a level that's typical of Delhi winters and risky to those with underlying respiratory problems.
- Several other north Indian cities on the Gangetic plains, including Agra and Allahabad, are affected too as particulate matter persists throughout autumn and winter. Mumbai, Chennai, Bengaluru and Kolkata see pollution spikes but, primarily aided by geography, see them being flushed out too.
- A confluence of interdependent factors is responsible. Winter in north India means a drop in wind speeds and high moisture levels from a retreating monsoon that prevent dust and particulate matter from being quickly flushed out.
- Further, the burning of agriculture stubble in Punjab brings toxic and unburned carbon particles into Delhi's atmosphere. The city's high emissions from cars, road dust and



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industrial waste contribute to the high pollution loads that rank it among the world's most-polluted.

- In other cities, the weather may be friendlier but rising pollution from industry, burning of coal and vehicles means that no fast-growing urban city in India is even close to the WHO-dictated air quality standards.
- For one, India bears the burden of the maximum number of air pollution-linked deaths in the world. A report by The Lancet Commission on Pollution and Health, involving over 40 international health and environmental authors, reported that air pollution killed 1.09 million in India in 2015.
- Though the Indian government has disputed this number, it's incontrovertible that a wide variety of sources of air pollution abound.
- These include ambient air pollution, which is outdoor air pollution comprising gases and particulate matter; and household air pollution from the burning of wood, charcoal, coal, dung or crop waste indoors; and ambient ozone.
- Such pollution is strongly linked to heart disease, stroke, lung cancer and Chronic Obstructive Pulmonary Disorder (COPD).
- This also imposes a financial cost. The same report says the financial cost of such pollution is between 1% and 1.5% of the GDP of middle-income countries.
- The Supreme Court banned the sale of crackers in Delhi as an "experiment" to check its impact on air quality.
- A report from the Central Pollution Control Board said concentrations of most categories of pollutants – sulphur dioxide, particulate matter 10 and 2.5 – saw a fall this year across most stations, except nitrous oxide.
- The agency also measures noise levels during Deepavali and this year, the numbers show, there was a definite dip in noise compared with the average. However, it's still unclear if crackers were low enough to contribute to reductions in air quality. Unless there's a dramatic re-arrangement of the economy, little can be done about improving air quality.
- A 2016 modelling study said that unless there was a concerted effort involving all the States surrounding Delhi, and Pakistan, with regard to the burning of agricultural stubble and clamping down on brick kilns, there would be limited gains.
- Groups such as the Centre for Science and Environment have said that the number of cars in the city have to decline, along with a steep rise in the use of public transport, to register any visible difference in air quality.
- These issues need to be addressed consistently by politicians, business groups and activist groups. Because of the annual debate around pollution in Delhi, there's intensive scientific monitoring of emission categories and sources by various agencies. However, many other cities lack monitoring



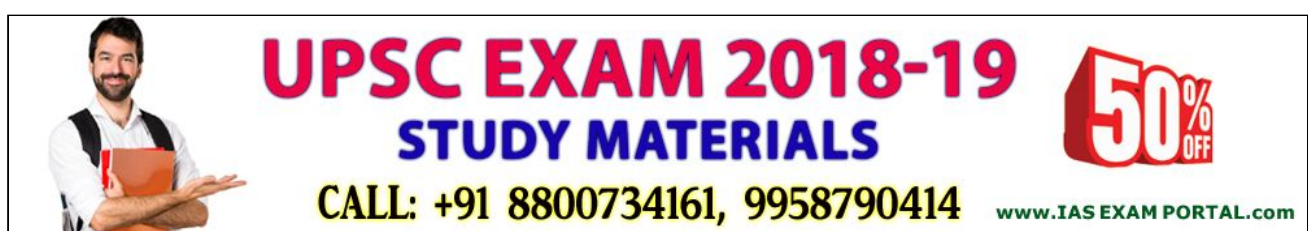
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India at 100th position in Ease of business

- The DIPP also had the Prime Minister's support to coordinate across Ministries, the source said. "That was critical. For a federal democracy with messy coordination, as opposed to China or Russia, this coordination was quite a feat.
- The development will be a shot in the arm for the NDA government that has been facing a barrage of criticism due to its sudden demonetisation exercise and the 'hurried' implementation of the Goods and Services Tax regime that made it difficult for firms, particularly the small and medium ones, to do business.
- After taking charge as the Prime Minister in 2014, Narendra Modi was keen to ensure that India finds a place in the top 50 ranks, and had soon after made this a priority.
- Speculation has been rife about a significant improvement in India's rankings following top government officials including Commerce and Industry Minister Suresh Prabhu recently hinting at some "good news" on the ease of doing business front.
- India will leapfrog 30 places to the 100th position out of 190 countries in the World Bank's Doing Business Report.
- According to a source involved in the exercise – the report is expected to be released on October 31 – "India will hit a century."
- This huge jump in the country's ranking is thanks to reforms in areas such as 'starting a business', 'dealing with construction permits', and 'resolving insolvency', where it was placed a lowly 155, 185 and 136 respectively last year.
- The source said, "The low rank last year galvanised India to act. There was an explicit order from the Prime Minister (Narendra Modi) to ensure faster reforms to improve India's rankings." India was ranked a poor 130 overall last year, up by just one place from the 131 rank in the previous year.
- On the future prospects for India, the source said, "If India maintains this momentum, it can jump to a rank in double digits next year," adding that Mumbai and Delhi – the two cities covered in the Report – had responded well to the government's call for improvement.
- The Department of Industrial Policy and Promotion systematically worked with the line ministries and State governments to "get things done on the ground", the source said.

Five-judge statute Bench to decide on Aadhaar validity

- The Supreme Court decided to constitute a five-judge Constitution Bench to hear petitions from November against the validity of the Aadhaar scheme.

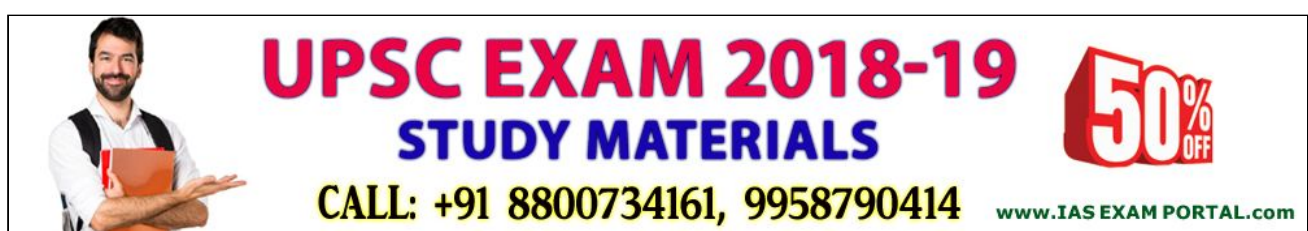


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- A Bench led by Chief Justice of India Dipak Misra took the step after Attorney General K.K. Venugopal said falsehoods had been spread about Aadhaar linking.
- A separate Bench of Justices A.K. Sikri and Ashok Bhushan, meanwhile, issued notice to the government on a petition filed by advocate Raghav Tankha, challenging the mandatory linking of Aadhaar with mobile numbers. Mr. Tankha said the linkage was “orchestrated by the Union of India in tandem with private telecom service providers” in violation of the fundamental right to privacy.
- In an urgent mentioning made before Chief Justice Misra’s Bench after Justice Sikri’s Bench issued notice on Aadhaar-mobile linking, Mr. Venugopal said a Constitution Bench may be set up to decide, once and for all, the various Aadhaar challenges pending before the court since 2014 instead of passing any interim orders.
- The government however did not mention anything about its proposal to extend the date for the mandatory linking of Aadhaar with mobile phones, bank accounts and various welfare schemes from December 31, 2017 to March 31, 2018.
- Mr. Venugopal conveyed to the court the decision of the government to extend the time during an urgent mentioning in the Supreme Court by petitioners who have challenged both the validity of the Aadhaar scheme and the law passed subsequently in 2016.
- The decision to set up a five-judge Bench comes despite Justice Rohinton Nariman’s separate judgment in the nine-judge Bench declaring privacy as a fundamental right.
- Justice Nariman’s judgment had directed the Aadhaar petitions to be posted for hearing before the ‘original’ three-judge Bench.
- This ‘original’ Bench led by Justice J. Chelameswar had referred the petitions for hearing before a five-judge Bench, which found it necessary to first decide whether privacy was a fundamental right or not before hearing the Aadhaar petitions.
- It had referred the legal question to a nine-judge Bench, which came out with the historic judgment in favour of the common man’s fundamental right to privacy against state intrusions.

Centre appoints interlocutor for talks on Article 35A

- Choosing dialogue over court battle, the Centre convinced the Supreme Court to defer hearing on petitions challenging the special status granted to Jammu and Kashmir, saying it has appointed an interlocutor to commence talks with stakeholders in the State.
- Appearing before a Bench led by Chief Justice Dipak Misra, Attorney General K.K. Venugopal said the court should adjourn the hearing on the petitions against Article 35A of the Constitution for six months. The court, however, settled for 12 weeks in its order.
- The government has appointed Dineshwar Sharma, a former IB director, as interlocutor.
- Article 35A is a provision incorporated in the Indian Constitution giving the Jammu and Kashmir State Legislature a carte blanche to decide who are the ‘permanent residents’ of



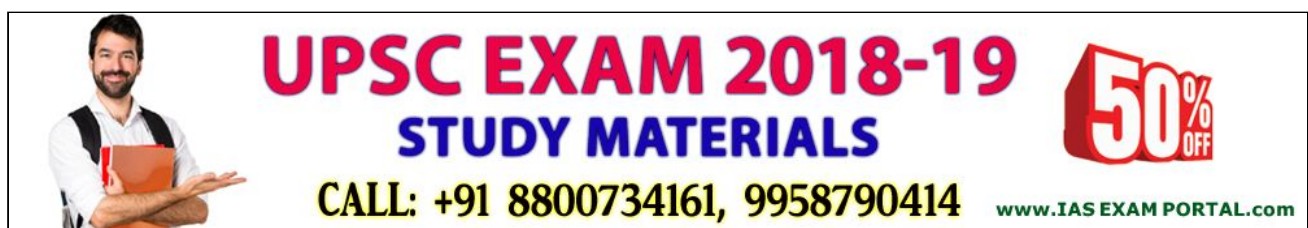
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the State and grant them special right and privileges in State public sector jobs, acquisition of property within the State, scholarships and other public aid and welfare programmes.

- The provision mandates that no act of the State legislature coming under the ambit of Article 35A can be challenged for violating the Indian Constitution or any other law of the land.
- Article 35A was incorporated into the Indian Constitution in 1954 by an order of President Rajendra Prasad on the advice of the Jawaharlal Nehru Cabinet.
- The Presidential Order was issued under Article 370 (1) (d) of the Indian Constitution. This provision allows the President to make certain “exceptions and modifications” to the Constitution for the benefit of ‘State subjects’ of Jammu and Kashmir.
- So Article 35A was added to the Constitution as a testimony of the special consideration the Indian government accorded the ‘permanent residents’ of Jammu and Kashmir.
- Parliament was not consulted when the President incorporated Article 35A into the Indian Constitution through a Presidential Order issued under Article 370. Article 368 (i) of the Constitution mandates that only the Parliament can amend the Constitution by introducing a new Article.
- The court is hearing a writ petition filed by NGO, We the Citizens, which challenges the validity of both Article 35A and Article 370.

Country’s first public bicycle sharing initiative- Trin Trin

- Trin Trin, the country’s first public bicycle sharing initiative started in Mysuru, has been chosen for a special award under the ‘Best Non-Motorised Transport Project’ by the Union Ministry of Housing and Urban Affairs, New Delhi.
- The ministry, in a communication to Mysore City Corporation Commissioner G. Jagadeesha, said Trin Trin has been chosen for best practice project in urban transport by the awards selection committee.
- The award will be given by the Minister of State for Housing and Urban Affairs, Government of India, and the Minister for Municipal Administration and Urban Development, Government of Telangana, at the valedictory session of the 10th Urban Mobility India Conference and Exhibition. It will be held at the Hyderabad International Convention Centre on November 6.
- As part of Trin Trin, which has been implemented by the Directorate of Urban Land Transport (DULT) and MCC, 45 docking stations have been set up across the city to allow people to borrow cycles to commute from one place to another. A total of 450 bicycles have been made available at reasonable tariffs.
- The bicycles are borrowed by 650 to 700 persons every day.



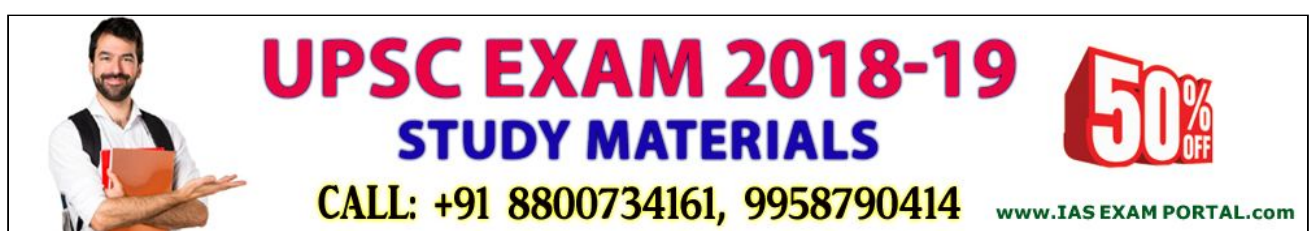
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Panel to study legalities on Karnataka State flag yet to receive membership communication

- There have been heated debates on declaring the red and yellow flag as the official “State flag” of Karnataka, but it appears that the State Government has done little to push forward this agenda.
- In fact, some among the nine-member committee, formed to study the legalities of the issue, have not even received an official communication on their membership, even two days ahead of Kannada Rajyotsava. The names of members were announced on June 6, 2017.
- The red and yellow flag is yet to be declared as the official State flag.
- The panel was constituted after representation on giving official recognition to the Kannada flag from Patil Puttappa, president, Karnataka Vidyavardhaka Sangha, Dharwad, and Gundappa Gadada, a social worker from Belagavi, in November, 2014. Following this, there have been many debates on the pros and cons of States having their own flags.

TB deaths see a decline in India: WHO

- Death from tuberculosis in India saw a 12% decline from last year even as the number of new cases saw a 5% increase, according to a report from the World Health Organisation (WHO).
- With 1.7 million new cases in 2016, India continued to be the largest contributor to the global burden with up to a quarter of the 6.3 million new cases of TB (up from 6.1 million in 2015).
- In spite of this year’s dip, India accounts for about 32% of the number of people worldwide who succumbed to the disease.
- Globally, the TB mortality rate is falling at about 3% per year. TB incidence is falling at about 2% per year and 16% of TB cases die from the disease, according to the WHO.
- Overall, the latest picture is one of a still high burden of disease, and progress that is not fast enough to reach targets or to make major headway in closing persistent gaps.
- The government has committed to achieve a ‘90- 90-90 target’ by 2035 (90% reductions in incidence, mortality and catastrophic health expenditures due to TB).
- This is premised on improved diagnostics, shorter treatment courses, a better vaccine and comprehensive preventive strategies.
- In 2016, the WHO said that India had many more deaths and incidence of the disease than had been estimated over the years.



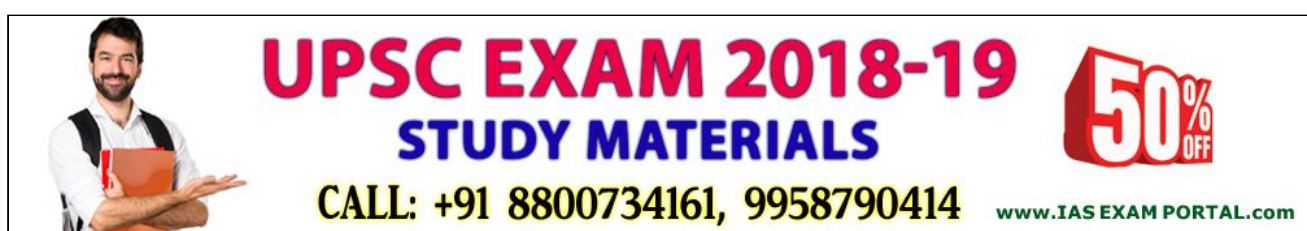
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Liberalized Arms Rules eased to see flow of investments

- The Union Home Ministry has liberalised the Arms Rules to encourage investments in the manufacture of arms, ammunition and weapons systems, to give a boost to the Centre's 'Make in India' policy.
- The liberalised rules will promote employment generation in this field, according to an official statement released by the MHA.
- The rules were liberalised with the aim of making India a regional leader in supplying small arms to neighbouring countries as well as help it become an export hub.
- Under the new rules, the licence granted for manufacturing will be valid for the life-time of the licensee company. The requirement of renewal every five years has been done away with.
- Similarly, the condition that small arms and light weapons produced by a manufacturer should be sold to the Central government or the State governments with the prior approval of the Home Ministry has also been dispensed with.
- The liberalised rules will apply to licences granted by the Home Ministry for small arms and ammunition, and those granted by the Department of Industrial Policy and Promotion (DIPP) for other defence equipment.

Order to uphold rights of vulnerable witnesses

- Vulnerable witnesses in criminal cases, often minor survivors of rape or victims of sex abuse, should testify without fear or intimidation in a conducive environment, the Supreme Court has said.
- Concerned at the trauma these victims of crime face in conventional courtrooms, the Supreme Court has ordered the setting up of at least two vulnerable witnesses deposition centres in the jurisdiction of every High Court across the country within the next three months.
- The order upholds the right of vulnerable witnesses to be protected while testifying in court and is in consonance with international norms in these matters.
- A Bench of Justices A.K. Goel and U.U. Lalit found that vulnerable witnesses are often treated like any other witness of the State in a criminal trial. Victims often end up being ill-treated by the very system they had approached in the hope of justice. Delay and intimidating questions during trial in a hostile environment lead to fewer convictions.
- Setting aside the acquittal by the high court of a child rapist, the Bench acknowledged the arguments for more vulnerable witness deposition complexes across the country made by its amicus in the case, advocate Shirin Khajuria.
- The Bench said eventually every district should have a special centre, which would provide vulnerable witnesses a friendly atmosphere to testify. The Supreme Court referred to the



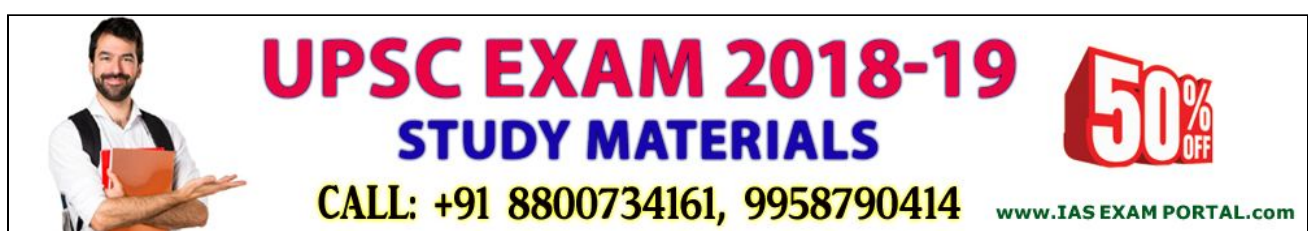
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Delhi High Court's initiative to set up vulnerable witnesses deposition centres and issuance of guidelines.

- The Bench suggested that other high courts should adopt the Delhi HC's 'Guidelines for Recording the Evidence of Vulnerable Witnesses in Criminal Matters,' with required modifications.
- The Delhi HC's guidelines are filtered from the best practices followed by other countries and the police and precedents of the apex court and high courts.
- The practices include a screen or some arrangement by which the victim does not see the body or face of the accused; reducing cross-examination questions to writing and handing them over to the judge to be put to the victim in a language that is clear and not embarrassing; and sufficient breaks for victims of child abuse or rape while testifying.
- The Bench recommended that the high courts trigger the initiative with at least two centres in the next three months. But they must not stop with that and continue to set up more such centres.

Tribunals should remain independent

- In a strong message to the government that appointments to tribunals and their functioning should remain independent of the executive's influence, the Law Commission of India has recommended that a Committee led by the Chief Justice of India should be in charge of the appointments of Chairman, Vice-Chairman and Judicial Members of the various central tribunals, which form a pillar of the country's justice delivery system.
- The tribunals perform an important and specialised role in justice mechanism. They take a load off the already overburdened courts. They hear disputes related to the environment, armed forces, tax and administrative issues
- The Commission has suggested a common nodal agency, possibly under the Law Ministry, to both monitor the working of the tribunals and to ensure uniformity in the appointment, tenure and service conditions for the Chairman, Vice-Chairman and members. before them, and probably, against which they may have to pass orders.
- Every order emanating from the tribunal or its appellate forum, wherever it exists, attains finality, the Commission recommended.
- In a marked departure from its earlier stand, the Commission recommended the restoration of the High Courts' power of judicial review over the decisions of the tribunals.
- It said parties should be allowed to challenge a tribunal order before the Division Bench of the high court having territorial jurisdiction over the tribunal or its appellate forum. Presently, parties are deprived of an opportunity to move high courts concerned against the orders of some tribunals and have to move the Supreme Court directly.



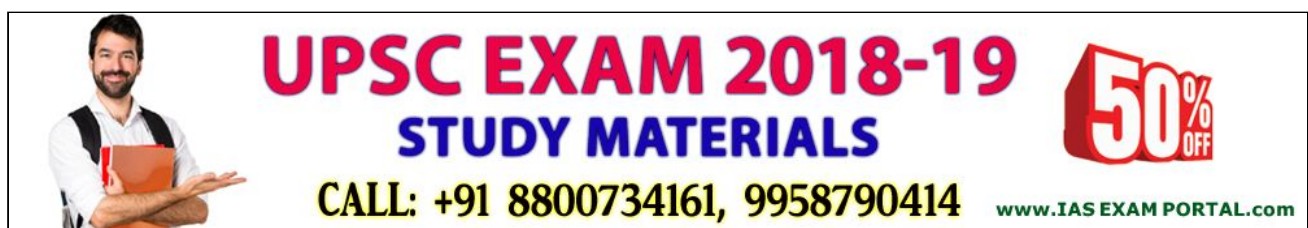
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Oxford English Dictionary added 70 new Indian words

- From endearing words like 'Abba' and 'Anna' to Indian delicacies like 'gulab jamun' and 'vada' can now be found in the Oxford English Dictionary (OED).
- As per the latest list of inclusions, 70 new Indian words from Telugu, Urdu, Tamil, Hindi and Gujarati languages have been added to the dictionary. Several most commonly used words in India like 'jugaad', 'dadagiri', 'achcha', 'bapu' and 'surya namaskar' are now part of the dictionary, the OED said in a statement.
- Many of the words describe food and relationships, such as 'anna' (elder brother), 'abba' (father), 'gulab jamun', 'mirch masala', 'keema', 'funda' and 'chamcha'.
- Often used terms like 'timepass', 'natak' and 'chup' also have their meanings in the dictionary now.
- The September 2017 update adds to the 900 items already covered by the dictionary and "identified as distinctive to Indian English."
- "Indian speech etiquette features a complex system of kinship terms and terms of address, in which age, gender, status, and family relationships are marked by a highly specific vocabulary with no direct equivalents in English," said Danica Salazar, OED World English Editor.
- It is clear that the shared history between Britain and India has left behind a legacy of loanwords and other lexical innovations that have greatly enriched the English word stock, she said.
- The 70 words newly added to the OED reflect not only the history of the country, but also the many and diverse cultural and linguistic influences, which have shaped and changed the English language in India, she said.

Air India, AI Express will be sold together

- The National Democratic Alliance (NDA) government is working to conclude the sale of national carrier Air India by June 2018 and is keen on selling its core airline operations, together with its low-cost international airline, Air India Express.
- As per a decision taken by the Air India-specific Alternative Mechanism – a group of Ministers led by Finance Minister Arun Jaitley to decide on the modalities of stake sale in the national carrier – the Centre will look to sell AI's regional airline Alliance Air to a separate universe of bidders while Air India and Air India Express will likely go together.
- The rationale is that prospective buyers from international airlines can be found if bids are called for Air India and Air India Express together. Since Alliance Air operates flights mainly on regional domestic routes, it makes more sense to sell it off separately

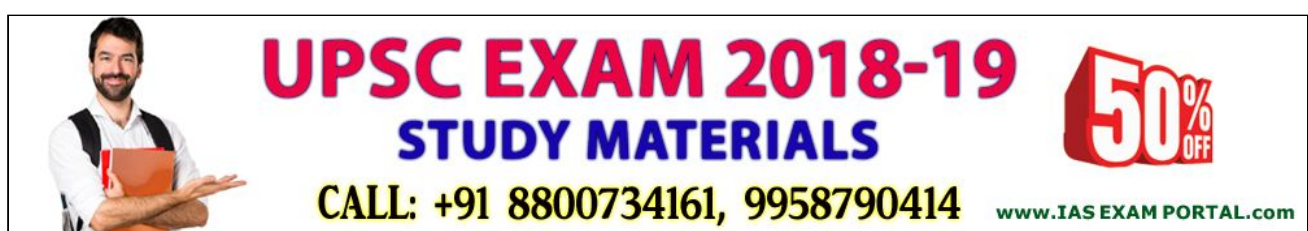


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- The decision was taken after the government held several rounds of backchannel talks with prospective buyers of Air India and its subsidiaries.
- The government met companies involved in MRO, ground handling and airline operations to examine whether all the subsidiaries should be sold off together or calling for separate set of bidders would increase Air India's valuation.
- Till now, low-cost airline IndiGo has formally expressed interest in mainly buying Air India's international operations, including Air India Express which flies to various airports in the Gulf, Middle East and South East Asia predominantly from Kerala.
- IndiGo co-founders have said that though it has been eyeing Air India's international operations since "day one", it would still be interested if the government sells Air India's entire airline operations to a single entity.
- While Turkey's Celebi Aviation Holding and Delhi-based Bird Group have shown interest in Air India's ground handling arm, India's oldest private MRO firm AirWorks is keen on buying AIESL. Without revealing names, officials at the Civil Aviation Ministry said other airlines, both domestic and international, are also keen to bid for Air India's airline operations.
- The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, gave an in-principle nod for strategic disinvestment of Air India. The ministerial panel, led by Mr. Jaitley, is aiming to divest stake in Air India and its subsidiaries by June 2018.
- The panel is also in favour of hiving off Air India's properties and non-operational assets into a special purpose vehicle (SPV) to retire a portion of the national carrier's debt.
- The Union government recently chose consultancy firm EY and investment banker Rothschild as the transaction advisors and Cyril Amarchand Mangaldas as the legal advisor to help it with the disinvestment.

Budget allocation to fight Tuberculosis has been increasing since 2015

- India's domestic budget for fighting tuberculosis showed a dramatic jump from about Rs. 700 crore in 2015 to Rs. 2,500 crore 2016, according to a report from the World Health Organisation (WHO).
- Typically most of India's budget to combat the bacterial infection that claimed 4.2 lakh last year—used to be dominated by international funding.
- But, for the first time this has flipped. Domestic resources accounted for 74% of the \$525 million spent in India last year, while it was only 38% in 2015.
- The big difference is that nearly Rs. 1,000 crore of non plan expenditure got added. The role of the private sector is critical in reducing TB numbers.
- In 2016, India recorded a 12% dip in the number of TB deaths from the previous year though the incidence dipped marginally by 1%.

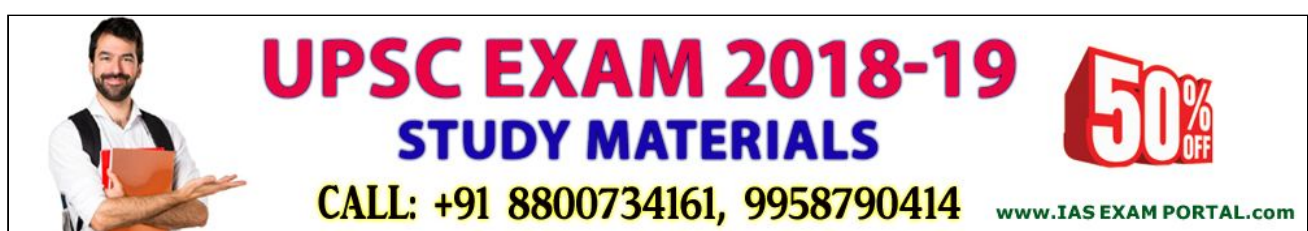


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- The number of notified cases of drug-resistant tuberculosis (MDR-TB) jumped from 79,000 to 84,000 in 2016, a government official said, pointing to the deployment of better diagnostics.
- However, with 1.7 million new cases in 2016, India still continues to be the largest contributor to the global burden with up to a quarter of the 6.3 million new cases of TB (up from 6.1 million in 2015). In spite of the dip, India accounts for about 32% of the number of people worldwide who succumbed to the disease.
- The government has committed to achieve a '90-90-90 target' by 2035 (90% reductions in incidence, mortality and catastrophic health expenditures due to TB). This is premised on improved diagnostics, shorter treatment courses, a better vaccine and comprehensive preventive strategies. In 2016, the WHO said that India had many more deaths and incidence of the disease than had been estimated over the years.
- However, several activists say that in spite of the government commitments, TB is still stigmatized and under-reported – especially from the private sector – and top-line drugs are still inadequate to treat people who suffer from the drug-resistant forms of the disease.

SC asks Centre to set up special courts to speed up trial of politicians

- The Supreme Court asked the government to frame a central scheme for setting up special courts across the country to exclusively try criminal cases involving 'political persons.'
- In a determined effort to cleanse politics of criminality and corruption, the apex court said it takes years, probably decades, to complete the trial against a politician.
- By this time, he or she would have served as a minister or legislator several times over.
- Countering the Centre's argument that setting up such courts would depend on the availability of funds with the States, the apex court said "the problem can be resolved by having a central scheme for setting up of courts exclusively to deal with criminal cases involving political persons on the lines of the fast track courts..."
- The Bench said the Supreme Court would directly interact with the State governments on issues like the appointment of judicial officers, public prosecutors, court staff and other requirements of manpower and infrastructure for the special courts.
- Giving no quarter, the apex court directed the Centre to submit a report card by December 13 on the status of the 1,581 criminal cases pending against Members of Parliament and State Legislative Assemblies at the time of the 2014 elections.
- The court said it wanted to know whether its March 10, 2014 order to complete the trial in all these cases within a year's time had been complied with or not.



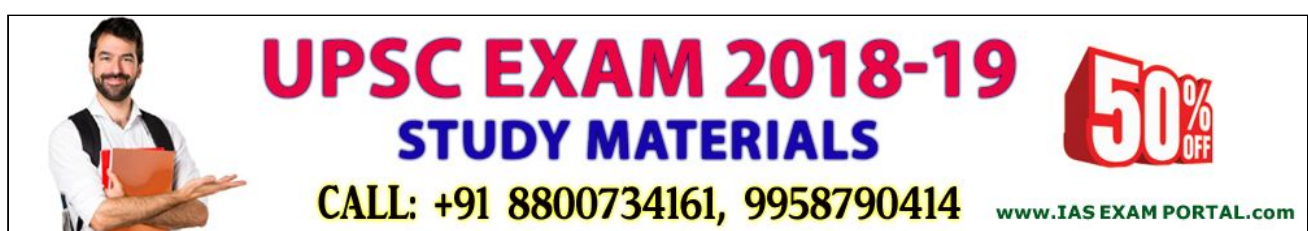
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EC wants a life ban on the convicted from contesting elections

- The Election Commission (EC) took a definitive stand in the Supreme Court that convicted persons should be banned from contesting elections for life.
- While the government showed reluctance to make a commitment, the Commission reiterated its stand before a Bench led by Justice Ranjan Gogoi that such a move would be a firm step against criminalisation of politics.
- Noting that it has been “championing the cause of decriminalisation of politics”, the EC, in March, endorsed a public interest litigation petition in the Supreme Court seeking life-long bar on convicted legislators from contesting polls.
- It had said that a uniform ban would be in the spirit of the fundamental rights of the Constitution, including the right to equality.
- As of now, a person, on conviction, is debarred from contesting any elections for the period of his or her prison sentence and six years thereafter.
- The affidavit said the Commission was “alive to the issues that concern the conduct of free and fair elections and functioning of healthy democracy and as such asserting for bringing in electoral reforms which further the cause of free and fair elections”.
- The Commission said it had submitted a proposal for poll reforms, which include decriminalisation of politics, making bribery a cognisable offence and prohibition on advertisements 48 hours before elections and a ban on paid news as recommended by the Law Commission in its reports.

Draft regulations for drone operations

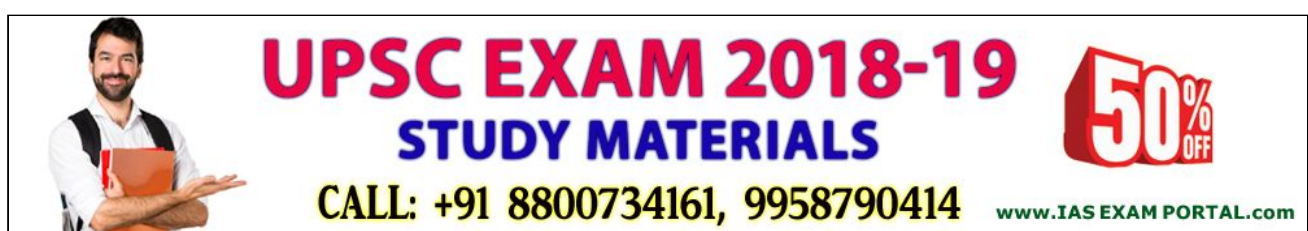
- The Indian air space is set to get more interesting in 2018, with the government issuing draft regulations for drone operations that could be used for anything from e-commerce deliveries to photography.
- The draft regulations, which Civil Aviation Secretary R.N. Choubey said will be finalised by December 31 this year after hearing out stakeholders’ views, envisage a virtually unregulated flight at heights up to 50 feet for nano drones that weigh 250 grams or lower.
- All drones will have to operate within a visual line of sight, will be allowed only during day time and below 200 feet.
- Barring the nano drones that could also be used indoors, all drones will have to register with the Director General of Civil Aviation. Dropping human payload, animals or hazardous material will not be permitted, though, Mr. Sinha said, it was possible to imagine air rickshaw drones that could ferry passengers.
- The other classifications of drones, officially termed unmanned aircraft systems, are Micro (250 gm to 2 kg), Mini (more than 2 kg to 25 kg), Small (more than 25 kg till 150 kg) and Larger (over 150 kg).



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Antimicrobial resistance may be aggravated through mass bathing in Ganga

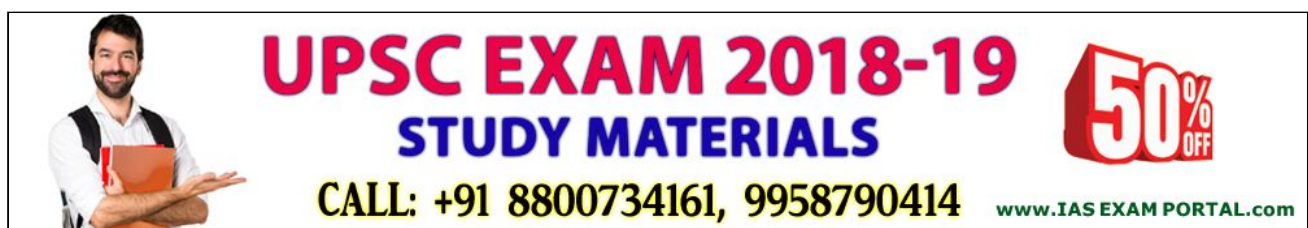
- Mass-bathing in the Ganga during pilgrimages may be contributing to antimicrobial resistance (AMR), says a government-commissioned report on the threat from AMR. Such resistance –previously acknowledged to be widespread in India – is said to be the reason for certain key antibiotics becoming ineffective against diseases, including tuberculosis.
- Some years ago, researchers from the Newcastle University in the United Kingdom and the Indian Institute of Technology-Delhi sampled water and sediments at seven sites along the Ganga in different seasons.
- In 2014, they reported in the peer-reviewed Environmental Science and Technology that levels of resistance genes that lead to “superbugs” were found to be about 60 times greater during the pilgrimage months of May and June than at other times of the year.
- The researchers had then said preventing the spread of resistance-genes that promote life-threatening bacteria could be achieved by improving waste management at key pilgrimage sites.
- The report of the Ganga as a reservoir for AMR genes sits alongside a 2016 study by the Council of Scientific and Industrial Research – still not made public – that portions of the the river had “anti-bacterial” properties.
- The government report — Scoping Report on Antimicrobial Resistance in India – made public cites this study too along with a compilation of all scientific studies done in India on the threat from AMR, causes and sources that aggravate it.
- The report was commissioned by the Department of Biotechnology and the UK Research Council and prepared by the Centre for Disease Dynamics and Economic Policy.
- Resistance to the broad-spectrum antibiotics fluoroquinolones and third generation cephalosporin was more than 70% in *Acinetobacter baumannii*, *Escherichia coli*, and *Klebsiella pneumoniae*, and more than 50% in *Pseudomonas aeruginosa*.
- In 2014, India was the highest consumer of antibiotics, followed by China and the United States. However, the per-capita consumption of antibiotics in India was much lower than in several other high-income countries.
- Other than ‘cultural factors’ such as bathing in the Ganga, the drivers of AMR included excessive use of antibiotics in the livestock industry and unchecked discharge of effluents by the pharmaceutical industry. However, in spite of the challenge, too little work had been done so far to understand it. “This mapping exercise indicates that AMR research studies in India were of limited scope in all areas,” the researchers noted.



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Delhi LG cannot be a hurdle to govt. schemes

- The Lieutenant-Governor (L-G) of Delhi cannot stultify proposals or schemes forwarded by the Council of Ministers to him by simply sitting on it, Justice D.Y. Chandrachud orally observed.
- “He [the LG] is bound to pass the difference of opinion [between the LG and the Council of Ministers] to the President for early resolution,” Justice Chandrachud said. His observations came on the first day of a five-judge Constitution Bench hearing of a batch of nine appeals filed by the Arvind Kejriwal-led AAP government against an August 4, 2016, judgment of the Delhi High Court.
- The AAP government argued that the High Court declared that the LG has “complete control of all matters regarding National Capital Territory of Delhi, and nothing will happen without the concurrence of the LG.”
- The Kejriwal government wants the Supreme Court to lay down the law on whether the LG can unilaterally administer the National Capital without being bound by the “aid and advice” of the elected government.
- The 69th Amendment of the Constitution in 1992 gave the National Capital of Delhi special status with its own democratically elected government and legislature.
- Sub-section (4) of Article 239AA mandates that a Council of Ministers shall aid and advise the LG in his functions regarding laws made by the Assembly.
- The focus of the current controversy is a proviso to Article 239AA (4), which mandates that in case of a difference of opinion between the LG and the Council of Ministers, the former has to refer the issue to the President.
- In the meanwhile, while that decision is pending before the President, the LG, if the matter is urgent, can use his discretion to take immediate action.
- The Constitution Bench led by Chief Justice Dipak Misra prima facie said the Delhi government’s ability to ‘aid and advise’ the Lieutenant Governor is limited to subjects other than public order, police and land in the National Capital. It said that the proviso to Article 239AA (4), on plain reading, seems to give primacy to the Lieutenant Governor.
- Mr. Subramaniam alleged that the LG has misused the discretion in this proviso to block governance to such an extent that decisions from appointment of teachers in municipal schools to opening of mohalla clinics have been pending for over a year.
- Mr. Subramaniam said the situation of governance in Delhi had come to such a turn that “department ministers are unable to get an opinion from their secretaries and civil servants on issues of governance.” “They have to literally fall at their feet,” Mr. Subramaniam submitted.



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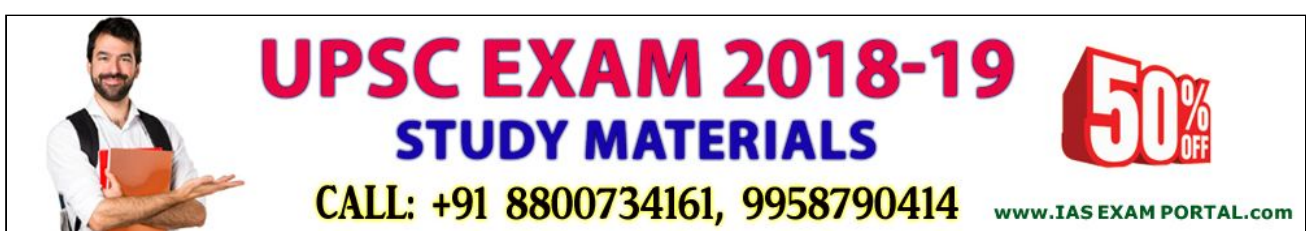
- The senior advocate submitted that the purpose of Article 239AA was to “provide some kind of voice to the people, some kind of governance to the people.” The amendment was not just a structural addition to the Indian Constitution, but based on egalitarianism.

Etikoppaka artisans upbeat over GI tag

- The mood is upbeat in Etikoppaka village located on the banks of the river Varaha in Visakhapatnam district, as the Geographical Indication Registry has given the Geographical Indication (GI) tag to the traditional toys made by the artisans in the village.
- The GI is a name or sign used on certain products which correspond to a specific geographical location or origin.
- As per the norms, goods and products having the tag are recognised for their origin, quality and reputation and this would give us the required edge in the global market. This will also ensure that none can use the same name giving the exclusivity.
- According to the artisans, the art is more than 400 years old and it has been traditionally handed over to them by their ancestors through generations.
- The toys are unique not only in shape and form but also the material used. They are made of wood and painted with natural dyes. There is no heavy metal or toxic content and that is why it is unique.
- The natural dyes are prepared from seeds, lacquer, bark, roots and leaves.
- The wood used is from ‘Ankudi Karra’ (Wrightia tinctoria) tree that is soft in nature and the art is also known as turned wood Lacquer craft.
- The Etikoppaka toys now join the elite products from Andhra Pradesh such as Kondapalli toys, Bobbili Veena, Tirupati laddu, Srikalahasti Kalamkari, Uppada Jamdani sarees and Shadow puppets.

India gears up to counter China by providing real-time maritime data in Indian Ocean

- India has made an offer to share intelligence of maritime movements in the Indian Ocean in real-time with 10 Indian Ocean littoral states.
- This comes even as India gears up to counter China’s increased presence in the Indian Ocean Region (IOR).
- The information to be shared includes movement of commercial traffic as well as intelligence.
- The Indian Navy is hosting Navy and Maritime Chiefs of 10 countries of IOR at the first GMC to identify common threats in the region and evolve a mechanism on how to tackle them.
- India already has co-operative arrangements with several countries in the region and this initiative would see that expanding further. For instance, white shipping agreements to share commercial shipping data have been signed with 12 countries and more are in the works.

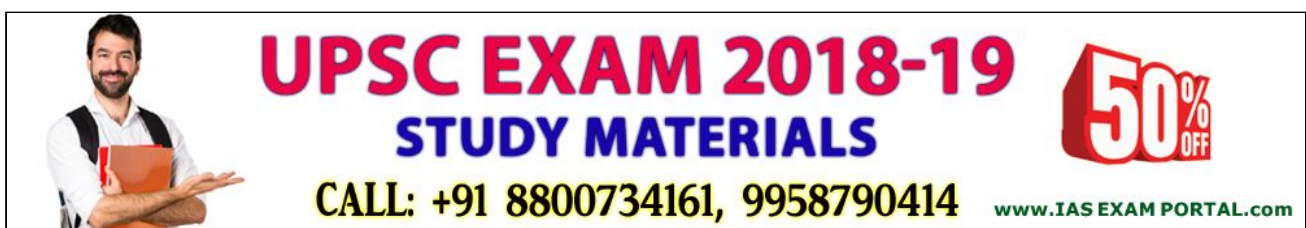


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- India is in a position to be a fusion centre, the officer added and this would be based on the Navy's nerve centre for coastal surveillance and monitoring, the Information Management and Analysis Centre (IMAC) located outside the national capital.

'All unwelcome physical contact not sexual harassment'

- All unwelcome physical contact cannot be called sexual harassment unless it is in the nature of a sexually-oriented behaviour, the Delhi High Court has said.
- Justice Vibhu Bakhru, who made the observation, also said that even an accidental physical contact, though unwelcome, would not amount to sexual harassment.
- "Similarly, a physical contact which has no undertone of a sexual nature and is not occasioned by the gender of the complainant may not necessarily amount to sexual harassment," the court said.
- The observations by the Bench came during the hearing of an appeal by a Central Road Research Institute (CRR) scientist challenging the clean chit given by the complaints committee and disciplinary authority to her former senior colleague, whom she had accused of sexual harassment.
- The allegation pertained to an incident on April 2005 when the man had entered the laboratory where the woman was working and had snatched samples from her hand, thrown the materials and pushed her out of the room.
- The woman had contended that any unwelcome physical contact amounted to sexual harassment.
- The Complaints Committee had after examining her complaint concluded that "it was a case of altercation in the background of the uncongenial environment prevailing in the division".
- Terming the man's conduct as deplorable, the Complaints Committee had also said that while there was evidence of physical contact by the man, "the same was not a sexually determined behaviour but was in the nature of an altercation".
- The disciplinary authority had accepted the committee's report and passed an order in October 2009 giving clean chit to the man accused of sexual harassment.
- The court also rejected the women's challenge to the constitution of the committee and the disciplinary authority, saying that it finds no infirmity in their set up.



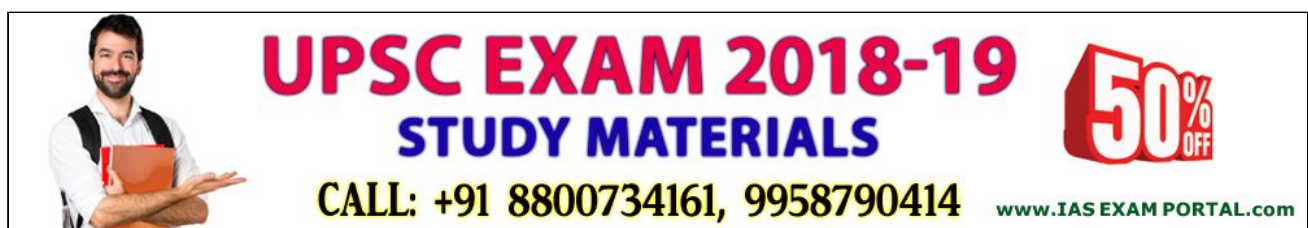
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INDIA AND WORLD



India losing its bid for Farzad B gas field

- Even as Iranian government officials have said that India is close to losing its bid for the Farzad B gas field, Indian officials in the Petroleum Ministry downplayed the situation, saying it is all part of the negotiation process.
- A senior Iranian diplomat handling the negotiations said that they were disappointed that India had not shown “flexibility” in its bids for the Farzad B gas field, and may have to offer it to others like Russian oil major Rosneft, which has put in a better bid for other parts of Farzad B.
- “Given the lack of flexibility on pricing from India, we may be left with no choice, and India could lose the Farzad B project entirely,” the diplomat said.
- The Petroleum Ministry official explained that the negotiations between India and Iran meant that the bids had been updated on a number of factors such as the time period of the contract, the depreciation element, or the taxation element, and the royalty payments.
- “For any overseas investment, the internal rate of return (IRR) is very important,” the official said. “The IRR requirements have to be met, and it has to be recognised that Farzad B is the most difficult field because of the sour gas, and other considerations such as the impurities in the gas.”
- While officials said the plan for the Chabahar Port was on course, with transport minister Nitin Gadkari promising to complete development of its berths by 2018-end, other discussions – on expanding banking facilities, offering India railroad projects, on the Iran-Pakistan-India (IPI) LNG pipelines, have not made much progress.

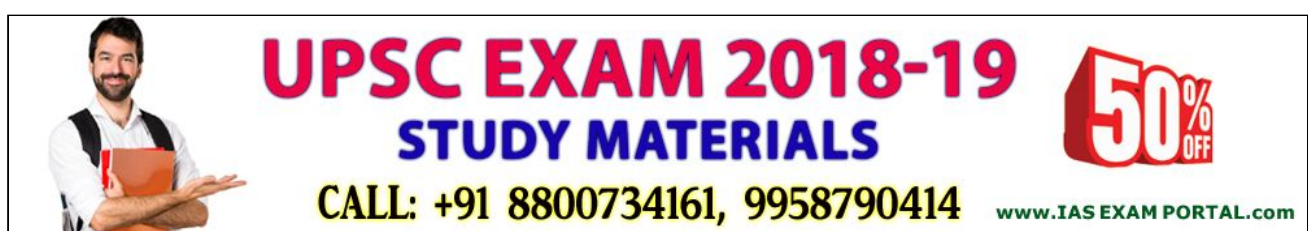
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Offer of talks turn down by India regarding transit trade to Afghanistan

- India has rejected an offer from Pakistan for talks on transit trade to Afghanistan, diplomats.
- The offer was made by the Pakistan Chief of Army Staff General Qamar Javed when he met President Ashraf Ghani in Kabul. During discussions on the renewal of the Afghanistan-Pakistan Transit Trade Agreement (APTTA), that lapsed in 2015, President Ghani repeated concerns that trade with India over the Wagah border had been blocked by Pakistan, despite being agreed to in the APTTA.
- President Ghani is understood to have conveyed the conversation to New Delhi through the Indian Embassy in Kabul. However, days later, Indian officials at the SCO Afghanistan-Contact group meeting in Moscow, told the Afghan delegation that it would not take up the offer for talks.
- The APTTA is a bilateral agreement. It is not working because of unilateral decisions by Pakistan not to honour it.
- Pakistan has consistently refused to allow any Indian goods to travel over land Afghanistan, insisting that India use the sea-route via Karachi.
- India and Afghanistan are now working on strengthening alternative routes, including the air cargo corridor launched in June this year, and the Chabahar sea route. While the development of Chabahar will take at least another year, India's first major shipment of 1,30,000 tonnes of wheat via Chabahar will be dispatched.
- In addition, the conversation was held in the backdrop of the U.S.'s newly announced South Asia Policy for Afghanistan, ensuring greater Indian involvement in development projects in Afghanistan.

First consignment of wheat to Afghanistan via Chabahar

- Days after hosting U.S. Secretary of State Rex Tillerson, India began shipment of wheat to Afghanistan through the Iranian port of Chabahar.
- The Ministry of External Affairs (MEA) noted that the consignment would be the first to use the new route via Chabahar to access Afghanistan, even as India plans similar transfers in the coming months.
- The shipment of wheat is a landmark moment as it will pave the way for operationalisation of the Chabahar port as an alternative, reliable and robust connectivity for Afghanistan.
- It will open up new opportunities for trade and transit from and to Afghanistan and enhance trade and commerce between the three countries (India, Iran and Afghanistan) and the wider region.
- The consignment was flagged off by External Affairs Minister Sushma Swaraj and her Afghan counterpart Salahuddin Rabbani through a joint video conference.



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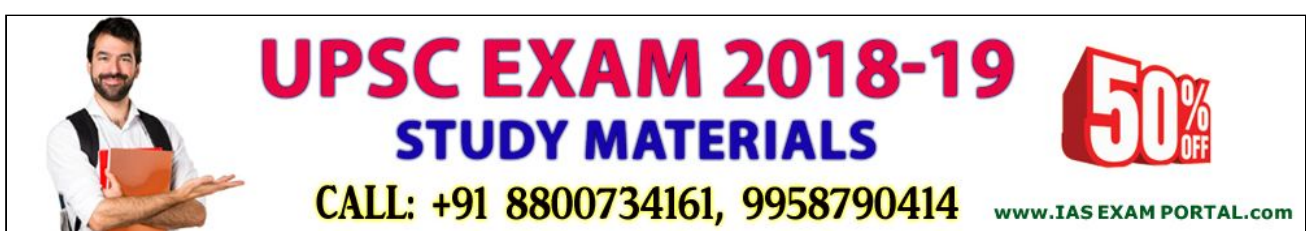
- The statement noted that transfer was part of India's commitment to send 1.1 million tonnes of wheat to Afghanistan on grant basis.
- It pledged that Kabul will receive the entire amount in six different instalments over the coming months. The move is significant as it indicates India remains firm in delivering on its regional commitment through partnership with Iran, despite Tehran's ongoing tension with the United States.
- The use of Chabahar for wheat transshipment indicates the firming up of an alternative route to extend necessary support to Afghanistan, in the absence of overland transit rights by Pakistan.
- The move also indicates that Chabahar, which India has been developing for some years, will soon be fully operational. India had earlier sent goods through the Iranian port of Bandar Abbas in 2003 as Pakistan had not eased land access to Afghanistan.
- The two foreign ministers welcomed the fact that this is the first shipment that would be going to Afghanistan through the Chabahar port after the Trilateral Agreement on Establishment of International Transport and Transit Corridor was signed during the visit of the Prime Minister of India to Iran in May 2016.

India, Russia tri-service exercise concluded

- India and Russia concluded their joint tri-service exercise, Indra, in Vladivostok
- Indra was an 11-day joint training in counter-terrorism operations.
- This is India's first tri-service exercise with any country.
- In the series of bilateral exercises under combating terrorism, the exercise this year focused on conduct of counter-insurgency/counter-terrorist operations under United Nations mandate in a joint service environment.
- The exercise also provided an opportunity to both the armies for greater cultural understanding, sharing experiences and strengthening mutual trust and cooperation.
- The exercise began on October 19 and saw the participation of over 800 Indian personnel. Indian forces largely used Russian equipment with which they are very familiar.

NSG and bilateral trade top on agenda in India-Italy talks

- A range of multilateral and bilateral subjects are likely to be in focus during the visit of Italian Prime Minister Paolo Gentiloni.
- The visit, which comes after both sides managed to contain the diplomatic fallout of the marines crisis, is for a day. Diplomats indicated that India's global push for the Nuclear Suppliers Group (NSG) membership and bilateral trade are likely to be on top of the agenda.
- Italy's support for India's candidature at the Missile Technology Control Regime (MTCR) in 2016 was an important marker in multilateral collaboration and indicated Rome's long-term commitment to supporting India's role in the export control regimes.



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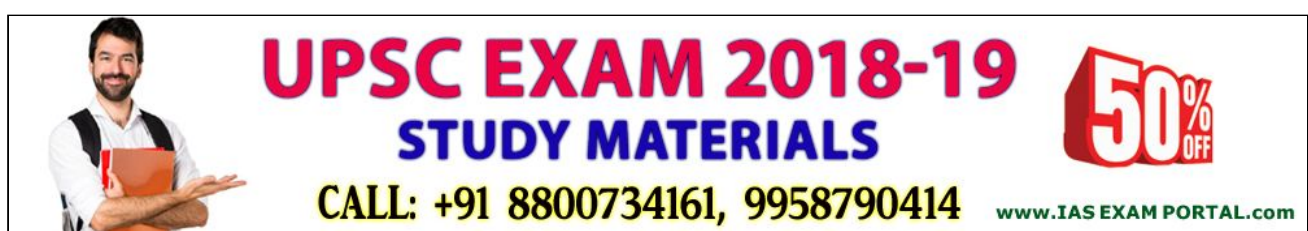
- India's bid for membership at the NSG has so far been scuttled by repeated opposition from China.
- However, sources indicated that apart from the NSG, India is also seeking Italian support at the FATF (Financial Action Task Force) meeting that begins in Buenos Aires, where India has been pushing for stringent measures against Pakistan on terror funding issues.
- The visit by an Italian PM comes after a decade. The period from 2012 to 2016 marked a difficult bilateral phase as the marines issue, which included two of Rome's marines became a national debate in Italy.
- The case is now with the International Court of Justice, where a round of arbitral proceedings is expected to be completed by 2018.
- However, several meetings were held between the two sides as political ties warmed up following the change of government in Delhi in 2014.
- Apart from the expected issues, Italy and India may also discuss the tension between the U.S. and Iran after President Donald Trump decertified the nuclear deal with Iran, where both Italy and India have strong contacts. As one of the signatories in the nuclear deal, Italy's role is crucial in this matter.

No plan to divert water from Brahmaputra- China

- China denied a media report that it was planning to divert water from the Brahmaputra in Tibet to its arid Xinjiang province by constructing a 1,000 km tunnel.
- "This is untrue. This is a false report," said Chinese Foreign Ministry spokesperson Hua Chunying in response to a question. The report, if true, would have had a major impact on livelihoods in India and Bangladesh, as the Brahmaputra, known as Yarlung Tsangpo in China, passes through both these countries before emptying into the Bay of Bengal.
- The Hong Kong-based South China Morning Post (SCMP) had reported that Chinese engineers were testing techniques that could be used to build a 1,000 km tunnel the world's longest to carry water from Tibet to Xinjiang.

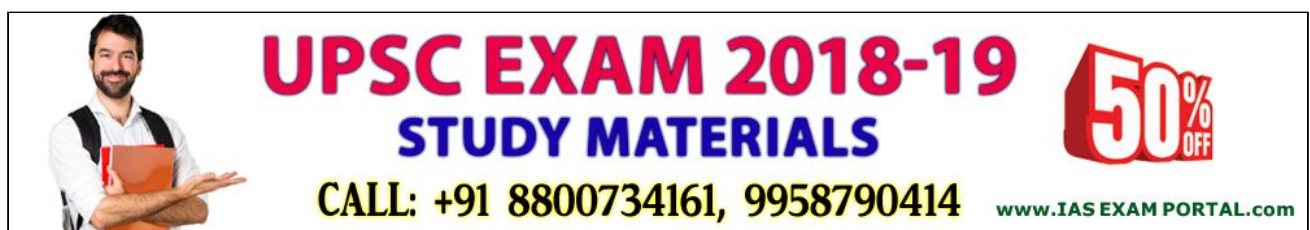
India hits out at China's double standards

- India hit out at double standards in the war on terrorism, hours after China blocked a move at the United Nations Security Council to place Masood Azhar, the Pakistan-based chief of the Jaish-e-Mohammed, in a list of global terrorists.
- India's strong response did not name China but hinted at "one country" that had hurt the global campaign to ban the terror mastermind who is blamed for several attacks against India, including the Pathankot airbase attack of 2016.
- China blocked an attempt by the U.S., U.K., and France to place Masood Azhar in the list of global terrorists of the Al Qaida Sanctions Committee of the UN Security Council citing "no consensus" as a ground for its objection.



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- “India strongly believes that double standards and selective approaches will only undermine the international community’s resolve to combat terrorism,” said the MEA statement.



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INTERNATIONAL



“Vision 2030” steps towards modernization of Saudi Arabia

- Since catapulting to power with the support of his father, Saudi Crown Prince Mohammed bin Salman has pushed forth changes that could usher in a new era for the kingdom and sway it away from decades of ultraconservative dogma and restrictions.
- He has introduced musical concerts and movies again and is seen as the force behind the king’s decision to grant women the right to drive as of next year.
- In his sweeping “Vision 2030” plan to wean Saudi Arabia off of its near total dependence on petrodollars, Prince Mohammed laid out a vision for “a tolerant country with Islam as its Constitution and moderation as its method”.
- Buzz words like “reform,” “transparency” and “accountability” all used by the prince in his promotion of Vision 2030 do not, however, mean that Saudi Arabia is moving toward greater liberalism, democracy, pluralism or freedom of speech. The government does not grant licenses to non-Muslim houses of worship, and limits those of its Shia Muslim citizens. The prince has also made no mention of human rights concerns. If anything, dozens of the prince’s perceived critics have been detained.
- Some of those arrested were seen as critics of his foreign policies, which include severing ties with Qatar, increasing tensions with Iran and overseeing air strikes in Yemen.
- Meanwhile, Prince Mohammed faces a Saudi public that remains religiously conservative. That means he still needs public support from the state’s top clerics in order to position his reforms as Islamic and religiously permissible.

Bilateral ties between India and Italy

- Reviving bilateral ties, India and Italy agreed to coordinate efforts at the multilateral level to counter global terrorism.

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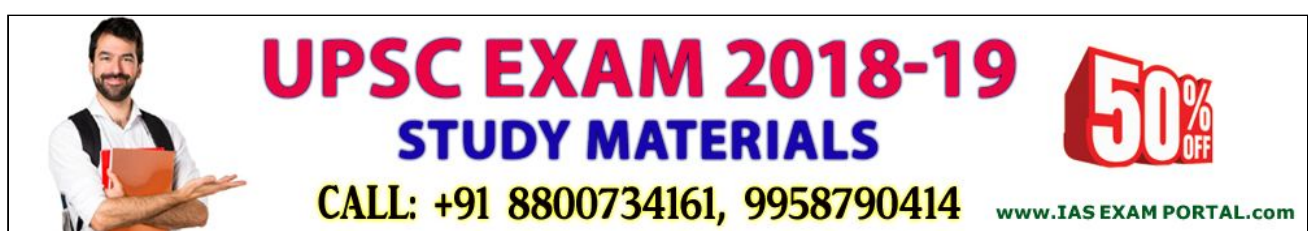
- Describing India as an “Asian superpower”, visiting Prime Minister Paolo Gentiloni said Italy was in favour of a EU-India free trade agreement. He inked six agreements with India, covering energy cooperation, diplomatic training and railways.
- At a joint press conference with Prime Minister Narendra Modi, Mr. Gentiloni said Italy was keen on deepening cooperation in the strategic sectors and focussed on cybersecurity and anti-terrorism as common areas of cooperation.
- “India can play a big role in the global coalition against terrorism. Today, all countries can face the same terrorist threat from groups that may be different, but have a common link in the use of religious extremism for common goals.
- A multi religious country like India is itself a contribution to fighting terror. The very existence of a democracy with these characteristics is strategic
- Mr. Modi said, “India and Italy are two large economies, and the respective strengths of our economies provide us ample opportunities to strengthen our commercial cooperation. There is a lot of potential for our bilateral trade of about \$8.8 billion to grow much further.”

China plans tunnel from Brahmaputra

- Chinese engineers are testing techniques that could be used to build a 1,000- km-long tunnel to divert water from the Brahmaputra in Tibet, close to Arunachal Pradesh, to the parched Xinji Region.
- The move, that is expected to “turn Xinjiang into California”, has raised concerns among environmentalists about its likely impact on the Himalayan region, South China Morning Post reported.

Saudi to allow women into sports stadiums from 2018

- **Saudi Arabia** will allow women into three sports stadiums for the first time from next year, authorities said, in a landmark move that would open up the previously male-only venues to families.
- The kingdom, which has some of the world's tightest restrictions on women, has long barred women from sports arenas by strict rules on segregation of the sexes in public.
- The announcement is in line with powerful Crown Prince Mohammed bin Salman's ambitious reform drive shaking up the ultra-conservative kingdom, including the decision to allow women to drive from next June.
- Last month authorities allowed hundreds of women to throng a sports stadium in Riyadh, used mostly for football matches, for the first time to mark Saudi Arabia's national day.
- Under the country's guardianship system, a male family member – normally the father, husband or brother – must grant permission for a woman's study, travel and other activities.
- But the kingdom appears to be relaxing some norms as part of its "Vision 2030" plan for economic and social reforms, which aims to boost female employment.
- In July, rights campaigners welcomed an "overdue" reform by the education ministry to allow girls to take part in sports at state schools.



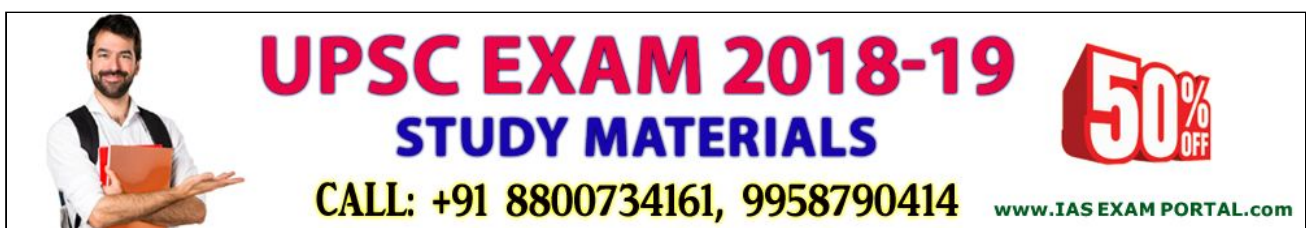
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Operation to blow up a tunnel gives way to tensions

- Tensions rose after an Israeli operation to blow up a tunnel from the Gaza Strip killed seven Palestinian militants in one of the deadliest incidents since a devastating 2014 war.
- The seven men, from the armed wings of Gaza's rulers Hamas and allied group Islamic Jihad, were killed when Israel blew up the tunnel it said had crossed into its territory and was intended for attacks.
- Israel said it had been monitoring the digging of the tunnel for an unspecified length of time and was forced to act after "the grave and unacceptable violation of Israeli sovereignty".
- It said the operation was carried out on the Israeli side of the border and stressed it was not seeking a further escalation. No tunnel opening had been found on the Israeli side of the border. It had come from the vicinity of the city of Khan Younis in the Gaza Strip, Israel's military said.
- The operation comes at a sensitive time, with rival Palestinian factions Fatah and Hamas pursuing a reconciliation accord aimed at ending their 10-year rift.
- Hamas is due to hand over control of the enclave's borders to the Palestinian Authority under the deal mediated by Egypt and signed on October 12. It is due to return the Gaza Strip to full PA control by December 1. Both Mr. Haniya and Palestinian Prime Minister Rami Hamdallah spoke of ensuring the reconciliation pact remains on track.

Trump to push for U.S. vision for a free and open Indo-Pacific region

- U.S. President Donald Trump will "present the U.S. vision for a free and open Indo-Pacific region" in a speech in Da Nang, Vietnam on November 10, at the Asia-Pacific Economic Cooperation (APEC) CEOs meet, the White House said.
- Mr. Trump's visit to the region from November 3 to 14 will be the longest by a U.S. President in 25 years, and will "underscore the long-standing U.S. commitment to the region", a senior administration official said. Mr. Trump will travel to Japan, South Korea, China, Vietnam and the Philippines, and this will be the largest number of countries covered by a U.S. President in a single trip to the region, since George W. Bush in 2003.
- The official said Mr. Trump's visit will make the "message clear to China that for trade relations between the two countries to be sustainable, it has to be free and fair".
- "It is very important to note that the President is making a long term commitment to the region, based on the shared principles of rules-based, high-standard, economic system and reduction of chronic trade deficits," the official said.
- At the recent congress of the Chinese Communist Party, Chinese President Xi Jinping had asked countries to emulate the Chinese model of development, and shun Western liberalism.

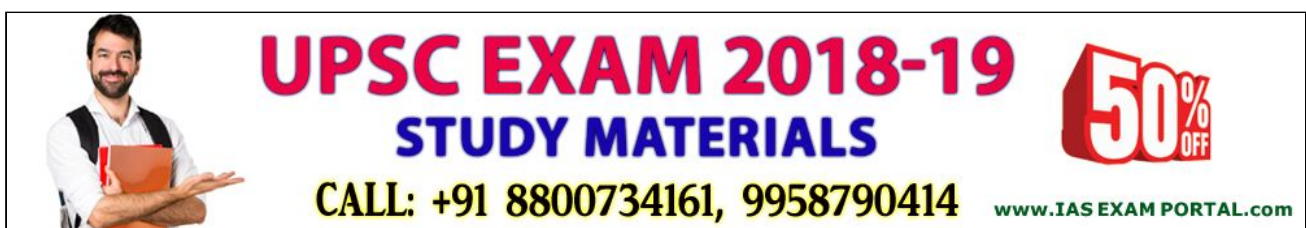


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- “China must provide fair and reciprocal treatment, not just to the U.S. but all countries in the region”, the official said, accusing Beijing of “predatory investment and economic practices”.
- The official said the Chinese economy has become so big that its practices are negatively impacting not only the U.S. but all other countries in the region. The President will press China on these issues, the official said.

Iran and Russia talks

- Russian President Vladimir Putin met Iran’s leadership in Tehran as the two Damascus allies push a Syria peace plan and the Kremlin offers its backing for a landmark nuclear deal facing U.S. opposition.
- Mr. Putin – on his first visit to Tehran since 2015 – held talks with President Hassan Rouhani, before he was due to meet supreme leader Ayatollah Ali Khamenei. Mr. Putin will also take part in a three-way summit with Mr. Rouhani and the leader of ex-Soviet Azerbaijan Ilham Aliyev aimed at bolstering economic ties between their energy-rich nations.
- Moscow said Syria will be a focus of Mr. Putin’s visit, which comes after Russia, Iran and Turkey pledged after negotiations in Kazakhstan on Tuesday to bring the Syrian regime and its opponents together for a “congress” to push peace efforts.
- Russia and Iran, key military supporters of President Bashar al-Assad, and Turkey, which backs Syrian rebels, have organised a series of peace talks in the Kazakh capital Astana this year, agreeing on the establishment of “de-escalation” zones.
- Talks were also to focus on the 2015 Iran nuclear deal, which saw sanctions lifted in exchange for limits on Tehran’s atomic programme and which is under pressure from U.S. President Donald Trump.
- Tehran signed the deal with six countries including Russia and the United States, but Mr. Trump refused to certify it, drawing criticism from Moscow which slammed the U.S. President’s “aggressive and threatening rhetoric” against Iran.
- Ahead of Mr. Putin’s arrival, Iran’s official IRNA news agency reported that Russia’s chief of staff Valery Gerasimov flew into Tehran for talks with his Iranian counterpart Mohammad Bagheri to discuss “Syria... and the fight against terrorism.”
- The military might of Moscow and Tehran in Syria has helped prop up Mr. Assad’s forces and turn the protracted conflict in his favour with a string of key battlefield victories.




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ENVIRONMENT



Several species awarded highest protection

- Several species of vultures, including four that have India on their migratory routes, were awarded the highest protection by the Convention on the Conservation of Migratory Species of Wild Animals.
- The whale shark, which inhabits the Indian Ocean, got global protection too. However, the proposal to extend additional protection to the chinkara or Indian gazelle was withdrawn.
- The week-long convention in Manila concluded with approvals for protection of 34 species in submissions made by 24 countries from Asia, Africa, the Americas, Europe and Oceania.
- Delegates from 91 countries had attended the summit, the next edition of which will be held in India in 2020.
- The Asian vultures that are set to get collaborative international protection are the red-headed vulture, white-rumped vulture, Indian vulture and slender-billed vulture. They are faced with threats such as poisoning, hunting, collision with electricity cables and habitat degradation.
- A subspecies of the black noddy, the yellow bunting and the lesser and great grey shrike are the other avians on the protected list.
- Widespread over-fishing is driving many shark species, including the whale shark, to extinction. India is among 121 nations whose waters are home to sharks threatened with near extinction. The major threats are by catch in nets and vessel strikes.
- Proposals for conservation of the blue shark and common guitarfish have also been accepted. A resolution to develop and manage protected area networks within the ASEAN region has been adopted.
- Proposals submitted by Mongolia to protect two of Central Asia's rarest species, Przewalski's horse and the Gobi bear, also got the nod.



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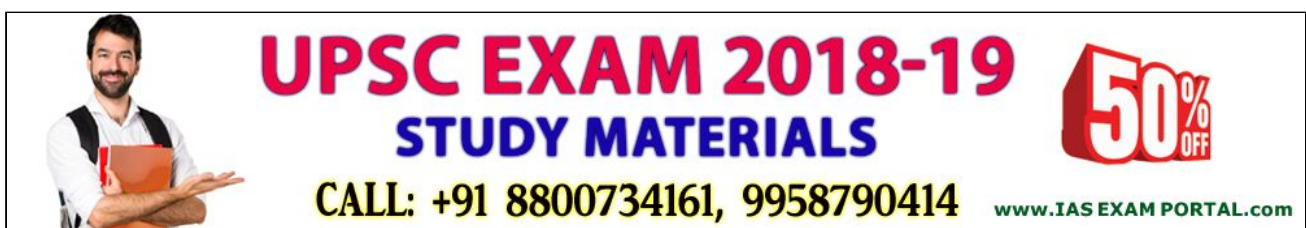
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- The Caspian seal has also been identified for conservation. It is the only marine mammal found in the world's largest inland sea, where its migration is prompted by ice formation and foraging.
- "The conference in Manila has been a real game changer for the Convention. An intensive week of negotiations have resulted in a stronger commitment by countries to step up their efforts to conserve the planet's migratory wildlife," said a statement from the Convention's Executive Secretary Bradnee Chambers.
- Protecting migratory species poses particular difficulties since they cross borders, including possibly moving to countries with less stringent wildlife protection systems, said Mr. Chambers.
- Governments also agreed to cooperate on reducing the negative impact of marine debris, noise pollution, renewable energy and climate change on the lives of migratory species.
- Lions, chimpanzees, giraffes and leopards were marked out as species that needed additional protection. More than 120 states are party to the Convention, but this does not include China and many other Asian countries.
- The summit held in Manila has been the largest in the 38-year history of the Convention, which is also known as the Bonn Convention after the German city in which it was signed.

Indigenous Mudhol breed dogs for the Army

- It is a Make In India initiative with some bite. The lean and lanky indigenous Mudhol breed of hunting hound is all set to be drafted by the defence forces for guard duty by the end of the year.
- This dog variety was initially bred by Ghorpade kings of the erstwhile Kingdom of Mudhol (now in Bagalkot, North Karnataka) back in the 1920s, by crossing Persian and Turkish varieties with local dogs.
- While the Army is expected to formally announce the induction of Mudhols in December, trainers at the Remount Veterinary Corps (RVC), a defence forces institute in Meerut have been putting eight Mudhol pups through their paces for two years now. They are happy with the outcome.
- The lithe breed has endurance, stamina, sharpness and agility. It is known to live through harsh tropical conditions and is disease-resistant. Also, Mudhols are sight hounds with keen vision, while their strong jaw packs in a scissor bite.
- The Mudhols currently training at Meerut will go to operational areas like Jammu and Kashmir for validation and testing. With satisfactory ratings, they are expected to be drafted by the Army, the officer says.
- It will be the first Indian breed to serve the nation. All these years, the armed forces used Labrador, German Shepherds and Belgian Shepherds.
- Mudhol hounds, can complete a task in 40 seconds, which takes a Labrador or Shepherd 90 seconds. RVC has trained Mudhols to sniff out research and development explosive (RDX).
- Mudhols could track enemy movements along the border, sniff out drugs and weapons, do guard and assault duty, explosive detection, search and rescue and infantry patrolling.
- These dogs, however, do not tolerate very low temperatures. CRIC scientists think they would adapt in two generations.



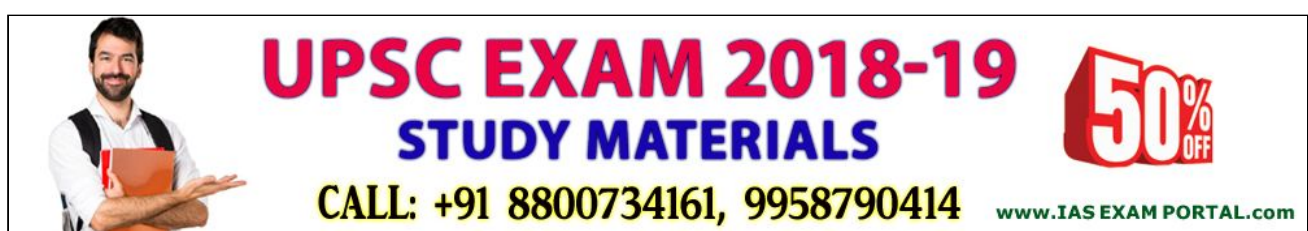
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Productivity falling due to climate change

- New research published by *The Lancet* medical journal states that on an average there has been a 5.3% fall in productivity for rural labour estimated globally since 2000, as a result of rising temperatures around the world. In 2016, this took more than 9,20,000 people globally out of the workforce, with 4,18,000 of them in India alone.
- The *Lancet* report talks of the various ways climate change has started affecting the health of people across the planet. Doctors, academics and policy makers have contributed to the analysis and jointly authored the first report of “The Lancet Countdown: Tracking Progress on Health and Climate Change”.
- Partners behind the research include the World Bank, World Health Organization (WHO), University College London and Tsinghua University.
- A statement issued the group said, “The findings show that **climate change** is affecting the health of all populations, today. These impacts are disproportionately felt by communities least responsible for climate change and those who are the most vulnerable in society.”
- China, Bangladesh, India and Indonesia are the countries that have registered the highest number of deaths linked to air pollution.
- The research builds on the work of the 2015 Lancet Commission on Health and Climate Change, which concluded that anthropogenic climate change threatens to undermine the last 50 years of gains in public health.
- The report said that over one billion people globally will be faced with a need to migrate within 90 years, due to a rise in sea level caused by ice shelf collapse, unless action is taken.
- The research found that 87% of a random sample of global cities are in breach of WHO air pollution guidelines.
- The world has seen a 46% global increase in weather related disasters since 2000, the reported pointed out. The total value of economic losses resulting from climate-related extreme weather events was estimated at \$129 billion in 2016

UN Environment Emissions Gap Report 2017

- The UN Environment Emissions Gap Report 2017 warns that a big carbon emissions gap exists between the levels that can be achieved in 2030 with present climate commitments, and what needs to be done using set pathways to limit increases in global average temperature to less than 2° Celsius or a more ambitious 1.5° C by the year 2100.
- The report says full implementation of the unconditional Nationally Determined Contributions (NDCs) and comparable action afterwards “could result in a temperature increase of about 3.2° C by 2100 relative to pre-industrial levels”, while full implementation of conditional NDCs would marginally lower that projection by about 0.2°C.
- The breaching of the safe limits that is possible even with current climate commitments – the NDCs that form the core of the Paris Agreement – indicates that governments will need to deliver much stronger pledges to cut greenhouse gas emissions when they are revised in 2020, said the report



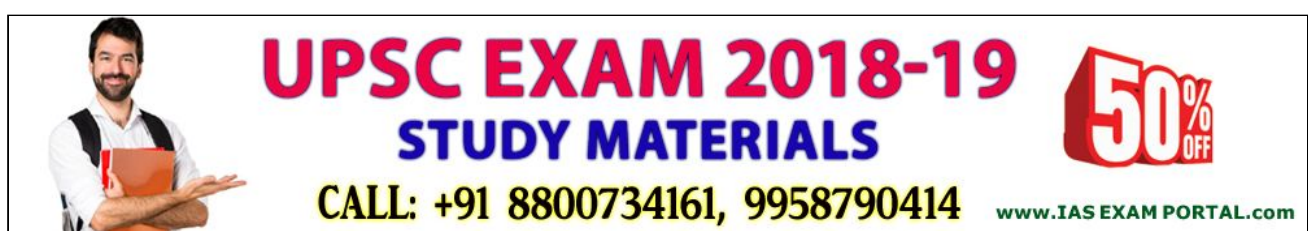
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released ahead of the 23rd Conference of the Parties to the UNFCCC in Bonn, commencing on November 6.

- Fossil fuels and cement production account for about 70% of greenhouse gases, the report noted. The alarming number and intensity of extreme weather events in 2017, such as hurricanes, droughts and floods, add to the urgency of early action, it said.
- The report reveals a large gap between targeted 2030 emission levels and those consistent with least expensive pathways to the 2°C and 1.5°C goals. The 2°C emissions gap for the full implementation of both the conditional and unconditional NDCs for 2030 is 11 to 13.5 gigatonne CO₂ equivalent (GtCO₂e).
- The gap in the case of the more ambitious 1.5°C target is 16 to 19 GtCO₂e. Should the U.S. follow through with its threat to leave the Paris Agreement in 2020, the picture could become bleak.
- The Paris accord pledges only a third of what is needed to avoid climate catastrophe, and adopting new technologies in key sectors, at investments of under \$100 per tonne of emissions, could cut them by up to 36 gigatonnes per year by 2030, which is more than sufficient to bridge the current gap.
- A large part of the potential to close the emissions gap lies in solar and wind energy, efficient appliances and passenger cars, afforestation and stopping deforestation. These six factors hold a total potential of up to 22 tCO₂e per annum, the report says.
- Strong action on plugging other greenhouse gases, such as hydrofluorocarbons, through the Kigali Amendment to the Montreal Protocol, and other short-lived climate pollutants such as black carbon, could contribute.
- CO₂ emissions have remained stable since 2014, driven in part by renewable energy, notably in China and India.
- This has raised hopes that emissions have peaked. But, the report warns that other greenhouse gases, such as methane, are still rising, and a global growth spurt could send CO₂ emissions upward.

World largest monolith rock banned for climbers

- Climbing the world's largest monolith Uluru was banned amid concerns it was becoming a "theme park", undermining the giant red rock's deep cultural significance.
- Scrambling up the symbol of the Outback, also known as Ayers Rock, is seen by many tourists as a must-do on their visit to Australia.
- But they do so against the wishes of the traditional Aboriginal owners, the Anangu, to whom the site is sacred.
- At a meeting of the Uluru-Kata Tjuta National Park Board, made up of traditional owners and National Park representatives, a unanimous decision was made to ban the activity. It will come into force in October 2019.
- The rock's traditional Aboriginal owners' connection to the site dates back tens of thousands of years and it has great spiritual and cultural significance to them.
- Park authorities have long looked to close the climb permanently. It is currently left up to visitors to decide whether to tackle the sandstone monolith, which soars 348 metres.

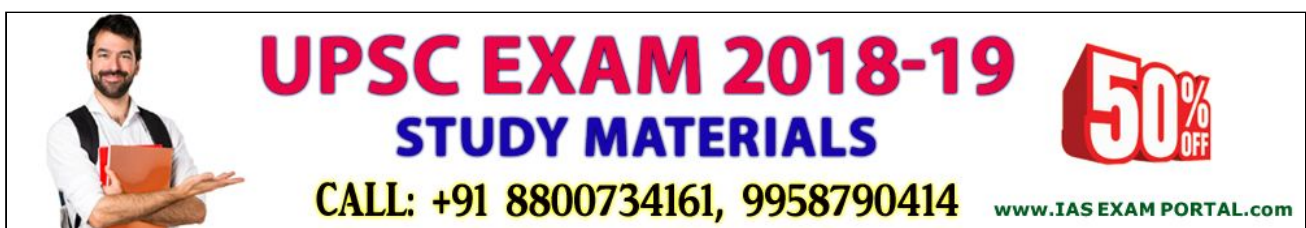


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- About 3,00,000 people visit each year and, while there are no official figures on how many climb, their numbers are reported to have declined significantly.
- Tackling Uluru's sandstone slopes is not an easy exercise and there have been numerous deaths over the years on the rock.

Conservation reserve exclusively for Blackbuck in U.P.

- A wildlife conservation reserve dedicated exclusively to the blackbuck is coming up over 126 hectares in the trans-Yamuna region of Allahabad in Uttar Pradesh.
- The State cabinet has approved a Blackbuck Conservation Reserve in the Meja forest division that is known for its rocky, undulating and arid terrain.
- A herd of around 350 blackbucks is estimated to be inhabiting the region
- There are a few national parks and sanctuaries inhabited by blackbuck in the country, like the Velavadar Wildlife Sanctuary in Gujarat and the Ranebennur Blackbuck Sanctuary in Karnataka. However, there are not many conservation reserves exclusively dedicated to the antelope.
- Blackbucks, known for their majestic spiral horns and coat colour contrasts, are found in grasslands and open forests.
- They once ruled the open savannahs of north and central India, but are now restricted to just a few patches and habitats, primarily due to human population growth, ecosystem degradation and hunting.
- The U.P. government evoked Section 36 A (1) and (2) of the Wildlife Protection Act, 1972, to declare the conservation reserve.
- The conservation of blackbuck can now be done in an effective way. It will also create awareness about biodiversity conservation and provide opportunities for people's participation. Eco-tourism will be encouraged and locals will get opportunities for employment.
- The island of safe haven for the blackbuck within the designated reserve is a rocky terrain dotted with trees of dhak, mahua, neem and acacia. "The area boasts more than 200 species of birds and herbivores like blackbucks and blue bull [nilgai], and carnivores like jackals and striped hyena.



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SCIENCE AND TECHNOLOGY



SCIENCE & TECH Current Affairs

Liquid with extreme water repellent, superhydrophobic properties developed

- Nanocellulose-based liquid dispersion that renders the coated surface extremely water repellent – superhydrophobic with water contact angle more than 160 degrees – has been developed by a team of researchers led by Prof. T. Pradeep from the Department of Chemistry at the Indian Institute of Technology (IIT) Madras.
- The material can be coated on a variety of surfaces including glass and paper. It has several distinct properties such as high mechanical durability and chemical stability. Like other superhydrophobic materials, the dispersion-coated surface exhibits microbial resistance thus preventing biofouling.
- The researchers used cellulose nanofibres (5-20 nm wide and more than 500 nm in length) and functionalized them with fluorosilane in water over six-seven hours at room temperature. The linkage of fluorosilane with cellulose happens through the hydroxyl groups present on cellulose.
- The functionalization makes the long fibres of cellulose, resembling bamboo poles of molecular dimensions, to be covered with fluoroalkyl groups. This reduces the surface energy of cellulose fibres.
- Low surface energy together with enhanced surface roughness at nanoscale renders the coated surface highly water-repellent. Tiny water droplets dropped from a height bounced off the coated surface attesting the extreme water-repellency. Other tests too confirmed superhydrophobicity.
- The functionalization process avoids the use of organic solvents. This makes it safe and eco-friendly. This science helps expand the use of sustainable materials. And similar to water, the dispersion is not sticky thus making it easy to coat or spray paint on any surface.
- The coating exhibited superior mechanical durability even when subjected to a variety of abrasion tests – scratches using a knife, peel-off test and sand paper abrasion.



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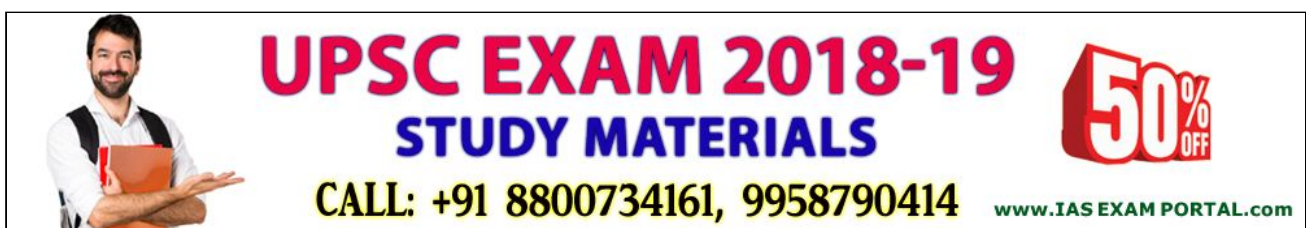
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- Even when exposed to organic solvents such as hexane and ethanol, the coating exhibited chemical stability and retained its extreme water-repellent property.
- The coating remains stable even when subjected to extreme temperatures of 200 degree and –80 degree and exposed to direct sunlight.
- Since ink has organic components, the coating allows the ink to diffuse. Unlike normal paper where the ink washes off when exposed to water, the ink on the coated paper remained intact even when in contact with water.

FDA-approved molecule that shows enhanced anti-kala-azar activity

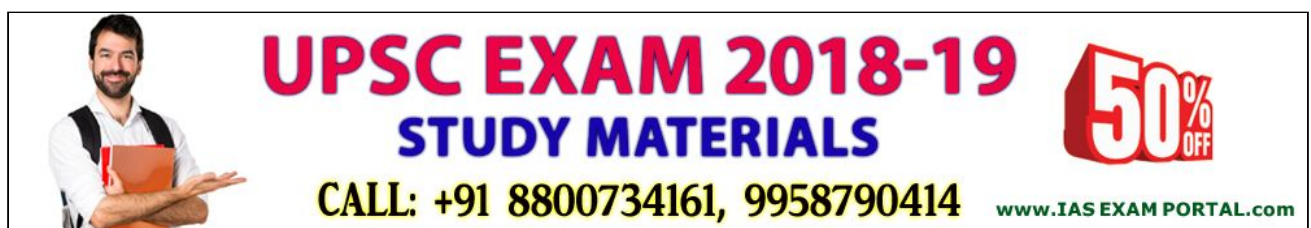
- Combining structure-based drug designing methodology with in vitro studies, scientists have been able to identify a FDA-approved molecule that shows enhanced anti-kala-azar activity.
- Three active inhibitor molecules were selected from the PubChem database and one of them showed the highest stability in binding to the active sites of the target enzyme (UDP-galactopyranose mutase or UGM) which helps in the formation of glycoprotein, beta-Galf.
- After binding to the UGM, the molecule inhibits the enzyme activity thereby reducing the virulence, parasite survival and transmission of disease. The results were published in the Journal of Cellular Biochemistry.
- Treatment for kala-azar (disease caused by Leishmania infection) is limited due to high toxicity to human cells, low efficacy of the drug, high cost and drug resistance making the development of novel anti-kala-azar drugs a priority.
- India has around 3,000 people afflicted with kala-azar, accounting for 50% of the global burden. It is endemic in West Bengal, Bihar, Jharkhand and eastern Uttar Pradesh.
- Beta-Galf is a major cell surface component of Leishmania parasite and is responsible for the virulence of the pathogens and plays an essential role in parasite survival and transmission of disease.
- Beta-Galf is also found in Mycobacterium tuberculosis that causes TB and Trypanosoma cruzi parasite that causes sleeping sickness but is absent in humans. Like beta-Galf, the UGM enzyme is also absent in humans but is critical for the biosynthesis of beta-Galf thereby making the UGM enzyme an attractive drug target. Deletion of the gene encoding for the enzyme in L. major resulted in a decrease in virulence.
- One of the three chosen inhibitors was evaluated in vitro for anti- Leishmania activity and found to significantly inhibit the growth of Leishmania donovani (which causes damage to visceral organs such as liver and spleen).



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vaccine that may prevent HIV infection

- Scientists have developed a novel vaccine candidate that may prevent HIV infection by stimulating an immune response against sugars that form a protective shield around the virus.
- An obstacle to creating an effective HIV vaccine is the difficulty of getting the immune system to generate antibodies against the sugar shield of multiple HIV strains.
- Researchers designed a vaccine candidate using an HIV protein fragment linked to a sugar group. When injected into rabbits, the vaccine candidate stimulated antibody responses against the sugar shield in four different HIV strains.
- The protein fragment of the vaccine candidate comes from gp120, a protein that covers HIV like a protective envelope. A sugar shield covers the gp120 envelope, bolstering HIV's defences. The rare HIV-infected individuals who can keep the virus at bay without medication typically have antibodies that attack gp120.
- Researchers tried to create an HIV vaccine targeting gp120, but had little success as the sugar shield on HIV resembles sugars found in the human body and does not stimulate a strong immune response.
- Over 60 strains of HIV exist and the virus mutates. As a result, antibodies against gp120 from one HIV strain will not protect against other strains.
- To overcome these challenges, researchers focused on a small fragment of gp120 protein that is common among HIV strains



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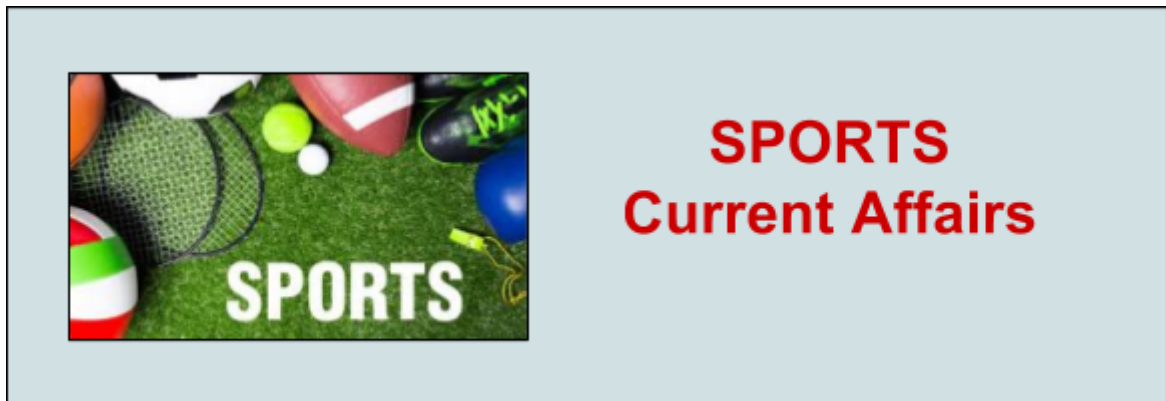
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SPORTS



England won the U-17 World Cup

- England won its maiden FIFA Under-17 World Cup crown in style defeating old rival Spain 5-2 in the final, with a spectacular turnaround in the second half.
- A capacity crowd of 66,684 watched in awe as England pulled off a stunning comeback, scoring four goals in the second session. The match was a battle of two halves, where Spain dominated the first to lead 2-1, but paled after the break when the Englishmen raised their game.
- Individual awards: Golden Ball: 1. Philip Foden (England), 2. Sergio Gomez (Spain), 3. Rhian Brewster (England).
- Golden Boot: 1. Rhian Brewster (England) 8 (penalty 1); 2. Lassana N'diaye (Mali) 6; 3. Abel Ruiz (Spain) 6 (penalty 2).
- Golden Glove: Gabriel Brazao (Brazil).
- Fair play award: Brazil.

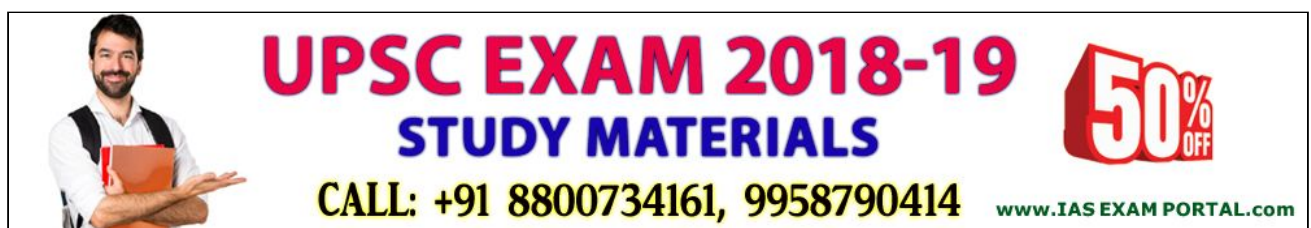
Srikanth wins French Open Super Series

- India's K. Srikanth's dream season continued as he brushed aside the challenge of Japan's Kenta Nishimoto in straight games to win the French Open Super Series men's singles title.
- Srikanth, seeded eight in the tournament, took just 34 minutes to get the better of his Japanese opponent 21-14, 21-13 in the summit clash.
- Having already completed a hat-trick of Super Series titles, it was the Indian's fourth title of the season. He became only fourth men's singles player to win four or more Super Series titles in a calendar year.

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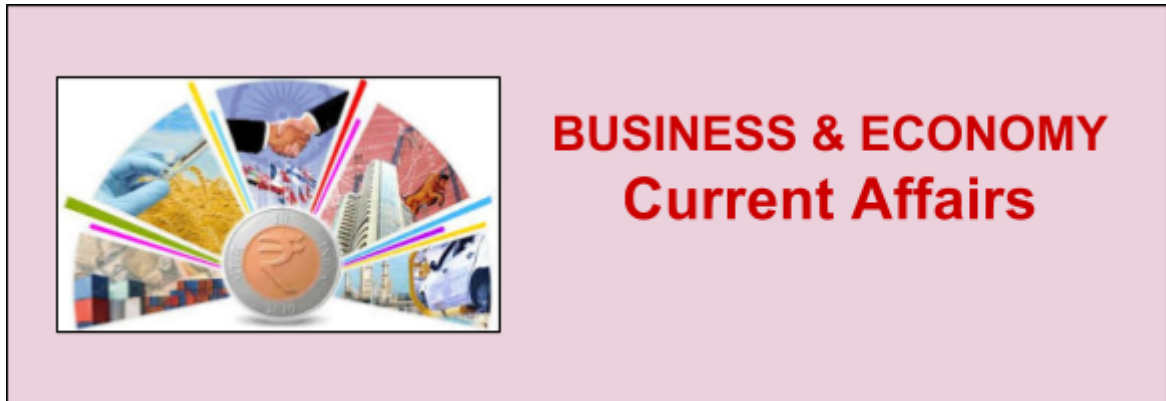
No.1 spots in ICC ODI rankings to Kohli and Mithali

- India captains Mithali Raj and Virat Kohli have moved to the No.1 spot in the latest ICC ODI rankings released on Monday.
- Mithali, with 753 points, is ahead of Australia's Ellyse Perry (725) and Amy Satterthwaite of New Zealand (720). Among bowlers, Jhulan Goswami remained on second spot with 652 rating points, behind Marizanne Kapp (656) of South Africa.
- Meanwhile among men, Kohli occupied prime place after logging career-high rating points, going past Sachin Tendulkar in the process.
- Kohli has moved back to the top within 10 days of losing it to South Africa's A.B de Villiers after the rankings were updated following India's 2-1 win over against New Zealand.
- Among bowlers, Jasprit Bumrah has reached a career-best third in a list headed by Pakistan spinner Hasan Ali.



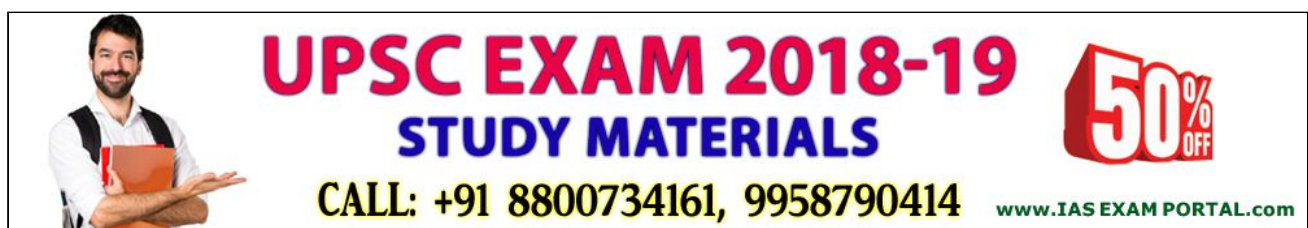
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BUSINESS AND ECONOMY



Bharat 22 ETF

- The Centre will unveil the 'Bharat 22' Exchange Traded Fund (ETF), managed by ICICI Prudential Mutual Fund, to garner about Rs. 8,000 crore.
- The new fund offer (NFO) will open for anchor investors on November 14, while subscription for retail investors will begin from November 15 and continue till November 17, ICICI Prudential MF said in a statement.
- An upfront discount of 3% will be offered to all category of investors. Bharat 22 comprises 22 scripts of public sector units, banks and entities in which the government holds a minority stake.
- Bharat 22 ETF is an excellent avenue for investors to participate in some of the best companies with high future growth potential. The ETF is well diversified with investments across six core sectors — basic materials, energy, finance, FMCG, industrial and utilities.
- It offers good opportunity and prospects for investors and we are confident of an overwhelming response to this NFO.
- It also includes government's strategic holding in Axis Bank, ITC and L&T held through SUUTI (Specified Undertaking of Unit Trust of India). The other central public sector entities on the list are Bharat Electronics, Engineers India, NBCC, NTPC, NHPC, SJVN, GAIL, PGCIL and NLC India.



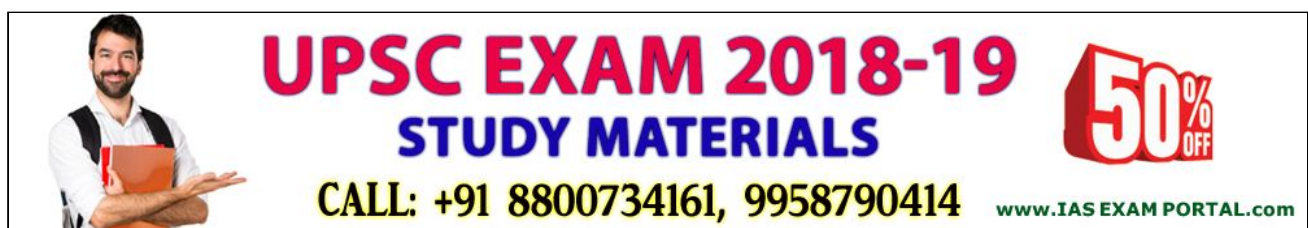
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Revised guidelines by RBI on digital wallets likely to accelerate mergers and acquisitions

- The revised guidelines issued by the Reserve Bank of India (RBI) on pre-paid instruments and wallets (PPI) recently are likely to accelerate mergers and acquisitions among digital payment brands.
- The RBI had issued revised Master Directions governing PPIs on October 11, overhauling the regulatory framework of the PPIs.
- The current move of the central bank is likely to prompt many digital payment companies to consider mergers and acquisitions as the cost of doing business would rise exponentially.
- The new guidelines stipulate that wallet operators must have net owned funds of Rs. 5 crore to be increased to Rs. 15 crore within three years. Existing wallet issuers must comply with the norm by March 31, 2020.
- The RBI also moved towards full KYC (know your customer) norms for wallets. Most wallets have, so far, been issued under the limited KYC route i.e. needing only name and mobile number. The RBI has now put in place a layered KYC requirement: wallets with a monthly limit of Rs. 10,000 may be issued with limited KYC. However, no fund transfers are allowed and all such wallets must migrate to a full KYC within 12 months.

51% in Reliance Comm to go to Lenders

- Promoters of the Anil Ambani-led Reliance Communications (RCom) will cede control to lenders who will own 51% stake in the debt-laden company.
- Debt of ₹7,000 crore will be converted into equity. Promoter holding in RCom will decline to 26% from 59%. This comes after RCom's talks with rival Aircel to merge its wireless business with the latter fell through.
- Mukesh Ambani-led Reliance Jio is likely to bid for RCom's assets.
- RCom's lenders have appointed SBI Capital Markets Limited as the adviser to run a competitive process meant to monetise the assets of the company.
- RCom has presented a comprehensive debt resolution plan to its domestic and foreign lenders, which envisages no loan write-offs by them.
- As per the plan, the company will pay off up to ₹17,000 crore of debt, by monetising assets including spectrum, towers, fibre and media convergence nodes.
- Besides, RCom will pay an additional ₹10,000 crore of debt out of the proceeds of sales and commercial development of Dhirubhai Ambani Knowledge City and other real estate assets across eight metros. The firm's current outstanding debt stands at ₹45,000 crore.



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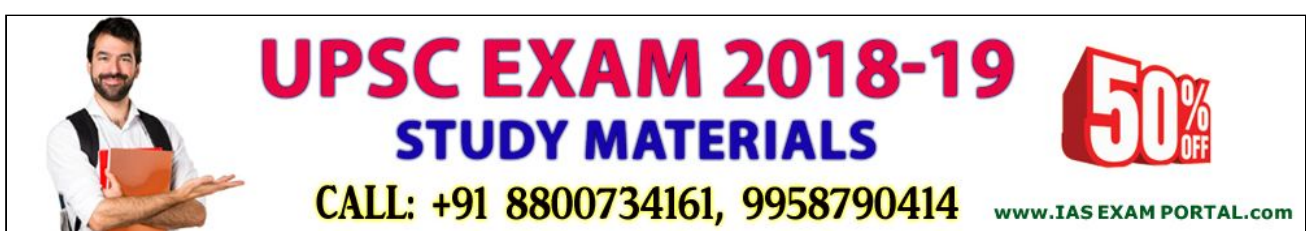
- After the asset sale, RCom will be left with a portfolio comprising enterprise, carrier, Internet data centre and global submarine cable networks in India and overseas. It will also have revenues and secured debt of ₹6,000 crore each.
- “Debt of ₹7,000 crore is proposed to be converted into 51% of the company’s equity, as per the SDR guidelines of the RBI.
- RCom is under a standstill (or moratorium) period for interest and principal repayments till December 2018 and expects to complete the SDR process as per applicable RBI guidelines.

Jaitley-led panel to oversee PSB mergers

- Moving ahead with reforms in the public sector banking space, the government has constituted a ministerial panel headed by Finance Minister Arun Jaitley that will oversee merger proposals of state-owned banks.
- The other members of the panel include Railway and Coal Minister Piyush Goyal and Defence Minister Nirmala Sitharaman.
- While announcing the unprecedented ₹2.11 lakh crore capital infusion roadmap for the public sector banks (PSBs), Jaitley had said, this will be accompanied by series of banking reforms over the next few months.
- The constitution of Alternative Mechanism (AM) is a movement in that direction.
- The Cabinet in August had decided to set up an Alternative Mechanism to fast-track consolidation among public sector banks to create strong lenders.
- The move to create large banks aims at meeting the credit needs of the growing Indian economy and building capacity in the PSB space to raise resources without dependence on the state exchequer.
- The mechanism will oversee the proposals coming from boards of PSBs for consolidation.
- The decision to set up such a mechanism follows State Bank of India merging its five associate banks, as also the Bharatiya Mahila Bank, with itself.

Cement prices rise due to petcoke ban

- Cement prices are set to rise in north India in the wake of a Supreme Court ban on the use of petroleum coke (petcoke), a vital component used in the making of cement.
- The apex court had ordered a ban on the industrial use of petcoke and furnace oil in the National Capital Region (NCR) from November 1.

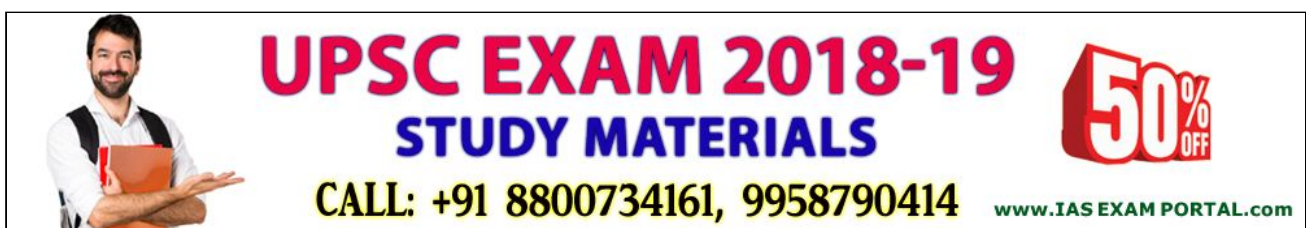


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- The order is a sequel to the recommendation of the Supreme Court-appointed Environment Pollution Control Authority (EPCA) to ban the sale, distribution and use of furnace oil and pet coke in the NCR. Their use is already prohibited in Delhi.
- According to India Ratings and Research (Ind-Ra), cement prices in northern India could go up from November 1.
- The development was credit-neutral for Ind-Ra-rated cement manufacturers, it added. "Cement manufacturers in the northern region, particularly from Rajasthan (where most of the clinker plants are situated), will have to use either domestic coal or imported coal from November 1."
- The Supreme Court Bench, led by Justice Madan B. Lokur, had also imposed a fine of ₹2 lakh on the Ministry of Environment for not fixing any emission standards for industries using petcoke and furnace oil in the NCR region.

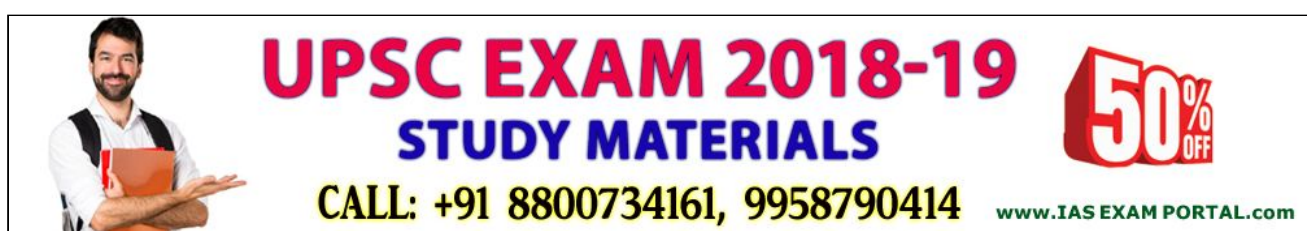
High-value notes still being "processed in all earnest": RBI

- Nearly a year after Prime Minister Narendra Modi announced the decision to demonetise high-value currency notes, the Rs. 500 and Rs. 1,000 bills returned to banks are still being "processed in all earnest" through a sophisticated currency verification system, the Reserve Bank of India (RBI) has said.
- Replying to an RTI query, the central bank said it had processed about 1,134 crore pieces of Rs. 500 notes and 524.9 crore pieces of Rs. 1,000 junked notes, having a face value of Rs. 5.67 lakh crore and Rs. 5.24 lakh crore respectively, as on September 30. The combined value of the processed notes is Rs. 10.91 lakh crore approximately, the central bank said.
- The RBI said at least 66 Sophisticated Currency Verification and Processing (CVPS) machines were being used for counting the junked notes that were deposited with various banks post-demonetisation.
- The government had on November 8 last year banned the use of old Rs. 500 and Rs. 1,000 notes and allowed the holders of these currency bills to deposit them with banks or use them at certain notified utilities.
- The notes deposited or collected are being verified by the central bank at its offices to establish the total number of currency bills returned and to weed out fakes.
- In its annual report for 2016-17, released on August 30, the RBI had said Rs. 15.28 lakh crore, or 99% of the demonetised Rs. 500 and Rs. 1,000 notes, have returned to the banking system.
- The report also said In the annual report, which was for the year ended June 30, 2017, the central bank said only Rs. 16,050 crore out of the Rs. 15.44 lakh crore in old high-denomination notes have not returned.
- As on November 8, 2016, there were 1,716.5 crore pieces of Rs. 500 and 685.8 crore pieces of Rs. 1,000 notes in circulation, totalling Rs. 15.44 lakh crore, it had said. "Subject to future corrections based on verification, the estimated value of specified bank notes received as on June 30, 2017, is Rs. 15.28 trillion," the RBI had said in the report.



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- RBI post-demonetisation spent Rs. 7,965 crore on printing new Rs. 500 and Rs. 2,000 bills and notes of other denominations, it said.
-
- **India welcomes proposal to establish “World Investment Court(WIC)”**
- Embroiled in 22 arbitration proceedings against it in disputes with prominent global investors, including Vodafone and Cairn Energy, India has cautiously welcomed a proposal to establish a ‘World Investment Court’ (WIC).
- The World Court, a plan pushed mainly by the European Union (EU), is to be a “permanent, independent, legitimate, accountable, consistent and effective” global body framework with a mechanism for appeal as well, to resolve the current and future investor-State disputes including the ones that India is/could be involved in.
- The matter is coming up for discussion at the United Nations Commission on International Trade Law (Uncitral), of which India is a member along with 59 other nations representing ‘various geographic regions and the principal economic and legal systems of the world’. The Uncitral works on the ‘modernisation and harmonisation’ of international business rules.
- One of the most critical areas in designing a permanent investment court relates to its composition, structure and certainty.
- Currently, such disputes are being dealt with by the Investor-State Dispute Settlement (ISDS) regime, but with varying provisions in more than 3,300 International Investment Agreements (IIA) – including Bilateral Investment Treaties (BIT) and Treaties with Investment Provisions (TIPs). India had inked 83 BITs, and is a party to 13 TIPs.
- As per the Uncitral, the ISDS regime was created to enhance confidence in the stability of the investment environment. The regime is used to solve investor-State disputes in a neutral and flexible manner.
- One of the drawbacks of the current landscape of BIT arbitrations is the number of inconsistent or even contradictory awards.
- The WIC – alternatively called ‘International Tribunal for Investments’ or ‘Multilateral Investment Court’ – is proposed to “replace or supplement” this ISDS arbitration regime in investment treaties.
- As per the UNCTAD, the United Nations agency on trade, investment and development, as on July 31, globally there were 817 ‘known treaty-based investor-State arbitrations’.
- This includes 26 such matters that India is involved in. In 22 of the 26 cases, India is or was the ‘respondent State’ (with proceedings initiated against it), while in four other matters, India is or was the ‘Home State’ of the investor that sued another country.
- The report of the High Level Committee – ‘to review the institutionalisation of arbitration mechanism in India’ – had said that in the early years, India saw few claims (from investors), and even settled the dispute regarding the Dabhol power project.

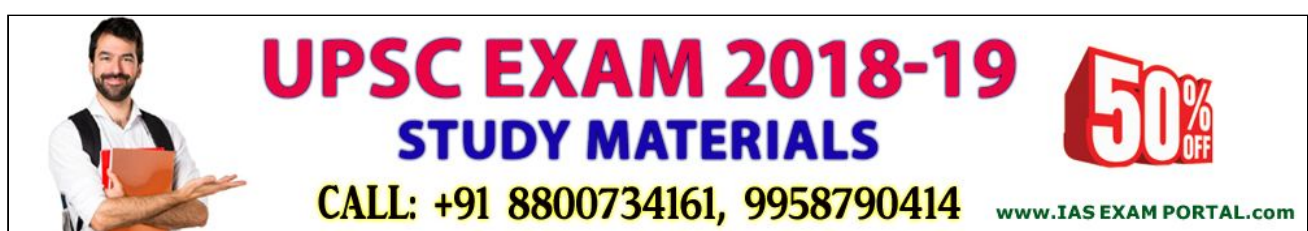


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- However, it said, the award in the 'White Industries' case against India (the tribunal awarded a compensation of \$4.1 million to White Industries) not only resulted in many fresh notices against India, but also caused much consternation – as the primary grounds for the award was based on delays of the Indian judiciary.
- In 2015, India released a 'revised' Model BIT Text, in the backdrop of many arbitration proceedings against it, where investors cited provisions in its bilateral investment treaties to seek huge compensation for 'economic harms suffered due to reasons including policy changes'.
- India said the 'revised' Text was necessitated as extant treaties were signed with partner nations after negotiations on the basis of the Model BIT Text adopted in 1993 (amended in 2003), that had provisions "susceptible to broad and ambiguous interpretations by arbitral tribunals".
- The 'revised' Text will be used to re-negotiate India's existing treaties, as well as negotiate future treaties and investment chapters in its 'Treaties with Investment Provisions'.
- However, India has become wary of ISDS. It is learnt that the recently 'finalized' India-Brazil BIT has no ISDS. In the light of the ISDS problems and efforts to harmonise the related norms globally to resolve such issues, the European Commission will next month hold a stakeholder meeting on the proposed World Court by pitching it as a solution.
- On the proposed Court, the earlier-mentioned High Level Committee suggested that, The efficacy of such an investment court may be assessed based on experiences of other countries and a position adopted on the usage of such investment court mechanisms.
- It (the World Court) may not be in India's interest as many of the shortcomings of the ISDS, including the expansive interpretation of certain investment treaty terms that has been a bone of contention in many cases, are likely to continue in the WIC.
- Besides, many developing nations including India, Indonesia and South Africa are either moving away from BITs or are making fundamental changes to their BITs. In these circumstances, perhaps it is not in India's interest to support the WIC.

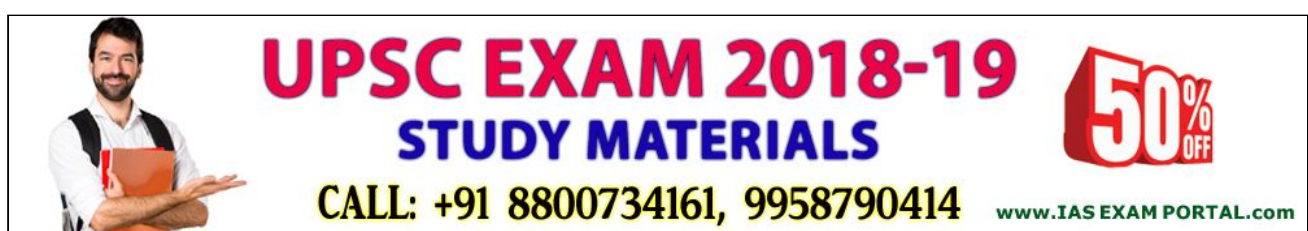
GoM to make GST more attractive

- The Group of Ministers set up to make the GST composition scheme more attractive suggested lowering tax rates for manufacturers and restaurants under the plan to 1%.
- At present, while manufacturers pay GST at 2%, the rate for restaurants is 5%. Traders currently pay 1%.



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- The GoM, headed by Assam Finance Minister Himanta Biswa Sarma, has also suggested doing away with the tax rate distinction between AC and non-AC restaurants (those that are not covered under the composition scheme) and tax them at 12%.
- Currently, GST is levied at 12% on non-AC restaurants, while it is 18% for air-conditioned ones.
- It also suggested that hotels which have a room tariff of more than Rs. 7,500 should attract 18%, down from the current 28%. The composition scheme is open to manufacturers, restaurants and traders whose turnover does not exceed Rs. 1 crore. This threshold was earlier Rs. 75 lakh and the GST Council earlier this month raised it to Rs. 1 crore from October 1.
- With regard to traders, the GoM suggested a two-pronged approach for taxation under the scheme.
- It suggested that traders who want to exclude the sale proceeds of tax-free items from their turnover can pay 1% GST. However, for those traders who pay tax on total turnover, the tax rate has been proposed at 0.5%. At the moment, all traders under the scheme pay a 1% rate of tax on their total turnover.
- The GoM decided that tax rates under the composition scheme for restaurants and manufacturers be lowered to 1%. For traders, the ministerial group suggested two tax rates.
- The GoM also recommended allowing businesses who are engaged in inter-State sales to avail the composition scheme, he added.
- While a regular taxpayer has to pay taxes on a monthly basis, a composition supplier is required to file only one return and pay taxes on a quarterly basis.
- The indirect revenue collection by the government may fall short of the target this fiscal due to disruption caused by the GST roll-out.
- For the year ending March 2018, the government had budgeted Rs. 9.68 trillion collection from customs and GST. However, the official of the Central Board of Excise and Customs (CBEC) made it clear that there was no plan to revise the revenue collection target for the year.
- The revenue collection target from customs and GST, which put together is Rs. 9.68 trillion for the current fiscal, seems difficult for the department [to achieve] at the moment, keeping in view the recent GST roll-out.
- Moreover, the department would not penalise traders for any default on tax payment at the moment.



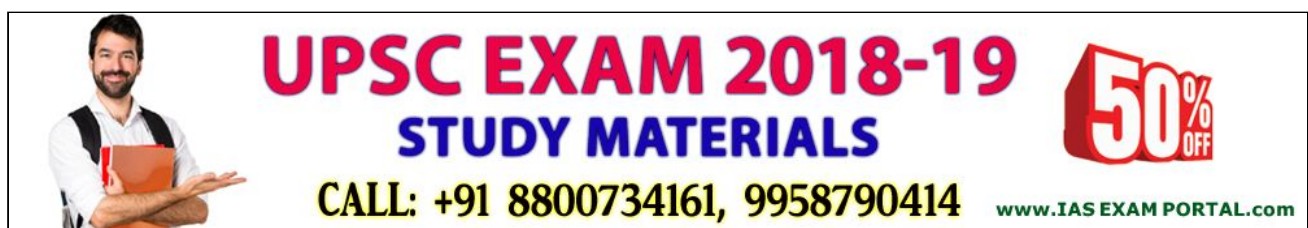
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Coal demand increasing

- The idea of coal as a scarce commodity seems somewhat preposterous given it remains one of the most abundant mineral resources on the planet, but the coming years may see a deficit in seaborne markets for the polluting fuel.
- The debate surrounding coal is generally one of how long it will continue to play a role in the world's energy mix before it is replaced by cleaner alternatives. The reality is that coal, particularly in Asia, will remain a bedrock of energy supply for at least the next decade.
- With the exception of India, most major coal importers in Asia have increased purchases this year, with top buyer China boosting imports by 13.7% in the first nine months of the year, compared to a year earlier. This demand has boosted the Asian benchmark thermal coal price.
- The issue for global coal markets is that despite the rhetoric of countries trying to lower coal consumption, in reality this has been increasing. China's thermal power generation rose 6.3% in the first nine months of the year, one the reasons that the world's leading coal importer was boosting its purchases from the seaborne market.
- The further problem is that meeting extra demand has become harder for traditional export powerhouses: Australia, Indonesia and South Africa. "Coal is becoming scarce," Guillaume Perret, who runs a consultancy bearing his name, told the event.
- What is different about this price cycle is that additional demand hasn't resulted in more investment in supply. Coal's reputation as a major contributor of climate change has made it difficult for would-be coal miners to obtain financing.
- Public opposition can make life difficult, especially in more developed countries like Australia. The world's largest planned coal mine, the 25 million tonne-per-year Carmichael project in Australia, has become a headache for its Indian owners, Adani Enterprises.
- Green activists have been successful in mounting protests against the mine, and while politicians from both the ruling centre-right Liberal Party and the opposition Labor Party continue to voice support for the mine, if opinion polls continue to show a majority of Australia oppose the development, politicians may change their minds.
- Adani's struggles in Australia are likely to be mirrored for other coal developments in the world, making it all the more likely that supply will be constrained in coming years.

India ranked among top 100 in Ease of Doing Business

- India climbed 30 positions in the latest ease of doing business ranking by the World Bank, in its Doing Business 2018 report released. The report ranks India at 100 among 190 countries. Last year, India was ranked 130.

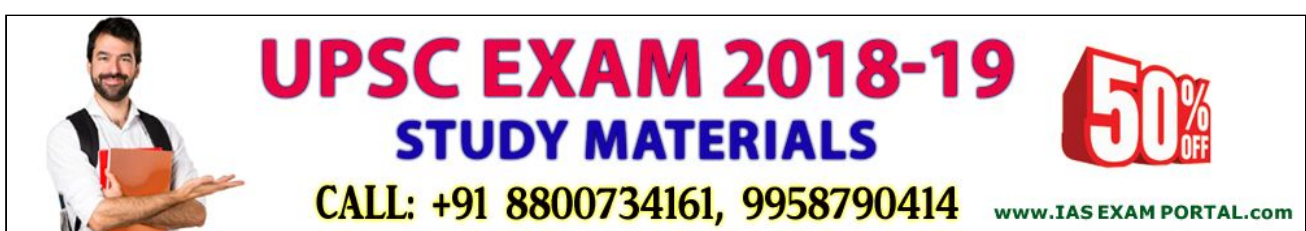


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- Improving India's ranking in the report has been a key component of PM Narendra Modi's economic agenda.
- Indian government has been focussed on reforms and has been looking at this area, trying to understand what we measure, how we measure, what is the value of it and designed a reform programme that addresses some of the shortcomings that were measured by the indicators.
- India's upward jump in ranking is based on the improvement in the distance to frontier score — an absolute measure of progress towards the best practice.
- India found a place for the first time in the top ten economies improving the most in a given year. The ranking compares economies with one another; the DTF score benchmarks economies with respect to regulatory best practice.
- The report measures aspects of regulation affecting 11 areas of the life of a business. India made eight reforms across these areas in 2016, the highest for the country in a single year. India is one of the three countries in 2016 that undertook reforms in as many as eight areas.

Crypto currencies come under SEBI scanner

- The rising popularity of crypto currencies and the increasing number of entities looking at raising funds through Initial Coin Offerings (ICO) has caught the attention of the capital market regulator, which is evaluating whether such instruments and offerings can be brought under its regulatory purview.
- The Securities and Exchange Board of India (SEBI) is mulling whether an ICO can be regulated under the existing legal framework or certain amendments would be required in case the government wants the capital market watchdog to be the regulatory authority for such issuances.
- Incidentally, crypto currencies like bitcoin, ethereum and such offerings have been under government radar for long and discussions have been held between various bodies, including SEBI and the Reserve Bank of India (RBI), on the possible ways in which this segment can be regulated. The central bank is of the view that these instruments are securities and so SEBI should be the regulating body.
- The regulator is evaluating whether these instruments can be regulated under the current SEBI Act or if there is a need for the government to give additional powers or amend the existing law.
- An ICO, like an equity initial public offer (IPO), is an issuance of digital tokens that can be converted into crypto currencies and are mostly used to raise funds by start-up firms dealing in blockchain technology and virtual currencies like bitcoins and ethereum.
- Unlike an IPO, which is governed by SEBI regulations, there is no regulatory body for ICOs in India.



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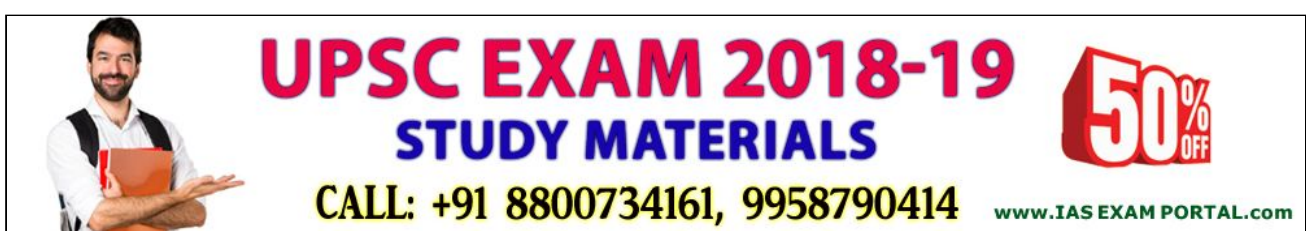
- According to data from UK-based CoinDesk, nearly \$2.7 billion has been raised globally through ICOs since 2014. Concerns related to ICOs can be gauged from the fact that China recently banned such offerings after its central bank said that ICOs are “illegal public finance” mechanism used for issue of securities and money laundering.
- According to a recent study, more than 2,500 Indians invest in bitcoin daily. Start-ups like Zebpay, Unocoin, Coinsecure, Searchtrade, Belfrics and Bitxoxo are some of the well-known players in the bitcoin and blockchain segment in India.
- “Bitcoins are neither ‘commodities derivatives’ nor ‘securities’ under Securities Contracts (Regulation) Act, 1956. Amending definition of ‘securities’ alone may not resolve the issue of bitcoin regulation as there are numerous issues revolving around.
- Bitcoin players, meanwhile, feel that instead of a regulator, the industry is in more urgent need of a self-regulatory organisation (SRO) that could formally lay down principles to take care of concerns like money laundering and other possible misuse.

6-month high seen in core sectors

- Eight core sectors grew to a six-month high of 5.2% in September, aided by a robust performance in coal, natural gas and refinery segments, official data showed.
- The eight infrastructure sectors — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — had witnessed a growth of 5.3% in September last year. The expansion in September is highest since April, when the core sectors’ growth stood at 2.6%.
- The production of coal, natural gas and refinery products rose by 10.6%, 6.3% and 8.1%, respectively on annual basis, according to data released by the Commerce and Industry Ministry. Crude oil output registered a growth of 0.1% during the month under review as compared to a contraction of 4.1% in September 2016.
- On the other hand, growth rate of steel and cement production was slower in September this year as against the same month previous fiscal.

Plan to develop a Comprehensive national e-commerce policy

- India is considering drafting a comprehensive national e-commerce policy to develop an ecosystem that would support exports and protect consumer interests, said a senior government official.
- However, the country is of the view that starting negotiations on World Trade Organisation (WTO) rules in e-commerce would be premature at this stage as it was still unclear how they would benefit developing nations, including their companies and consumers



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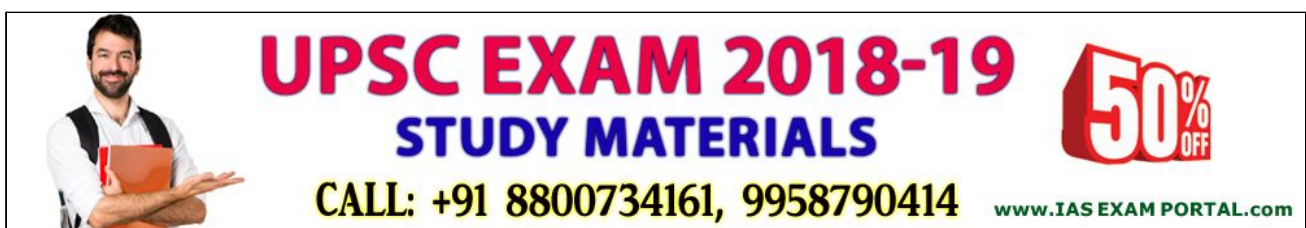
- Several countries were enthusiastic about negotiating multilateral rules to govern international trade through e-commerce. However, such rules could hurt the interests of most developing countries, including India.
- The Ministry of Electronics and Information Technology (MeitY) was working on a paper on e-commerce, which will soon be put in public domain for debates and comments. Inputs from the feedback could form the basis for a national e-commerce policy, he indicated.
- Mr. Pandey said about 24 papers had been submitted to the WTO for international rule-making on e-commerce. India would also engage in discussions with other developing nations on the issue for support for its stance.
- Global e-commerce market was estimated at \$25 trillion of which trans-border component was a minuscule 5% – meaning the remaining 95% was domestic e-commerce trade, he said.
- The size of the Indian e-commerce market was just \$30 billion. National rule-making for e-commerce was also a daunting task as there were many issues which were overlapping. Thus, the varied arms of the Centre were trying to address the issues pertaining to their domain to help in formulating an overarching national policy for e-commerce.

First Google Cloud platform in India is Mumbai

- Google announced the opening of its first Google Cloud Platform region in Mumbai.
- The India region will offer several services including computing, big data, storage and networking. The Internet major said that with the India region going live, enterprises will be able to take advantage of the high speeds, low latency and performance benefits uniquely offered by Google Cloud Platform (GCP) services.
- Further, Indian customers will now be able to buy these services directly in rupees.
- Hosting applications in the new region can improve latency from 20-90% for end users in Chennai, Hyderabad, Bengaluru, “and of course Mumbai, compared to hosting them in the other closest region, Singapore,” said Mr. Stiver.
- The unveiling of the cloud region, which will have three zones, also opens up new opportunities for several new partners “who will benefit from building their services on Google cloud” said the company.
- The new Mumbai region joins Singapore, Taiwan, Sydney and Tokyo in Asia Pacific, according to the statement.

WB report had a positive effect on equity indices

- The benchmark equity indices scaled record levels, a day after India moved to 100th position in the World Bank’s Doing Business survey, climbing 30 places from a year earlier. An overall positive trend in the global market also acted as a catalyst in improving investor sentiment.
- The 30-share Sensex rose 1.17%, or 387.14 points, to close at a new high of 33,600.27. The broader Nifty of the National Stock Exchange (NSE) closed at 10,440.50, climbing 105.20 points or 1.02%.

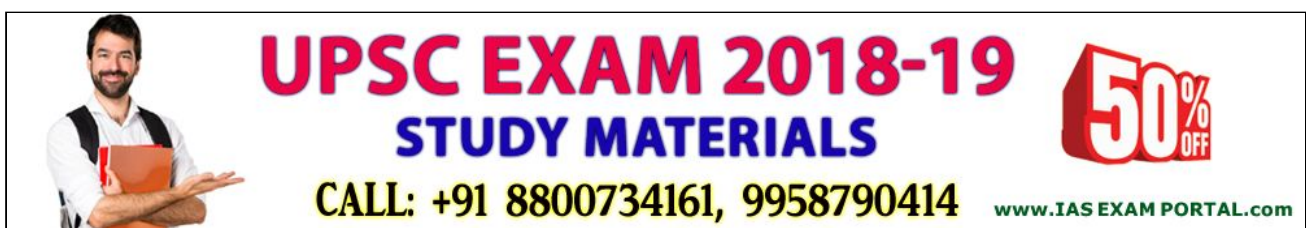


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- Among the Sensex pack, Bharti Airtel was the best performer, gaining 8.19% to touch a 10-year high and close at Rs. 538.40.
- While the telecom giant reported a decline in the consolidated profit for the second quarter, it has registered impressive growth in its Africa business.
- ICICI Bank, State Bank of India, HDFC, Axis Bank, Tata Motors, ITC and Reliance Industries were the other top gainers in the Sensex pack.
- The broader market breadth was also positive with 1,516 stocks gaining ground, as against 1,274 declines. Incidentally, the recent past saw the market breadth negative on many days when the benchmark indices gained ground.
- Most of the sectoral indices also ended the day in positive territory.
- The initial public offer (IPO) of the New India Assurance Company, which opened for subscription, was fully subscribed on the first day.
- According to NSE data, bids were received for 12.51 crore shares, as against 12 crore shares on offer in the price band of Rs. 770 to Rs. 800.

FinMin calls meet over credit growth

- Top bankers from state-run lenders will brainstorm for two days with finance ministry officials in New Delhi to mull over ways to revive credit growth amid a sluggish economy.
- The move comes days after the government announced a Rs. 2.11 lakh crore recapitalisation package, to be implemented over two years, for public sector banks.
- The interaction, which will be on the lines of Gyan Sangam, an initiative started in 2014, will be attended by managing directors, executive directors as well as general managers of all public sector banks. Those GMs retiring after 2020 have also been asked to attend the meeting. The first edition of Gyan Sangam was held in 2015 and the second in 2016.
- Apart from discussions on boosting credit growth, the meeting is also expected to deliberate on issues such as stressed asset resolution process, human resource challenges and capital requirements, among others.
- The country's economic growth slumped to 5.7% in the first quarter of the current fiscal on the back of de-stocking, ahead of GST implementation and in the wake of continued impact of demonetisation of currency notes.
- Credit growth has been in single digits as there have been hardly any proposals for fresh investment in projects. Retail credit growth — affordable housing in particular — is the only silver lining, growing at a healthy rate.
- Banks are also hesitant to extend fresh loans to corporates due to mounting bad loans, which have eroded their capital position. As many as seven banks are facing restrictions from the RBI on certain activities due to a rise in bad loans. Gross NPAs of banks, which touched 9.6% in March 2017, could rise to 10.2% by March 2018, according to the Reserve Bank of India.



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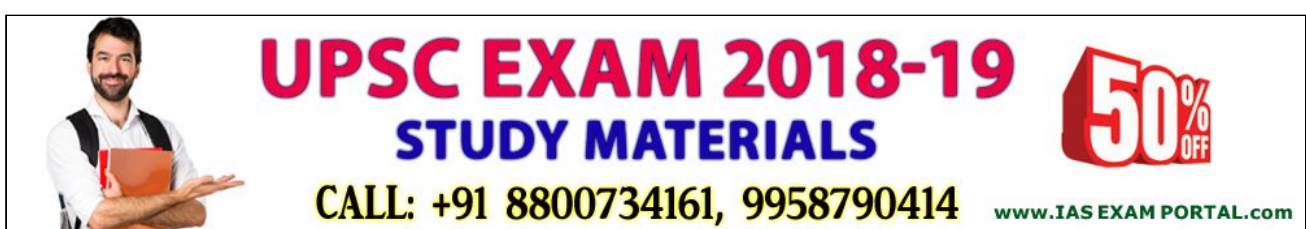
- The corporate sector, on the other hand, is over leveraged, and not in a position to make fresh investments. Bankers say reviving loan growth, a prerequisite for growth recovery, is a priority.
- Inviting GMs to the conversation also indicates the government's intention to nurture talent for future leadership positions. This is probably the first occasion, in recent times, where general managers have been called for such a meeting.

U.S. to probe drug firms

- Twelve pharmaceutical firms, including Dr. Reddy's Laboratories, Glenmark, Sun Pharma and Zydus, are likely to face a probe in an alleged generic drug price-fixing conspiracy in the U.S.
- This was evident from a statement the Office of the Attorney General of Washington State.
- The States have asked a federal court to expand their pending complaint, increasing the number of drug companies from six to 18, and the number of affected drugs from two to 15.
- Several States in the U.S. are "alleging that the companies violated antitrust laws to artificially inflate the prices of the drugs and agreed to divvy up the market for the drugs to reduce competition. Some of the drugs increased in price by more than 1,000 %."
- Previously, the suit named generic drug manufacturers Heritage Pharmaceuticals, Inc.; Aurobindo Pharma USA, Inc.; Citron Pharma, LLC; Mayne Pharma (USA), Inc.; Mylan Pharmaceuticals, Inc.; and Teva Pharmaceuticals USA, Inc., as defendants. The States are seeking to expand the complaint to include Actavis Holdco U.S., Inc.; Actavis Pharma, Inc.; Ascend Laboratories, LLC; Apotex Corp.; Dr. Reddy's Laboratories, Inc.; Emcure Pharmaceuticals, Ltd.; Glenmark Pharmaceuticals, Inc.; Lannett Company, Inc.; Par Pharmaceutical Companies, Inc.; Sandoz, Inc.; Sun Pharmaceutical Industries, Inc.; and Zydus Pharmaceuticals (USA), Inc.
- The original complaint, filed on December 14, 2016, alleged that the companies entered into illegal conspiracies to unreasonably restrain trade, artificially inflate and manipulate prices and reduce competition in the U.S. for two drugs — doxycycline hyclate delayed release antibiotic and glyburide oral diabetes medication.


ISA, EBRD ink Joint Financial Partnership Declaration for the promotion of solar energy

- The International Solar Alliance (ISA) and the European Bank for Reconstruction and Development (EBRD) signed a Joint Financial Partnership Declaration for the promotion of solar energy
- "India has been in the forefront of the 42-nation International Solar Alliance," Finance Minister Arun Jaitley said.



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- “Our energy requirements are huge and [we] want to make optimal use of our new and renewable sources of energy.
 - Earlier, interim Director General of the ISA Upendra Tripathy said that the collaboration between the ISA and the EBRD would also help funding of solar projects both in African and other countries.



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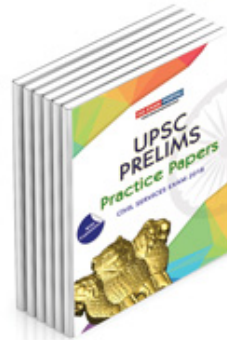
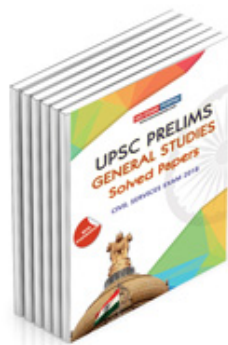
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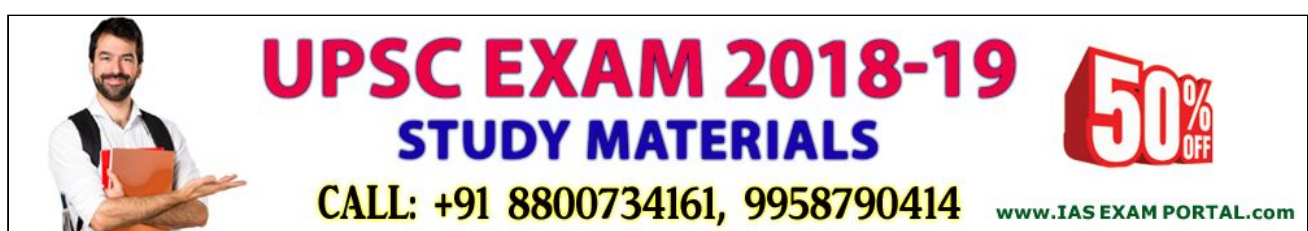
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Important Articles from various Newspapers



More Abenomics (The Hindu)

- Within days of being elected for a third term to lead the world's third largest economy, Japanese Prime Minister Shinzo Abe has declared a war on low wages by urging the private sector to implement a 3% pay rise from next year. This bold intervention could infuse substance to the third arrow (structural reforms) of 'Abenomics' as part of the broader strategy to unshackle Japan from two decades of on and off deflation. Monetary easing and fiscal stimulus are the other two elements of the now widely acclaimed three-pronged strategy launched in 2012 to meet a 2% rate of inflation and boost growth. Accordingly, the Bank of Japan's (BoJ) policy of negative interest rates and quantitative easing – the purchase of sovereign bonds worth trillions of yen – to stoke the current nearly zero rate of inflation has yielded spectacular results. For instance, the country recorded an unbroken six consecutive quarters of growth until June in gross domestic product (GDP), the longest spell in over a decade. The 4% annualised growth in the April to June quarter was remarkable in a predominantly export-driven economy, underpinned as it was by a boost in domestic demand and private consumption.
- Similarly, Japan's current labour market conditions are said to be the strongest since 1974, with unemployment hovering below 3%. But prices have evidently not kept pace with these improvements as inflation has remained close to zero, underscoring the limits to how much ultra-loose monetary policy by itself can do to trigger demand. In fact, the BoJ has repeatedly deferred its decision to achieve the 2% target rate. Another instance is the lack of rise in wages commensurate with the growth in employment, impacting prices and consumption.
- Against this backdrop, there is growing perception that the objectives of Abenomics could be thrown into jeopardy unless reforms are given a rigorous push. On the strength of a massive mandate, Mr. Abe has now specified an annual 3% pay rise, unlike his more general pleas in the past for hikes larger than the previous year. Such a direct appeal echoes the International Monetary Fund's 2016 suggestion to designate pay rise as a fourth arrow of Abenomics, when it argued for an

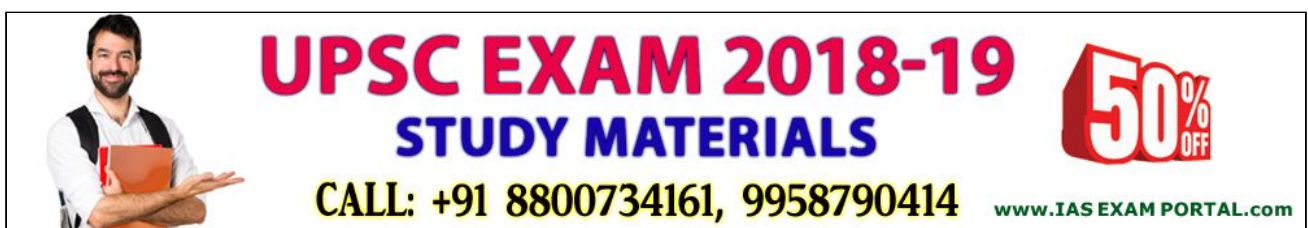


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incentive-based annual 3% wage increase. Mr. Abe's call will further strengthen the bargaining power of trade unions, which, during annual wage negotiations, have sought to counteract the effects of the controversial 2014 hike in consumption tax. Potentially more radical perhaps is the IMF's recent appeal to the government to push further on reforms to the labour market – in particular, the disparities between the country's full-time employees and temporary staff. There has been a decline in Japan's population in the working age, and the country stands 111th in the World Economic Forum's ranking of gender equality. It needs a transformation of cultural attitudes to maintain its industrial might. Clearly, Japan is moving further and further away from the "lost decade" of the 1990s. The question is only how far and how fast.

Devaluing high courts

- For the framers of our Constitution, high courts, occupied a central position. They were conceived as a forum for adjudicating disputes under the Constitution, Central and State statutes before they moved to the Supreme Court; their jurisdiction was more extensive than the Supreme Court's. In contrast to the American model of a bifurcated federal and state judiciary, our high courts resolve all disputes.
- In the initial years, several constitutional issues came to the Supreme Court after high courts grappled with those issues. The First Amendment to the Constitution was triggered by a Patna High Court ruling declaring a land reform law as unconstitutional. Increasingly, the jurisdiction of our 24 High Courts has been subject to relentless attack from Parliament, and, unfortunately, even the Supreme Court. Parliament has inflicted damage on high courts with rampant tribunalisation. Tribunals have replaced high courts for disputes under the Companies Act, Competition Act, SEBI Act, Electricity Act, Consumer Protection Act among others. Any person aggrieved by an order of an appellate tribunal can directly appeal to the Supreme Court, side-stepping the high court. This raises three institutional concerns
- First, these tribunals do not enjoy the same constitutional protection as high courts. The appointment process and service conditions of high court judges are not under the control of the executive. The enormous institutional investment to protect the independence of high courts is dispensed with when it comes to tribunals. Many tribunals still owe allegiance to their parent ministries.
- Tribunals are also not as accessible as high courts. For example, there are just four benches of the Green Tribunal for the whole country. In comparison, high courts were easily accessible for environmental matters. A shareholder in Kerala or the Northeast would have to travel to the Securities Appellate Tribunal in Mumbai to challenge any order by the Securities and Exchange Board of India. This makes justice expensive and difficult to access. Further, when retired high court judges invariably preside over every tribunal, the justification of expert adjudication by tribunals disappears.
- Second, conferring a direct right of appeal to the Supreme Court from tribunals has changed the Supreme Court from being a constitutional court to a mere appellate court. It has become a final clearing house for every appeal under every statute. The Supreme Court should be a court of last



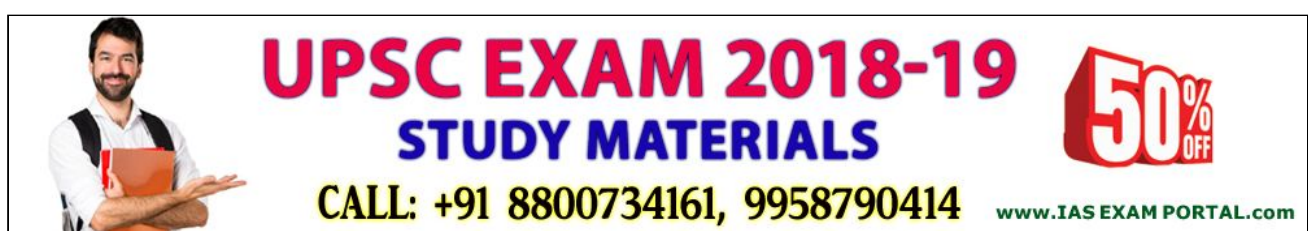
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resort deciding cases of the moment, and not a final forum with an all-embracing jurisdiction over disputes ranging from a custody battle to the scope of a municipal by-law.

- A backlog of over 58,000 cases in the Supreme Court precludes it from being a deliberative court reflecting over critical questions of law. It can affect the quality of the court's jurisprudence. If high courts were to exercise appellate jurisdiction over orders of tribunals, they would act as filters, enabling the Supreme Court to confine itself to those substantial questions where there is divergence among high courts.
- Third, high courts are the training grounds for future Supreme Court judges. When high court judges deal with several cases under a particular area of law, they carry with them the benefit of their experience and insights to the Supreme Court. When high courts are side-stepped in favour of tribunals, Supreme Court judges hearing appeals from tribunals would have to deal with the finer nuances of disputes under specialised areas of law for the very first time. This is not ideal for a court of last resort.
- The rationale advanced for avoiding high courts is the colossal backlog. This is a problem of the government's making as it consciously chooses not to appoint judges of the sanctioned strength for each high court. The way ahead lies in the creation of specialised divisions in high courts for tax, company law and environmental disputes.
- The jurisdiction of high courts is also undermined by the Supreme Court when it directly entertains various writ petitions. When the Supreme Court exercises original jurisdiction, it deprives the citizen and the state of the right to challenge potentially erroneous orders. A classic instance is the Supreme Court's ruling in the 2G case. To overcome this ruling, the President had to invoke the advisory jurisdiction of the Supreme Court. The ordinary citizen enjoys no such privilege.
- This difficulty becomes even more acute when the Supreme Court takes on a legislative role by framing guidelines in the larger public interest. Neither the individual nor the state has an effective remedy to challenge these norms. In contrast, there are several institutional benefits when a case travels from high court to the Supreme Court. The Supreme Court is wiser by a well-considered high court ruling. Notably, the U.S. Supreme Court takes up cases where there is a divergence of opinion among the Circuit Courts of Appeal.

The new great game as it unfolds (The Hindu)

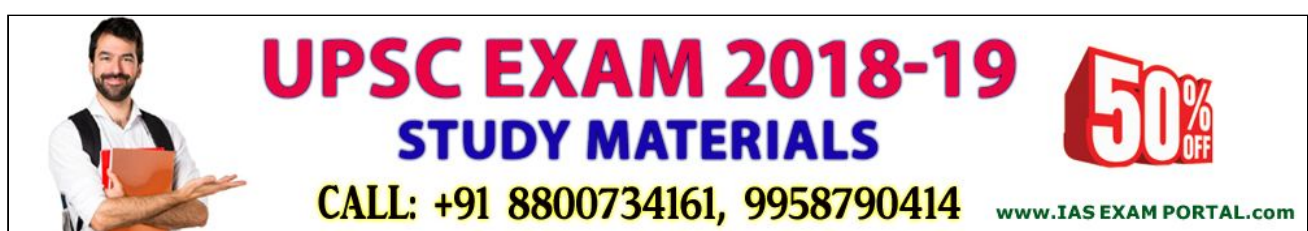
- Southern Asia is all set to witness the unfolding of several new geopolitical gambits. The U.S. appears to have found a new strategic balance in the region; China is pushing its way through the great American wall in Southern Asia; the 'cold war' between Kabul and Rawalpindi seems to be getting frostier by the day; Pakistan is focussed on several strategic moves; and New Delhi is looking to navigate various regional dilemmas and strategic indeterminacies. The stage is set for a new great game.
- Despite its initial reluctance, Washington is back to the Afghan chess table with renewed vigour – Mr. Tillerson and his colleagues in the Trump administration realise that an inability/unwillingness to get back in the game could potentially render them insignificant in the years ahead.
- Having been militarily outsmarted by the Taliban in the recent past, the U.S. has renewed efforts to hunt down the Taliban leadership with the eventual aim of bringing them to the negotiating table as



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well as checking Rawalpindi's influence in the country, something Afghan President Ashraf Ghani would deeply appreciate. Washington and Kabul have expressed a desire to enlist New Delhi's support to do so. For Washington, courting New Delhi is also useful in balancing the increasing Chinese presence in the region, including in Afghanistan.

- Moreover, the U.S. probably views its Afghan engagement as a face saver in the midst of its steady decline in Asia and President Donald Trump's lack of credibility and standing abroad – hence there's likely to be a lot of focus on Afghanistan in the days ahead. In a way, then, the U.S.'s unsavoury statements about Pakistan are intended to woo India to cooperate closely on Afghanistan. But make no mistake, the U.S. is also courting Pakistan in pursuit of its strategic objectives in the region, its anti-Pakistan rhetoric notwithstanding.
- Even as India takes delight over the American tirade against Pakistan, it is important to place the U.S.'s relationship with Pakistan in the correct historical and geopolitical perspective. The U.S. has had a deeply puzzling love-hate relationship with Pakistan since the Soviet intervention in Afghanistan in 1979 through to 2001, and thereafter. Pakistan is not only aware of it but also knows how to make use of it. The indispensability of this relationship needs to be properly understood by India when fashioning its own response.
- We must also be aware that the absence of long-term commitments is one of the central features of American foreign policy. U.S. strategy has been susceptible to domestic, electoral, geopolitical and other determinants, and it has been no less so in the Southern Asian context. While being on the same side of the reigning hegemon is smart statecraft, a failure to cater for alternative futures would be shortsighted. International politics disincentives blind loyalty.
- "Terror havens will not be tolerated," Mr. Tillerson declared at a joint press conference with External Affairs Minister Sushma Swaraj, echoing similar statements emanating from the Trump administration in the past weeks. Ms. Swaraj joined in by underlining that Pakistan must dismantle the terror infrastructure on its soil. Washington's hard talk on terror is welcome, but here again, one should not be deluded into thinking that the U.S. will punish Rawalpindi for not acting against India-specific groups in Pakistan. The focus is on groups fighting against Afghanistan where U.S. soldiers often get caught in the crosshairs of the Pakistan Army's manoeuvres. Recall that there was no reaction from Washington when Islamabad decided to drop terror charges against Jamaat-ud Dawah chief Hafiz Saeed.
- China is the new kid on the block in the Southern Asian strategic landscape – challenging American hegemony in the region, willing to build peace and mine minerals in Afghanistan, pushing India into a tight corner in its own traditional backyard, and selling dreams of inter-regional connectivity and economic prosperity to a conflict-ridden, impoverished and under-linked region. Chinese President Xi Jinping's bold declaration at the recently-concluded 19th Party Congress that China intends to emerge stronger in the world stage indicates its new geopolitical resolve.
- There is only so far the U.S. can ignore China's overtures, and there is only so much India can do to match the Chinese sales pitch. The dividends are already in sight. For instance, China is emerging as a key player in Afghanistan. The potential revival of the Quadrilateral Coordination Group (comprising U.S., China, Pakistan and Afghanistan) shows just that. It's a matter of time before the U.S. utilises China's potential to serve its interests in Afghanistan. After all, national interests matter above all else.

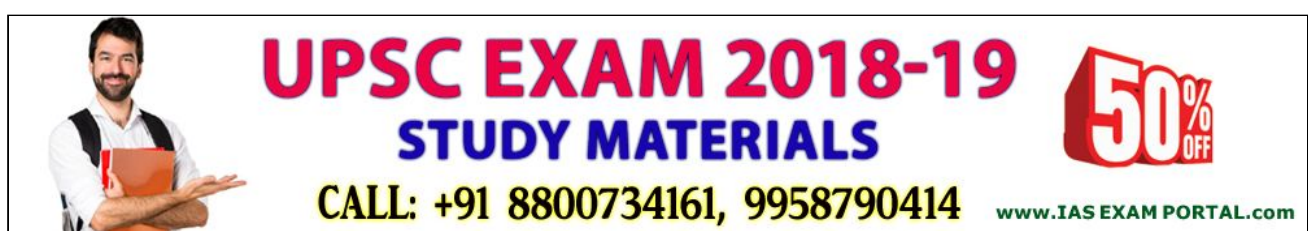


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- Mr. Ghani stated last week that Afghanistan would not join the China-Pakistan Economic Corridor if Pakistan refuses to permit connectivity between India and Afghanistan. New Delhi must appreciate Mr. Ghani for being a true friend, but let's be realistic: Pakistan is unlikely to allow overland connectivity between Afghanistan and India through its territory, nor will Mr. Ghani jeopardise Afghanistan's relationship with China by insisting on bringing India on board.
- Second, we must be able to see through complicated American geopolitical signalling in the Southern Asian region. To reduce complex American geopolitical signalling to binary equations vis-à-vis Pakistan or China would be a grave mistake. Third, New Delhi needs to carefully design the contours of its China policy: aligning our China policy to suit U.S. interests would not help our long-term interests. Recall that the U.S. kept a studied silence through the Doklam stand-off and the issue hardly figured in the public statements during Mr. Tillerson's recent visit. Fourth, Russia is not only an unavoidable traditional ally of India but it is in fact increasing its stakes in the region, including in Afghanistan, with close strategic ties with China, and increasingly with Pakistan. Let not the sound of what we would like to hear from Washington distract our attention from the strategic realities of the neighbourhood.

Why Europe grew rich (The Hindu)

- Until the industrial revolution of the late 18th century, much of the world enjoyed similar standards of living that barely kept people from dying of starvation. In other words, most of the world was equally poor until the industrial revolution pushed some countries on to the path of high economic growth, while others were left behind in abject poverty. In particular, it was countries in Western Europe, like England, that witnessed rapid improvements in the living standards of their people. Economic historians have famously called this divergence in economic fortunes between the West and the East as the "Great Divergence". Over the years, many of them have also put forward a variety of theories to explain the phenomenon.
- Some, for instance, have made the interesting case that it was political decentralisation that caused Europe to race past the rest of the world. They argued that the continent over the centuries has been deeply fragmented in terms of its politics, with hundreds of rulers exerting power over tiny land masses. How could this be good for Europe's economy? In the absence of an overwhelming authority, these economic historians argue, there was huge scope for competition between rulers for the continent's resources. In such a political environment, a ruler who imposed high taxes in his jurisdiction, for instance, would see people and other resources leave his jurisdiction to move over to competing regions that offered lower tax rates. He could prevent such emigration either by cutting down his taxes or by imposing restrictions on movement. The former would help him retain his resources and also possibly attract more resources from outside his jurisdiction. The latter would only earn him the wrath of his own people and of his competing rulers who now cannot take away resources from his territory except through war. Such institutional competition, it is argued, led increasingly to the adoption of pro-growth policies in Europe.
- "Political Institutions, Economic Liberty, and the Great Divergence", a 2017 paper by Gary W. Cox published in the Journal of Economic History, provides evidence in support of this particular thesis.



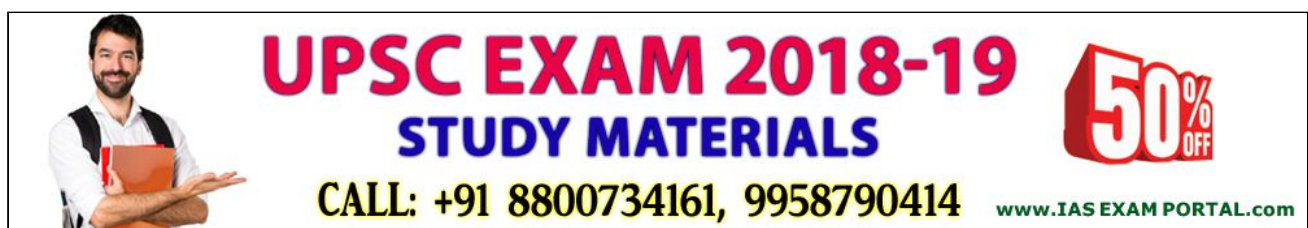
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Prof. Cox finds that growth was more uniform, or correlated, in regions of Europe that were more fragmented than other regions.

- This, he argues, suggests that the fragmented regions as a whole saw great improvements in economic liberty, which is likely the result of institutional competition between rulers.

The links between law and literature (The Hindu)

- Just as the law has fascinated writers over centuries, many writers have also themselves been lawyers, or at least trained in the law, including some of the best-known names such as Sir Walter Scott, Dostoevsky, Tolstoy and Kafka. In India, some of the most powerful writing, which has both political and literary merit, has come from people trained in the law, such as Bankim Chandra Chattopadhyay who wrote 'Vande Mataram', among many other works, and was a Deputy Magistrate. P.L. Deshpande, the great Marathi writer, studied law but never practised. Another novel that blends both law and literature is that of Mani Shankar Mukherjee, who wrote under the pseudonym of Shankar and published Kato Ajanare which centred round his real-life experience as a clerk to Barrister Noel Frederick Barwell. The novel brings together true stories – some of them reported judgments – into a fictional space and experiences at Calcutta High Court.
- The next question that came to my mind was, what exactly is literature? I am reasonably certain as to what the law is, but literature is more fluid. A speech could be literature just as much as a 1,000-page novel, and so could an epic passed down in an oral tradition over millennia. The Ramayana has spiritual status, but is still literature. The Mahabharata is a literary text. Surely, even the Vedas and the Smritis are, just as much as the Bible is. Gandhi's journalism can be regarded as literature too, as much as Nehru's The Discovery of India. Homer's epics such as Iliad or Gibbon's The History of the Decline and Fall of the Roman Empire are as much literature as Lincoln's Gettysburg address. The Tirukkural also touches on issues of law and justice.
- One thing appears recurrently in many works treated as literature and that is the element of drama. This is where the interconnection with law becomes so obvious. Nothing could possibly be more dramatic, or attractive, than the setting of a courtroom trial. An adversarial system, foe placed against foe, the slow buildup of tension between the parties – all of these are irresistible to a literary mind with dramatic proclivities. This perhaps explains the surfeit of stories we have based around trials. If we were to only consider popular culture, for example, there are movies like Talvar (based on the Aarushi Talwar murder case), Rustom (based on the Nanavati trial), To Kill a Mockingbird (based on Harper Lee's novel), or Erin Brockovich; serials such as Suits, The People v. O.J. Simpson (on the O.J. Simpson trial), Ally McBeal, or Rumpole of the Bailey; and even writers like John Grisham. These have all milked the audience's weakness for the trial as the scene for drama.
- Another judicial luminary whose name cannot go unmentioned when one speaks of literary flair was Justice V.R. Krishna Iyer. In his famous judgment on the question of remission of life convicts in Maru Ram v. Union of India, he began with the following beautiful description: "A procession of 'life convicts' well over two thousand strong, with more joining the march even as the arguments were on, has vicariously mobbed this court, through the learned counsel, carrying constitutional missiles in hand and demanding liberty beyond the bars. They challenge the vires of s. 433A of the Criminal Procedure Code (Procedure Code, or short) which compels 'caging' of two classes of prisoners, at

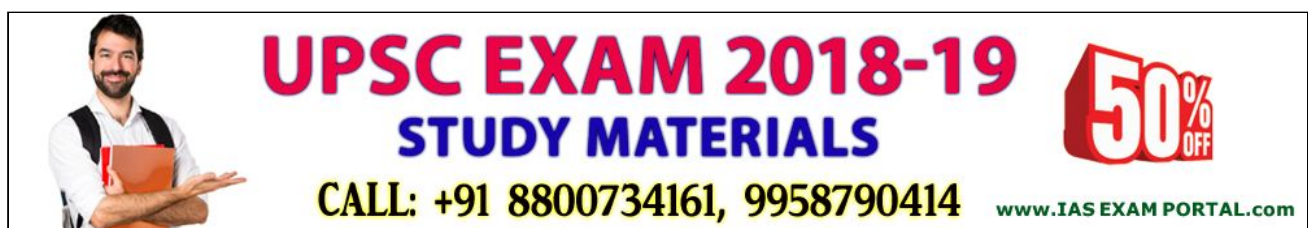


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least for fourteen eternal infernal years, regardless of the benign remissions and compassionate concessions sanctioned by prison law and human justice. Their despair is best expressed in the bitter lines of Oscar Wilde: 'I know not whether Laws be right, or whether Laws be wrong, All that we know who lie in gaol, Is that the wall is strong; And that each day is like a year, A year whose days are long .' (Emphasis added)

A big bang bailout (The Hindu)

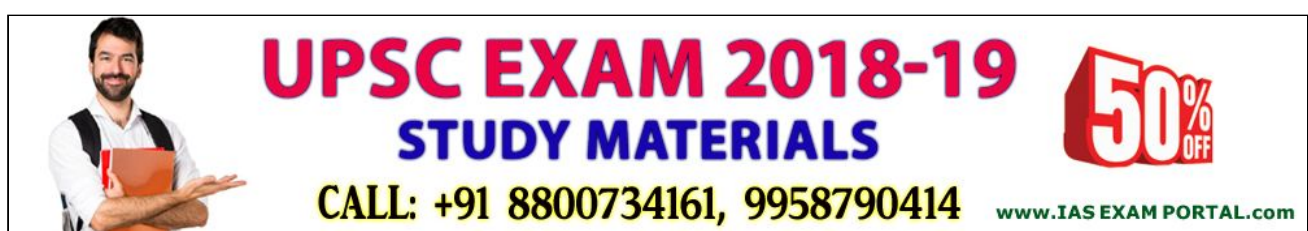
- The recapitalisation of public sector banks, announced by Finance Minister Arun Jaitley, has been touted as yet another big bang reform by the Central government. It is hoped that this reform will push nationalised banks to lend more actively in the coming months and bring about a quicker recovery of the economy by boosting private investment. What has been swept under the carpet, however, is the fact that recapitalisation is just a euphemism to describe what is essentially a bailout of banks using taxpayer money. Also, amidst all the fanfare and excitement about the massive Rs. 2.11 lakh crore bailout, the fact that banks are in the current mess mainly because of their mismanagement for political reasons has been ignored.
- Many who have justified the throwing of good money after bad have done so, however, with an important caveat. They have argued that the bailout should be accompanied by governance reforms that will safeguard the balance sheets of public sector banks from the ill-effects of populism in the future. While this sounds good in theory, it does not work as well in reality. Nationalised banks, which are supposed to be run for the benefit of the public, are in effect managed by bureaucrats who are accountable only to the political party that is in power. So, it is no surprise that these banks often end money to fund populist and crony pet projects of politicians who care more about the next election than the long-run health of banks. Eventually, when the banks end up with huge bad loans on their books, more reasons are given to bail them out of trouble, and the cycle continues.
- This is in contrast to private banks where owners, who have invested their own money and stand to lose it all in case of mismanagement, have a strong economic incentive keep a tab on managers who run their business. Such oversight, of course, is never perfect but is still superior to the almost complete negligence and gross mismanagement of books in the case of public sector banks. It may be true that private banks have not been immune to the problem of bad loans, which is a part and parcel of lending aggressively under a fractional reserve banking system. Yet, in the case of public sector banks, the implicit guarantee of their books by the government only worsens this cyclical problem by adding to it the risk of moral hazard. As nationalised banks are allowed to tap into taxpayer money whenever they are in deep financial trouble, they have very little reason to be careful while lending and more reason to take huge risks with their balance sheets. Incidentally, the same happens whenever the government protects private sector banks from the negative consequences of their actions.
- The only way to build a healthy and competitive banking system is to reform bank ownership and force banks to take responsibility for their actions. India is nowhere close to enacting such real big bang reforms.



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Collegium and transparency (The Hindu)

- On October 3, the Supreme Court's collegium published a resolution promising to hereafter make public, on the court's website, its various decisions, including its verdicts on persons nominated for elevation as judges to the high courts, its choices of candidates for elevation to the Supreme Court, and its decisions on transfer of judges between different high courts. These results, the resolution added, will be accompanied by the reasons underpinning the collegium choices.
- Consider some of the reasons professed thus far. In the cases of A. Zakir Hussain and Dr. K. Arul, candidates nominated for elevation to the Madras High Court, the collegium has verbatim published the following statement of rejection: "keeping in view the material on record, including the report of Intelligence Bureau [IB] he is not found suitable for elevation to the High Court Bench." The details of what the IB's reports might contain and the apparent materials on record remain concealed. Yet, threadbare as these reasons might sound, those offered for rebuffing the nomination of Vasudevan V.N., a judicial member of the Income Tax Appellate Tribunal, are particularly perplexing.
- The collegium, ever since its inception, following the Supreme Court's judgment in what is known as the Second Judges Case (1993) has been enveloped by a sense of the higger-mugger. The present revelations, much opposed to their perceived objective, scarcely make the system more transparent. In Mr. Vasudevan's case, for example, we don't know which of the "consultee-judges (presumably one of the two senior-most Supreme Court judges, in this case, who have previously served at the Madras High Court) objected to his elevation, and why the judge interviewed found him unsuitable. Also peculiar is the collegium express noting that Mr. Vasudevan had previously been recommended by two different high court collegia, which would mean that, in all, the chief justices of three high courts, at different points of time, found him worthy of selection. But, we're now left wondering how the view of one "consultee judge" – whose reasons aren't provided to us – can override the opinion of three chief justices of three different high courts.
- These issues concerning the system employed to appoint judges to the Supreme Court and the high courts – even if they often involve matters of inscrutable procedure – are of particular salience. The judiciary, after all, was regarded by the Constitution's framers as central to the social revolution that the document was meant to herald. Indeed, as the historian Granville Austin recounted in his book, *The Indian Constitution: Cornerstone of a Nation*, the Constituent Assembly brought "to the framing of the Judicial provisions of the Constitution an idealism equalled only by that shown towards Fundamental Rights." It saw the judiciary as critical to "upholding the equality that Indians had longed for during colonial days, but had not gained".
- Originally, in 1977, in Sankalchand Sheth's case, when interpreting the word "consultation," the Supreme Court ruled that the term can never mean "concurrence". Hence, the CJI's opinion, the court ruled, was not binding on the executive. But nonetheless the executive could depart from his opinion only in exceptional circumstances, and, in such cases, its decision could well be subject to the rigours of judicial review. This seemed like a perfectly sound balance.
- And indeed, in 1981, in the First Judges Case, the court once again endorsed this interpretation, albeit partly. But twelve years later, in the Second Judges Case, the court overruled its earlier decisions. It now held that "consultation" really meant "concurrence", and that the CJI's view enjoys



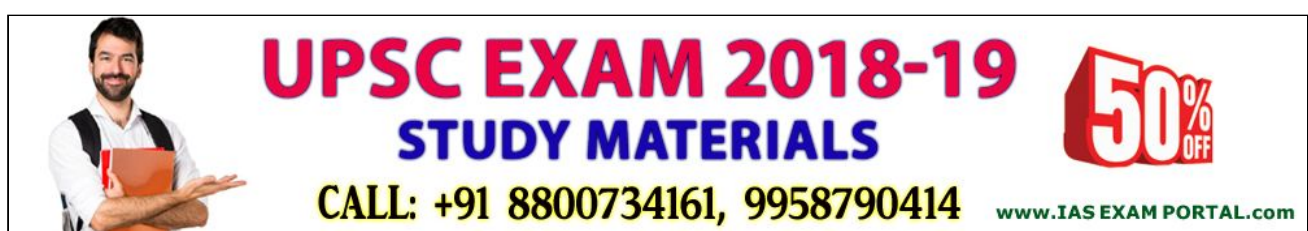
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primacy, since he is “best equipped to know and assess the worth” of candidates. But, the CJI, in turn, was to formulate his opinion through a body of senior judges that the court described as the collegium.

- In 1998, in the Third Judges Case, the court clarified its position further. The collegium, it said, will comprise, in the case of appointments to the Supreme Court, the CJI and his four senior-most colleagues – and, in the case of appointments to the high courts, the CJI and his two senior-most colleagues. Additionally, for appointments to the high courts, the collegium must consult such other senior judges serving in the Supreme Court who had previously served as judges of the high court concerned. (On whether these views of the consultee-judges are binding on the collegium or not, the judgments are silent.)
- But perhaps mindful of some of the hostility that the system was facing, the judgment also promised to “consider introduction of appropriate measures”, to improve the “collegium system”. The new resolution, it might well seem, is an effort towards this end. Unfortunately, though, the publications only serve to further underscore the deficiencies in the appointment process, which remains, as Justice P.N. Bhagwati once described it, “a sacred ritual whose mystery is confined only to a handful of high priests”.

Who after Yellen? (The Hindu)

- As Janet L. Yellen’s term as the Chairperson of the U.S. Federal Reserve is set to come to a close in February next year, there has been intense speculation over the last few weeks about the likely successor to the post. According to recent reports, Jerome Powell, a member of the Fed’s Board of Governors who was appointed to the post during Barack Obama’s presidency, is expected to be named as the next Fed Chairman later this week. American economist John Taylor, President Donald Trump’s chief economic advisor Gary Cohn and former Fed Governor Kevin Warsh were the other prominent names doing the rounds earlier. The decision to replace Ms. Yellen has gained significance as the Fed is in the middle of tightening its monetary policy stance by raising interest rates and winding down the size of its balance sheet. Markets, in particular, keenly look forward to the decision as they try to guess if the Fed will continue to tighten and, if so, at what pace.
- The Federal Reserve and its Chairperson are usually thought to be completely independent and protected under the law from all kinds of political influence. Naturally, then, the worldview and policy decisions of the Fed chief are deemed by many to be of special importance to the economy. However, sceptics of this view point to the fact that the Chairperson is appointed by the President and hence cannot be aloof from politics by any stretch of the imagination. In this view, if it is politics that really matters when it comes to the selection of the Fed Chairman, it may be wiser for analysts watching the Fed to focus more on the President’s political priorities rather than on the Fed chief’s worldview.
- Mr. Trump has been keen on projecting the rising prices of U.S. stocks and other assets, a direct consequence of the Fed’s zero interest rate policy, as a gauge of his economic success. He has also been a strong supporter of a weak dollar to boost American exports. The new Fed Chairperson is unlikely to opt for policies that might upset the President’s plan.



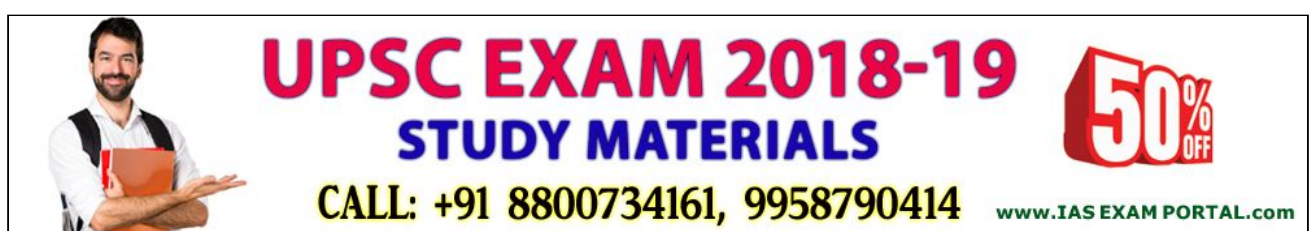
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The war on TB (The Hindu)

- There is a glimmer of hope with India registering a slight drop in the number of new tuberculosis cases and TB deaths in 2016 compared with 2015. From an estimated 2.84 million new cases in 2015, the number dropped marginally to 2.79 million in 2016, according to the World Health Organisation's Global tuberculosis report, 2017. Incidence estimates for India are considered interim, pending a national TB prevalence survey scheduled for 2017-2018. In terms of mortality, the drop was from 0.51 million in 2015 to 0.43 million in 2016. The number of deaths and the incidence rate have been falling both globally and in India. The targets set in the End TB strategy are global reduction of 20% in incidence and 35% in mortality by 2020, taking 2015 as the base year. To reach that target, the global drop in incidence has to be 4-5% a year – currently it is about 2% a year. Also, the percentage of deaths should come down from the current 16% to 10%. With India accounting for the highest TB incidence (23%) and mortality (26%) globally, success in realising the End TB targets hinges largely on the country strengthening its systems. The first step in defeating the disease and achieving the targets is to record every diagnosed patient through case notification (that is, when a person is diagnosed with TB, it is reported to the national surveillance system, and then on to the WHO). There was a 34% increase in case notifications by health-care providers in the private sector between 2013 and 2015. It improved from 61% in 2015 to 69% in 2016. But much work remains to improve case notifications as only 1.9 million TB cases in the public and private sectors were notified in 2016, leaving a 25% gap between incidence and notification, the largest in the world. Though notification was made mandatory in 2012, multiple surveys and surveillance data still show large under-reporting of detected TB cases, especially in the private sector.
- With a higher number of people with TB being tested for drug resistance, the percentage with resistance to the drug rifampin alone more than doubled to 0.58 million in 2016 over the previous year. Also, the number of estimated multi-drug-resistant TB cases increased marginally to 84,000. But the number of people with MDR-TB enrolled for treatment improved marginally between 2015 and 2016 (from 26,996 to 32,914). For the first time, baby steps have been taken to offer preventive TB treatment to a small (5%) number of people who are HIV-positive, and 1.9% of children below five years who are household contacts of people recently diagnosed with pulmonary TB. Notably, domestic funding (74%, \$387 million) for anti-TB work has been more than that from international sources (26%, \$124 million). While better funding might help India inch closer to its stated goal of ending TB by 2025, much more is needed in terms of funding and commitment on all fronts.

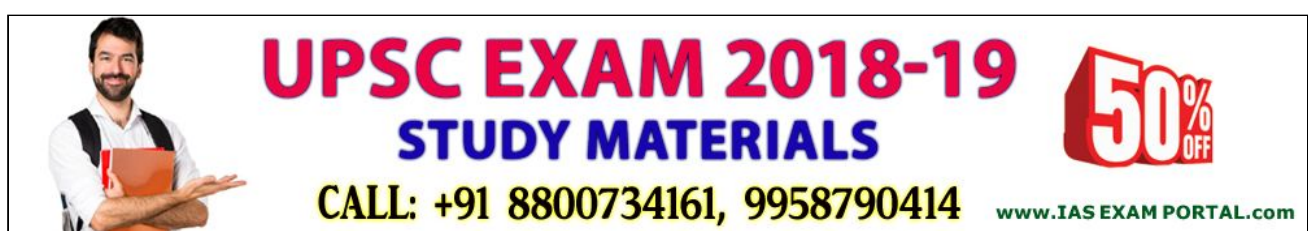
The stimulus and after (The Hindu)

- The Financial Times of London described the recent recapitalisation of public sector banks in India as collecting used tiffin boxes. It said banks are like intermediaries, not unlike the dabbawalas of Mumbai who deliver home cooked meals to offices, and return used tiffin boxes back in the evening. Banks collect savings from depositors and give it to borrowers. The intermediaries have not been collecting their deliveries back (that is, the bad loans), and the clean-up is as messy as uncollected used tiffin boxes!



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- One of the most reliable leading indicators of economic growth is the growth of non-food credit. High growth in credit foretells healthy growth of GDP, since credit goes mostly into investment and building of new capacity. India is predominantly a bank finance-led economy, so when bank lending slows down, it surely impacts future growth. Bank credit growth has been at nearly a 60-year low. Even the growth of money supply is at a 55-year low. This stark metric tells us about the growth slowdown. Of course, there are many proximate causes as well, such as demonetisation and the roll-out of the goods and services tax (GST).
- Credit offtake slowed down because of both demand and supply side factors. On the demand side is the fact that industry has low capacity utilisation rates (factories lie idle); domestic industry is losing market share to low cost imports, made worse by GST, which has tilted the field in favour of imports, and also by the strong currency. The corporate sector is also deleveraging and paying off its past high debts. All this means demand from the private sector for large-scale new credit is muted.
- On the supply side, the big constraint on fresh lending is the burden of non-performing assets (NPAs). The NPA ratio has been deteriorating for more than six years, and worst is yet to come. The diagnosis of worsening NPAs reveals five different causes, not all caused by the bankers themselves. The first is the disproportionate share of loans that went to infrastructure. These projects are of long gestation and long payback period, so unsuitable for bank lending. That creates an asset liability mismatch for banks, since the liability side is of a short-term nature. During the UPA regime, public-sector banks were under pressure to fund the ambitious \$1 trillion infrastructure vision. Normally such projects ought to be funded by long-term bonds or developmental organisations like the World Bank or the Asian Development Bank, or the IDBI in its original avatar. But in the absence of those options of development finance, it fell to public sector banks to provide infrastructure finance. This led to over-exposure.
- The second reason for deterioration of loans could be the impact of key judicial decisions like abrupt cancellations of coal mines and spectrum allocation. When the same were re-allocated through expensive auctions, it proved to be a fatal burden on respective business models of power, steel and telecom. The third reason for worsening NPA ratios could be the delays caused by land acquisition and environmental clearances. This reason for NPAs was adequately documented in the Economic Survey. The fourth reason is the Asset Quality Review mandated by the Reserve Bank of India (RBI) in 2015. This was much needed, since it put a stop to the “extend and pretend” culture around worsening credit.
- To be fair, the RBI showed great regulatory forbearance in allowing lenders to work out remedies for genuine cases which faced a business cycle downturn. Various options were made available, including extending duration of loans, debt restructuring, swapping equity for debt and so on. But it does not seem to have made any significant difference. The NPA recovery process has since got a boost due to the new insolvency and bankruptcy law. The government too announced the Indradhanush scheme focused on banking reforms and recapitalisation of NPA-burdened banks. Two instalments of infusion in the past two years proved woefully inadequate as the NPA ratio continued to mount.
- The fifth reason for worsening NPA is an omnibus called “malfeasance”. This includes cosy relationships between banker and borrower, crony capitalism, political interference in lending



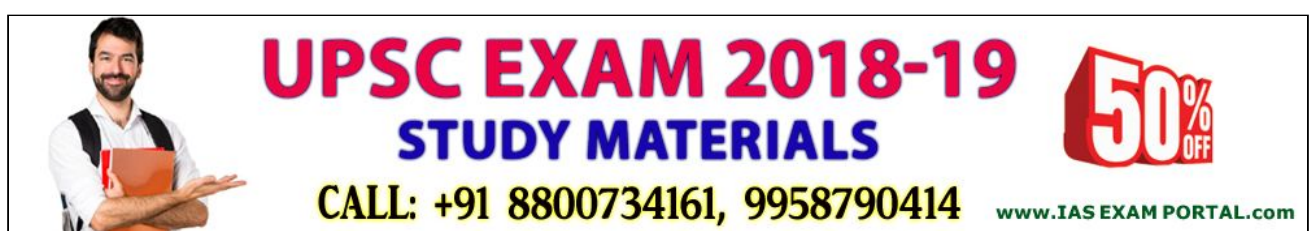
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decisions (a legacy of the past), a less than vigorous attempt to recover past dues, careless due diligence, etc.

- There may be other reasons as well. The fact is that 10% of all loans have gone bad. No wonder that after provisioning, for many public-sector banks their net worth would be completely eroded. Hence the days of piecemeal and feeble remedies are gone.
- In the light of this background, the decision to inject Rs. 2.11 lakh crore of capital into public sector banks is a welcome boost. This was also evident from the reaction of the stock market as some bank stocks soared by as much as 35%. It is somewhat a moot point that this injection could have been done at least one year ago.
- Suffice to say that this capital infusion provides banks with the much-needed room to make fresh loans. In the coming days of Basel-3 where much capital is needed for risk provisioning, the NPAs are a millstone which prevent fresh lending.
- With this big bang recap effort, we can expect the growth pipes to be unclogged. Of course, the recapitalisation effort is useless without accompanying reforms which can prevent a recurrence. Those reforms are mostly about governance, meaning granting genuine autonomy to banks in their functioning, including all aspects such as lending, recovery, and recruitment decisions. Banks have to be accountable to shareholders, including the government, through their respective boards. That's the fourth crucial "R" that was part of this recap package – recognition, recapitalisation, resolution and reform. Without reform of credit functioning, culture, treatment of delinquencies and even ownership structure in banking, this recap effort will only be stopgap. Assuming reform is coming (witness the huge increase in India's global rank in ease of doing business), let's raise a toast to the bank recap.

The turnover test in Pakistan (The Hindu)

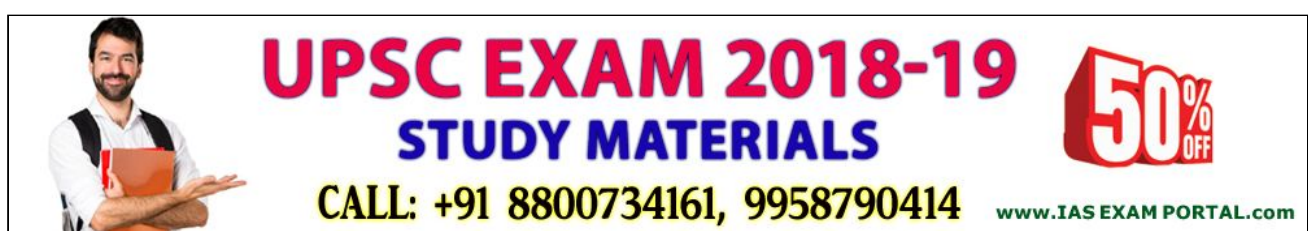
- Indians wouldn't know much about democratic transitions. However, numerous countries which have had military rule, often for decades, have had to pass through pivotal moments in their processes of democratisation. The paths have varied, as have circumstances and expectations. There have been reversals, counter coups, revolutions and so-called 'springs', and some successes and many failures. Transitional paths are littered with diverse examples of a wide variety. Often international and regional powers upset domestic processes.
- After the ouster of Hosni Mubarak in Egypt followed by a democratic victory of the Muslim Brotherhood, we ended up with a former military general backed by the U.S. and Saudi Arabia. In Thailand, a long democratic transition found complete reversal with the military coup of 2014, and now three years later, elections seem a long way away. In Indonesia, the democratic transition, after 32 years of military rule, in 1998 took at least ten or so years before Indonesia was said to have become a more stable democracy. Most countries in Latin America seem to have made perhaps the strongest and most thorough transitions towards democratisation, albeit, as the cases of Brazil and Venezuela show, not without their own specific problems and issues.
- In South Asia, despite its flawed democracy, the military seems to have been sufficiently marginalised in Bangladesh, to ensure that it remains a democracy, and if there are any threats to democracy in Bangladesh, they are on account of its civilian politics – much like Zimbabwe – not



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the military. In Myanmar, it becomes increasingly difficult to assess if any transition towards democratic rule has even been made. Turkey's strong anti-military democratic tradition has morphed into a civilian authoritarianism.

- While 2008 was rightly celebrated as the year when a military dictator was forced out by civil and political forces, Prime Minister Yousuf Raza Gilani of the Pakistan Peoples Party (PPP), who was elected that year, was forced to relinquish power in 2012 and was replaced by another of his party. After Benazir Bhutto's assassination in December 2007, which allowed the PPP to win power and oust General Pervez Musharraf, real power rested with Asif Ali Zardari of the PPP, who became President of Pakistan in 2008. Following Pakistan's much-celebrated first civilian democratic transition in 2013 – Nawaz Sharif was elected Prime Minister, and since he was from Punjab, had a complete majority in parliament and was seen as the establishment's man – many of us were convinced that the next step of strengthening democracy, the 'two turnover test', when two relatively peaceful civilian elections take place, was set to take place effortlessly in 2018. While this is still a probability, with Mr. Sharif being debarred from public office by the Supreme Court in July this year, he joined the long list of the 19 Pakistani Prime Ministers, elected and appointed, none of whom finished their full terms in office. While Pakistan might pass the 'two turnover test', it still has to wait to have a full one-term Prime Minister.
- Pakistan is a country of conspiracy theories, and as social scientists, we often do not know the truth. The dismissal of Mr. Sharif was done by the Supreme Court on grounds of misreporting his income to the Election Commission of Pakistan. He has been barred from contesting elections, although there has been some debate amongst lawyers whether this ban is for life or not. Regardless of the nature of the ban, what continues to be discussed in the media, always as proof and never as speculation or conjecture, is that it was the military which put pressure on the judiciary so that it gave a verdict which ousted Mr. Sharif. Even international newspapers and magazines quote respected Pakistani journalists and anonymous military sources stating that 'the Supreme Court knew which way the Army wanted to go, and obliged'. A retired general has stated that the Army was 'definitely' behind this ouster, for the "judges would not have had the courage to do what they did otherwise".
- Even though Mr. Sharif was removed as Prime Minister, the government got another one – just like in 2012 – and has continued its daily duties with an eye to the elections in the summer of 2018. There is clearly an absence of leadership and civilian power, or confidence, which there were signs of under Mr. Sharif, but there is some business as usual. In fact, perhaps because there is no strong single leader, some progress has been made on some fronts. For example, while Mr. Sharif was Prime Minister, Pakistan did not have a Foreign Minister, but the current Foreign Minister has been emboldened enough to even criticise the U.S. Similarly, another senior Minister, the Interior Minister, has, through social media, even criticised the Chief of the Army Staff's interfering comments about the state of Pakistan's economy. He even went on to say, on Facebook, that "some hidden hands and inertia of history are trying to drift the democratic process into [the] same old design" (meaning coups), but "we will break the cycle this time as all are committed to preserving continuity of [the] democratic process".
- One consequence of the disqualification of Mr. Sharif will be that while he may emerge as godfather, like Mr. Zardari of the PPP, others in his Pakistan Muslim League (N) will get a chance to



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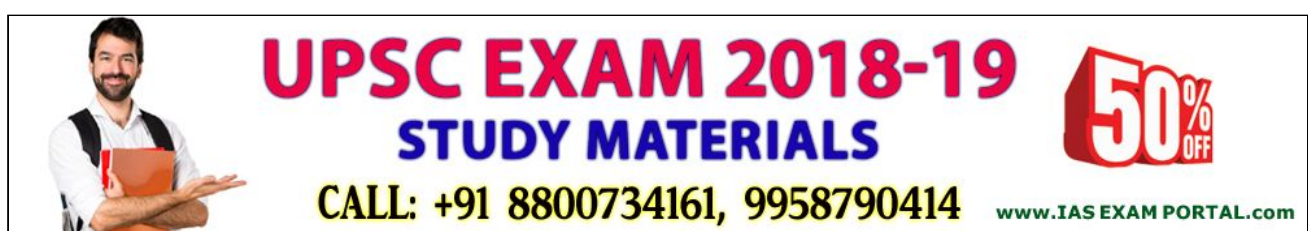
lead and perhaps this may allow many other voices to emerge, as his absence has already made possible. Without an established and strong centre in his party, the chances of re-election might also be undermined, and this might allow the military and other anti-democratic forces to manipulate intra-party fissures in Mr. Sharif's party, creating an opening for Imran Khan's pro-military, conservative Pakistan Tehreek-e-Insaf to become a serious contender for power.

Should we name and shame 'sexual harassers'? (The Hindu)

- Debating the ethical tensions of any act must be done within its particular socio political context. Recent studies by the University Grants Commission (UGC) and the British Council provide context to the debate. They have found that only 3% of vice chancellor posts and 1.5% of professorial positions in India are occupied by women. A cursory overview of the names of faculty members employed at various universities will reveal that this field is overwhelmingly dominated by upper caste men. Further, there is no comprehensive data available on the incidence of sexual harassment in universities or the extent of compliance of universities with the Vishaka guidelines (the UGC had sought this data in mid-2016).
- However, reports of sexual harassment in academic spaces – by employees, visitors, students, and even the police (recently in Banaras Hindu University and Hyderabad Central University) – are rampant. Some of these reports make it to the headlines. Most remain confined to private conversations. In the past few months, the Delhi High Court, the Ministry of Women and Child Development, and the vice chancellor of a prominent university have made cringeworthy statements on issues of sexual violence. With the #MeToo campaign, public frustration over the problem of sexual violence has reached a peak. Against this backdrop, what are the consequences of publicly but anonymously naming an alleged sexual harasser?
- On the question of anonymity, what else must survivors do when their testimonials can easily identify them to the alleged perpetrator, even while they must continue to study or work in his presence? Under such circumstances, anonymous public naming is not only an ethically sound act, but perhaps the only available recourse. One of the possible outcomes of this act is that it makes some poorly kept non-secrets public. I see no ethical price attached to this. In fact, it comes with the advantage of warning potential future victims. The other possible outcome is that it remains a public lie that plants doubts in the minds of its few believers about the character of the falsely accused. The ethical responsibility of that judgment lies on us, the consumers of the list, and not on the already traumatised survivors.
-
- For ages, we have given primacy to the legal principle of innocent until proven guilty. But to hold that principle as a sword over the heads of survivors, who our systems have often failed, is tantamount to saying that we care about the appearance of justice more than the actual experience of injustice.

The Japanese pivot (The Hindu)

- At a time when some world leaders strain to hide their disdain for U.S. President Donald Trump, Japanese Prime Minister Shinzo Abe has become Mr. Trump's golfing buddy, phone friend and



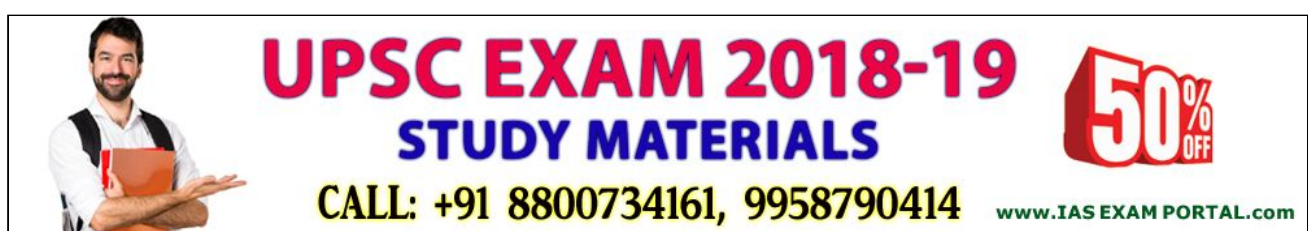
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staunch supporter. This trans-Pacific bromance is only set to deepen during Mr. Trump's first official trip to Asia (November 5-17), which will begin with a three-day stop in Japan.

- Mr. Trump has thus far lacked a clearly articulated Asia policy. How he plans to replace, or renew, the "pivot" to Asia, a cornerstone of his predecessor Barack Obama's foreign policy, remains unclear. This visit provides an opportunity for a coherent exposition of what the U.S. intends for the region. But it needs to be watched most of all for indications of how far Mr. Abe is willing, and able, to guide Mr. Trump's policies in Asia.
- Consistency is not Mr. Trump's strong suit. In the past, he has sent out erratic signals, which have been confusing to many Japanese. On the campaign trail he fingered the U.S. trade deficit with Japan (which stands at more than \$68 billion) as an example of American industrial weakness. He suggested that Tokyo pick up a greater proportion of the bill for the U.S. military facilities it hosts. And he pulled the U.S. out of the Trans-Pacific Partnership (TPP) trade deal, causing a loss of face to Mr. Abe who had expended considerable political capital in committing Japan to it.
- Nonetheless, Mr. Abe continued to court Mr. Trump, becoming the first world leader to visit him in New York while he was still President-elect, joining him on the golf course in Florida, and chatting with him on the phone up to four times a week. Mr. Abe has spoken to Mr. Trump more often this year than he did with Mr. Obama over the last four years of his presidency. This strategy has largely paid off, blunting U.S. trade criticism of Japan and eliciting explicit commitment to Japan's defence.
- The ironic challenge that has emerged for Mr. Abe is to rein in Mr. Trump's enthusiasm for standing up to North Korea. In recent months, Mr. Trump has engaged in a rhetorical duel with North Korea's leader, including calling him "Rocket Man" in a speech to the United Nations General Assembly this September and thundering that the U.S. was ready to "totally destroy" the country.
- Therefore, Mr. Abe's attempt will be to use the U.S. President's visit to ensure that he remains tough, but not too tough, a delicate line to tread. He will need to play a similar, tempering role in relation to Mr. Trump's China policies. Although Mr. Abe does not want Beijing to emerge as the regional hegemon, a U.S. trade war with China will disrupt global supply chains and cause economic instability, with adverse spillover effects for Japan.
- Mr. Abe's embrace of, and success in this role as Mr. Trump's moderating, alliance-building guide to the region can be crucial in determining the outcome of global politics. The million yen question is whether Mr. Abe is capable of going from courting Mr. Trump to shaping him.

The rise and rise of Xi Jinping (The Hindu)

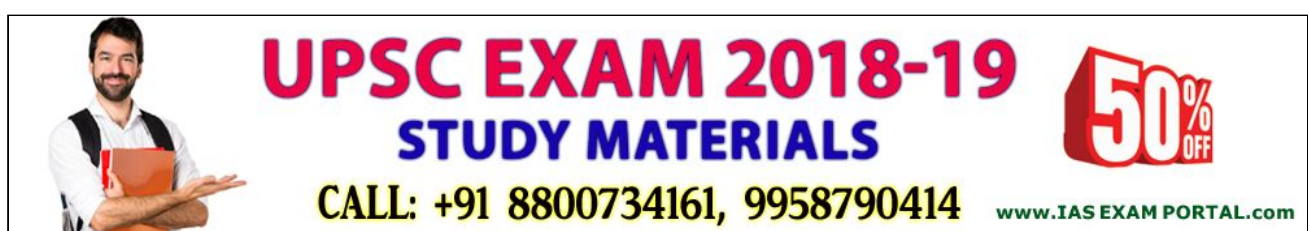
- The recently-concluded 19th National Congress of the Communist Party of China was an intricately choreographed political theatre which showcased President Xi Jinping's primacy, his vision and his status as the helmsman of the party and the nation. China's confidence in the validity of its chosen path and its ambitions of "restoring" its global leadership role were also on full display.
- A Xinhua commentary gushingly suggests that "Xi Jinping's thought will be China's signature ideology and the new communism", the implication being that it supersedes and encompasses the doctrinal offerings of previous leaders.
- Mr. Xi has become the only leader after Mao (with his "Mao Zedong Thought") to have his eponymous ideological contribution written into the party charter while in office. "Deng Xiaoping



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Theory” was adopted after Deng’s death, and contributions of two of Mr. Xi’s predecessors, Hu Jintao (“Scientific Outlook”) and Jiang Zemin (“Three Represents”), are not named after them.

- Mr. Xi has, however, taken decisive steps to move away from Deng’s legacy in four key areas: collective leadership; identification of successors well ahead of the transfer of power; a measure of differentiation between the party and the state; and the dictum of China biding its time, keeping a low profile and never claiming leadership.
- The new Politburo is packed with Mr. Xi’s close associates. By one count, there are as many as 14 of his allies among 25 members of the Politburo. However, the composition of the seven-member Politburo Standing Committee (PBSC) is more balanced and possibly the result of a compromise, thus suggesting limits to Mr. Xi’s authority. Premier Li Keqiang has retained his position, along with Mr. Xi, and of five new members, only one (Li Zhanshu) is seen as a Xi protégé, while others have links to his predecessors but cannot be described as rivals. Mr. Xi had changed virtually all Provincial Party Secretaries in the months ahead of the 19th Congress, and appointments since the Congress have underlined his sway over personnel matters.
- Though the party constitution rules out “life tenure”, it sets no term limits for any office, unlike the state constitution which has a two-term limit for presidency and other senior positions. It is still too early to figure out how the post-2022 scenario will pan out, but it seems unlikely today that Mr. Xi will completely exit from the leadership position as his predecessor Hu Jintao did at the end of his second term.
- Mr. Xi’s penchant for the dominance of the party, including in the economic domain, has received a boost at the Congress. In his work report, he reaffirmed a key message of his 2013 third plenum policy statement that the market should play the “decisive” role in allocation of resources but the state would take the “leading role” in the economy. His preference for maintaining a strong state and party role in the economy with minimal privatisation of state-owned assets and firm control over social and financial risks is unlikely to change in the wake of the Congress. Likewise, while he is positioning China as a defender of globalisation, it comes with a strong dose of mercantilism.
- For India, one key outcome of the party conclave is the articulation of China’s increasingly explicit great power ambitions. In his speech, Mr. Xi talked about China becoming “a global leader of composite national strength and international influence” and moving closer to the centre-stage by mid-century. A Xinhua commentary of October 24 is more candid: “By 2050... China is set to regain its might and re-ascend to the top of the world.”
- The preoccupation with building up global combat capabilities to safeguard China’s overseas interests also figures prominently in Mr. Xi’s vision. Arguably the most ambitious restructuring of the People’s Liberation Army (PLA) in the last 50 years currently underway is focussed on joint command, power projection capability and the party’s control on the military. Mr. Xi has set the goal of completing modernisation of the armed forces by 2035 and transforming the PLA into a world-class military by 2050.
- However, China is likely to intensify its efforts to shape its periphery and forge a “world community of shared destiny” centred around it. With the U.S. in temporary retreat and the West distracted by internal challenges, China considers this to be a period of strategic opportunity to take its great power project to the next level in the new era that Mr. Xi has envisioned.



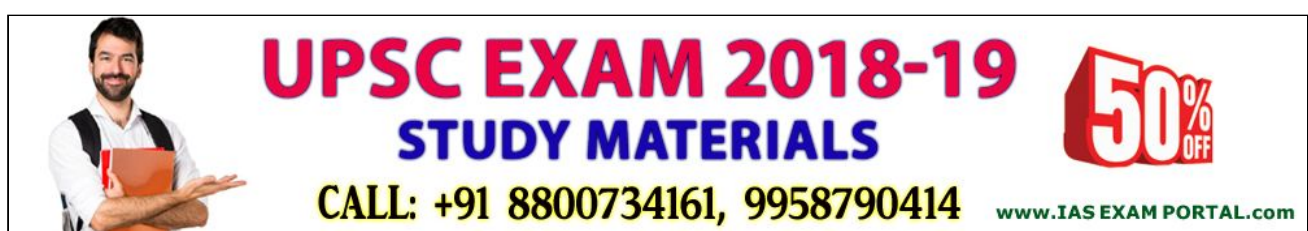
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- Mr. Xi's Belt and Road Initiative (BRI) is the key instrument in this grand strategy and it is now embedded in the party constitution. There is nothing to suggest that China is inclined to address India's concerns about the BRI. In a development possibly linked to China's enhanced global agenda, for the first time since 2003, the Politburo includes a diplomat, State Councillor Yang Jiechi. As the Chinese special representative for boundary talks with India, he has had extensive interactions with us.

(INDIAN EXPRESS EDITORIALS)

Proof of the pudding

- India's ranking in the latest edition of the World Bank's ease of doing business index has surged 30 places to 100 among 190 economies – marking a considerable improvement from 130 last year. Clearly, efforts mounted by the government over the last year or two have paid off, with India, one of the top 10 improvers this time, implementing 33 regulatory reforms that make it easier to do business. The World Bank's quantitative indicators seek to measure 11 areas of business which relate to reforms to create jobs – such as starting a business, registration of property, dealing with construction permits, getting electricity, protection of minority investors, paying taxes, enforcing contracts and resolving insolvency. Where India has made strides is in resolving insolvency through a new law, an improvement in the rules related to businesses paying tax and access to credit besides protection of minority investors.
- Prime Minister [Narendra Modi](#) has termed this surge in rankings as a “historic jump” and as a testament to a multi-sectoral reform push, having set a target to take the country's rankings to the top 50 after the NDA came to power in May 2014. From the investors' perspective – especially those located overseas – these rankings may matter. What it also shows is that supply side reform is important. For the future, it would mean focussing on the micro regulatory regime – such as making it easy to start or close down business. It is here that India still has a lot of ground to cover, as local entrepreneurs would testify. The World Bank report flags the areas where the country lags – local entrepreneurs need to go through 12 procedures to start a business in India's commercial capital, which is way higher than many high-income economies, besides cumbersome procedures for construction permits, registration of property and enforcement of contracts. What has also to be kept in mind is the fact that this year's assessment does not cover either the impact of



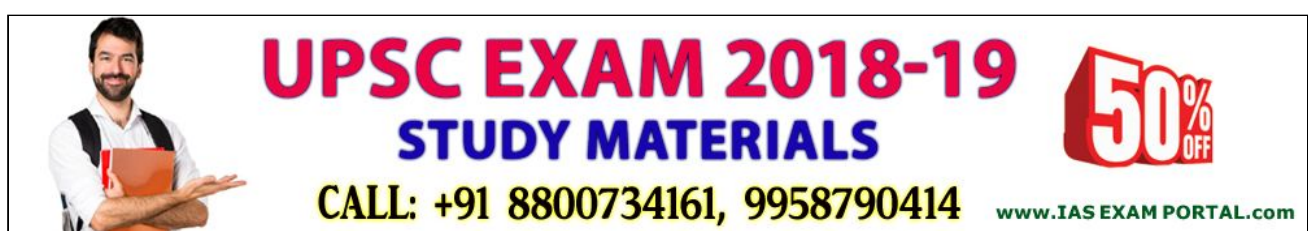
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demonetisation or the GST – both have disrupted business and the roll-out of reform which, according to a World Bank official, will reflect in its assessment only in the next two to three years.

- But, in the current context, what is important is the revival of demand. Businessmen and industry are not investing, not because of the micro regulatory regime or the business climate, but because demand is still weak. This is not to discount the continuing efforts of the government to make it easier to do business. But in this case, the proof of the pudding will be a revival of private investment.

Take it slow

- Supreme Court asked the government if it was forcing citizens to link their mobiles and bank accounts with [Aadhaar](#). The Attorney General's answer to this straightforward question did not satisfy the court. "There would be no coercion," K.K. Venugopal told the court. But he refused to give a written undertaking ruling out punitive measures against those who default on the December 31 deadline to link the two essential services with Aadhaar. The government's equivocation has pushed the apex court into constituting a five-member constitutional bench that will examine the validity of Aadhaar. A three-judge bench headed by Chief Justice Dipak Misra said the constitutional bench will begin its hearing in the last week of November. Till the bench delivers its verdict, the government should suspend its drive to link Aadhaar with mobile numbers and bank accounts.
- The litigation against Aadhaar has seemed at odds with the government's implementation of the scheme. In 2015, a constitutional bench declared "the Aadhaar card was purely voluntary". It also ruled that the scheme should continue to be voluntary till a larger bench decided whether Aadhaar violated the privacy of Indians. The court ruling and the evidently contentious nature of the scheme required the government to go slow on it. But the government started to implement the scheme aggressively after the verdict. Nervous about its lack of numbers in the Rajya Sabha, it pushed the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Bill as a money bill in the Lok Sabha in March last year. In doing so, the government not only lost an opportunity to effectively engage the Opposition on legislation with far-reaching implications for rights, accountability and the power of the state, it also heightened the building disquiet over invasion of privacy and misuse of data. Less than six months after Parliament passed the Aadhaar Act, banks were asked to distribute forms to link customers' Aadhaar cards with their accounts. In



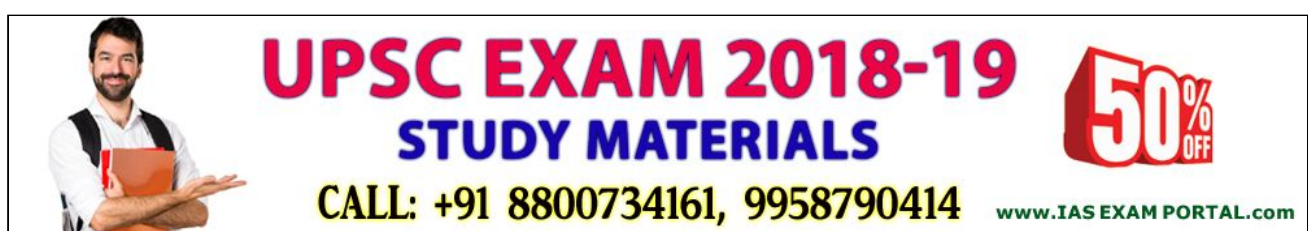
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March, the Department of Telecommunications directed all mobile service providers to re-verify existing customers using their Aadhaar number and biometric details.

- In Supreme Court hearings in July and August on Aadhaar, Venugopal – as well as his predecessor Mukul Rohatgi – argued that privacy is not a fundamental right. But the apex court's verdict in August in the privacy case has reinvigorated the debate. The government now has to satisfy the court that linking Aadhaar to the delivery of essential services fulfills the test of "reasonable restriction" on privacy. It must answer questions: Does sharing a person's biometric data with a private entity, like a mobile service provider, violate her right to privacy? The five-judge bench constituted by the court is expected to give its ruling on these contentious issues. Till then, the government should proceed cautiously on Aadhaar.

Facing storm tides

- The passage of the first consignment of Indian cargo to Afghanistan through Chabahar has made headlines – but hopes that the port will transform India's relationship with central Asia are facing a rising storm tide. The shipment, part of the 1.1 million tonnes of wheat India has promised to supply free to Afghanistan's war-torn people, will bring relief to tens of thousands. However, the shipment has also underlined how far we are from realising the larger project of which the port is just a part. In May 2016, Afghanistan, India and Iran had signed an agreement establishing an international transport and trade corridor. For Afghanistan, it offered escape from the chokehold which Pakistan exercises over its external trade, now overwhelmingly dependent on Karachi port. For India, the port had even larger significance. Iran's commitment to link Chabahar to its rail network held out the promise of Indian overland access to central Asia, Russia and even Europe. The 2016 agreement envisaged India would, inside 18 months, spend \$85 million to upgrade the port's capacity from 2.5 million tonnes a year to 8 million tonnes. In addition, India offered \$400 million worth of steel to build a railway line from Chabahar to Zahedan, linking the port to Iran's railway network. Iran was, finally, offered a \$150 million credit line.
- Yet, more than a year on, there are signs the whole project could unravel – largely because of the US. Earlier this month, President Donald Trump announced he intended to walk out of the Iran nuclear deal, in which Tehran promised to roll back its nuclear-weapons capabilities in return for an end to Western sanctions. Should Trump deliver on his threat, European and even Indian private-sector firms will be reluctant to participate in the project, for fear of attracting US sanctions. Work on the port upgrade is yet to begin, largely because European



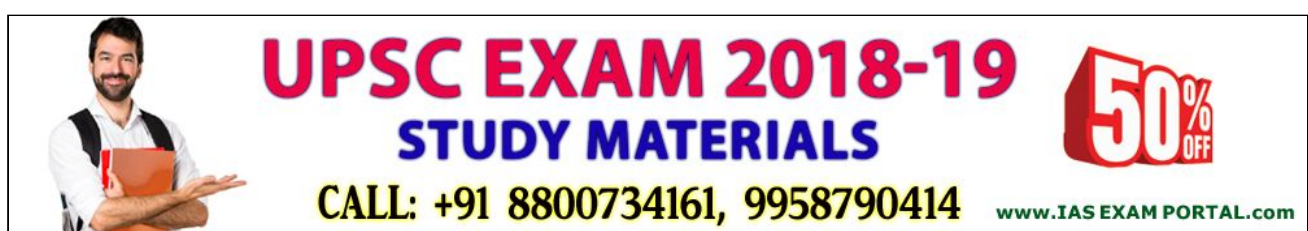
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suppliers have been uncertain about the risks of working in Iran. Worse, the volume of trade the project is premised on will not be realised.

- Indian trade with Afghanistan is unlikely to sustain Chabahar; war in the country means its mineral resources are impossible to tap in the foreseeable future. Faced with this looming crisis, Iran is already turning to China, handing it oil and gas concessions New Delhi had hoped to win in return for its Chabahar investment. India needs to find a way to address this challenge, or risk seeing its regional strategy unravel.

Stirrings of change

- Saudi Arabia's monarch, King Salman bin Abdulaziz Al Saud and crown prince Mohammad Bin Salman have said that the oil-rich nation is keen to "modernise" and "return Saudi Arabia to moderate Islam". This commitment to reform has arguably been visible in policy initiatives over the last few months: On September 28, the kingdom finally allowed women to obtain a driver's licence. This was followed, on October 17, by a royal order announcing the formation of a body of Islamic scholars to examine the sayings of the Prophet and expunge "fake" elements that promote "murder and terrorism". On the face of it, these developments augur well – for Saudi Arabia, West Asia and the world. Saudi Arabia is the leading Sunni power in the region and it supports and funds institutions that impart Islamic education and promote Wahhabism, including in South Asia. However, hailing the recent developments as a decisive shift in the kingdom's politics might be premature.
- The new impulse towards "reform" may well prove short-lived. It does not appear to acknowledge the Saudi royal family's deep ties with Wahhabism – a puritanical version of Sunni Islam that eschews diversity and difference. The crown prince, in a recent interview, blamed Iran for the "last 30 years", claiming that the threat posed by the Islamic Revolution of 1979 led to the wave of conservatism and conflict in the region. Is Shia-Sunni conflict, then, to be a pillar of the new "moderate" Saudi state? It remains to be seen if the Saudi regime will continue to fund and support its version of immoderate Islam through educational institutions, seminaries and by felicitating figures like Zakir Naik: The televangelist, controversial in South Asia, has received the country's civilian honour. The question is: Is the Saudi state genuinely committed to a more liberal order or do the new policies merely gesture towards cosmetic changes?
- Saudi Arabia urgently needs foreign investment and support as it attempts to diversify its economy beyond oil. It has planned three enormous projects in solar energy, technology

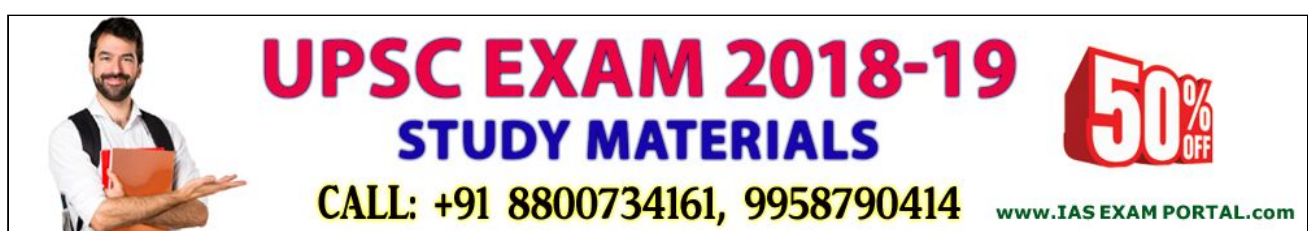


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and entertainment— areas in which the country has no traditional expertise. The new “openness” may well be an attempt to make it more appealing to investors and talent from abroad. Genuine reform, however, will need concrete, even radical measures: Women must be allowed equal access to public spaces without a “guardian”, as is now the case. Religious freedom, including the right to build places of worship, must be accorded to all residents. Finally, if Saudi Arabia wants to modernise, it cannot lay the blame for its own evangelism and conservatism at Iran’s door. The first step must be a genuine introspection by its royal family and the ruling elite.

A quicker justice

- Supreme Court asked the Centre to set up special courts to try criminal cases against MPs and MLAs. Though the apex court has suggested special courts to try lawmakers several times in the past two years, including in September, this is the first time it has given explicit directions to constitute such courts. A two-judge bench gave the Centre six weeks to put in place a scheme to “set up courts on the lines of fast track courts”. The bench reasoned that the backlog of cases before the judiciary made it difficult for courts to give speedy verdicts in cases involving politicians.
- There is scarcely any doubt that the country’s political system requires an urgent clean-up. The Second Administrative Reforms Commission (2005) had noted that the “opportunity to influence crime investigations and to convert policemen from being potential adversaries to allies is the irresistible magnet drawing criminals to politics.” The situation seems to have worsened more than a decade later. According to the Association for Democratic Reforms, more than a third of the members of the current Lok Sabha have criminal cases against them. Another report by this organisation notes that more than 50 lawmakers in the country face charges of crimes against women. Candidates’ criminal reputation is often perceived as an asset in an election. , the SC said “it take years, probably decades, to complete a trial against a politician. By which time, he would have served as a minister or legislator several times over”. There is, then, a case for expediting proceedings in criminal cases against lawmakers. But are fast track courts the right instruments for this purpose? The country’s experience with such courts indicates otherwise. According to the response to an RTI petition filed two years ago, more than 50 per cent of the fast track courts were not functioning. According to the Department of Justice, more than 6.5 lakh cases are pending



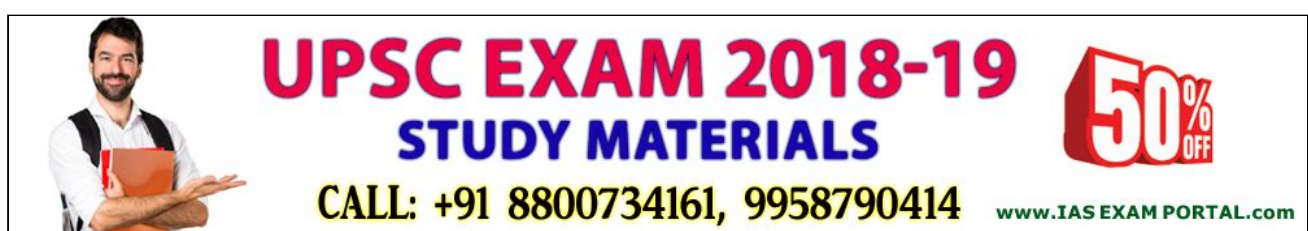
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in fast track courts in the country, about 1,500 of them in Delhi. Without adequate infrastructure and qualified judges, many of the fast track courts are ill-equipped to deal with such a huge volume of cases.

- Given the shortage of judges in the country, fast-tracking criminal cases against lawmakers will inevitably mean slowing down the pace of other litigation. At the same time, with deadlines hanging over their heads, the judges will be under pressure to process evidence without due consideration. Rulings will inevitably be challenged, defeating the purpose of setting up these courts. The SC should rethink its directive to the Centre – and both should find other ways to speed up proceedings in criminal cases against politicians.

The missing women

- The World Economic Forum's just-released report – the Global Gender Gap Index, 2017 – shows that India's poor showing on gender equality has hit rock-bottom. It has been ranked 108 out of 144 countries, a fall of 21 places from last year's 87 – and its lowest since the index was developed in 2006. It would be safe to say that, at this rate, it would take centuries to close the wide gap between Indian men and women. The report flags two indicators as being particularly guilty. The first is "health and survival", where India is in the bottom four, largely as a result of its losing battle against a falling sex ratio at birth and the lack of access to healthcare. The second is "economic participation and opportunities for women". Despite gains in education, women's work participation rate stands at an abysmal 27 per cent. According to a World Bank report, about 19.6 million women have dropped out of the workforce between 2004-05 and 2011-12. Even when women earn, says the WEF report, they are paid 60 per cent less than men for similar work done. Most of the work they do is unpaid labour – at home, in the fields and in childcare. Thus, on every point in the spectrum of human development, from sheer survival and basic health to the opportunities available to realise one's human potential, Indian women are precariously placed.
- The data needs to be parsed to see if the precipitous fall this year is a result of the larger crisis in agriculture, or the blow to women's finances from demonetisation. But the report raises serious questions about why two decades of economic progress have not led to commensurate strides in women's lives. It certainly ought to send the central and state governments back to the drawing boards to re-assess ongoing schemes, and to reinvest more heavily in the nutrition and health of women. Economists are agreed that for a society to be gender-just, there is no substitute for a greater participation of women in the

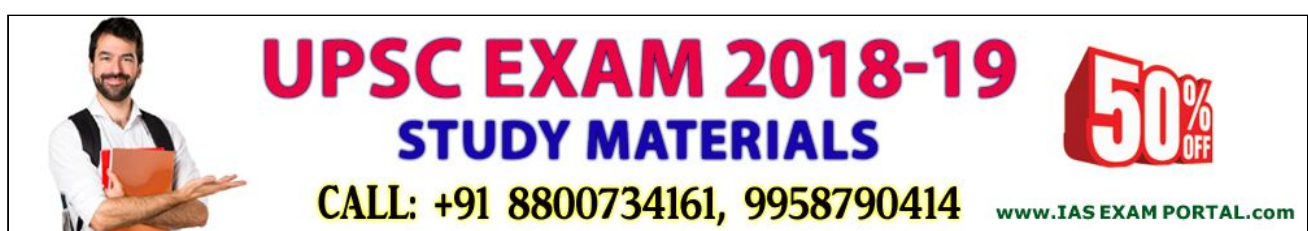


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workforce – and more women in leadership roles. Bangladesh, at the 47th spot, is an example of how political empowerment – 20 percent of its legislators in parliament are women, 45 per cent of women are in the workforce – has levelled the field considerably for its women. In contrast, only 12 percent of legislators in India are women. The time for change is now, and it ought to start at the top – with the political class.


Fixing Accountability

- India has no dearth of regulators, elaborate regulatory frameworks or institutional or constitutional watchdogs to detect and prevent frauds. India's banking regulator, the Reserve Bank of India has from time to time issued guidelines to strengthen systems and procedures for electronic banking transactions, internet banking and mobile banking. The RBI has recently instructed through a circular all banks to put in place effective systems to ensure secure electronic banking transactions.
- The objective is clear: Customers must feel safe about carrying out electronic banking transactions. Banks must put in place robust and dynamic fraud detection and prevention mechanisms plugging gaps in the existing systems and reporting of unauthorised transactions by customers to banks with 24x7 access through multiple channels ensuring that complaints are resolved within 90 days. Banks shall formulate transparent, non-discriminatory customer relations policy for customer protection and customer liability of unauthorised electronic banking transactions, fraud risk management, fraud monitoring and fraud investigation function must be owned by the bank's CEO, audit committee of the board and the special committee of the board and nominate a general manager for submitting fraud returns.
- The circular was necessitated to implement the Government of India's decision to bifurcate the post of chairman and managing director of public sector banks in April, 2015 into a non-executive chairman, responsible for giving an overall policy direction to the bank; and a full-time executive managing director and CEO in charge of overseeing the day to day functioning. The RBI has made it clear that in banks where the board of directors is chaired by a non-executive chairman, there will not be any restriction if she or he is also nominated to the audit committee of the board of directors (ACB). The ACB has to "oversee the internal inspection, statutory audit, inter-branch and inter-bank accounts, balancing of books, major areas of house-keeping, etc." and focus on monitoring of frauds and taking preventive and corrective actions on frauds.



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- The chief vigilance commissioner has also emphasised that there must be effective monitoring of frauds at the highest level. The CBI director insisted that the board of the PSB banks must monitor fraud cases. The ACB must monitor all the cases of fraud. The committee is required to identify the systemic lacunae that caused perpetration of the fraud and review the efficacy of the remedial action taken to prevent recurrence of frauds.
- Bank auditors may notice fraudulent transactions and must bring them to the notice of the top management and to the ACB for appropriate action. The bank may deploy forensic experts or an internal team for investigations. Unscrupulous borrowers enjoy credit facilities from “multiple banking arrangement”. Such borrowers may siphon funds by diverting from the bank on which the fraud is being perpetrated. The RBI was emphatic that “all the banks which have financed a borrower under ‘multiple banking’ arrangement should take co-ordinated action, based on commonly agreed strategy, for legal, criminal actions, follow up for recovery, exchange of details on modus operandi, achieving consistency in data and information on frauds reported to Reserve Bank of India.”
- As in the case of NPAs, banks must initiate and complete a staff accountability exercise. Banks should complete the exercise within six months and lodge the complaint with the law enforcement agencies immediately. Despite having strict instructions and the issuing of repeated circulars stipulating responsibilities of the board, audit committee, auditors and special committee, big borrowers have been defrauding the PSBs.
- Despite the mother of all instructions for fraud detection, prevention, control, monitoring and periodical reporting to the RBI, there seems to be a laxity in implementation in different levels leading to NPAs and bank frauds. Even with elaborate stipulations and procedures laid down, how do big borrowers take the system for a ride and get huge loans sanctioned and get away from the rules? Does it mean that fraudsters know the art of influencing decision-makers or is there collusion from like minded authorities? Who are responsible for the huge bad debts accumulated in PSBs? Is there an effective system of fixing responsibility of all the delinquent personnel who run away foreign lands after looting the public sector institutions in the country?



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