

# CURRENT AFFAIRS

## WEEKLY

WEEK -2 JULY, 2019

### Economy

- SEBI Regulations Ⓢ
- RBI's Financial Stability Report Ⓢ

### Governance

- Jal Shakti Abhiyan Ⓢ
- Pradhan Mantri Gramin Digital Ⓢ
- Saksharta Abhiyan (PMGDISHA)
- Review of Ujjwala Scheme Ⓢ

### Health

- Japanese Encephalitis Ⓢ

### International Relations

- G20 Summit in Osaka, Japan Ⓢ
- India's Non - Permanent Seat at Ⓢ
- UNSC for 2021-2022
- 'goAML'- New Anti-Money Ⓢ
- Laundering Platform

### Environment & Geography

- Bharat Stage IV (BS-IV) Cars Ⓢ
- 'Impressive' tortoise sighted in Ⓢ
- Arunachal Pradesh

### Science & Technology

- NASA's PUNCH Mission Ⓢ
- Natural Language Translation Ⓢ
- Space Observation

### Social Issues

- Trafficking in Persons Report Ⓢ

### ECONOMY

- ⌚ SEZ Bill 2019 (PMMY)
- ⌚ Telecom Sector

### GOVERNANCE

- ⌚ AYUSH System

### POLITY

- ⌚ Bombay HC upheld Maratha Reservation
- ⌚ Legal Aid

### SOCIAL ISSUES

- ⌚ International Day against Drug Abuse and Illicit Trafficking

### WORLD AFFAIRS

- ⌚ Regional Comprehensive Economic Partnership

MAINS PRELIMS

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## — Disclaimer —

The current affairs articles are segregated from prelims and mains perspective, such separation is maintained in terms of structure of articles. Mains articles have more focus on analysis and prelims articles have more focus on facts.

However, this doesn't mean that Mains articles don't cover facts and PT articles can't have analysis. You are suggested to read all of them for all stages of examination.

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**WEEK-2 (JULY, 2019)**

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**CURRENT AFFAIRS**

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## SEZ BILL 2019

### CONTEXT

- The Special Economic Zone (SEZ) Bill, 2019 has been recently passed by both Houses of the Parliament.

### BACKGROUND

- A Special Economic Zone is a geographical region that has economic laws that are more liberal than a country's prevailing economic laws. In India SEZs are specifically delineated, duty-free enclaves that can be deemed as foreign territory for the purposes of trade operations, duties and tariffs. They can be set up by any private or public, Joint or exclusively State-owned, or even foreign-owned company, anywhere in India. A multi-product SEZ is required to have 1000 hectares while the single product SEZ can be set up in as little 100 hectares.

### Evolution of SEZ in India

- India was one of the first in Asia to recognize the effectiveness of the **Export Processing Zone (EPZ) model**.
- But EPZ Model soon failed to make its impact due to multiplicity of controls and clearances, absence of world-class infrastructure, and an unstable fiscal regime.
- Then, with an aim to attract the foreign investments and boost India's export, **Special Economic Zone Policy** was introduced in 2000.
- By 2005, all EPZs had been converted to SEZs.
- Till 2006, SEZs in India functioned under the provisions of the **Foreign Trade Policy**. Then, in order to instil confidence in investors and signal the Government's commitment to a stable SEZ policy regime **Special Economic Zones Act, 2005**, was passed by Parliament, which came into force in 2006.
- As of **March 2019**, there are **232 SEZs** in operation. Kandla SEZ (Gujrat), Noida SEZ (UP), Vishakhapatnam SEZ (Andhra Pradesh), Cochin SEZ (Kerala) are some examples of SEZ in India.

### ANALYSIS

#### Performance of SEZ in India

- The three important objectives of the SEZs Act, 2005 are to generate employment opportunities, encourage investments and increase India's exports.
  - ▶ **Export:** In 2018-19, a growth of 21% over the exports of the corresponding period of FY 2017-2018 has been observed

- ▶ **Employment:** As of March 2019, employment of more than 20 lakh person days has been generated by SEZs.

- ▶ **Investment:** The investments accumulated into the SEZs for the period from 2006 to 2019 amount to **Rs. 5,07,644 crores**.

- But, as per CAG Report, SEZ units have been achieving the prescribed net foreign exchange (NFE) earnings mainly **through domestic sales**, defeating one of the sub-objectives of the scheme, which was to augment exports.

- Overall, the SEZ scheme in India has shown a tremendous growth in infrastructure investment, employment and exports. At the end of March 2019, the investment in SEZs was a whopping ₹5 lakh crore plus and the employment was over 20 lakh and exports were over ₹7 lakh crore

- **Positive Impact of SEZs on the Indian Economy**

- ▶ **Balance of Payment:** India's trade deficit widened to USD 15.36 billion in May 2019 from USD 14.62 billion in the same month last year and SEZs are a key remedy to improve the trade imbalance.

- ▶ **Import Substitution by domestic Production:** **Baba Kalyani-led committee** on special economic zones (SEZ) has suggested that certain sectors such as electronics are showing high domestic demand and need to have a plan for import substitution.

- ▶ **Boost to MSME Sector:** The SEZ policy has significant constraints for MSMEs, despite its high importance for the Indian economy. MSMEs accounted for 28.24 percent of India's exports coming from SEZs in 2016-17.

- ▶ **Increased Share of Manufacturing in GDP:** Although about 30 percent of operational SEZ are engaged in manufacturing but still manufactured goods dominate India's exports from SEZs.

#### Negative Impact of SEZ in India

- Despite the huge rate of approval and establishment of SEZs, and thus their apparent success, the development of SEZs has faced considerable opposition and is stalling in some cases. Some of the key problems due to SEZ are as follows:

## Economic

- **Foregone Revenue:** As per the CAG report, in 2016-17, the revenue loss to the government on account of concessions to SEZs was Rs 10,182 crore.
- **Loss of Employment for Farmers:** SEZ model that replaces farming on fertile agricultural land with autonomous, private industrial enclaves that mostly just provide jobs for urban skilled and semi-skilled workers.

## Social

- **Poor Compensation:** The compensation to the land owners, even if paid in full, is woefully inadequate.
- **Forced Eviction & Poor Rehabilitation:** For rural farmers, it is not just the loss of their land but the displacement is very painful since it breaks the family and neighbourhood bonds that are not easy to establish in a new setting.
- **No Alternative Employment for Rural Poor:** In most of the cases, the displaced people have found little new employment in these projects.
- **Landless Worker & Non – Farm Workers** – This section does not receive any compensation and are left without any redress for the severe disruption to their livelihoods that they face.
- **Discrimination** – Land Holdings of the vulnerable groups like SC's and ST's are targeted because such people are least likely to be able to resist the process
- **Toll on Health** – The frequency of deaths peaked in the period 2005 to 2007, the period immediately following the main wave of SEZ evictions. Moreover, due to pollution from SEZ, cases of acute respiratory diseases are reported every year.
- **Impact on Women** – Poverty, indebtedness and unemployment due to SEZ has forced women to undertake more work and struggle hard for making ends meet. Violence against women also increased due to increased frustration.

## Political

- SEZs have **hit at the sovereignty of local bodies**, as they function as self-governing autonomous bodies.
- Enormous power has been given to Development Commissioners for granting environmental clearance for SEZs. They are able to **bypass the State Pollution Control Boards** as they work directly under government control.

## Environmental

- The SEZ Act 2005 does not require “**Environmental Impact Assessment**” as part of the application for new units because SEZs are only permitted to contain “non-polluting” industries and facilities.

- The water requirement, as demanded by POSCO Steel website, is 286 million litres per day. In a situation when Tamil Nadu is facing severed water crisis even for drinking purposes, such **huge demand of water** is infeasible to be met.
- **Water pollution** due to the release of untreated waste water into water bodies by SEZ has led to the deaths of a number of livestock and increased GHGs in the atmosphere.

## Challenges faced by SEZ in India

- The SEZ Developers have highlighted the following challenges faced by them in operating SEZs in India
  - ▶ **Land Acquisition:** The land for SEZ is usually obtained, with the recommendations of the state governments, through Land Acquisition Act. The flaws in the archaic land acquisition have been replaced by the new Land Acquisition Act, 2013 but the process of land acquisition and getting permissions from custom authorities is still cumbersome.
  - ▶ **Free Trade Agreements:** Signing of more Free Trade Agreements (FTAs) by India enabled Indian exporters outside the SEZs to import duty free imports of inputs. This acted as a disincentive for exporters operating within SEZs.
  - ▶ **Withdrawal of Tax Incentives:** After the withdrawal of exemption for Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) for the SEZs, it has become more beneficial to operate in Domestic Tariff Area (DTA) rather than SEZ.
  - ▶ **Non-compliance with WTO rules results in export incompetitiveness** - SEZs are entitled to get various tax benefits but these are not compliant with the World Trade Organization (WTO) rules. Therefore, the importing countries impose countervailing duties on imports from India, to negate the effect of direct tax subsidies provided to the exporters operating within SEZs
  - ▶ Other important challenges are:
    - Slowdown in global demand and lack of incentives to operate in the SEZs
    - Instability in the policy environment and unfavorable regulatory environment
    - Poor market response
    - Non-availability of skilled labour force

## Analysis of 2019 Bill

- The Bill amends the SEZ 2005 Act. It also replaces the SEZ (Amendment) Ordinance, 2019, that was promulgated in March.
- The Act does not permit ‘trusts’ to set up units in SEZs. Now, the amendment will enable trusts to be considered for grant of permission to set up units in SEZs.

- Now, the Central Government has more flexibility to include any entity in the definition of "Person" from time to time. This will facilitate investments in SEZ.
- According to the law, an individual, a Hindu divided family, a company, co-operative society or a firm fall in the definition of a "person".

### Suggestions

- The government should ensure due Compensation, Resettlement and Rehabilitation of the displaced land owners.
- A fixed time period needs to be prescribed for getting fast notification by Board of Approval (BOA).
- Timely redressal of grievances by UAC/BOA and granting of NOC from various authorities for exiting from SEZ scheme.
- India should not provide direct subsidies to SEZs which violates the WTO rules and rather provide indirect benefits
- The administrative procedures should be streamlined wherein overall clearance mechanism should be speedy, robust and effective to transform zones as arenas for employment, new investment and development catalysts rather than enclaves for absorbing underemployed workers.
- SEZs need to be treated differently from the domestic economy and should be provided significant incentives & opportunities for domestic participation, knowledge-sharing, innovation and skills development.
- Several success stories (**China**) demonstrate the effective use of SEZs as policy tools to increase employment and exports, attract FDI and improve economic growth supported by various factors—fiscal incentives, skills upgrading, access to infrastructure & location, among others.

### Difference between National Investment and Manufacturing Zone (NIMZ) and Special Economic Zone (SEZ):

- NIMZ is different from SEZs in these following aspects:
  - SEZs were created in order to **boost exports**. There was no specific ideation for this as to which sector it should focus on. So **service sector took the lead** in SEZs. Unlike the SEZs, where flourishing IT companies set up shops to milk incentives, **NIMZ are meant for manufacturers** and aimed at boosting domestic growth and not necessarily exports.
  - There are **no unique tax benefits for NIMZs** unlike SEZs.
  - Labour interests has been kept in mind in NIMZs, the units have to provide **job compensation** through insurance or through a dedicated fund in case of closure of the unit.
- NIMZs have much of state prerogative than SEZs. The land acquirement will be done by state government while capital for the development of the infrastructure will be funded by centre.

### Conclusion

- Therefore, it cannot be denied that the objectives of the SEZ in terms of the production of goods and services of global standards, earning foreign exchange, improvement in infrastructure and employment are more relevant today than ever before. They probably need to be supported more through incentives and government interventions rather than being hounded as is no alternative to bring in Export led economic development.



### Practice Question

- Critically analyze the role of Special Economic Zones in the economic and social sphere of India.



SEZ bill 2019

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CONTEXT

The Special Economic Zones (Amendment) Bill, 2019 has been recently passed by the Parliament

will enable **trusts** to be considered for grant of permission to set up units in SEZs.

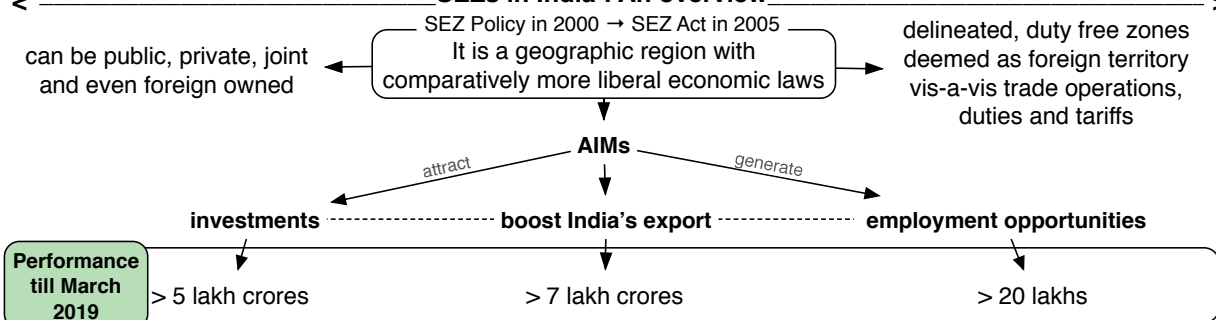
Central Government has more flexibility to include any entity in the **definition of "Person"** from time to time.

This will facilitate investments in SEZ.

(According to the law, an individual, a Hindu divided family, a company, co-operative society or a firm fall in the definition of a "person")



SEZs in India : An overview



Poor compensation for land acquisition and resulting eviction → Better Compensation, Resettlement and Rehabilitation needs to be ensured stringently

Instability in the policy environment and unfavorable regulatory environment

Cumbersome land acquisition process

**Despite successes, SEZs face some key issues**

Signing of more **FTAs** by India enabled Indian exporters outside the SEZs to import duty free imports of inputs

This acted as a disincentive for exporters operating within SEZs

SEZs are entitled to get various tax benefits but these are not compliant with the World Trade Organization (**WTO**) rules

the importing countries impose countervailing duties on imports from India, to negate the effect of direct tax subsidies provided to the exporters operating within SEZs

**withdrawal of exemption** for Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) for the SEZs

become more beneficial to operate in Domestic Tariff Area (DTA) rather than SEZ.

SEZs need to be **treated differently** from the domestic economy and should be provided significant incentives & opportunities for domestic participation, knowledge-sharing, innovation and skills development.

India should not provide direct subsidies to SEZs which violates the WTO rules and rather provide **indirect benefits**

Should be **supported by various factors**—fiscal incentives, skills upgrading, access to infrastructure & location, among others

**Possible Policy Modifications**  
**Suggestions for a better SEZ Regime**  
Better initial and regulatory mechanisms

A fixed time period needs to be prescribed for getting **fast notification** by Board of Approval (BOA).

The **administrative procedures should be streamlined** wherein overall clearance mechanism should be speedy, robust and effective to transform zones as arenas for employment, new investment and development catalysts

**Timely redressal** of grievances by UAC/BOA and granting of NOC from various authorities for exiting from SEZ scheme

# TELECOM SECTOR

## CONTEXT

- In the last 2 years, Telecom sector lost over 100,000 employees because of financial turmoil and consolidation of various telecom companies.
- According to the experts, it is set to turn a net hirer in FY20, with an expected 5% increase in manpower from companies such as Microsoft, Google, Tata Consultancy Services, HCL Technologies etc.
- The current demand is primarily for highly specialised skills in the junior to mid-level hierarchy in the two-five years (experience) bracket.

## Background

- The Department of Telecommunications (DoT) is a department of the Ministry of Communications of the executive branch of the Government of India. The Department has been formulating developmental policies for the accelerated growth of the telecommunication services.
- The Department is also responsible for grant of licenses for various telecom services like Unified Access Service Internet and VSAT service.
- The Department is also responsible for frequency management in the field of radio communication in close coordination with the international bodies. It also enforces wireless regulatory measures by monitoring wireless transmission of all users in the country.

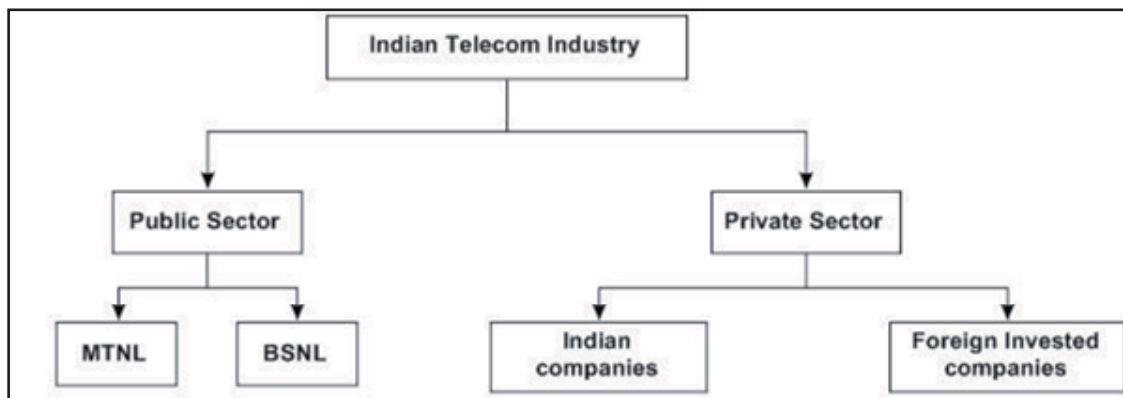
## Why this recent step of hiring?

- Earlier, an intense competition forced some operators to exit as they became defunct, resulting in the number shrinking to three companies: Bharti Airtel, Vodafone Idea and Reliance Jio Info comm. Even the towers industry has seen consolidation.
- While some senior level hiring took place at salary levels upward of Rs 1 crore in the past few years, recruitment has started for other grades as well.
- **Advent of 5G** is one of the main reasons why the industry, including handset makers, original equipment makers (OEMs) etc., will hire people. 5G will not only improve network performance and productivity but eventually will create more **high-skilled job opportunities**. The job creation estimate for first half of the current fiscal is 33,100.
- Even field positions, which at times have an attrition rate of 30%, are also opening up. A **specialist staffing** company that works with telecom, junior posts for engineering graduates are also opening up "but the main demand is for IT, digital marketing, innovation and R&D".
- **Industry revenue** is expected to rise in FY20 and recruiters say that hiring will happen across all levels like digital marketing, machine-to-machine (M2M), Internet of Things (IoT), Artificial Intelligence (AI), etc.

## ANALYSIS

### Current Scenario of Telecom Industry in India

- India is the world's second-largest telecommunications market, with around 1.2 billion subscribers as of September 2018.
- This sector has contributed around 6% to the country's GDP and it is expected to increase to an even more significant level.
- The year 2018 saw the consolidation of the Indian mobile telecommunications market into three large private players, **Reliance Jio**, **Bharti Airtel** and **Vodafone Idea**, accounting for more than 90% of revenue and 80% of spectrum holding.
- Government's ambitious plans like **Digital India** and **Smart-cities** are dependent on this sector and its sound financial health.
- **Foreign Direct Investment (FDI)** cap in the telecom sector has been increased to 100% from 74%. Out of 100 per cent, 49 per cent will be done through automatic route and the rest will be done through the FIPB approval route.
- Growth in the wireless sector (technology getting upgraded from 1G to 4G) has resulted in a significant boom in the data usability space, providing users with mobile broadband and fast speed data services.
- While Telecom sector is witnessing spectacular growth, it is also facing some **major hurdles** both in the area of government regulations as also consistent demand from customers to enhance customer service.
- There is a cumulative debt of around Rs.5 lakh crore in the telecom sector. In rural areas, the tele-density is far lower (56.9%) than that in urban India (171.1%). Also, the revenues are constantly falling down, further worsening the debt crisis.
- Telecom service providers pay as much as 30 % of their revenues in taxes and levies for spectrum and operating licences. The increased 18% under the GST regime has made the services **more expensive** at a time when it should have been reduced.



### Strength of Telecom sector in India

- **Strong demand:** World's second largest in terms of telecom network (a subscriber base of 119.1 crore), internet subscribers (internet users of 51.2 crore) as well as app downloads.
- it is estimated by the current demand that telecom sector will likely to have economic value of \$217 billion by 2020.
- **Increasing data usage:** India is also one of the largest data consumers (an average 1 GB data per day per user) globally. Data prices in India have historically been lower than global benchmarks, given the sheer number of service providers. The entry of Jio has only made competition fiercer, forcing telecom companies to bring down tariffs.
- **Good telecom infrastructure:** Large telecom companies have been investing on network infrastructure to improve customer experience for last few years. Over the past couple of years, the Indian telecom industry has been going through a paradigm shift from a voice-centric market to a data-centric market.
- **Fast-tracked reforms provide room for growth:** National digital communications policy, 2018 aims to attract \$100 billion worth of investments in the sector by 2022 and it is both customer-focussed and application-driven, given the pace of global transformation in the sector, particularly, in emerging technologies such as 5G, IoT (Internet of Things) and M2M (Machine to Machine) communications.

### Key Challenges Faced by the Telecom Industry in India

#### Inefficiency in Technology

- The mobile operators need a spectrum to provide access to enhance performance but it is a scarce resource. As compared to other countries, in India, the amount of spectrum available for commercial use is quite low.
- The practice of the government to auction spectrum at an exorbitant cost makes it difficult for mobile operators to provide services at a lower price and

at reasonable speeds. This discourages adoption and usage. However, the launch of Jio has helped to some extent to overcome this challenge. But there is a long way to go.

#### Lack of Telecom Infrastructure in Semi-rural and Rural areas

- Service providers have to incur huge initial fixed cost to enter semi-rural and rural areas. Key reasons behind these costs are lack of basic infrastructure like power and roads, resulting in delays in rolling out the infrastructure. Lack of trained personnel to operate and maintain the cellular infrastructure is another challenge.

#### Lack of Automation

- Sales teams in the telecom industry in India continue to rely on largely manual processes to collect intelligence on prospects. This process needs automation since it'll provide intelligence in real time.
- Without this information, teams may expand sales and resources in competitive markets where termination would not be effective, locations where serviceability is not aligned, or may not participate in the market until it is too late.

#### Lack of fixed line penetration

- India has very little penetration of fixed line in its network whereas, most of the developed countries have a very high penetration of fixed lines (telephone line that travelled through a metal wire or optical fibre as part of a nationwide telephone network).
- Though India has almost 1.2 billion connections the fixed line is around 18 million. Broadband connectivity on fixed line is also poor.
- Only around 25% of towers in India are connected with fibre networks, whereas in developed nations, it is in excess of 70%.
- 5G Network requires towers to be connected to with very high-speed systems. Those high speeds are not possible on the present radio systems. But are possible on fibre system.

### High Right-of-Way (ROW) cost

- Sometimes, states governments charge a huge amount for permitting the laying of fibre etc. (A right of way is a type of easement that allows a person to pass through another's land).
- It takes a long time to get right-of-way permissions and thus India is yet not able to exploit the full potential of 4G networks.

### Current System of Tariffs

- Major telecom operators are reporting losses and financial stress. This shows that the current tariff system is not financially viable for telecoms.

### Content Constraints

- Today, mostly the content that is available on the Internet is in English, which is still spoken by a small fraction of the people in India. There is a need to make more and more content available in all the regional languages. Additionally, the content should be focused on addressing local problems.
- The experience of using the internet or browsing is not a pleasant one on the small screens of a mobile phone. So, mostly the usage is restricted to chatting on applications such as WhatsApp and playing games. However, reading documents on mobile phones is still difficult.

### Threats

- **Interconnection charges:** Interconnection charges will be zero effective Jan 1, 2020 from current rate of 6 paisa/min. This would impact the revenues of incumbents.
- **Spectrum auctions:** Government of India has kept a high reserve price for spectrum auction. Given ongoing pressure on ARPU and margins, purchasing the spectrum at a high price (in circles like Mumbai) put further stress on the balance sheet.
- **External Sources:** There is a potential threats by the induction of **Chinese Telecom Equipment** or from any other source. So far, no specific issue has arisen due to equipment originating from any specific country. However, as and when any specific issue arises or a report is received, the regime can be further tightened for the equipments coming from a specific country or source or group of countries or companies.

### Initiatives by Government

- The Government of India launched a new **National Telecom Policy 2018** in lieu of rapid technological advancement in the sector over the past few years. The policy has envisaged attracting investments worth US\$ 100 billion in the sector by 2022.

- The **Department of Information Technology** intends to set up over 1 million internet-enabled common service centres across India as per the National e-Governance Plan.
- FDI cap in the telecom sector has been increased to 100% from 74%; out of 100%, 49% will be done through automatic route and the rest will be done through the FIPB approval route.
- FDI of up to 100% is permitted for infrastructure providers offering dark fibre, electronic mail and voice mail.
- The Government of India has introduced **Digital India programme** under which all the sectors such as healthcare, retail, etc. will be connected through internet

### Recent Government Initiatives

- **Department of Telecommunication** launched '**Tarang Sanchar**', a web portal sharing information on mobile towers and EMF Emission Compliances.
- Six-fold increase in Government spending on telecommunications infrastructure and services in the country
- Over 75% increase in internet coverage
- **Country-wide Optical Fibre Cable (OFC)** coverage doubled
- Five-fold jump in FDI inflows in the Telecom Sector

### Way Forward

- Future of Telecom Sector is very bright as its role will be seen in almost everything, from networking of CCTV Cameras to the safety and security of people to providing education in remote places. A long term vision plan should be made accordingly. For the time being, the government needs to provide an easy and soothing environment for telecom operators.
- The government should increase the network area through optical fibre instead of copper which is expensive. This is necessary to ensure last mile connectivity.
- The government needs to prepare a ground for easy right-of-way permissions and lower cost of right-of-ways.
- It is time to go for a generational shift to ensure that current tariff is financially viable for service providers.
- Telecom Operators should move towards future technologies, should add new services for which consumer will pay and will keep the telecom companies doing well.
- Telecom Operators should leverage on the talent pool in the country which is bringing in a lot of new innovations in AI, block-chain technology etc.



- New Infrastructure on sharable basis just like the way telecom service providers share the cost of towers is need of the hour. Every establishment requires a cable for one reason or other and roads cannot dig every day. Ducts should be constructed in each and every town so that there is a provision for simply pulling a cable through it as and when required and hence costs can be shared.
- The government should spend large on R&D and create an environment that makes India capable of manufacturing and even exporting hardware components like mobile handsets, CCTV Cameras, touch screen monitors etc.



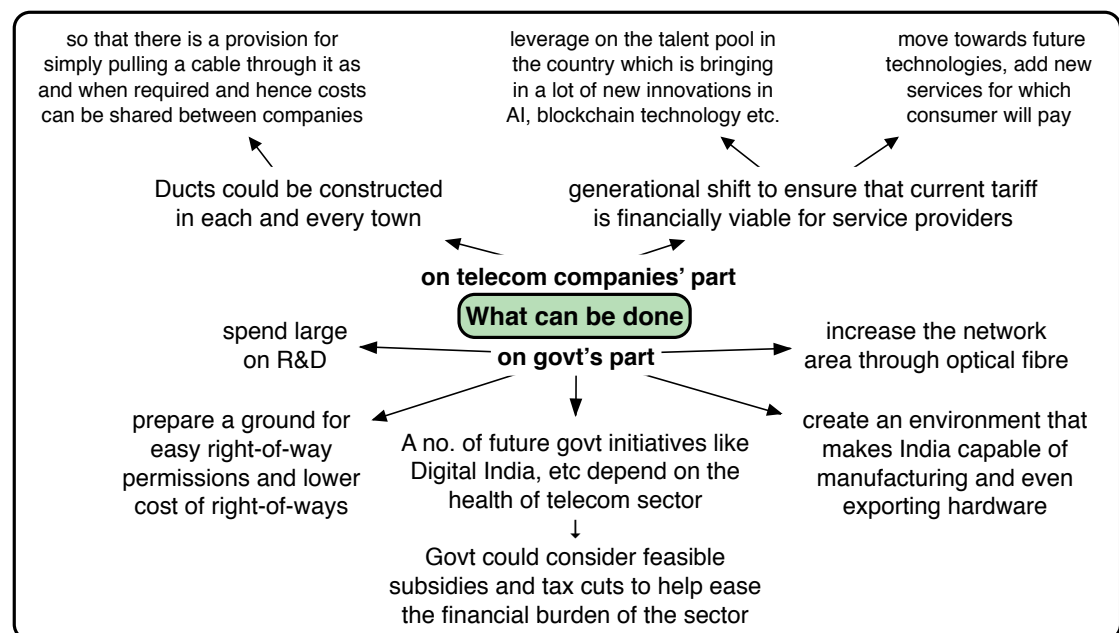
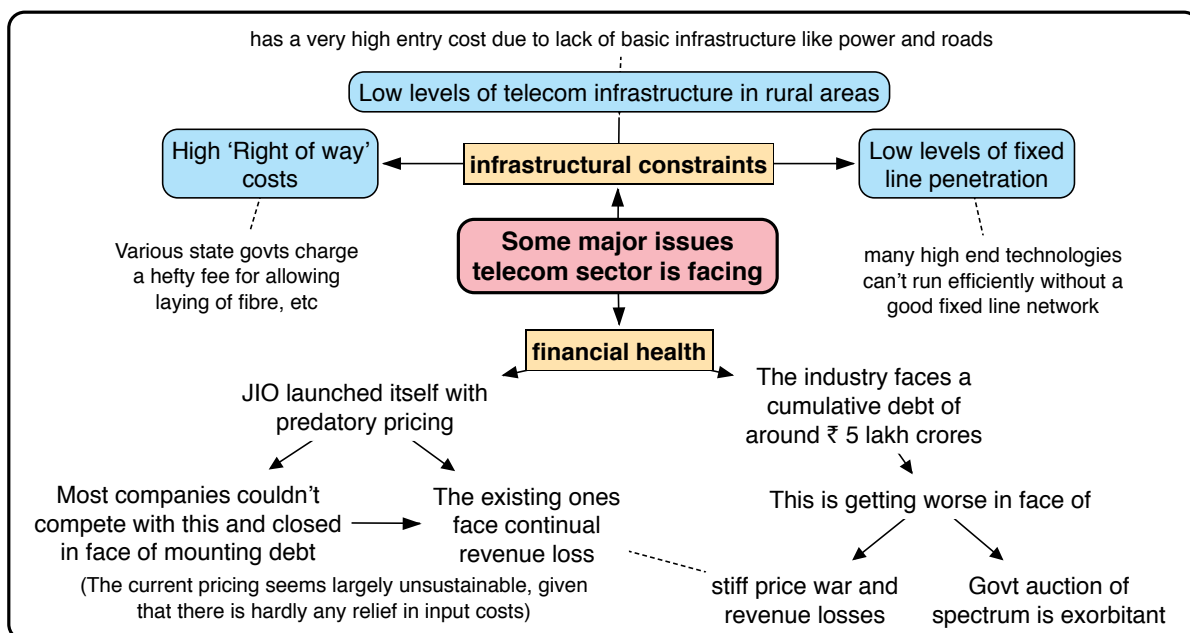
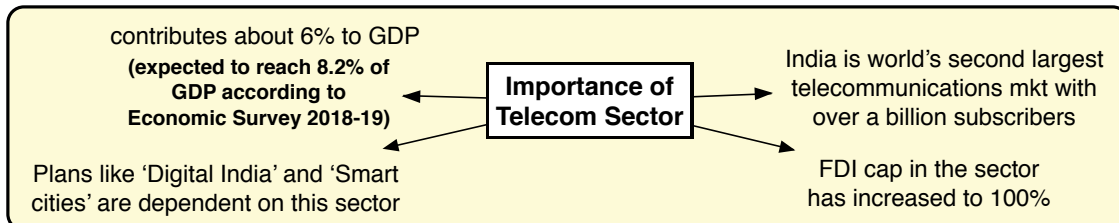
### Practice Question

- “India is the world’s second-largest telecommunications market, but it is facing many road-blocks in its growth.” Comment

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**CONTEXT**

In the last 2 years, Telecom sector has undergone huge financial turmoil and consolidation and even lost over 100,000 employees. However, it is set to turn a net hirer in FY20, with an expected 5% increase in manpower as it gears up for network digitisation and introduction for 5G. In this context, this article summarises the status of the sector and what needs to be done.

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# AYUSH SYSTEM

## CONTEXT

- Ministry of AYUSH is taking various initiatives in promotion and integration of Indian AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy) System with modern system to increase their acceptability as scientific and reliable alternative system of medicine.

### Background

- Earlier the Ministry of AYUSH, which was formed in 2014, was known as the Department of Indian System of Medicine and Homeopathy (ISM&H) and renamed as Department of AYUSH in 2003.
- AYUSH is one of the 12 champion services sectors that the government seeks to promote by offering soft loans and interest subsidies to AYUSH establishments as well as allowing 100 per cent foreign direct investment.

### Objectives

- To upgrade the educational standards of Indian Systems of Medicines and Homoeopathy colleges in the country.
- To strengthen existing research institutions and to ensure a time-bound research programme on identified diseases for which these systems have an effective treatment.
- To draw up schemes for promotion, cultivation and regeneration of medicinal plants used in these systems.
- To evolve Pharmacopoeia standards for Indian Systems of Medicine and Homoeopathy drugs.

## ANALYSIS

### Current scenario of health in India

- India is facing double burden of under-nutrition and communicable diseases along with the non-communicable ailments affecting millions of people.
- While communicable diseases contribute 28% of the entire disease burden, non-communicable diseases (60%) show ample rise and injuries at (12%) now constitute the bulk of the country's disease burden.
- World Health Organisation Report for 2018** highlights that non-communicable diseases account for 63 % of deaths in India.
- Nutrition status has been dismal and is one of the causes of child mortality and morbidity. As per the **Global Hunger Index (by IFPRI)**, India ranks 78th among 118 developing countries (with 15% of our population being undernourished; about 15%

under-5 children who are 'wasted' while the share of children who are 'stunted' is a staggering 39% and the under-5 mortality rate is 4.8% in India.)

- There has been a steady rise in mental illnesses in the country. According to a recent publication, one in every four women and 10% men suffer from depression in India.
- At the same time progress has been marked in the field of communicable diseases as such. Polio has been eradicated, leprosy has been curtailed and HIV – AIDS cases have met the MDG target of being reduced by half in number.

### Impact of AYUSH on Society

- AYUSH will provide growth opportunity to the **indigenous medical research** and employment opportunities in the upstream and the downstream of the AYUSH supply chain.
- In the era of "Superbugs", where even the best antibiotic is becoming futile, AYUSH may open the doors of future technologies for healthy life.
- This medical system is very effective towards lifestyle associated disorders. AYUSH provides natural cure, which helped in curing of many severe diseases such as Depression. This is not seen even in other conventional medical systems.
- AYUSH health system is focused on the prevention method. Promotion of sustainable lifestyle which is one of the goals under the INDCs (Intended Nationally Determined Contribution).
- However, some researcher are still sceptical about the AYUSH impact since there is not much concrete research published in the Lancet Journal upon this very subject. Some experts suggest that AYUSH may be useful as preventive drugs than prescriptive ones.

### Why Integration?

- India is faced with a highly complex scenario. On the one hand, there is the unfinished agenda of under-nutrition and communicable diseases, on the other; the burden of non-communicable ailments is crippling the lives of millions.
- This is an alarming statistic to say the least and it is unlikely that modern medicine alone can provide the solutions. Systematically promoting integrative

medicine — an approach that combines modern medicine with alternative systems like Ayurveda and Yoga — is perhaps more crucial now than ever before.

### Integration of medicines: A real solution?

- Unlike modern medicine, alternative systems follow a more holistic approach, with the objective of promoting overall well-being instead of focussing on curing illness alone.
- Such an approach assumes greater significance in the case of **non-communicable diseases** which are difficult to treat once they have developed into chronic conditions.
- Internationally, greater scientific evidence is becoming available regarding the health impact of alternative systems of medicine, especially Yoga.
- Apart from a rich heritage in traditional medicine, India has nearly 8 lakh registered AYUSH practitioners whose services can be better utilised for delivering healthcare to the population.
- While the demand for alternative systems of medicine has been on the rise, there is still some scepticism perhaps due to the paucity of large-scale studies in India demonstrating its effectiveness. Moreover, the emphasis of AYUSH on overall well-being makes it less tangible compared to modern medicine which focuses on treating diseases.
- Primary health care deals with basic medicine, treatment of minor ailments, immunization, child healthcare as well as natal and postnatal care. With little or no presence of private hospitals in rural areas, this leaves a large section of the rural population effectively without access to a doctor. In such circumstances, training AYUSH practitioners to fill the gaps in healthcare delivery at primary level can improve the doctor-patient ratio and provide the poorest masses in remote areas some medical assistance.
- This integration seems a **viable solution** in the short term as it will reduce the public health challenges of anaemia, malnutrition, pneumonia, diarrhoea, and other communicable diseases.

### Practical Challenges

- The broad philosophical orientation of each system of medicine is distinct. For example, while the allopathic system addresses symptoms and treatment of causes of illnesses based on a biomedical model understood with the help of epidemiological investigations, the Ayurveda system largely operates on a holistic approach to illness.
- The **National Commission on Macroeconomics and Health background** paper on **integrative medicine** does highlight some important illnesses where the AYUSH system seems to have better remedies compared to allopathy.

- Legally, cross practice has been prohibited by the **Supreme Court of India**, where there is a clear direction that non-allopathic practitioners may not practise allopathic medicine. The Common Review Missions of the NRHM have shown that AYUSH practitioners are practising Allopathic medicine in several states, including Uttar Pradesh, Chhattisgarh and Bihar.

### Ethical perspective in mainstreaming of AYUSH

- Applying the outlines of any of these frameworks to the process of mainstreaming of AYUSH would yield a detailed ethical analysis. But it would be an inappropriate exercise as it would not be relevant to the specific contextual issues unique to this situation.

### Mutual respect and trust

- The need for mutual respect between the allopathic and AYUSH practitioners is paramount. Unless they respect each other's system of practice and work as a team, there is a likelihood of the system becoming competitive and counterproductive.

### Public accountability

- Accountability of the system to the public is an essential component of the health system as it ensures community acceptance, involvement and participation. The document on mainstreaming of AYUSH does mention the establishment of patient welfare societies for AYUSH hospitals at the district and tertiary care levels. But there is no mention of accountability at the level of integrated care at the primary and secondary levels. Though there is a clear mention of training the ASHA in AYUSH, the village health plan does not emphasise AYUSH.

### While integrating AYUSH and modern healthcare system in India, some of the important measures that need to be considered are:

- Clear role definitions of AYUSH practitioners and allopathy practitioners in their treatment of patients, in their mutual interactions, and in community accountability mechanisms is important. This should include the process of proper identification of allopathy and AYUSH practitioners by patients, understanding of the limits and restrictions of each other's practice boundaries, and establishment of specific accountability mechanisms for each system.
- Obtaining community acceptance by accountability, transparency, necessity, and justification.
- Active advocacy about AYUSH and integration of AYUSH and allopathy in the community.
- Providing ample opportunities for patients to make a fully informed decision about the type of care they want.



- Paying proper attention to the ethical perspectives in integration of AYUSH into mainstream medical practice is very important for taking correct public health decisions. It is understood that this cannot be an overnight process. Protocols and regulations can be a starting step. This has to be supplemented by active research, development, standardisation and advocacy at the policy and the grassroots level.

### Recent initiatives for streamlining AYUSH systems

- **Ministry of AYUSH** co-locates AYUSH facilities at **Primary Health Centres (PHCs), Community Health Centres (CHCs)** and **District Hospitals (DHs)**, thus enabling choice to the patients for different systems of medicine.
- This **Ministry** along with **Directorate General of Health Services (DGHS)** is implementing **NPCDCS (National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke)** for health promotion, prevention and management of Non-communicable diseases or Lifestyle related disorders
- It has been decided that 10% of the Sub-centres are to be upgraded as **Health and Wellness Centres (HWCs)** under Ayushman Bharat which will be developed by the Ministry of AYUSH to provide comprehensive Health care to the needy community.
- **Central Council for Research in Homoeopathy (CCRH)** has developed a public health program on 'Homoeopathy for Healthy Child' which has been integrated with **Rashtriya Bal Swasthya Karyakram (RBSK)**.
- **Central Council for Research in Siddha (CCRS)** conducts special OPD for non-communicable diseases and geriatric population.
- **Morarji Desai National Institute of Yoga (MDNIY)**, an autonomous organization under Ministry of AYUSH has established 19 Preventive Health Care Units of Yoga in CGHS Wellness Centres in Delhi and NCR. Regular Yoga training programmes are being held in these Units.
- **e-AUSHADHI Portal**
  - The portal has been launched by Ministry of AYUSH for online licensing of Ayurveda, Siddha, Unani and Homoeopathy drugs and related matters.

- The portal is intended for increased transparency, improved information management facility, improved data usability and increased accountability.

### Way Forward

- The co-location of AYUSH with facilities providing allopathic medicine needs to be ramped up considerably. The '**Strategy for New India @ 75**' released by **NITI Aayog** recently sets out the explicit target of co-locating AYUSH services in at least 50% of primary health centres, 70% of community health centres and 100% of district hospitals by 2022-23.
- Investments in AYUSH education and research need to be stepped up. Mechanisms should be identified for integrating modern medicine and AYUSH curricula at the undergraduate and postgraduate levels in educational institutions. In China, for instance, traditional medicine is already taught alongside Western medicine. Developing a credible research base is also critical as it will help to embed AYUSH within the overall framework of healthcare by addressing the lingering concerns around its effectiveness.
- A range of communication channels should be leveraged to popularise Ayurveda and Yoga and inform citizens about their preventive and curative properties. While Yoga has gained immensely in popularity as a form of exercise, the full range of physical and mental health benefits it can yield are still not widely appreciated.
- Essential AYUSH medicines must be included in various national health programmes and guidelines should be developed for ensuring their quality.
- The time is ripe to systematically promote and mainstream integrative medicine. India is facing a dual disease burden on the one hand and has a rich history of traditional medicine to tap into, on the other. While the last few years have witnessed a number of enabling policy interventions, more needs to be done to reap the full benefits of integrative medicine.



### Practice Question

- **Question:** Do you think that integration of Indian AYUSH System with modern medicine system is a viable solution? Support your answer with illustrations.

Ayurveda  
Yoga & Naturopathy  
Unani  
Siddha  
Homeopathy

**CONTEXT**

Ministry of AYUSH is taking various initiatives in promotion and integration of Indian AYUSH System with modern system to increase their acceptability as scientific and reliable alternative system of medicine. AYUSH is one of the 12 champion services sectors that the government seeks to promote by offering **soft loans** and **interest subsidies** to AYUSH establishments as well as allowing **100% FDI**

**GS SCORE**  
Learning Aid

**Case for AYUSH**

- non-communicable diseases  
(According to WHO, 63% deaths in India are due to these)
- communicable diseases
- under nutrition

What complicates the situation further is a large population and poverty

modern medicine alone faces an uphill task to deal with the mammoth health issues of India

So, integrative medicine (i.e. combining modern medicine with AYUSH)

can be a more sustainable way forward

**Allopathy** focusses more on symptoms and treating causes of illnesses

**AYUSH** broadly operates on overall well being and preventing illnesses and curing only if need arises

An integrative approach can lead to better outcomes via an overarching strategy

preventing illnesses

(mainly through AYUSH)

curing illnesses

mainly by allopathy

supplemented by

AYUSH wherever possible

growth opportunity in indigenous medical research and employment opportunities

services of 8 lakh registered AYUSH practitioners can be readily utilised

This approach has a number of additional advantages

natural cure may be possible for more severe diseases like depression

a more sustainable lifestyle can be promoted

Little or no presence of private hospitals in rural areas, leaves a large section of the rural population effectively without access to even basic medical facilities. In such circumstances, training AYUSH practitioners to fill the gaps in healthcare delivery at primary level can improve the doctor-patient ratio and provide the poorest masses in remote areas some medical assistance.

The '**Strategy for New India @ 75**' released by **NITI Aayog** sets out the explicit target of co-locating AYUSH services in at least 50 % of primary health centres, 70 % of community health centres and 100 % of district hospitals by 2022-23

ramping up of co-location of AYUSH facilities with allopathic ones

Essential AYUSH medicines must be included in various **national health programmes** and guidelines should be developed for ensuring their quality

**Way forward**

A range of communication channels should be leveraged to **popularise** Ayurveda and Yoga and **inform** citizens about their preventive and curative properties

Some skepticism exists w.r.t. AYUSH mainly due to paucity of large scale studies on its effectiveness

Mechanisms should be identified for integrating modern medicine and AYUSH curricula at the UG and PG levels

Investments in AYUSH education and research needs to be stepped up

Clear role definitions of AYUSH practitioners and allopathy practitioners in their conduct is important

**Bottomline**

The time is ripe to systematically promote and mainstream integrative medicine. India is facing a dual disease burden on the one hand and has a rich history of traditional medicine to tap into, on the other. While the last few years have witnessed a number of enabling policy interventions, more needs to be done to reap the full benefits of integrative medicine.

# BOMBAY HC UPHELD MARATHA RESERVATION

## CONTEXT

- The Bombay High Court upheld reservation for Marathas in the State but quashed the 16% quota by calling it “not justifiable”.
- As per the HC’s observation, the reservation should not exceed 12% for education and 13% for jobs as recommended by the Maharashtra State Backward Class Commission (MSBCC).

### Background:

The Maratha community, which comprises over 30 per cent of the state’s population, has been seeking reservation in government jobs and education for a long time as fragmentation of land and frequent drought makes their condition critical most of farmers committed suicide belongs to Maratha caste.

- Based on the State Backward Class Commission’s report, the government declared Maratha community as “socially and educationally backward class of citizens” and proposed 16 per cent quota for them in jobs and education which was passed by Maharashtra Legislature in November 2018.
- With the passage of the bill, the reservation quantum in the state rose to 68 per cent.
- In November 2018, the M G Gaikwad Commission in its recommendation declared the Maratha community as socially and educationally backward class of citizens (SEBC) and stated that the community has inadequate representation in the services under the State.

### Reservation in India

- India is unique in the world in that reservation policies address historically disadvantaged groups, defined primarily by a caste system (most other countries base it on ethnicity, religion, language, gender or sexual preference).
  - ▶ One major category of policies used in removing restrictions on freedoms is affirmative action or positive discrimination. Part XVI of the Indian Constitution deals with reservation for scheduled castes (SC) and scheduled tribes (ST) in federal and state legislatures, as well as with the constitutional authority of the president to establish commissions to examine and recommend remedies for the welfare of SC and ST groups.
  - ▶ The initial reservations were only for SC and ST under Article 15(4) and Article 16(4) of the Indian Constitution for a period of 10 years (1951-1961); however, it is getting extended ever since.
  - ▶ After the implementation of Mandal Commission report in 1990, the scope of the reservation was widened to include Other Backward Communities (OBCs) in 1991.

- ▶ In 2019, 124<sup>th</sup> Constitutional Amendment seeks to provide reservation to Economically Weaker Sections also. Thus, economic criteria have also been included for reservation, in addition to the socially and educationally backward criteria which already existed.
- ▶ The benefits of the reservation were successively enjoyed only by a few communities (or families), excluding the truly deserving ones. Even 70 years after independence, the demand for reservation has only increased.
- ▶ The **case of Tamil Nadu** is instructive. It (including the erstwhile Madras Presidency) began affirmative action programmes over a century ago on the back of the Madras census report of 1871. It enacted an employment law that was primarily based on caste in 1927. By 1980, through successive governments, reservations for higher education and employment stood at nearly 70%.
- ▶ In *Indra Sawhney vs Union of India*, 1992, the Supreme Court of India capped caste-based reservation, ruling that “no provision of reservation or preference can be so vigorously pursued as to destroy the very concept of equality”.
- ▶ To counter Supreme Court-mandated maximum of 50% reservation, Tamil Nadu set a precedent by including it under the 9th Schedule of the Constitution (subject to very limited judicial review).

## ◎ ANALYSIS

### Observations of Bombay High Court

- Report of the **Gaikwad Commission** has set out the ‘**exceptional circumstances and extra-ordinary situations**’ justifying crossing of the limit of 50% reservation as set out in the *Indra Sawhney* case (Supreme Court).
- The 50% limit of reservation can be crossed subject to availability of quantifiable and contemporaneous data reflecting backwardness, inadequacy of representation and without affecting the efficiency in administration.

- The classification of the Maratha class into "Socially and Educationally Backward Class" was justified.
- The classification "complies with the twin test of reasonable classification permissible under Article 14 (equality before the law) of the Constitution of India, namely, intelligible differentia and rational nexus to the object sought to be achieved.
- However, the quantum of reservation set out by the Maharashtra State Reservation for seats for admission in educational institutions in the State and for appointments in the public services and posts under the State for SEBC as 16% is not justifiable and we quash and set aside the quantum of reservation under the said provisions over and above 12% and 13% respectively as recommended by the Commission.
- The State possesses the legislative competence to enact the Maharashtra State Reservation for Seats for Admission in Educational Institutions in the State and for appointments in the public services and posts under the State (for Socially and Educationally Backward Classes) SEBC Act, 2018, and the State's legislative competence is not in any way affected by the Constitution.

### Benefits of Reservation

- The biggest advantage of reservation system is that it has helped in promoting backward class people and also, further the cause of insuring due representation to all sections of Indian Society.
- Meritocracy is important but would be meaningless without equality. Reservation system has been successful in providing social justice to the most marginalized and underprivileged which is their human right.
- Reservation has provided a level playing field and also helping in reduction in the gap between the rich class and the backward poor class people.

### Concerns related to Reservation System

- The number benefiting from reservation varies from state to state, but has reached extreme proportions in a state like Tamil Nadu, where 69% of government jobs and educational positions are reserved for a range of deprived and disadvantaged castes.
- The extension of the reservation system to OBCs has triggered further reaction; those not defined as under the category. Due to reservation system politicians get chance to polarize people on caste lines and use them as a tool for winning elections which further complex the issue as many well-off castes come out with demand of reservation.
- The benefits of reservation policy have largely been appropriated by the dominant class within the backward castes, thereby the most marginalised within the backward castes have remained marginalised.

- The previously advantaged castes, begun to feel severely disadvantaged and demanded for inclusion of economically disadvantaged group in the reservation system which have been fulfilled by 124<sup>th</sup> Constitutional Amendment. This gives way to pressure politics.
- Now there is demand for enforcing reservation system in Private sector which can have adverse longer-term consequences for economic growth.
- The challenge for India is that while many sections of the society remain disadvantaged (STs, for one), political action has shifted to relative discrimination within reserved groups. As the reservation pie grows larger, in effect, it becomes a method of exclusion rather than inclusion.
- Reservations seek to remedy unequal starting positions, but once introduced, during promotions they serve inverse purposed as they treat equals unequally. The argument for promotions, and reservations based on caste/community, and not on merit, is clearly has weak ground.
- Reservations are the biggest enemy of meritocracy and reservation is opposed to the promotion of merit based education system, which is the foundation of many progressive countries. Reservation rewards people on the basis of their caste and merit which should the actual criteria takes a back seat.

### Conclusion

- While caste may be a prominent factor for "easy determination of backwardness", the Supreme Court discouraged "the identification of a group as backward solely on the basis of caste" and called for "new practices, methods and yardsticks" to be evolved.
- If reservation had been based not on caste but on income, i.e. for all BPL families, practically no deserving Scheduled Caste or Scheduled Tribe would have been excluded, but the beneficiaries would have changed every generation.
- Then, the bitterness of caste divisions would not have been politically perpetuated as they are now. So, it can be concluded that benefits of reservation should be given to only the most distressed and any other inclusions would be a serious abdication of the constitutional duty of the State.
- A critical assessment of its affirmative action programme like reservation is instantly required and simplification, legislative sunsets and periodic reviews should be important principles in the redesign.



## Bombay HC upholds Maratha Reservation

**GS SCORE**

Learning Aid

### CONTEXT

The Bombay HC has upheld the constitutional validity of Reservation granted to the Maratha Community in Maharashtra, although with slight modification in the quantum of reservation granted.



### Background

State Backward Class Commission Report recommended the Maratha community as

socially and educationally backward (SEBC)

having inadequate representation in jobs and education

Based on this, the state passed a law to grant them 16% reservation in both jobs and education in 2018

### Highlights of HC verdict

It stated that 50% limit can be breached if

quantifiable data for certain class(es) exists showing

inadequacy of representation in jobs and education

backwardness

reservation won't affect administrative efficiency

HC said that the circumstances expressed in the commission's report justify these conditions

hence, the Act was upheld

[However, it quashed the 16% quantum of reservation and capped it at 12% (for education) and 13% (for jobs) as recommended by the Maharashtra State Backward Class Commission]

This was challenged in Bombay HC on grounds of violation of SC verdict in

### Indira Sawhney Case (1992)

'Total Reservation for backward classes can't exceed 50%'

barring

"rare exceptional circumstances"

### Possible ramifications

The verdict could provide a **bypass to 50% ceiling** set by the SC in numerous other instances

Other states might be encouraged to provide reservation to those sections who want in

This could lead to emergence of **vote bank politics** leading to polarisation of people on caste lines

### Analysis

Reservation has become a rather complex issue now with multifarious dimensions like...

The benefits of reservation are now largely being cornered by the dominant class within beneficiaries

The previously advantaged castes, have begun to feel severely disadvantaged and demand for reservation is growing all over

As the reservation pie grows larger, in effect, it becomes a method of exclusion rather than inclusion

All this calls for a critical assessment of the affirmative action programme of reservation as it requires simplification, legislative sunsets and periodic reviews.

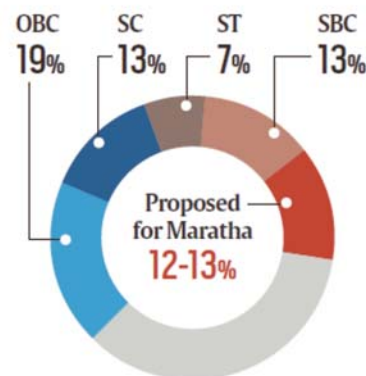
### MAHARASHTRA BREAKUP

**52%**

Existing reservation

**64-65%**

Reservation once Maratha quota is implemented. Government proposed 16% but HC saw merit in panel report that recommended 12% for education and 13% for jobs.



# LEGAL AID

## CONTEXT

- Prof. Jeet Singh Mann of National Law University, Delhi has published a research paper: 'Quality of Legal Representation: An Empirical Analysis of Free Legal Aid Services in India'.

### Background

- The **Preamble** of the Constitution of India secures to all the citizens, Justice – social, economic and political. **Article 39 A** of the Constitution of India provides for free legal aid to the poor and weaker sections of the society, to promote justice on the basis of equal opportunity. **Articles 14 and 22(1)** of the Constitution also make it obligatory for the State to ensure equal protection of law.
- In order to fulfil the above Constitutional promises, the **Legal Services Authorities Act 1987** was enacted by the Parliament for providing free and competent legal services to the weaker sections of the society.
- In order to implement the provisions of the Act, the **National Legal Services Authority (NALSA)** has been constituted. The Chief Justice of India is the Patron-in-Chief and the Senior most Hon'ble Judge, Supreme Court of India is the Executive Chairman of the Authority.
- Free legal services under LSA Act are available to a person belonging to Schedule Tribe and Schedule Caste, woman, child, victim of human trafficking, differently abled person, industrial workman, and person in custody in a protective home and the poor.

- According to NALSA, about **8.22 lakh people** across India benefitted through legal aid services from April 2017 to March 2018.
- According to Law Ministry Data, **more than 50 lakh cases** have been disposed of every year on an average by the National Lok Adalats conducted by NALSA.

### Issues Highlighted

- **Lack of Trust:** The report highlights that people do not have much faith and confidence over the quality of the services offered under the legal aid system.
- **Corruption:** Although the services offered are free but Legal Aid Counsels often demand money during the court proceedings
- **Low Quality:** As per the report, Judicial officers have rated overall skill of LAC as of low quality as compared to a private lawyer.
- **Ad-hoc Engagement:** Currently, the engagement of LAC is usually on an ad-hoc basis. Due to this LAC can withdraw from an aided case at anytime and then, the beneficiaries had to go through the painstaking task of retelling their case history to the newly allotted LAC
- **Paucity of Panel Lawyers:** There is availability of just one legal aid lawyer per 18000 populations.
- **Illiteracy of Beneficiaries:** Most of the beneficiaries do not have procedural knowledge about the functioning of the courts and after few hearings, they often stop coming to court.

## ANALYSIS

### Performance of NALSA

- With the objective to broaden the outreach of legal aid services in rural areas, in 2017, NALSA launched '**Nyaya Mitra Scheme**'. The responsibilities of Nyaya Mitra include assistance to litigants who are suffering due to delay in investigations or trial, by actively identifying such cases through the National Judicial Data Grid.
- NALSA had also established '**Nyaya Sampark**', through which beneficiaries can get information about case status pending in any of the districts across the state.
- Subsequently, NALSA along initiated the **Tele Law Scheme** which aims to facilitate the delivery of legal advice through an expert panel of lawyers stationed at the office of the SLA in each state.
- **Legal Services Camps** were organized by NALSA to make people aware about their entitlements and procedural aspects.

### Suggestions

- The Legal Aid Counsels should be made full time. This will improve the level of commitment among the LACs.
- There is a need to increase the honorarium given to the LACs at par with private cases. This will compel the LAC not to withdraw the case in the middle of the proceedings.
- Legal Services Camps should be re-modelled in such a manner that beneficiaries are connected to the welfare schemes also to which they are entitled.
- Legal Aid Advocates should themselves deal with the case; they are not supposed to delegate the work to their untrained or budding junior advocates.

- Publication on important topics such as "Worker and Law", "Women and Law" "Tenancy", "Land Laws" etc are required to educate the masses through vernacular languages, and distribute to the needy people, free of cost.

### Problems in Indian Judicial System

- Delay in Justice Delivery:** The judge -population ratio in India is much less than in any other country of the world. The procedure in the Courts is rigid, lengthy and more formal. There are many vacancies in the Courts from the lower to the highest. All these factors have resulted in the backlog of cases, which has caused docket explosion. As per the **National Judicial Data Grid**, more than **3 crore** civil and criminal cases are **pending** (as of February 2019) in the lower courts across the country. Two civil cases have been pending since 1951.
- Lack of Transparency:** Recently, four senior most judges of Supreme Court addressed an unprecedented press conference, expressing their displeasure at the way cases were being allotted. This raises fundamental questions on the transparency of the institution and its ability to dispense justice. Moreover, **Collegium System** for the selection of Judges for Higher Courts is very **opaque** to be scrutinized. **Reluctance of the judiciary** to make available judicial records under the **RTI Act** is also a point of contention between judiciary and citizens.
- Corruption in Judiciary:** Transparency International has recently highlighted corruption in the state's subordinate judiciary in its report. Predominantly, judicial corruption can be attributed to the shortage of judges and the complex judicial procedure.
- Lack of Infrastructural Support:** Most subordinate courts lack basic infrastructure for judges, court staffs, and litigants. This leads to arrears and backlog of cases. The budgetary allocation to judiciary is not sufficient for the efficient functioning of the Courts.
- Insufficient number of Judges:** The number of judges per capita in India has been low compared to other countries. India has **19 judges per 10 lakh people** on an average, according to Law Ministry data. It also states that the judiciary faces a combined shortage of over 6,000 judges, including over 5,000 in the lower courts itself.
- Judicial Overreach / Judicial Over-activism:** In recent times, Judiciary is seen to be at logger heads with the other two pillars of our democracy, i.e Legislature and Executive. The court's duty is to interpret the law and not to intervene in policy-making. **Overuse of Article 142** in Coal Block Allocation Case, ban on the sale of alcohol along national and state highways destroys the spirit of the constitution as the democracy stands on the separation of powers between the organs. Similarly, **imposition of Patriotism in National Anthem Case** is against the basic tenets of democracy

and people's fundamental rights. Also, **striking down of NJAC Act** reflects a conflict between the legislative and the judicial system.

### Recent Developments

- All India Judicial Services:** The government has officially initiated the setting up of All India Judicial Services which will bring much more professional judicial officers and it will help in reducing the deficiency of number of judges in Indian Courts.
- NALSA:** Financial Assistance provided by the government to NALSA has been increased by 165%. Also, the disposal of cases in Lok Adalats have seen an increase of 670% in 2017-18 from 2013-14.
- Increase in Strength of Judges:** Ministry of Law & Justice has increased the sanctioned strength of judges in High Courts from 906 in 2014 to 1079 in 2018.
- Nyaya Vikas Mobile App and Web Portal:** This initiative is aimed for strengthening of **infrastructure facilities** in Judiciary. This app helps in monitoring the **ongoing infrastructure projects**. The mobile application allows the surveyor at the ground level to capture images and enter details of the project which can be later reviewed by the moderator.
- e-Courts Project:** Through this project, case information is available to litigants, advocates and judges through web and email. Also, a **Justice Clock** setup on top performing district courts provides information about other schemes to the public.
- Tele Law Services:** This portal helps in mainstreaming Legal Aid to the Marginalised Sections of the society.
- Alternative Dispute Redressal Mechanism** – Amendment to The Arbitration and Conciliation Act, 1996 by the Arbitration and Conciliation (Amendment) Act 2015 to expedite the speedy resolution of disputes by prescribing timelines.
- Rationalization of Tribunals:** 36 identified Tribunals have been rationalized to 18.
- Improving Litigation – Litigant Legal Information Management & Briefing System (LIMBS)** is web portal on which, the Government uploads the details of cases which are pending in various courts and the status of these cases. This helps in effective monitoring of court cases.

### Way Forward

- There is a need to **enact a Judicial Transparency Law**. The new law can achieve its objective of Greater transparency by creating an obligation for proactive disclosure as well as empowering citizens with a positive right to demand information from the judiciary.

- Since there is no common legal framework for High Courts across India that governs the mode of administration of the High Courts and the lower judiciary. **Enacting a new High Courts Act**, laying down the governing structure for all twenty-five High Courts will improve the administration and functioning of not just the High Courts but also the subordinate judiciary which is supervised by the High Court.
- Most new laws would give rise to litigation and require additional judicial resources. Therefore,

there is the need for **assessing financial burdens imposed on lower courts** with regard to **increased litigations**.

- In the sixty-nine years of its existence, the Indian Supreme Court has seen only eight women judges, one dalit Chief Justice and no woman Chief Justice. Therefore, there is a need to publish **Annual Diversity Statistics** for both the judiciary and the bar. Such a report should include demographic data on currently employed judges and the pool of candidates for the judiciary.



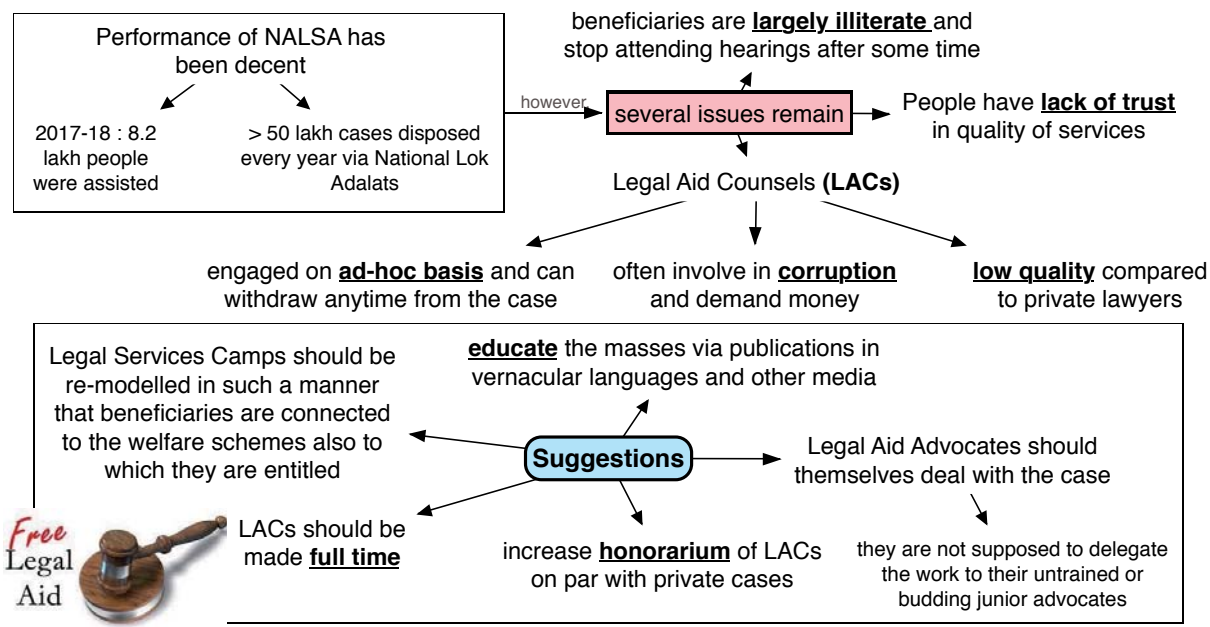


## Effectiveness of free legal aid in India and other judicial reforms

**GSSCORE**  
Learning Aid

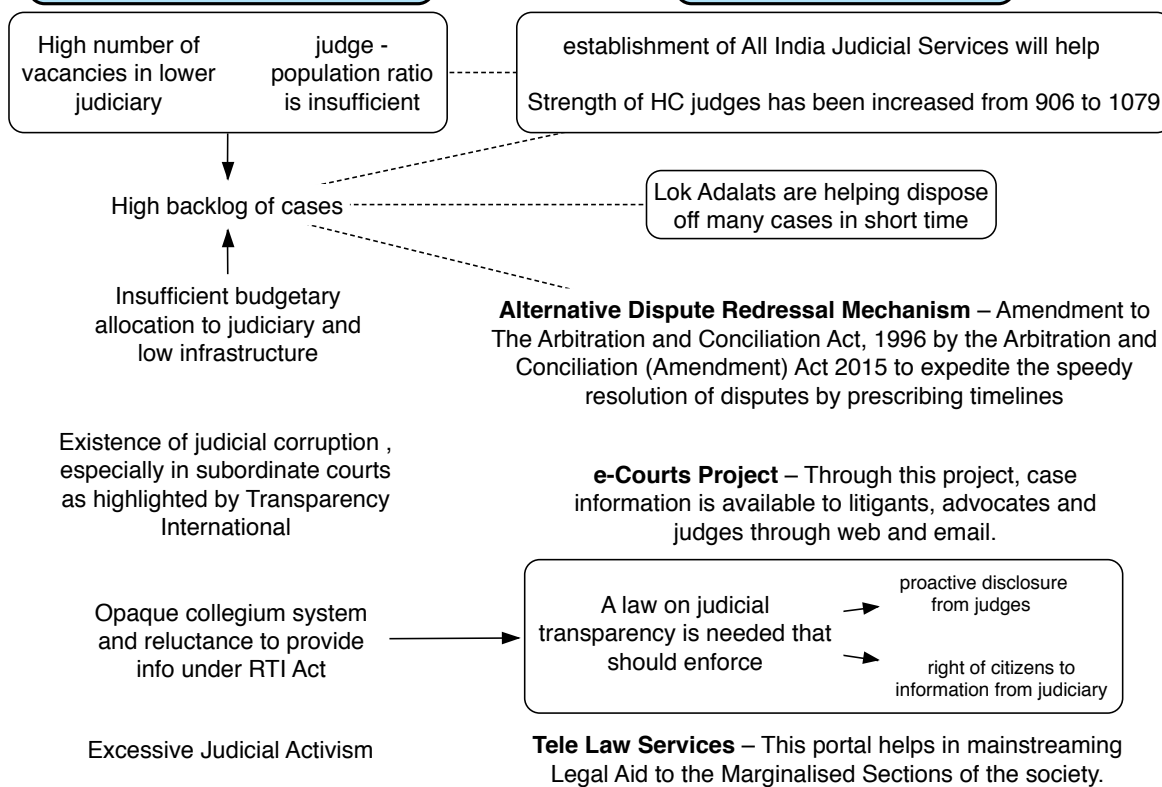
**Context** : A Professor (Jeet Singh Mann) of National Law University, Delhi has published a research paper: 'Quality of Legal Representation: An Empirical Analysis of Free Legal Aid Services in India'. This infographic summarises key suggestions of this paper.

National Legal Services Authority (NALSA) was constituted to implement the provisions of the Legal Services Authority Act (1987) → for providing free legal services to the weaker sections of the society.



### Some problems in Judicial System

### Steps taken and way ahead



# INTERNATIONAL DAY AGAINST DRUG ABUSE AND ILLICIT TRAFFICKING

## CONTEXT

- The International Day against Drug Abuse and Illicit Trafficking is observed on June 26 every year to raise awareness about the major problem that illicit drugs poses to the society.

### ◎ ABOUT:

#### Against Drug Abuse:

- The trade in drugs was already recognized as a global problem requiring a global solution at the beginning of the 20th century.
- The Commission on Narcotic Drugs (**CND**) was established by Economic and Social Council (**ECOSOC**) resolution to assist ECOSOC in supervising the application of the international drug control treaties.
- The United Nations Office on Drugs and Crime (**UNODC**) supports Member States in implementing a balanced, health- and evidence-based approach to the world drug problem that addresses both supply and demand.
- It is **guided by human rights** and the agreed international drug control framework.

#### This approach involves:

- Treatment, support, and rehabilitation.
- Ensuring access to controlled substances for medical purposes.
- Working with farmers who previously cultivated illicit drug crops to develop alternative sustainable livelihoods for them.
- Establishing adequate legal and institutional frameworks for drug control through using international conventions.

#### Illicit Trafficking:

#### (A) United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988

- This Convention provides comprehensive measures **against drug trafficking**, including provisions against **money laundering** and the diversion of precursor chemicals.
- It provides for international cooperation through, for example, **extradition of drug traffickers, controlled deliveries** and transfer of proceedings.

### ◎ BACKGROUND:

#### What are drugs?

- They are chemical substances that affect the normal functioning of the body and/or brain.
- **Not all drugs are illegal.** For example, **caffeine** (found in coffee or Coca-Cola), **nicotine** (in cigarettes) and **alcohol** are all technically **legal drugs**.
- **Medicines**, whether prescribed by a doctor or available over the counter at pharmacies, **are legal drugs to help us recover from illnesses**, although they **can also be abused**.

### ◎ ANALYSIS

#### Drug trafficking

- India is vulnerable to narcotic drug trafficking as it is located between two largest Opium producing regions of the world i.e. **Golden Crescent** in the west and **Golden Triangle** in the east.

#### Golden Crescent

- The Golden Crescent is the name given to one of Asia's two principal areas of illicit opium production, located at the crossroads of Central, South, and Western Asia. This space overlaps three nations, Afghanistan, Iran, and Pakistan, whose mountainous peripheries define the crescent.

#### Golden Triangle

- This is a region that joins Burma, Thailand, and Laos and is one of the global centers of opiate and methamphetamine production.

#### Magnitude of Substance abuse in India

- Substance categories studied were: Alcohol, Cannabis (Bhang and Ganja/Charas), Opioids (Opium, Heroin and Pharmaceutical Opioids), Cocaine, Amphetamine Type Stimulants (ATS), Sedatives, Inhalants and Hallucinogens.

## Alcohol

- At the national level, about 14.6% of people (among 10-75 year old) are current users of alcohol, i.e. about 16 Crore people. Prevalence is 17 times higher among men than women.
- States with the high prevalence of alcohol use are Chhattisgarh, Tripura, Punjab, Arunachal Pradesh and Goa.

## Cannabis

- About 2.8% of Indians (3.1 Crore individuals) report having used any cannabis product within past 12 months (Bhang – 2% or 2.2 crore people; Ganja/Charas – 1.2% or 1.3 Crore people).
- States with the higher than national prevalence of cannabis use are Uttar Pradesh, Punjab, Sikkim, Chhattisgarh and Delhi.

## Opioids

- At the national level, the most common opioid used is Heroin, (current use 1.14%) followed by Pharmaceutical opioids (current use 0.96%) and then Opium (current use 0.52%).
- In terms of percentage of population affected, the top states in the country are those in the north east (Mizoram, Nagaland, Arunachal Pradesh, Sikkim, Manipur) along with Punjab, Haryana and Delhi.

## Sedatives and Inhalants

- States with the highest prevalence of current Sedative use are Sikkim, Nagaland, Manipur and Mizoram. However, Uttar Pradesh, Maharashtra, Punjab, Andhra Pradesh and Gujarat are the top five states which house the largest populations of people using sedatives.
- Drugs cloud the judgment of users. There is the risk of becoming addicted. In the longer run, the human capital is severely depleted.
- Instead of contributing to the economy and social growth, the addicts end up **becoming a burden**.

## There are lots of reasons why people take illegal drugs

- Some take them to escape problems
- While others are bored, curious or just want to feel good
- People may be pressured into taking drugs to “fit in” with a particular crowd
- To rebel or get attention.

## Why controlling drug menace is difficult:

- Over the counter and easy availability
- Porous international borders

- Detached lifestyles: loss of morals and family support
- Replacement of cross-border terrorism by Narco-terrorism by Pakistan
- Variation in Drug control Policy: Cultivation and sale of opium poppy husk is legal in Rajasthan and Madhya Pradesh, accounting for the presence of these two substances in abundance in the districts near Rajasthan, such as Bathinda, Fazilka and Mansa.
- Lack of coordination among the police, the BSF, and the state and central intelligence agencies for curbing the problem.

## Policy and other initiatives by the Government to deal with drug trafficking problem:

- Constituted Narco-Coordination Centre (NCORD) in November, 2016 and revived the scheme of “Financial Assistance to States for Narcotics Control”.
- Approved new reward guidelines with increased quantum of reward for interdiction or seizure of different illicit drugs.
- For effective coordination with foreign countries including neighboring countries, India has signed 37 Bilateral Agreements/Memoranda of Understanding.
- The government has scheduled 07 new substances into the list of Narcotic drugs in the year 2017 so that action can be taken against trafficking in these substances.
- Narcotics Control Bureau has been provided funds for developing a new software i.e. **Seizure Information Management System (SIMS)** which will create a complete online database of drug offences and offenders.
- The government has constituted a fund called “**National Fund for Control of Drug Abuse**” to meet the expenditure incurred in connection with combating illicit traffic in Narcotic Drug, Psychotropic Substances; identifying, treating and rehabilitating addicts, and educating public against drug abuse.

## Way Forward:

- Considering the wider perspective of the threat the drug menace presents, India has to spread more **awareness among the public** particularly among youth about ill effects of drug abuse and need to create adequate infrastructure for treatment, rehabilitation and harm reduction for the victim of the drug abuse.
- Make treatment available on Request Like Any Other Health Service:** Making treatment services widely available undermines the drug market and reduces the harms from drug abuse.

- Treatment should be defined broadly and must include abstinence-based treatment and easier access to methadone and other alternative maintenance drug.
- The most effective way to prevent adolescent drug abuse is to invest in youth and keep them interested and involved in life.
- Government should increase funding for after school programs, mentor programs, skills development/job training programs and summer job programs.
- Psychiatrist counseling of drug patients: Early recognition programme.
- Include drug abuse related topics in school curriculum at appropriate class.
- Build more rehabilitation centers and create support groups like Alcoholic anonymous.



## Practice Question

- **India's vulnerability to drug trafficking due to its location in Golden Crescent and Golden Triangle. Drug trafficking and abuse endanger peace, health and stability across regions and it places a heavy burden on public health system. Analyze factors behind spread of drug menace and evaluate the measures taken at national and international level in tackling the problem.**



## Drug Abuse in India

### CONTEXT

The International Day Against Drug Abuse and Illicit Trafficking is observed on June 26 every year to raise awareness about the major problem that illicit drugs poses to the society.

In this context, this infographic summarises the key steps India has taken vis-a-vis drug abuse and illicit trafficking.

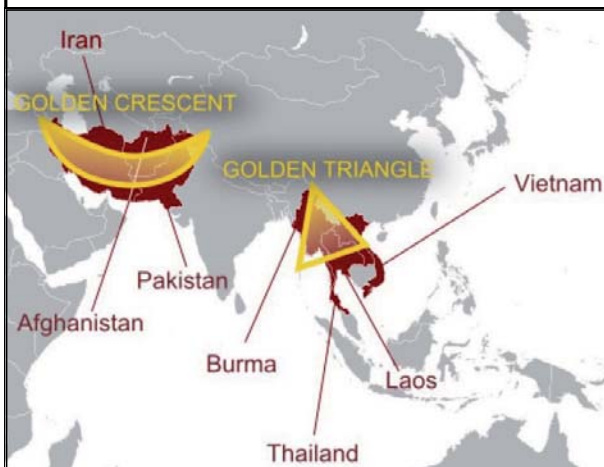
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### Drug Trafficking

India is vulnerable to narcotic drug trafficking as it is located between two largest Opium producing regions of the world

**Golden Crescent** in the west

**Golden Triangle** in the east



### Level of drug abuse

A survey found that

About 2.8% of Indians report having used any cannabis product within past 12 months

The most common opioid used is Heroin (1.14%) followed by Pharmaceutical opioids (0.96%) and then Opium (0.52%)

One of the worst drug affected states in India is Punjab

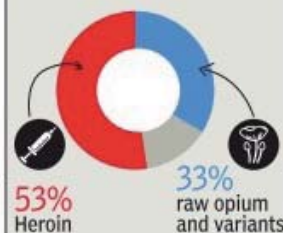
### MOST ADDICTS 18-35 YEARS OLD

76% of opioid dependents in Punjab are 18-35 years old

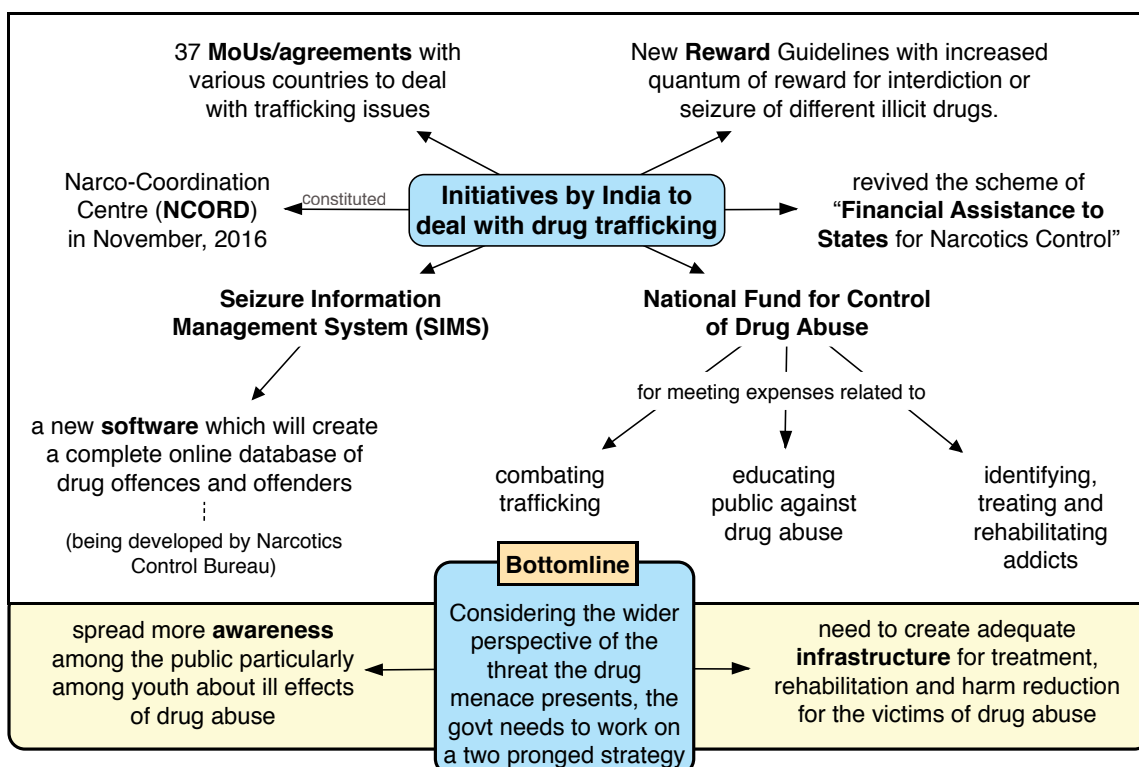
56% live in rural areas, 21% of them are farmers

27% labourers/ unskilled workers, 15% businessmen, 14% are transport workers

### MOST COMMON OPIOIDS USED



Survey conducted in 10 districts of Punjab: Bathinda, Ferozepur, Gurdaspur, Hoshiarpur, Jalandhar, Kapurthala, Moga, Patiala, Sangrur & Tarn Taran





# REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP

## CONTEXT

- In a recently concluded Bangkok - ASEAN summit, all stakeholders, including India, were asked to conclude negotiations for the Regional Comprehensive Economic Partnership free trade agreement by the end of 2019.

### ◎ ABOUT:

#### Regional Comprehensive Economic Partnership:

- The Regional Comprehensive Economic Partnership (RCEP) is a proposed free trade agreement that is often characterized as a China-led response to the Trans-Pacific Partnership (TPP) put forward by the USA.
- The pact is currently being negotiated among the 10 ASEAN member states as well as Australia, China, India, Japan, New Zealand and South Korea.
- In 2017-18, India exported goods worth \$13.1 billion to China and imported goods worth \$73.3 billion -creating a trade deficit of \$63.1 billion.
- India has trade deficits with other RCEP nations, too, such as South Korea (\$11.9 billion) and Australia (\$10.2 billion).
- China has manipulated laws to give subsidies to its domestic manufacturers, despite being a member of the World Trade Organization for 18 years. This is making Indian companies anxious of RCEP.
- Indian negotiators and the domestic industry have been vocal about their discomfort with respect to opening up of the domestic market to Chinese exports. This is understandable, given the massive Chinese overcapacity in key manufacturing industries, and major support programmes in the form of financial, non-financial and trade measures for the domestic industry, which give an edge to Chinese producers over other trade partners.
- India's trade deficit with the RCEP bloc of over \$100 billion is almost 64% of its total trade deficit, of which China alone accounts for over 60% of the deficit.

### ◎ ANALYSIS

#### Will RCEP be able to counter Protectionism?

- Free trade has been facing many challenges since the 2008 global financial crisis, especially since the United States pulled out of the Trans-Pacific Partnership agreement last year.
- Since many countries now have to make much greater efforts to tackle their domestic economic problems, the mode and development of FTAs could change in the future.
- Moreover, the imbalanced global development could prompt countries to not agree to open their markets beyond a certain extent even for long-term development of multilateral cooperation.
- For instance, countries in different stages of development will agree to open their markets to different extents to insulate their economies against the negative impact of open and free trade.
- It is within this context that the intent and efficacy of RCEP be scrutinized.

#### Why is India apprehensive about RCEP trade deal?

- According to Indian Industrial associations, RCEP is nothing but a bilateral trade pact with China. India will lose, China will gain.
- Once the pact is enforced, India will have to give more market access to China and its trade deficit will increase further.

#### India has been keen to join RCEP

However since 2012, its concerns remain: opening its markets for cheaper goods from countries like China and South Korea; and ensuring that RCEP countries open their markets for Indian manpower (services).

#### India and China: Trade Bridge

- India has a trade deficit with as many as 11 of the RCEP countries.
- India is not negotiating a bilateral or multilateral free trade agreement with China at the moment.
- Hence, it has demanded for differential tariffs for its trade with China vis-à-vis the others.
- India has also made tagging the "Country of Origin" on all products a base point in RCEP negotiations.

#### What is the government doing to facilitate the trade deal?

The Commerce Ministry has begun consultations with stakeholders from industries that are most worried about RCEP.

- It has engaged think tanks and management institutes to develop a consensus in favor of signing the regional agreement.

- If India gives up the chance to join RCEP, it would not just miss out on regional trade, but also lose the ability to frame the rules as well as investment standards for the grouping.
- It already happened during ASEAN formation. India cannot afford to lose out RCEP that too when the de-globalization trends and protectionist measures are a norm of the global economy.

### **To make RCEP work, what policy considerations are important?**

- China's manufacturing surplus and dumping of goods.
- China's penetration in the Indian market has been massive. China dominates both in terms of value-added import items as well as labour-intensive industry imports.
- Almost 60% of India's electric machinery imports, 36% of machinery and equipment imports, and 37% of organic chemical imports are from China.
- In order to iron out China factor from RCEP, India must have a plan to deal with this massive support that China offers its industries, leading to overcapacity and price undercutting post-RCEP.
  - Appropriate safeguard clauses need to be put in place within RCEP in case injury to domestic industry is found.
  - Within the FTA, provision should be made for safeguard measures to be invoked if a volume or price trigger for the concerned products is reached.
  - Given the current state of Indian industry, phased elimination of tariffs is necessary, especially with respect to some key manufacturing industries that have long gestation periods until they start running on full capacity.
  - Policymakers should be cognizant of the use of Non-Tariff Barriers (NTBs) by China, Japan and South Korea.
  - China's usage of NTBs like complex product certification process, labeling standards, custom clearance, pre-shipment inspection and import licensing has hindered India's access to their markets.

### **Hard bargain within RCEP and fierce reform with domestic Industrial capacity:**

- Rigorous implementation of Make in India, persuading companies setting up plants and assembly units in India, bringing in valuable foreign capital and technical know-how.
- Transforming 'Make for India' and Skill India where the needs of the external market, but more importantly the domestic market, are met through production in India.
- Necessary incentives for MSMEs to be an active part of this process.

### **Summing up - Pros and Cons of aligning with RCEP:**

#### **Fallouts - if India Joins RCEP:**

- China will dominate the trade, economy and investment factors.
- Indian industry will have more to lose than gain if it agrees to a liberal tariff elimination schedule specially with respect to China.
- RCEP trade arrangements that are not in India's medium-term interest.

#### **Fallouts - if India does not Join RCEP**

- Repeat of mistake which happened when India abandoned interest to join ASEAN.
- Cumulative access to thriving East Asian market will be fragmented.
- Buffer against US's and China's trade unilateralism will not be available - when standing alone.

#### **Gain - if India Joins RCEP**

- Easier access to wide market across East Asia
- Better approach in dealing with assertive China under a formal ASEAN led grouping
- Higher immunity to global downturns - of EU and USA

#### **Gain - if India does not Join RCEP**

- Ability to maintain individual trade and investment policy matters
- Will work harder to sustain WTO

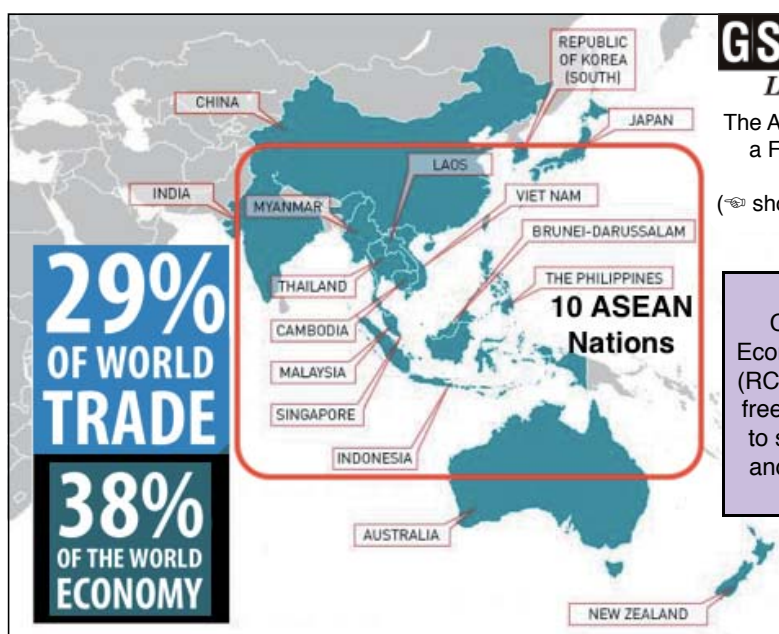


### **Practice Question**

- **Indian industry will lose more than gain if it agrees to a liberal tariff elimination schedule especially with respect to China. At a time of growing protectionism, opening Indian market to China can be disastrous, given that proper standards and processes are not in place in India. Analyze intent behind RCEP and contrast it with rising protectionism trends. Discuss if the deal is effective for boosting Indian Industries' competitiveness.**

**RCEP and INDIA****Context**

In a recently concluded Bangkok - ASEAN summit, all stakeholders, including India, were asked to conclude negotiations for the **Regional Comprehensive Economic Partnership** free trade agreement by the end of 2019. However, India still has some concerns to be addressed vis-a-vis RCEP.

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The ASEAN nations have a FTA with 6 nations separately (shown outside the box)

The Regional Comprehensive Economic Partnership (RCEP) is a *proposed* free trade agreement to subsume ASEAN and 6 nations into a single FTA

**India's Major Concerns**

India wants more liberalisation of the **services sector** where it has an edge

Countries like Australia and New Zealand are reluctant as India would provide stiff competition to their domestic players

Countries like China and Vietnam have an upper edge in producing a variety of cheaper goods and South Korea and Japan excel in high tech goods

India already has moderate to very high trade deficits with 11 RCEP countries → this will further widen

India's domestic manufacturing sector will face very stiff competition

Thus, India is reluctant in liberalising **manufacturing sector** without certain safeguards

**What does India stand to lose if it fails to join RCEP?**

It could be a repeat of mistake which happened when India abandoned interest to join ASEAN

In an increasingly protectionist world, it's important for India to join multilateral FTAs

cumulative access to thriving East Asian markets could nullify protectionism from others

**Way ahead**

Addressing the use of **non-tariff barriers** by China, Japan and South Korea which have hindered India's access to their markets.

India has a burgeoning market and all RCEP members would want access to it

This could be used as a strategic bargaining chip to get India's concerns addressed

India has demanded **differential tariffs** for its trade with China vis-a-vis others

Appropriate **safeguard clauses** need to be put in place within RCEP in case injury to domestic industry is found

India also demands tagging the **"Country of Origin"** on all products a base point in RCEP negotiations

Transforming **'Make for India'** and **Skill India** to bear substantial results

**Phased elimination of tariffs** is necessary, especially with respect to some key manufacturing industries that have long gestation periods until they start running on full capacity.

Necessary incentives for **MSMEs** to be an active part of this process.



**SECTION: B**  
**(PRELIMS)**  

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**CURRENT AFFAIRS**  

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## SEBI REGULATIONS

### ◎ CONTEXT:

- SEBI tightens norms for Mutual Funds and pledged shares to boost investor confidence

### ◎ ABOUT

#### What new changes have been introduced by SEBI?

- More checks and balances for debt mutual funds (MFs) to secure investors and stem systemic risks.
- Increased security cover for loans against shares, brought down sectoral investment limits, and mandated certain schemes to have a fifth of their exposure in government securities (g-sec).
- A debt scheme can invest up to 20 per cent of its assets instead of 25 per cent in one sector. The additional 10 per cent exposure allowed in the case of housing finance companies (HFCs) has to be cut to 5 per cent.
- All liquid schemes will have to deploy at least 20 per cent of their assets in liquid assets such as cash, government securities (g-secs), and Treasury bills. Earlier, there was no such requirement.
- Changed the valuation methodology for debt and money market instruments to mark-to-market, doing away with amortisation.
- Directed MFs to have cover of four times for loans against shares. Earlier the cover provided by MFs varied between 1.5 times and 2 times.

#### What concerns have been raised by SEBI?

- Defaults or payment deferments by high-profile corporate groups including Zee and DHFL have plagued the Rs 25-trillion Mutual Fund industry.
- SEBI also criticised the move of certain fund houses to enter into the so-called standstill agreement with certain groups.
- SEBI stated that MFs are not banks and they are investing, not lending that is why it does not recognise any such standstill agreement.

### Key decisions

- **Debt MF tightening**
  - Sectoral limit cut from 25% to 20%
  - Additional exposure to HFCs cut from 15% to 10%
  - Liquid schemes asked to invest at least 20% in G-secs, T-bills
  - Exit load on liquid scheme investors for investments up to 7 days
  - Security cover of 4 times for loan against shares
- **DVR framework**
  - Only tech firms to be allowed to issue shares with superior rights (SRs)
  - SRs to have sunset clause of 5 years; SR ratio to be maximum 10:1 to ordinary shares
  - Pledged share disclosures
  - Detailed disclosure if promoter pledging crosses 20% of total equity or 50% of promoter holding
  - Definition of pledging widened to cover all types of encumbrance
- **Royalty norms**
  - Royalty threshold relaxed from 2% to 5%
  - Cos whose royalty/brand usage payments exceed 5% of turnover need to seek minority shareholder approval
- **Insider trading norms**
  - Trade window to be relaxed for corporate activity such as block deals, QIPs

## The Securities and Exchange Board of India (SEBI)

- It is the regulator for the securities market in India. It was established in 1988 and given statutory powers on 30 January 1992 through the SEBI Act, 1992.

### Powers

- To approve by-laws of Securities exchanges.
- To require the Securities exchange to amend their by-laws.
- Inspect the books of accounts and call for periodical returns from recognized Securities exchanges.
- Inspect the books of accounts of financial intermediaries.
- Compel certain companies to list their shares in one or more Securities exchanges.
- Registration of Brokers and sub-brokers.

### Conclusion

- The move could lead to volatility in liquid schemes, but at the same time the regulator has taken a comprehensive view by ensuring enough liquidity and prudent risk-management norms in these schemes. Earlier, amortisation allowed uneven valuations of the same debt papers across schemes.
- Bringing mark-to-market for all securities will make sure that the risk is transparently reflected in schemes' NAV on a daily basis. Industry officials added tightening norms for liquid schemes could push investors to move towards larger schemes or larger fund houses.
- The measures taken by SEBI will help revive the confidence of investors, especially those investing in debt MFs.

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## RBI'S FINANCIAL STABILITY REPORT

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### ◎ CONTEXT

- The Reserve Bank of India recently released the 19th issue of the Financial Stability Report (FSR).

### ◎ ABOUT

- During the time of the global financial crisis of 2008, RBI has made many unconventional measures to protect the banking system. Liquidity support was provided abundantly so that no banks should face stress.
- The RBI since **2010** is publishing **India Financial Stability Report, biannually**, to assess financial stability scenario in the country. Financial stability is now one of the three important objectives of monetary policy besides price stability and credit support.
- The FSR reflects the collective assessment on risks to **financial stability** and the resilience of the financial system of India. The Report also discusses issues relating to development and regulation of the **financial sector**.

### Key Points of the FSR 2019

- **Global and domestic macro-financial risks**
  - Geopolitical developments like BREXIT, Gulf Crisis and Trade related conflicts like US- China Trade War, are taking a toll on business and consumer confidence.
  - Due to reduced private consumption and widening current account deficit, domestic economy was hit.
- **Financial Institutions: Performance and risks**
  - **Banks:** Credit growth of Scheduled Commercial Banks (SCBs) **picked up**, with Public Sector Banks (PSBs) registering near **double digit growth**. The Non-Performing Asset (NPA) cycle **seems to have turned** around as macro stress tests show gross

Non-Performing Assets (NPAs) may **decline to 9 percent** in March 2020, from 9.3 percent in March 2019.

- **NBFCs:** Non-Banking Financial Companies (NBFC) sector are now **under greater market discipline** as the better performing companies continued to raise funds while those with asset – liability mismatch were subjected to higher borrowing costs.
- **Financial sector: Regulation and developments**
  - The revised **prudential framework on stressed assets** issued by the Reserve Bank is expected to act as incentive for early adoption of a resolution plan (RP).
  - Securities and Exchange Board of India (SEBI) has introduced Guidelines for Enhanced Disclosures by **Credit Rating Agencies**.
  - The **Insolvency and Bankruptcy Board of India (IBBI)** is showing **steady progress** in the resolution of stressed assets.

### Suggestions

- There is a need for reviving **private investment demand** by improving the profit prospects for the private players and at the same time, being **vigilant about the spillover** from global financial markets.
- There is need for **greater surveillance over large NBFCs and Housing Finance Companies** because failure of large NBFCs/HFCs can cause losses comparable to those caused by the big banks leading to contagion losses.

### Conclusion

- Overall, India's financial system remains stable; the banking sector resilience has improved while the global geopolitical environment poses challenges.

#### Important Concepts and Definitions

- **India's Financial System:** There are **four main constituents** of the financial system as follows:
  - **Financial Services**
  - **Financial Assets/Instruments**
  - **Financial Markets**
  - **Financial Intermediaries**
- **Meaning of Financial Stability:** Financial stability is a state in which the financial system, i.e. the key financial markets and the financial institutional system is resistant to economic shocks and is fit to smoothly fulfil its basic functions: the intermediation of financial funds, management of risks and the arrangement of payments.
- **Contagion:** Contagion is the spread of market changes or disturbances from one regional market to others. Example - The failure of Lehman Brothers in the United States.
- **Solvency Contagion:** Solvency contagion can be understood through the lens of defaults, where if A has borrowed from B and B has borrowed from C, then the default of A impacts B, which then impacts C, etc. Failure of a bank which is systemically more important leads to greater solvency and liquidity losses to the banking system. **For Ex: IL&FS meltdown.**
- **Private Investment Demand:** It refers to the demand by private businesses for physical capital goods and services used to maintain or expand its operations.
- **Credit Growth:** It is the increase in loans for the private sectors, individual, and public organisations

- **Market Discipline:** It refers to the obligation by banks and financial institutions to conduct business while considering the risk to their stakeholders at the same time. **For example:** Banks are not supposed to give very risky loans and they have to maintain Capital Adequacy Ratio.

## JAL SHAKTI ABHIYAN

### ◎ CONTEXT:

- Due to increasing water scarcity in urban centres like Chennai, and drought in many parts of central India, the Central government has initiated the Jal Shakti Abhiyan as a jan-andolan or people's movement on water conservation.

### ◎ ABOUT:

#### More about the news:

- According to Jal Shakti ministry, there is no additional funding or specific targets for Jal Shakti Abhiyan (JSA) to achieve. There was plenty of money already allocated for existing schemes under the Central and State budgets. They can be converted into a single scheme, with a focussed approach.
- A large-scale communications campaign has also been planned alongside the JSA involving mass mobilisation of different groups including school students, college students, swachhagrahis, Self Help Groups, Panchayati Raj Institution members, youth groups (NSS/NYKS/NCC), defence personnel, ex-servicemen and pensioners, among various others.
- The conservation efforts will be supplemented by initiatives like developing block and district water conservation plans and '**krishivigyan kendra melas**' to promote efficient water use for irrigation and better crop choices.

#### Jal Shakti Abhiyan

- The campaign would run from July 1 to September 15 in States receiving rainfall during the south-west monsoon, while states receiving rainfall in the retreating or north-east monsoon would be covered from October 1 to November 30.
- It is a collaborative effort of various ministries of the Government of India and state governments, being coordinated by the Department of Drinking Water and Sanitation (DDWS) that comes under the Jal Shakti Ministry.
- An important part of this Abhiyan is that it will focus on five aspects - water conservation and rainwater harvesting, renovation of traditional and other water bodies, reuse of water and recharging of structures, watershed development, and intensive afforestation.

#### Objective of Jal Shakti Abhiyan

- to "bring sensitivity on the subject of water conservation, and give it a focussed approach"
- to create a baseline of water
- to increase awareness among people to conserve water

#### Implementation

- In urban areas, plans with time-bound targets will be developed for wastewater reuse for industrial and agricultural purposes.
- Plans will be developed for at least one urban water body for groundwater recharge in the block or the city. Scientists and IITs will also be mobilised at the national level to support the teams
- Despite this huge Central deployment for a scheme on water, which is purely a State subject under the Constitution, this was "not at all a top-down scheme."

- Over the next two and a half months, the campaign will push to implement existing water conservation schemes and increase awareness in water-stressed districts and blocks.

### Per capita availability of Water

- India's annual per capita water availability has dropped from 5,177 cubic metres in 1951 to just 1,545 cubic metres in 2011. Climate change has also made the country more vulnerable to water scarcity and rainwater harvesting capacity is only 8%.
- Most of the blocks, where this Abhiyan is being implemented, fall into the critical or over-exploited groundwater category, where groundwater is being withdrawn faster than it can be replenished.

### Stringent norms

- With regard to targets in terms of the number of reservoirs, check dams or traditional water bodies that would be created, restored or recharged under the scheme, States need to prepare an inventory of water bodies.

## PRADHAN MANTRI GRAMIN DIGITAL SAKSHARTA ABHIYAN (PMGDISHA)

### ◎ CONTEXT:

- Around 2.22 crore villagers are given Digital Education under Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA).

### ◎ ABOUT:

#### More on News:

- According to **Electronics and Information Technology Ministry**, around 2.22 crore villagers are given Digital Education under PMGDISHA.
- Over 2.30 crore beneficiaries have been enrolled under PMGDISHA so far. After the training, 1.34 crore have been duly certified by authorized 3rd party certifying agencies.
- Government has taken up several steps for proper implementation of the digital literacy scheme particularly in remote rural areas in the country, to make the rural India digitally empowered.

#### Digital India

- The vision was to "transform India into a digitally empowered society and knowledge economy."
- With multiple processes the key focus areas were:
- Digital infrastructure as a core utility to every citizen
- E-governance and services on demand
- Digital empowerment of citizens

### PMGDISHA

- It is the scheme initiated under Digital India Program to make six crore persons in rural areas, across States/UTs, digitally literate, reaching to around 40% of rural households by covering one member from every eligible household.
- The Scheme aims to bridge the digital divide, specifically targeting the rural population including the marginalised sections of society like Scheduled Castes (SC), Scheduled Tribes (ST), Minorities, Below Poverty Line (BPL), women and differently-abled persons and minorities.
- Purpose of the PMGDISHA:** India has the largest number of youth in the world in order to provide technical and digital training to these youths specially the youths from the backward or rural area this project is launched.



- Priority would be given to:
  - Non-smart-phone users, Antyodaya households, college drop-outs, Participants of the adult literacy mission
  - Digitally illiterate school students from class 9th to 12th, provided facility of Computer/ICT Training is not available in their schools
- The identification of the beneficiaries would be carried out by CSC-SPV in active collaboration with DeGS, Gram Panchayats, and Block Development Officers. The list of such beneficiaries would be made available on the scheme portal.
- The implementation of the Scheme would be carried out under the overall supervision of **Ministry of Electronics and IT** in active collaboration with States/UTs through their designated State Implementing Agencies, District e-Governance Society (DeGS), etc.
- Digitally literate persons would be able to operate computers/digital access devices (like tablets, smart phones, etc.), send and receive emails, browse internet, access government services, search for information, undertaking cashless transactions, etc. and hence use IT to actively participate in the process of nation building.

### How PMGDISHA works?

- It has the web of helping hands who work together to provide authorize underprivileged section of the society, to spread digital empowerment among rural communities and panchayat constituencies, to educate at least one person from each household.

#### Other Initiatives launched by the Government of India to promote Digital Education

- **Digilockers**: It is a "digital locker" service operated by the Government of India that enables Indian citizens to store certain official documents on the cloud. The service is aimed towards reducing the need to carry physical documents.
- **BHIM app**: It is an app to enable digital payments. BHIM app was used to facilitate 913 million transactions in 2017-18.

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## REVIEW OF UJJWALA SCHEME

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### ◎ CONTEXT

- More than 7.23 crore connections have been provided to poor families under the Pradhan Mantri Ujjwala Yojana (PMUY) against the target of 8 crore connections.

### ◎ ABOUT

#### More about the news

- Uttar Pradesh topped the list and provided 64,76,981 connections, followed by Madhya Pradesh with 31,30,613 connections.
- A sum of 12,800 crore has been earmarked for the PMUY scheme.
- Earlier in this year, a survey was conducted, which revealed that 98% of households had an LPG connection but also used a **chulha** (an earthen stove that uses solid fuel).
- The study supports other survey data on rural India's limited LPG usage and underlines the challenge of getting households to consistently use clean cooking fuel.

#### Pradhan Mantri Ujjwala Yojana (PMUY)

- **Ministry of Petroleum and Natural Gas** has launched this scheme to provide 5 crore deposit-free LPG (clean cooking fuel) connections to women belonging to the **Below Poverty Line (BPL)** households, which were subsequently increased to 8 crore with a budgetary allocation of Rs. 12800 crore.
- This scheme provides LPG connections to all poor on account of their names not been covered in earlier identified categories like identified through Socio-Economic Caste

Census (SECC) list and in case the names are not appearing in the SECC list, beneficiaries are identified from categories i.e. SC/STs households, beneficiaries of Pradhan Mantri Awas Yojana (PMAY Gramin), Antyodaya Anna Yojana (AAY), Forest dwellers, Most backward Classes (MBC), Tea & Ex-Tea Garden Tribes and people residing in Islands/ river islands.

### Implementation of PMUY

- Its implementation has resulted in significant increase in national LPG coverage, in general and Eastern States, in particular.
- The scheme has resulted in mass coverage of rural poor households and 48% of the beneficiaries are SC/STs.
- Those beneficiaries, who could not afford to make upfront payment under this scheme for purchase of gas stove and refilling of cylinder, were provided loan facility by the Oil Marketing Companies (OMCs).
- It is significant to mention that under the PMUY, the average per capita consumption is 3.28. This should be seen as a positive change in the lives of these households which were long dependent on the traditional cooking fuels and methods.
- LPG Panchayats were formed to promote learning through peer group interaction - **Kuch Seekhein, Kuch Sikhayein**, where apart from experience sharing, it also aims at safe and sustained usage of LPG.
- PMUY implementation has been appreciated by the **World Health Organization (WHO)** and termed it as a decisive intervention to check the indoor health pollution being faced by the women of the country.

### Way Ahead

- PMUY assumes significance in a country that is now the biggest emitter of greenhouse gases after the USA and China. India plans to reduce its carbon footprint by 33-35% by 2030 from its 2005 levels, as part of its commitments to the **United Nations Framework Convention on Climate Change** adopted by 195 countries in Paris in 2015.

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## JAPANESE ENCEPHALITIS

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### ◎ CONTEXT

- Union Minister of Health and Family Welfare have dispatched a central team to review the Japanese Encephalitis (JE) as 21 people have died recently due to its outbreak in Assam.

### ◎ ABOUT

#### Japanese Encephalitis

- Japanese encephalitis (JE) is one of the most common encephalitides worldwide. The disease is caused by a mosquito-borne **flavivirus** and is found across south and east areas of Asia. It is a **zoonosis** – an animal disease that can spread to humans.
- JE virus is transmitted to humans through the bite of infected **Culex mosquitoes**, which lay their eggs in irrigated rice paddies and other pools of stagnant water.
- Pigs and birds serve as amplifying vertebrate hosts. **Humans** are believed to be **dead-end hosts**. The disease outbreak usually occurs during the **rainy season**.
- **Case-fatality rate** in severe clinical cases is estimated to be **20-30%**, with young children (< 10 years) having a greater risk of severe disease and death.

#### Spread in India

- When the first case was reported in 1955, the disease was restricted to south India. The disease, then spread to the north India in 1978 from where extensive and recurrent outbreaks of JE have been reported ever since.



- In India, while 24 states are endemic for JE, **Uttar Pradesh** contributed more than 75% of cases during the recent past. Over the years, the seasonal trend has changed and the epidemic peak of the disease has advanced by one month.

### Vaccine

- Currently, **three** WHO-prequalified JE vaccines are available, all of which are safe and effective. WHO recommends use of JE vaccines in all countries where JE is recognized as a public health priority.
- India has also launched its first indigenously produced anti- **Japanese Encephalitis (JE) vaccine—JENVAC**.
- All 27 districts of Assam have been covered under JE vaccination campaign (for 1-15 yrs.) followed by Routine Immunization as part of Immunization Programme.

### Relation between Acute Encephalitis Syndrome (AES) and Japanese Encephalitis (JE)

- Flaviviridae is a family of viruses belonging to Flavivirus Genus. Japanese encephalitis (JE) virus is one of the member of Flaviviridae.
- Japanese Encephalitis (JE) virus causes Japanese Encephalitis Disease and it is also the most common cause of Acute Encephalitis Syndrome in India.

#### National Vector Borne Diseases Control Programme

- The National Vector Borne Disease Control Programme (NVBDCP) is a comprehensive programme for prevention and control of vector borne diseases namely **Malaria, Filariasis, Kala-azar, Japanese Encephalitis (JE), Dengue and Chikungunya** which is covered under the overall umbrella of NRHM.
- Directorate of National Vector Borne Disease Control Programme (NVBDCP) is the central nodal agency for the prevention and control of vector borne diseases.

#### National Programme for Prevention and Control of Japanese Encephalitis (JE)/ Acute Encephalitis Syndrome

- The goal of the programme is to reduce morbidity, mortality, and disability in children due to JE/AES. The major objectives of the programme are as follows:
  - To strengthen and expand JE vaccination in affected districts;
  - To strengthen surveillance, vector control, case management and timely referral of serious and complicated cases;
  - To increase access to safe drinking water and proper sanitation facilities to the target population in affected rural and urban areas;
  - To estimate disability burden due to JE/AES, and to provide for adequate facilities for physical, medical, neurological and social rehabilitation;
  - To improve nutritional status of children at risk of JE/AES;
  - To carry out intensified IEC/BCC activities regarding JE/AES.

## G20 SUMMIT IN OSAKA, JAPAN

### ◎ CONTEXT

- India refuses to sign declaration on free flow of data across borders at the 14<sup>th</sup> session of G-20 Summit being held in Osaka, Japan

### ◎ ABOUT

#### G – 20

- After the Asian Financial Crisis in 1997-1998, it was acknowledged that the participation of major emerging market countries is needed on discussions on the

international financial system, and G7 finance ministers agreed to establish the G20 Finance Ministers and Central Bank Governors meeting in **1999**.

- G-20 was founded with the aim to discuss policy pertaining to the **promotion of international financial stability**. It is a premier forum for international **economic cooperation** which represents **85% of the global GDP**.
- G – 20 is the world's most powerful economic club, bringing together 20 most developed and emerging economies in the world, spread across five continents. The G20 comprises around 90 per cent of the global GDP, 80 per cent of the world trade and more than two-third of the world's population.
- The G20 Summit is formally known as the **"Summit on Financial Markets and the World Economy"**.
- The participants are leaders from **19 countries and the European Union (EU)**. The 19 countries are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, Republic of South Africa, Russia, Saudi Arabia, Turkey, United Kingdom, United States of America.

#### G-20 Summits

- The first G-20 summit was held in the Washington, D.C. (United States) in 14–15 November 2008. The **14th G-20 summit was held in Osaka (Japan) on 28–29 June 2019**.
- India has **not hosted** a G20 summit till now. But **17<sup>th</sup> G-20 Summit** is scheduled to be hosted by India in 2022.

#### Global Significance of G20 Summit

- As globalization progresses and various issues become more intricately intertwined, the recent G20 summits have focused not only on macro-economy and trade, but also on a wide range of global issues which have an immense impact on the global economy, such as development, climate change and energy, health, counter-terrorism, as well as migration and refugees.
- This meeting is coming at a time which is seeing perhaps the most significant shift in the global environment since the cold war. This can be explained on the basis of following points:
  - **Threat to International Trade:** World Trade Outlook has signalled continuous fall in trade growth in the first half of 2019. In the name of protecting domestic industries, countries like US, Russia, China and India are imposing steep tariffs on products of rival countries.
  - **Foreign Direct Investment:** According to a UN Report released recently, Global FDI slid to 1.3 Trillion dollars in 2018, in its third annual decline
  - **Increasing Pollution and Climate Change:** According to World Bank, air pollution costs societies more than 5 trillion dollars every year.
  - **Terrorism:** According to Global Terrorism Index 2018, compiled by the Institute for Economics & Peace (IEP), Islamic State, the Taliban, Al-Shabaab and Boko Haram were responsible for 10,632 deaths in 2017.
  - **Gulf Crisis:** The Gulf crisis has had both global and specific effects on developing countries. The crisis, in particular the period of higher oil prices, has adversely affected world growth and hence growth in developing countries.

#### Significance for India

- India was able to raise issues such as financial stability, artificial intelligence, energy security, reforming multilateralism and common efforts to address terrorism at the summit.
- Apart from a series of bilateral meetings with other countries, India may also go ahead with a couple of trilaterals (**RIC=Russia-India-China** and **JAI=Japan-America-India**) on the sidelines of the G20 summit.

- India was able to defend the RBI's proposed data localisation guidelines by refusing to attend the digital economy pushed by Japanese PM.
- The concerns related to dealing with fugitive economic offenders and climate change also found place in the final declaration.

### Conclusion

- The G-20 is an important platform to discuss pressing issues and India should lead the exercise in making the G-20 more effective in dealing with some of the inequities in its system.

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## INDIA'S NON – PERMANENT SEAT AT UNSC FOR 2021-2022

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### ◎ CONTEXT

- India's candidature for the UN Security Council's Non-Permanent seat was endorsed by the 55-member Asia-Pacific Group recently.

### ◎ ABOUT

- In its quest for global peace and security, India has played a leadership role in the United Nations General Assembly and in the Security Council. India has been a non-permanent Member of the UN Security Council seven times since 1950-51.
- Due to some important reasons, India decided to pursue its candidature for 2021-22, else, by rotation, that seat would have reached India only in the 2030s.

### Reasons

- **Unique Role Played by India:** In the present scenario, there is near-complete polarisation among the permanent members, with the U.S., the U.K. and France on one side, and Russia and China on the other. India's ability to work with both sides holds crucial importance for the functioning of UNSC.
- **Sentimental Value:** The year 2022, marks 75<sup>th</sup> year of Indian Independence and a place in UNSC would add to the planned celebrations.
- **Strategic Concerns:** India has faced many trade and security challenges from China, US and Pakistan recently. India would be able to voice its concerns and seek for its redressal by the international community. Moreover, India will be hosting the **G-20 meeting** in New Delhi in 2022.

### United Nations Security Council

- The Security Council is one of the **six main organs** of the United Nations. Its primary responsibility is the maintenance of **international peace and security**. While other organs of the United Nations make recommendations to member states, **only** the Security Council has the power to make decisions that member states are then **obligated** to implement under the Charter.
- It has **15 Members** (5 as Permanent Members and 10 as Non- Permanent Members), and each Member has **one vote**.
- **Five permanent members:** China, France, Russian Federation, the United Kingdom, and the United States. Each of the Permanent Members has **Veto Power** over every decision of UNSC.
- The **Permanent Residence** of UNSC in the UN Headquarters **New York City, USA**.
- The presidency of the Council **rotates monthly**, going **alphabetically** among member states.

### How are non-permanent members elected?

- Each year the General Assembly elects **five non-permanent members** (out of 10 in total) for a **two-year term**. The 10 non-permanent seats are distributed on a **regional basis** as follows: five for African and Asian States; one for Eastern European States; two for the Latin American and Caribbean States; and two for Western European and other States.

### Powers of Non – Permanent Members of UNSC

- A Security Council decision **does not** receive support if **at least seven non-permanent members** of the Security Council vote against its adoption, regardless of the support of all states – permanent members.
- A non-permanent member can influence the work of the Security Council through the **monthly presidency of the Council**. The chair of the Security Council has influence on shaping the monthly programme of the Council. It is also granted a number of powers of an organizational nature.
- The non-permanent members can play an important role in matters concerning their respective **geographic regions and thematic issues**.
- The importance of non-permanent members is also increased during **serious political crises**, during which permanent members do not represent a unanimous position but where the differences between them are not deep enough to completely paralyze the work of the Council.
- Incorporating the most important issues during **informal meetings** gives non-permanent members a chance to protect their interests and place issues that are important to them within the content of negotiated documents.
- In recent years, non-permanent members have not only played a significant role in the process of negotiating the content of documents, they have also started to present their own proposals for solutions.

#### ◎ SIGNIFICANCE

- The development is particularly significant given that Pakistan and China, both countries with which India has had diplomatic challenges at the UN. In the next step, India will need the vote of two-thirds of the 193 UN General Assembly members to finally win a non-permanent seat on the UNSC.

#### India's Quest for Permanent Seat at UNSC

- Permanent membership of the Security Council is an important and legitimate aspiration for India in order to play its rightful role in the maintenance of international peace and security. This can be substantiated through the following points:
  - India was one of the first countries to raise the issue of **apartheid in South Africa** at the United Nations and was one of the earliest signatories to the Convention on the Elimination of All Forms of Racial Discrimination in 1965
  - India's **nuclear doctrine** at the United Nations is in consonance with its commitment to achieve global disarmament and maintain international peace and security. India is the **only** nuclear weapons state to demand total elimination of nuclear weapons.
  - India's international identity has long been shaped by its role in **U.N. peacekeeping**, with more than 100,000 Indian troops having served in U.N. missions during the past 50 years.
  - India has an **independent capability to place satellites in orbit**, including production of the necessary launch vehicle
  - India's bid for permanent membership of UNSC is **backed by 4 Permanent Members**, namely France, Russia, the United Kingdom and United States.

## 'GOAML' - NEW ANTI-MONEY LAUNDERING PLATFORM

#### ◎ CONTEXT

- The UAE's Financial Intelligence Unit (FIU) launched the new anti-money laundering platform 'goAML' (Anti-Money Laundering) to curb the organized crimes.

#### ◎ ABOUT

- The UAE has become the first country in the Gulf to launch a new reporting platform developed by the **United Nations Office on Drugs and Crime (UNODC)** to curb organized crimes.

- All financial institutions in the country have to report any suspicious transactions through this platform.
- The platform will help the FIU prevent money laundering, financing of terrorism and other illicit financial activities.

### What is goAML?

- The platform was developed by UNODC as a strategic response against financial crime, as advised by the **Conference of Parties to the United Nations Convention against Transnational Organized Crime**.
- It is a one-stop, fully integrated solution that meets the IT needs of most FIUs, with the primary objective of enhancing the capacity of member states to detect financial crime and to meet international standards relating to money laundering and terrorist financing.

### United Nation Office on Drugs and Crime

- UNODC was established in 1997 as part of the United Nations reform combining the previous UN Drug Control Programme and the Centre for International Crime Prevention.
- The mandate of the Office is enshrined in UN conventions such as UN Conventions on Drugs, the UN Convention against Transnational Organized Crime and its three Protocols on Trafficking in Persons, on Smuggling of Migrants by Land, Sea and Air and on Illicit Manufacturing of and Trafficking in Firearms, the UN Convention against Corruption, the universal instruments against terrorism and the UN standards and norms in crime prevention and criminal justice.
- With the help of these instruments, UNODC helps Member States address the issues of illicit drugs, crime and terrorism.

### United Nations Convention against Transnational Organized Crime

- It was adopted by UN General Assembly in November 2000 and is the main international instrument in the fight against transnational organized crime.
- The Convention is further supplemented by **three Protocols**, which target specific areas and manifestations of organized crime
  - Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. It is the first global legally binding instrument with an agreed definition on trafficking in persons.
  - Protocol against the Smuggling of Migrants by Land, Sea and Air
  - Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition.
- Countries must become parties to the Convention itself before they can become parties to any of the Protocols.
- States that ratify the convention commit themselves to taking a series of measures against transnational organized crime, including:
  - Creation of domestic criminal offences (participation in an organized criminal group, money laundering, corruption and obstruction of justice).
  - Adoption of new and sweeping frameworks for extradition, mutual legal assistance and law enforcement cooperation; and the promotion of training and technical assistance for building or upgrading the necessary capacity of national authorities.

### UN Convention against Corruption

- The United Nations Convention against Corruption is the only legally binding universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem.



- The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange.
- The Convention covers many different forms of corruption, such as bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector.
- A highlight of the Convention is the inclusion of a specific chapter on asset recovery, aimed at returning assets to their rightful owners, including countries from which they had been taken illicitly.

## BHARAT STAGE IV (BS-IV) CARS

### ◎ CONTEXT:

- Methanol-15 (M-15) fuel will be used in BS-IV to lower greenhouse gas emissions.

### ◎ ABOUT:

#### More on news

- This is according to the mass emission standards for flex-fuel M15 or M100 and MD 95 vehicles notified last year.
- The use of blended fuel M-15 in BS-IV cars can result in lowering of greenhouse gas emissions by about 5 to 10 %, thereby improving air quality.

#### M-15 fuel

- It is a blend of 15 % methanol and 85 % Gasoline.
- It is a clean burning drop in fuel which can replace both petrol & diesel in transportation & LPG, Wood, Kerosene in cooking fuel.
- It can also replace diesel in Railways, Marine Sector, Power Generation and this could be the ideal complement to Hybrid and Electric Mobility.
- Methanol Economy is the 'Bridge' to the dream of a complete "Hydrogen based fuel systems".
- M-15 in petrol and diesel will reduce pollution by 33% and 80 % respectively.
- It burns efficiently in all internal combustion engines, produces no particulate matter, no soot, almost nil SOX and NOX emissions (Near Zero Pollution).

#### Bharat stage emission standards

- These emission standards were set by the central government to keep a check on the pollutant levels emitted by vehicles that use combustion engines.
- The norms were introduced in 2000. With appropriate fuel and technology, they limit the release of **air pollutants** such as nitrogen oxides, carbon monoxide, hydrocarbons, particulate matter (PM) and sulphur oxides from vehicles
- These norms are based on European emission norms which, for example, are referred to in a similar manner like 'Euro 4' and 'Euro 6'. These norms are followed largely by all automakers across the globe and act as a good reference point as to how much does a vehicle pollute.
- To bring them into force, the **Central Pollution Control Board** sets timelines and standards which have to be followed by automakers.
- The higher the number gets, the stricter the Bharat Stage emission norms get which eventually means it becomes trickier (and costlier) for automakers to meet them.
- Bharat Stage VI (BS-VI) norms are two stages ahead of the present BS IV norms in regulating emissions. BS-VI norm would come into force from April 1, 2020 in India.

#### Difference between BS-VI and BS-IV

- The major difference is the presence of sulphur in the fuel. While the BS-IV fuels contain 50 parts per million (ppm) sulphur, the BS-VI grade fuel only has 10 ppm sulphur content.

## ‘IMPRESSIVE’ TORTOISE SIGHTED IN ARUNACHAL PRADESH

### ◎ CONTEXT

- A team of herpetologists from the Forest Department and two NGOs, Help Earth and Turtle Survival Alliance (TSA), found a pair of the rare species, Impressed Tortoise (*Manouria impressa*) in Arunachal Pradesh.

### ◎ ABOUT:

#### More on news

- This is the first-ever recorded sighting (not discovery) in India of this tortoise which is on a **red list of threatened species**, taking the count to five and the non-marine chelonian count to 29. Chelonian is an order of reptile that includes turtles, terrapins and tortoises.
- The species has a golden brown shell and skin.
- There are only two species of tortoises under the **Manouria** genus. Northeast India was known to be the home of only the **Asian Forest Tortoise** (*Manouria emys*) until the discovery of the **Impressed Tortoise**.
- The **male Impressed Tortoise** is smaller than the female which is 30 cm in length, so it is medium sized. This **Manouria** species is one-third the size of the **Asian Forest Tortoise**.
- Turtle Survival Alliance**, an organisation working towards tortoise conservation, described it as a ‘**critically endangered**’ tortoise species which was elusive, vulnerable, and most importantly, never been sighted in India.
- It inhabits hilly regions, moist primarily forest hill tracts of the Indo-Burma hot spot (Cambodia, China, Laos, Malaysia, Myanmar, Thailand and Vietnam). Its habitat is difficult to access and that makes its protection tough.
- The last reported range extension of the species was from **Gwa, Myanmar**. The records of **IUCN (International Union for Conservation of Nature)** show it to be **fungivorous** (fungi-eating). It is also considered difficult specie for captive breeding. The clutch size (number of eggs laid at a time) is 10-21 eggs and not much is known of its nesting behaviour.
- The impressed tortoise measures one foot, and has a ‘brilliant’ spine, which is bent upwards and beautifully serrated. It’s a magnificent looking creature — impressive in colour and shape. **That is why it’s called the impressed tortoise in the first place.**



#### Implications of the finding

- It hailed it as a landmark moment in turtle conservation. The implications of the finding is big since always in our country, in conservation action plan, lesser animals are sidelined, always the focus is on elephants, tigers or rhinos and may be this discovery will create an impact, very little may be but a perception change might come and more researchers will join in turtle conservation.
- With this discovery, India becomes the third most turtle-rich country in the world. There are 24 turtles (aquatic) species found in the country.

Tortoises differ from turtles on account of being terrestrial animals. But it is common for conservationists to club the former with the latter for practical purposes.

Western Ghats and the Northeast are the two main biodiversity hotspots for turtles.

## Recent Discoveries

Species	Biological Name	Found From
Diatom	GomphonemaMayamae	Arunachal Pradesh
Eel	MonopterusRongsaw	Meghalaya
Snake	UropeltisBhupathyi	Forests of the Anaikatty hills in Tamil Nadu's Coimbatore district
Moth	EucyclodesGavissima	Papikonda national park, Andhra Pradesh
Lizard	SitanaAttenboroughii	Poovar Coast in Thiruvananthapuram, Kerala
Frog	MicrohylaKodial	Coastal Karnataka region
Bivalve	IndospheniaKayalum	Kochi backwaters, Kerala
Water strider	PtilomeraNagalanda	River Intanki, Peren district, Nagaland
Fish	Dario Neela	Karnataka (Western Ghats)
Hog Deer	Axis PorcinusAnnamiticus	KeibulLamjao National Park, Manipur
Lizard	MonilesaurusMontanus	Karnataka (Western Ghats)

## NASA'S PUNCH MISSION

## ◎ CONTEXT

- NASA has selected Texas-based Southwest Research Institute to lead its PUNCH mission which will image the Sun.

## ◎ ABOUT

- The Sun generates a vast outpouring of solar particles known as the solar wind, which can create a dynamic system of radiation in space called space weather.
- The space weather system can lead to profound impacts on human interests, such as astronaut's safety, radio communications, GPS signals, and utility grids on the ground.
- This makes it our imperative to understand as to what drives the space weather and its interaction with the Earth and lunar systems.
- As a result, NASA has commissioned, **PUNCH Mission and TRACERS MISSION** to advance our understanding of the Sun and its dynamic effects on space.

## NASA's PUNCH MISSION.

- The **Polarimeter to Unify the Corona and Heliosphere, or PUNCH**, mission will focus directly on the Sun's **outer atmosphere, the corona, and how it generates the solar wind**.
- It is composed of four suitcase-sized satellites. PUNCH will image and track the solar wind as it leaves the Sun.
- The spacecraft also will track coronal mass ejections (large eruptions of solar material that can drive large space weather events near Earth) to better understand their evolution and develop new techniques for predicting such eruptions.
- PUNCH is being funded for no more than \$165 million. The mission is expected to be launched in 2022.

- ◎ **SIGNIFICANCE**
- These observations will enhance national and international research by other NASA missions such as Parker Solar Probe, and the upcoming ESA (European Space Agency)/ NASA Solar Orbiter, due to launch in 2020.
  - PUNCH will be able to image, in real time, the structures in the solar atmosphere that these missions encounter by blocking out the bright light of the Sun and examining the much fainter atmosphere.

### NASA's TRACERS MISSION

- The second mission is **Tandem Reconnection and Cusp Electrodynamics Reconnaissance Satellites**, or TRACERS.
  - It will be launched as a **secondary payload** with PUNCH.
  - TRACERS will study how **magnetic fields around Earth interact with those from the Sun**
  - TRACERS will observe particles and fields at the Earth's northern magnetic cusp region – the region encircling Earth's pole, where our planet's magnetic field lines curve down toward Earth. Here, the field lines guide particles from the boundary between Earth's magnetic field and interplanetary space down into the atmosphere.
  - TRACERS Mission is funded for no more than \$115 million.
- ◎ **SIGNIFICANCE**
- TRACERS' unique measurements will help with NASA's mission to safeguard our technology and astronauts in space.
  - It can provide important context for NASA's Magnetospheric Multiscale mission, which gathers detailed, high-speed observations as it flies through single reconnection events at a time.
  - **India's Role in Sun Exploration:** India is planning to send up its own satellite Aditya-L1 to study sun's Corona. NASA is planning to observe the Sun using joint observations from PUNCH and Indian mission Aditya.

#### About Sun's Structure

- The Sun, like others stars, is a ball of gas. In terms of the number of atoms, it is made of 91.0% hydrogen and 8.9% helium.
- The Sun has six regions: the core, the radiative zone, and the convective zone in the interior; the visible surface, called the photosphere; the chromosphere; and the outermost region, the corona.
- At the **core**, the temperature is about 27 million degrees Fahrenheit (15 million degrees Celsius), which is sufficient to sustain thermonuclear fusion.
- Energy from the core is carried outward by radiation, which bounces around the **radiative zone**, taking about 170,000 years to get from the core to the top of the **convective zone**.
- The **surface of the Sun**, the **photosphere**, is a 300-mile-thick (500-kilometer-thick) region, from which most of the Sun's radiation escapes outward. This is **not a solid surface** like the surfaces of planets. Instead, this is the outer layer of the gassy star.

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## NATURAL LANGUAGE TRANSLATION

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- ◎ **CONTEXT:**
- The Ministry of Electronics and IT has proposed for Natural Language Translation.
- ◎ **ABOUT:**
- More on news:**
- To make opportunities and progress science and technology accessible to all, this **National Mission on Natural Language Translation** aims to remove the barrier that the requirement of high-level of facility in English poses today.

- Besides natural language translation, other missions identified by the body include **Quantum Frontier, Artificial Intelligence, National Bio-diversity mission, electric vehicles, Bio-Science for Human Health** and **deep ocean exploration**.

### National Mission on Natural Language Translation

- It aims to make science and technology accessible to all by facilitating access to teaching and researching material bilingually, in English and in one's native Indian language.
- It is one of the key missions identified by the **Prime Minister's Science, Technology and Innovation Advisory Council (PM-STIAC)**.
- Government planned to set up an ecosystem which involved the Central and State agencies and start-ups to overcome the language barrier. Start-ups can help expedite the work to build implementable solutions to help make research.
- To achieve this, the government plans to leverage a combination of machine translation and human translation. The government is looking at speech-to-speech machine translation as well as text-to-text machine translation for this additional to human translation.

### Implementation

- Ministry of Information and Technology** is the lead agency for implementation of the mission along with the Ministry of Human Resource and Development and Department of Science and Technology.

### Benefits of Mission

- Mission would help students, teachers, authors, publishers, translation software developers and general readers.
- Translation activities can also help generate employment for educated unemployed.

### PM-STIAC

- It is an overarching Council that facilitates the Principal Scientific Advisor's Office to assess the status in specific science and technology domains, comprehend challenges in hand, formulate specific interventions, develop a futuristic roadmap and advise the Prime Minister accordingly.
- The other important terms of reference of the Council is to formulate, converge, collaborate, co-ordinate and implement multi-stakeholder policy initiatives, mechanisms, reforms and programmes aimed at:
  - Synergizing S&T covering fundamental to applied research in collaboration with multiple stake holders both in central and state governments
  - Enabling future preparedness in emerging domains of science and technology
  - Formulating and coordinating major inter-ministerial S&T missions
  - Providing an enabling ecosystem for technology led innovations and techno-entrepreneurship
  - Driving innovation and technology delivery towards solving socio-economic challenges for sustainable growth
  - Fostering effective public-private linkages for driving research and innovation
  - Developing innovation clusters with multiple stakeholders including academia, industry and government
  - Skilling in current and futuristic technologies.

### Multilingualism

- In different parts of the country, people speak more than one language from their birth and learn additional languages during their life time.



- There are 22 officially recognised languages in India, while the peoples Linguistic Survey of India has identified 780 languages, of which 50 are extinct in past five decades.
- The southern states particularly don't want to accept Hindi as the link language.
- Though English is considered as a bridge language, however data shows that it is still an elite privilege.

## SPACE OBSERVATION

### ◎ CONTEXT

- Indian astronomers have found evidence of supernova remnants in a star-forming region called G351.7-1.2.

### ◎ ABOUT

#### More about the News

- The **Giant Metrewave Radio Telescope (GMRT)**, operated by the National Centre of Radio Astrophysics in Pune was used in observation.
- The evidence of explosion observed by Indian Astronomers is in the form of a **high-velocity jet of atomic hydrogen**. It implies that the explosion should have resulted in a **compact stellar object** such as a neutron star or a pulsar or a black hole. However, there is **no trace** of either yet.
- Therefore, it is an evidence of a supernova explosion but could not find the leftover of the massive star.

#### Figure 1: Pale green denotes the atomic hydrogen

- **Supernova:** A supernova is the **explosion of a star**. It is the **largest explosion** that takes place in space. Supernovas are **difficult to see** in our own Milky Way galaxy because dust blocks our view.
- **Occurrence:** Astronomers believe that about **two or three supernovas occur each century** in a particular galaxy. There are two different ways in which a supernova can occur:
  - **In a Binary Star System** – One of the stars (white dwarf - a star **near the end of its life** that has used most or all of its nuclear fuel) steals matter from the companion star. Eventually, the white dwarf accumulates too much matter. Having too much matter causes the star to explode, resulting in a supernova.
  - **In a Single Star System** - As the star runs out of nuclear fuel, some of its mass flows into its core. Eventually, the core becomes so heavy that it **cannot withstand its own gravitational force**. The **core collapses**, which results in the giant explosion of a supernova. The sun is a single star, but it does not have enough mass to become a supernova.

#### Past Observations

- Supernovas can be observed through variety of telescopes. Some telescopes are used to observe the **visible light** from the explosion while others record data from **the X-rays and gamma rays** that are also produced during the explosion.
  - In 1604, Johannes Kepler discovered the last observed supernova in the Milky Way.
  - NASA's Chandra telescope discovered the remains of a more recent supernova. It exploded in the Milky Way more than a hundred years ago.

#### Significance of Supernovas

- Supernovas play a key role in **distributing elements** throughout the universe. When the star explodes, it shoots elements and debris into space. Many of the elements we find here on Earth are made in the core of stars.
- Supernovas have shown scientists that we live in an **expanding universe**, one that is growing at an ever increasing rate.
- Supernovas help scientists in **measuring distances** in space.

## TRAFFICKING IN PERSONS REPORT

### ◎ CONTEXT:

- The U.S. State Department has released the Trafficking in Persons (TIP) report for 2019 by using International Labour Organisation (ILO) data.
- India continued to be placed in Tier-2 on the country trafficking scale.

### ◎ ABOUT:

#### More on News

- Around 25 million adults and children are suffering from **labour and sex trafficking** all over the world. In 77% of the cases, victims are trafficked within their own countries of residence, rather than across borders.
- The number of victims who were trafficked domestically was high as compared to foreign victims being trafficked in all regions of the world except Western and Central Europe, the Middle East, and certain East Asian countries.
- Victims of sex trafficking were more likely to be trafficked across borders while victims of forced labour were typically exploited within their own countries.
- The report emphasizes on the implementation of the **Palermo Protocol**. The countries need to build legal frameworks to punish traffickers and provide care for survivors.

#### Human trafficking

- It is the trade of humans for the purpose of forced labour, sexual slavery, or commercial sexual exploitation for the trafficker or others. This may encompass providing a spouse in the context of forced marriage, or the extraction of organs or tissues, including for surrogacy and ova removal.

#### Categorisation of Countries

- The categorisation of countries is based on efforts to meet minimum standards for the elimination of human trafficking, not on the magnitude of a country's trafficking problem.
- The report contains country narratives and category designations for all countries, including the U.S.
- This categorisation of countries into three tiers is based on the **Trafficking Victims Protection Act (TVPA)**, U.S. legislation enacted in 2000. The three-tier system includes:
  - **Tier 1** countries are those countries whose governments fully comply with the **Trafficking Victims Protection Act (TVPA)** minimum standards.
  - **Tier 2** consists of watch-list countries, whose governments do not fully comply with the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards and the absolute number of victims of severe forms of trafficking is very significant or is significantly increasing; or there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or the determination that a country is making significant efforts to bring themselves into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year.
  - **Tier 3** consists of those countries whose governments do not fully comply with the TVPA's minimum standards and are not making significant efforts to do so.

#### India's Position

- **India is placed in Tier 2.** The Indian government demonstrated overall increasing efforts compared to the previous reporting period.
- The report highlights efforts by the Indian government to crack down on trafficking and convicting traffickers.
- The government took some action following reports of government complicity in forced labour and sex trafficking, although the systemic failure to address forced labour and

sex trafficking in government-run and government-funded shelter homes remained a serious problem. The report also highlighted the government's failures in this regard.

- It recommended India to include amending the definition of trafficking in Section 370 of the Penal Code to "include forced labour trafficking and ensure that force, fraud, or coercion is not required to prove a child sex trafficking offence" and to establish Anti-Human Trafficking Units in all districts with dedicated funding and clear mandates.
- It also recommended India to cease forcible detention of adult trafficking victims in government-run and government-funded shelters and eliminate all recruitment fees charged to workers.

#### Palermo Protocols

- It is an international framework to tackle trafficking.
- The Palermo protocols are three protocols that were adopted by the United Nations on Drugs and Crime to supplement the 2000 Convention against Transnational Organized Crime (the Palermo Convention).
- They are:
  - ▶ The Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children;
  - ▶ The Protocol against the Smuggling of Migrants by Land, Sea and Air;
  - ▶ The Protocol against the Illicit Manufacturing and Trafficking in Firearms, Their Parts and Components and Ammunition.

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